FORM ADV
UNIFORM APPLICATION FOR INVESTMENT ADVISER REGISTRATION

Primary Business Name: MORGAN STANLEY & CO. LLC **CRD Number: 8209**

ADV-Other-Than-Annual Amendment, Part 2 **Rev. 11/2010**

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Amend, retire or file new brochures:

FORM ADV
UNIFORM APPLICATION FOR INVESTMENT ADVISER REGISTRATION

Primary Business Name: MORGAN STANLEY & CO. LLC **CRD Number: 8209**

ADV - Other-Than-Annual Amendment, SCHEDULE A **Rev. 11/2010**

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Form ADV, Schedule A

Direct Owners and Executive Officers

1. Complete Schedule A only if you are submitting an initial application. Schedule A asks for information about your direct owners and executive officers. Use Schedule C to amend this information.
2. Direct Owners and Executive Officers. List below the names of:
   (a) each Chief Executive Officer, Chief Financial Officer, Chief Operations Officer, Chief Legal Officer, Chief Compliance Officer(Chief Compliance Officer is required and cannot be more than one individual), director, and any other individuals with similar status or functions;
   (b) if you are organized as a corporation, each shareholder that is a direct owner of 5% or more of a class of your voting securities, unless you are a public reporting company (a company subject to Section 12 or 15(d) of the Exchange Act);

   Direct owners include any *person* that owns, beneficially owns, has the right to vote, or has the power to sell or direct the sale of, 5% or more of a class of your voting securities. For purposes of this Schedule, a *person* beneficially owns any securities: (i) owned by his/her child, stepchild, grandchild, parent, stepparent, grandparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law, sharing the same residence; or (ii) that he/she has the right to acquire, within 60 days, through the exercise of any option, warrant, or right to purchase the security.

   (c) if you are organized as a partnership, all general partners and those limited and special partners that have the right to receive upon dissolution, or have contributed, 5% or more of your capital;
   (d) in the case of a trust that directly owns 5% or more of a class of your voting securities, or that has the right to receive upon dissolution, or has contributed, 5% or more of your capital, the trust and each trustee; and
   (e) if you are organized as a limited liability company ("LLC"), (i) those members that have the right to receive upon dissolution, or have contributed, 5% or more of your capital, and (ii) if managed by elected managers, all elected managers.
3. Do you have any indirect owners to be reported on Schedule B? (•) Yes ( ) No
4. In the DE/FE/I column below, enter "DE" if the owner is a domestic entity, "FE" if the owner is an entity incorporated or domiciled in a foreign country, or "I" if the owner or executive officer is an individual.
5. Complete the Title or Status column by entering board/management titles; status as partner, trustee, sole proprietor, elected manager, shareholder, or member; and for shareholders or members, the class of securities owned (if more than one is issued).
6. Ownership codes are: NA - less than 5% B - 10% but less than 25% D - 50% but less than 75%
   A - 5% but less than 10% C - 25% but less than 50% E - 75% or more
7. (a) In the *Control Person* column, enter "Yes" if the *person* has *control* as defined in the Glossary of Terms to Form ADV, and enter "No" if the *person* does not have *control*. Note that under this definition, most executive officers and all 25% owners, general partners, elected managers, and trustees are *control persons*.
   (b) In the PR column, enter "PR" if the owner is a public reporting company under Sections 12 or 15(d) of the Exchange Act.
   (c) Complete each column.

FULL LEGAL NAME (Individuals: Last Name, First Name, Middle Name)	DE/FE/I	Title or Status	Date Title or Status Acquired MM/YYYY	Ownership Code	*Control Person*	PR	*CRD* No. If None: S.S. No. and Date of Birth, IRS Tax No., or Employer ID No.
FAULKNER, JOHN H	I	GENERAL COUNSEL AND SECRETARY	06/2009	NA	Y	N	2454537
CHASIN, CHARLES	I	DIRECTOR	11/2005	NA	Y	N	1910779
OSTERGAARD, JILL WENZLAFF	I	CHIEF COMPLIANCE OFFICER	06/2009	NA	Y	N	3022963
GONFIANTINI, FRED J	I	CHIEF FINANCIAL OFFICER	12/2007	NA	Y	N	1602771
DAURIA, JOSEPH RICHARD	I	CONTROLLER	04/2007	NA	Y	N	2264916
KRAUSE, GARD J	I	CCO - INVESTMENT ADVISOR ONLY	03/2010	NA	Y	N	2284628
SABOUNGHI, EDGAR ANTHONY	I	TEXAS DESIGNATED PRINCIPAL	02/2010	NA	Y	N	2659335
PORAT, RUTH MYRNA	I	CEO, CHAIRMAN, PRESIDENT AND DIRECTOR	05/2010	NA	Y	N	1748615
TAUBMAN, PAUL JEFFREY	I	DIRECTOR	05/2010	NA	Y	N	1567776

KELLEHER, THOMAS C	I	DIRECTOR	05/2010	NA	Y	N	5746390
MCEVOY, GRAEME	I	CHIEF OPERATIONS OFFICER	06/2010	NA	Y	N	5595318
MORGAN STANLEY DOMESTIC HOLDINGS INC.	DE	MEMBER	05/2011	E	Y	N	
FITZGERALD, PAUL L	I	DIRECTOR	09/2011	NA	Y	N	2710381

FORM ADV
UNIFORM APPLICATION FOR INVESTMENT ADVISER REGISTRATION

Primary Business Name: MORGAN STANLEY & CO. LLC **CRD Number: 8209**

ADV - Other-Than-Annual Amendment, SCHEDULE B **Rev. 11/2010**

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Form ADV, Schedule B

Indirect Owners

1. Complete Schedule B only if you are submitting an initial application. Schedule B asks for information about your indirect owners; you must first complete Schedule A, which asks for information about your direct owners. Use Schedule C to amend this information.
2. Indirect Owners. With respect to each owner listed on Schedule A (except individual owners), list below:
   (a) in the case of an owner that is a corporation, each of its shareholders that beneficially owns, has the right to vote, or has the power to sell or direct the sale of, 25% or more of a class of a voting security of that corporation;

   For purposes of this Schedule, a *person* beneficially owns any securities: (i) owned by his/her child, stepchild, grandchild, parent, stepparent, grandparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law, sharing the same residence; or (ii) that he/she has the right to acquire, within 60 days, through the exercise of any option, warrant, or right to purchase the security.
   (b) in the case of an owner that is a partnership, all general partners and those limited and special partners that have the right to receive upon dissolution, or have contributed, 25% or more of the partnership's capital;
   (c) in the case of an owner that is a trust, the trust and each trustee; and
   (d) in the case of an owner that is a limited liability company ("LLC"), (i) those members that have the right to receive upon dissolution, or have contributed, 25% or more of the LLC's capital, and (ii) if managed by elected managers, all elected managers.
3. Continue up the chain of ownership listing all 25% owners at each level. Once a public reporting company (a company subject to Sections 12 or 15(d) of the Exchange Act) is reached, no further ownership information need be given.
4. In the DE/FE/I column below, enter "DE" if the owner is a domestic entity, "FE" if the owner is an entity incorporated or domiciled in a foreign country, or "I" if the owner is an individual.
5. Complete the Status column by entering the owner's status as partner, trustee, elected manager, shareholder, or member; and for shareholders or members, the class of securities owned (if more than one is issued).
6. Ownership codes are: C - 25% but less than 50% E - 75% or more
   D - 50% but less than 75% F - Other (general partner, trustee, or elected manager)
7. (a) In the *Control Person* column, enter "Yes" if the *person* has *control* as defined in the Glossary of Terms to Form ADV, and enter "No" if the *person* does not have *control*. Note that under this definition, most executive officers and all 25% owners, general partners, elected managers, and trustees are *control persons*.
   (b) In the PR column, enter "PR" if the owner is a public reporting company under Sections 12 or 15(d) of the Exchange Act.
   (c) Complete each column.

FULL LEGAL NAME (Individuals: Last Name, First Name, Middle Name)	DE/FE/I	Entity in Which Interest is Owned	Status	Date Status Acquired MM/YYYY	Ownership Code	*Control Person*	PR	*CRD* No. If None: S.S. No. and Date of Birth, IRS Tax No. or Employer ID No.
MORGAN STANLEY	DE	MORGAN STANLEY CAPITAL MANAGEMENT LLC	SHAREHOLDER	02/2002	E	Y	Y	
MORGAN STANLEY CAPITAL MANAGEMENT LLC	DE	MORGAN STANLEY DOMESTIC HOLDINGS INC.	SHAREHOLDER	03/2007	E	Y	Y	

FORM ADV
UNIFORM APPLICATION FOR INVESTMENT ADVISER REGISTRATION

Primary Business Name: MORGAN STANLEY & CO. LLC **CRD Number: 8209**

ADV - Other-Than-Annual Amendment, SCHEDULE C **Rev. 11/2010**

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Form ADV, Schedule C

Amendments to Schedules A and B

1. Use Schedule C only to amend information requested on either Schedule A or Schedule B. Refer to Schedule A and Schedule B for specific instructions for completing this Schedule C. Complete each column.
2. In the Type of Amendment column, indicate "A" (addition), "D" (deletion), or "C" (change in information about the same *person*).
3. Ownership codes are: NA - less than 5% C - 25% but less than 50% G - Other (general partner, trustee, or elected member)
   A - 5% but less than 10% D - 50% but less than 75%
   B - 10% but less than 25% E - 75% or more
4. List below all changes to Schedule A (Direct Owners and Executive Officers):

No Changes to Direct Owner / Executive Officer Information Filed

5. List below all changes to Schedule B (Indirect Owners):

No Changes to Indirect Owner Information Filed

FORM ADV
UNIFORM APPLICATION FOR INVESTMENT ADVISER REGISTRATION

Form ADV, Schedule D Page 1

Certain items in Part 1A of Form ADV require additional information on Schedule D. Use this Schedule D Page 1 to report details for items listed below. Report only new information or changes/updates to previously submitted information. Do not repeat previously submitted information.

Section 1.B. Other Business Names

List your other business names and the jurisdictions in which you use them. You must complete a separate Schedule D for each business name.

No Information Filed

Section 1.F. Other Offices

Complete the following information for each office, other than your *principal office and place of business*, at which you conduct investment advisory business. You must complete a separate Schedule D Page 1 for each location. If you are applying for registration, or are registered, only with the SEC, list only the largest five (in terms of numbers of *employees*).

No Information Filed

Section 1.I. World Wide Web Site Addresses

List your World Wide Web site addresses. You must complete a separate Schedule D for each World Wide Web site address.

No Information Filed

Section 1.K. Locations of Books and Records

Complete the following information for each location at which you keep your books and records, other than your *principal office and place of business*. You must complete a separate Schedule D Page 1 for each location.

Name of entity where books and records are kept:
MORGAN STANLEY & CO. INCORPORATED
Number and Street 1:
1 NEW YORK PLAZA
Number and Street 2:

City:	State:	Country:	ZIP+4/Postal Code:
NEW YORK	NY	United States	10004

If this address is a private residence, check this box: ☐

Telephone Number:
212-276-4000
Facsimile number:

This is (check one):
- (•) one of your branch offices or affiliates.
- ( ) a third-party unaffiliated recordkeeper.
- ( ) other.

Briefly describe the books and records kept at this location.
CERTAIN BOOKS AND RECORDS AS REQUIRED UNDER ROLE 204-2 OF THE ADVISORS ACT. DOCUMENTS RELATING TO TRADING.

Name of entity where books and records are kept:
MORGAN STANLEY & CO. INCORPORATED
Number and Street 1:
1 PIERREPONT PLAZA
Number and Street 2:

City:	State:	Country:	ZIP+4/Postal Code:
BROOKLYN	NY	United States	11201

If this address is a private residence, check this box: ☐

Telephone Number:
718-754-4000
Facsimile number:

This is (check one):
- (•) one of your branch offices or affiliates.
- ( ) a third-party unaffiliated recordkeeper.
- ( ) other.

Briefly describe the books and records kept at this location.
CERTAIN BOOKS AND RECORDS ARE REQUIRED UNDER RULE 204-2 OF THE ADVISERS ACT.

FORM ADV
UNIFORM APPLICATION FOR INVESTMENT ADVISER REGISTRATION

Form ADV, Schedule D Page 2

Use this Schedule D Page 2 to report details for items listed below. Report only new information or changes/updates to previously submitted information. Do not repeat previously submitted information.

Section 1.L. Registration with *Foreign Financial Regulatory Authorities*

List the name, in English, of each *foreign financial regulatory authority* and country with which you are registered. You must complete a separate Schedule D Page 2 for each *foreign financial regulatory authority* with whom you are registered.

English Name of Country/*Foreign Financial Regulatory Authority*
Canada - Alberta Securities Commission

Other

English Name of Country/*Foreign Financial Regulatory Authority*
Canada - British Columbia Securities Commission

Other

English Name of Country/*Foreign Financial Regulatory Authority*
Canada - Manitoba Securities Commission

Other

English Name of Country/*Foreign Financial Regulatory Authority*
Canada - New Brunswick Securities Commission

Other

English Name of Country/*Foreign Financial Regulatory Authority*
Canada - Newfoundland and Labrador, Financial Services Regulation Division

Other

English Name of Country/*Foreign Financial Regulatory Authority*
Canada - Northwest Territories, Office of the Registrar of Securities

Other

English Name of Country/*Foreign Financial Regulatory Authority*
Canada - Nova Scotia Securities Commission

Other

English Name of Country/*Foreign Financial Regulatory Authority*
Canada - Nunavut, Registrar of Securities

Other

English Name of Country/*Foreign Financial Regulatory Authority*
Canada - Ontario Securities Commission

Other

English Name of Country/*Foreign Financial Regulatory Authority*
Canada - Prince Edward Island, Securities Office

Other

English Name of Country/*Foreign Financial Regulatory Authority*
Canada - Quebec, Financial Markets Authority

Other

English Name of Country/*Foreign Financial Regulatory Authority*

Canada - Saskatchewan Financial Services Commission

Other

English Name of Country/*Foreign Financial Regulatory Authority*
Canada - Yukon Territories, Registrar of Securities

Other

Section 2.A(7) Affiliated Adviser

If you are relying on the exemption in rule 203A-2(c) from the prohibition on registration because you *control*, are *controlled* by, or are under common *control* with an investment adviser that is registered with the SEC and your *principal office and place of business* is the same as that of the registered adviser, provide the following information:

Name of Registered Investment Adviser
MS CAPITAL PARTNERS ADVISER INC.

CRD Number of Registered Investment Adviser (if any)
147521

SEC Number of Registered Investment Adviser
801- 69426

Section 2.A(8) Newly Formed Adviser

If you are relying on rule 203A-2(d), the newly formed adviser exemption from the prohibition on registration, you are required to make certain representations about your eligibility for SEC registration. By checking the appropriate boxes, you will be deemed to have made the required representations. You must make both of these representations:

- ☐ I am not registered or required to be registered with the SEC or a *state securities authority* and I have a reasonable expectation that I will be eligible to register with the SEC within 120 days after the date my registration with the SEC becomes effective.
- ☐ I undertake to withdraw from SEC registration if, on the 120th day after my registration with the SEC becomes effective, I would be prohibited by Section 203A(a) of the Advisers Act from registering with the SEC.

Section 2.A(9) Multi-State Adviser

If you are relying on rule 203A-2(e), the multi-state adviser exemption from the prohibition on registration, you are required to make certain representations about your eligibility for SEC registration. By checking the appropriate boxes, you will be deemed to have made the required representations.

If you are applying for registration as an investment adviser with the SEC, you must make both of these representations:

- ☐ I have reviewed the applicable state and federal laws and have concluded that I am required by the laws of 30 or more states to register as an investment adviser with the securities authorities in those states.
- ☐ I undertake to withdraw from SEC registration if I file an amendment to this registration indicating that I would be required by the laws of fewer than 25 states to register as an investment adviser with the securities authorities of those states.

If you are submitting your *annual updating amendment*, you must make this representation:

- ☐ Within 90 days prior to the date of filing this amendment, I have reviewed the applicable state and federal laws and have concluded that I am required by the laws of at least 25 states to register as an investment adviser with the securities authorities in those states.

Form ADV, Schedule D Page 3

Use this Schedule D Page 3 to report details for items listed below. Report only new information or changes/updates to previously submitted information. Do not repeat previously submitted information.

Section 2.A(11) SEC Exemptive *Order*

No Information Filed

Section 4 Successions

Complete the following information if you are succeeding to the business of a currently-registered investment adviser. If you acquired more than one firm in the succession you are reporting on this Form ADV, you must complete a separate Schedule D Page 3 for each acquired firm. See Part 1A Instruction 4.

No Information Filed

Section 5.I(2) *Wrap Fee Programs*

If you are a portfolio manager for one or more *wrap fee programs*, list the name of each program and its *sponsor*. You must complete a separate Schedule D Page 3 for each *wrap fee program* for which you are a portfolio manager.

No Information Filed

Section 6.B. Description of Primary Business

Describe your primary business (not your investment advisory business):
OTHER FINANCIAL SERVICES OFFERED INCLUDE INVESTMENT BANKING SERVICES; SALES AND TRADING; MARKET MAKING AND FINANCING.

SECTION 7.A. Affiliated Investment Advisers and Broker-Dealers

You must complete the following information for each *related person* investment adviser and broker-dealer. You must complete a separate Schedule D Page 3 for each listed *related person*.

(1) Legal Name of *Related Person*:
FRONTPOINT HOLDINGS LP

(2) Primary Business Name of *Related Person*:
FRONTPOINT HOLDINGS LP

(3) *Related Person* is (check only one box):

- (•) Investment Adviser
- ( ) Broker-Dealer
- ( ) Dual (Investment Adviser and Broker-Dealer)

	Yes	No
(4) If the *related person* is a broker-dealer, is it a qualified custodian for your *clients* in connection with advisory services you provide to *clients*?	( )	( )
(5) If you are registering or registered with the SEC and you have answered "yes," have you overcome the presumption that you are not operationally independent (pursuant to Advisers Act rule 206(4)(2)-(d)(5)) from the *related person* broker-dealer, and thus are not required to obtain a surprise examination for your *clients'* funds or securities that are maintained at the *related person* ?	( )	( )

Related Person Adviser's SEC File Number (if any)
801- 60890

Related Person's CRD Number (if any):
118097

(1) Legal Name of *Related Person*:
MSREF III, INC.

(2) Primary Business Name of *Related Person*:
MSREF III, INC.

(3) *Related Person* is (check only one box):

- (•) Investment Adviser
- ( ) Broker-Dealer
- ( ) Dual (Investment Adviser and Broker-Dealer)

	Yes	No
(4) If the *related person* is a broker-dealer, is it a qualified custodian for your *clients* in connection with advisory services you provide to *clients*?	( )	( )
(5) If you are registering or registered with the SEC and you have answered "yes," have you overcome the presumption that you are not operationally independent (pursuant to Advisers Act rule 206(4)(2)-(d)(5)) from the *related person* broker-dealer, and thus are not required to obtain a surprise examination for your *clients'* funds or securities that are maintained at the *related person* ?	( )	( )

Related Person Adviser's SEC File Number (if any)
801- 55343

Related Person's CRD Number (if any):
108823

(1) Legal Name of *Related Person*:

MSREF II, INC.

(2) Primary Business Name of *Related Person*:
MSREF II, INC.

(3) *Related Person* is (check only one box):

- (•) Investment Adviser
- ( ) Broker-Dealer
- ( ) Dual (Investment Adviser and Broker-Dealer)

	Yes	No
(4) If the *related person* is a broker-dealer, is it a qualified custodian for your *clients* in connection with advisory services you provide to *clients*?	( )	( )
(5) If you are registering or registered with the SEC and you have answered "yes," have you overcome the presumption that you are not operationally independent (pursuant to Advisers Act rule 206(4)(2)-(d)(5)) from the *related person* broker-dealer, and thus are not required to obtain a surprise examination for your *clients'* funds or securities that are maintained at the *related person* ?	( )	( )

Related Person Adviser's SEC File Number (if any)
801- 47598

Related Person's CRD Number (if any):
111015

(1) Legal Name of *Related Person*:
MSDW CAPITAL PARTNERS IV, INC.

(2) Primary Business Name of *Related Person*:
MSDW CAPITAL PARNTERS IV, INC.

(3) *Related Person* is (check only one box):

- (•) Investment Adviser
- ( ) Broker-Dealer
- ( ) Dual (Investment Adviser and Broker-Dealer)

	Yes	No
(4) If the *related person* is a broker-dealer, is it a qualified custodian for your *clients* in connection with advisory services you provide to *clients*?	( )	( )
(5) If you are registering or registered with the SEC and you have answered "yes," have you overcome the presumption that you are not operationally independent (pursuant to Advisers Act rule 206(4)(2)-(d)(5)) from the *related person* broker-dealer, and thus are not required to obtain a surprise examination for your *clients'* funds or securities that are maintained at the *related person* ?	( )	( )

Related Person Adviser's SEC File Number (if any)
801- 56033

Related Person's CRD Number (if any):
108710

(1) Legal Name of *Related Person*:
MORGAN STANLEY VENTURE CAPITAL III, INC.

(2) Primary Business Name of *Related Person*:
MORGAN STANLEY VENTURE CAPITAL III, INC.

(3) *Related Person* is (check only one box):

- (•) Investment Adviser
- ( ) Broker-Dealer
- ( ) Dual (Investment Adviser and Broker-Dealer)

	Yes	No
(4) If the *related person* is a broker-dealer, is it a qualified custodian for your *clients* in connection with advisory services you provide to *clients*?	( )	( )
(5) If you are registering or registered with the SEC and you have answered "yes," have you overcome the presumption that you are not operationally independent (pursuant to Advisers Act rule 206(4)(2)-(d)(5)) from the *related person* broker-dealer, and thus are not required to obtain a surprise examination for your *clients'* funds or securities that are maintained at the *related person* ?	( )	( )

Related Person Adviser's SEC File Number (if any)
801- 52909

Related Person's CRD Number (if any):

108708

(1) Legal Name of *Related Person*:
FRONTPOINT UNIVERSAL GP, LLC

(2) Primary Business Name of *Related Person*:
FRONTPOINT UNIVERSAL GP, LLC

(3) *Related Person* is (check only one box):

- (•) Investment Adviser
- ( ) Broker-Dealer
- ( ) Dual (Investment Adviser and Broker-Dealer)

	Yes	No
(4) If the *related person* is a broker-dealer, is it a qualified custodian for your *clients* in connection with advisory services you provide to *clients*?	( )	( )
(5) If you are registering or registered with the SEC and you have answered "yes," have you overcome the presumption that you are not operationally independent (pursuant to Advisers Act rule 206(4)(2)-(d)(5)) from the *related person* broker-dealer, and thus are not required to obtain a surprise examination for your *clients'* funds or securities that are maintained at the *related person* ?	( )	( )

Related Person Adviser's SEC File Number (if any)
801- 63258

Related Person's CRD Number (if any):
131716

(1) Legal Name of *Related Person*:
MORGAN STANLEY REAL ESTATE ADVISOR, INC.

(2) Primary Business Name of *Related Person*:
MORGAN STANLEY REAL ESTATE ADVISOR, INC.

(3) *Related Person* is (check only one box):

- (•) Investment Adviser
- ( ) Broker-Dealer
- ( ) Dual (Investment Adviser and Broker-Dealer)

	Yes	No
(4) If the *related person* is a broker-dealer, is it a qualified custodian for your *clients* in connection with advisory services you provide to *clients*?	( )	( )
(5) If you are registering or registered with the SEC and you have answered "yes," have you overcome the presumption that you are not operationally independent (pursuant to Advisers Act rule 206(4)(2)-(d)(5)) from the *related person* broker-dealer, and thus are not required to obtain a surprise examination for your *clients'* funds or securities that are maintained at the *related person* ?	( )	( )

Related Person Adviser's SEC File Number (if any)
801- 62377

Related Person's CRD Number (if any):
127488

(1) Legal Name of *Related Person*:
MORGAN STANLEY PRIVATE EQUITY ASIA, INC.

(2) Primary Business Name of *Related Person*:
MORGAN STANLEY PRIVATE EQUITY ASIA, INC.

(3) *Related Person* is (check only one box):

- (•) Investment Adviser
- ( ) Broker-Dealer
- ( ) Dual (Investment Adviser and Broker-Dealer)

	Yes	No
(4) If the *related person* is a broker-dealer, is it a qualified custodian for your *clients* in connection with advisory services you provide to *clients*?	( )	( )
(5) If you are registering or registered with the SEC and you have answered "yes," have you overcome the presumption that you are not operationally independent (pursuant to Advisers Act rule 206(4)(2)-(d)(5)) from the *related person* broker-dealer, and thus are not required to obtain a surprise examination for your *clients'* funds or securities that are maintained at the *related person* ?	( )	( )

Related Person Adviser's SEC File Number (if any)
801- 63987

Related Person's CRD Number (if any):
134366

(1) Legal Name of *Related Person*:
MORGAN STANLEY REAL ESTATE INVESTMENT MANAGEMENT II, INC.

(2) Primary Business Name of *Related Person*:
MORGAN STANLEY REAL ESTATE INVESTMENT MANAGEMENT II, INC.

(3) *Related Person* is (check only one box):

- (•) Investment Adviser
- ( ) Broker-Dealer
- ( ) Dual (Investment Adviser and Broker-Dealer)

	Yes	No
(4) If the *related person* is a broker-dealer, is it a qualified custodian for your *clients* in connection with advisory services you provide to *clients*?	( )	( )
(5) If you are registering or registered with the SEC and you have answered "yes," have you overcome the presumption that you are not operationally independent (pursuant to Advisers Act rule 206(4)(2)-(d)(5)) from the *related person* broker-dealer, and thus are not required to obtain a surprise examination for your *clients'* funds or securities that are maintained at the *related person* ?	( )	( )

Related Person Adviser's SEC File Number (if any)
801- 48140

Related Person's CRD Number (if any):
111020

(1) Legal Name of *Related Person*:
MORGAN STANLEY LEVERAGED EQUITY FUND II, INC.

(2) Primary Business Name of *Related Person*:
MORGAN STANLEY LEVERAGED EQUITY FUND II, INC.

(3) *Related Person* is (check only one box):

- (•) Investment Adviser
- ( ) Broker-Dealer
- ( ) Dual (Investment Adviser and Broker-Dealer)

	Yes	No
(4) If the *related person* is a broker-dealer, is it a qualified custodian for your *clients* in connection with advisory services you provide to *clients*?	( )	( )
(5) If you are registering or registered with the SEC and you have answered "yes," have you overcome the presumption that you are not operationally independent (pursuant to Advisers Act rule 206(4)(2)-(d)(5)) from the *related person* broker-dealer, and thus are not required to obtain a surprise examination for your *clients'* funds or securities that are maintained at the *related person* ?	( )	( )

Related Person Adviser's SEC File Number (if any)
801- 30862

Related Person's CRD Number (if any):
111013

(1) Legal Name of *Related Person*:
MORGAN STANLEY GLOBAL EMERGING MARKETS, INC.

(2) Primary Business Name of *Related Person*:
MORGAN STANLEY GLOBAL EMERGING MARKETS, INC.

(3) *Related Person* is (check only one box):

- (•) Investment Adviser
- ( ) Broker-Dealer
- ( ) Dual (Investment Adviser and Broker-Dealer)

	Yes	No
(4) If the *related person* is a broker-dealer, is it a qualified custodian for your *clients* in connection with advisory services you provide to *clients*?	( )	( )

(5) If you are registering or registered with the SEC and you have answered "yes," have you overcome the presumption that you are not operationally independent (pursuant to Advisers Act rule 206(4)(2)-(d)(5)) from the *related person* broker-dealer, and thus are not required to obtain a surprise examination for your *clients'* funds or securities that are maintained at the *related person* ?

Related Person Adviser's SEC File Number (if any)
801- 55485

Related Person's CRD Number (if any):
108723

(1) Legal Name of *Related Person*:
MORGAN STANLEY INVESTMENT MANAGEMENT LIMITED

(2) Primary Business Name of *Related Person*:
MORGAN STANLEY INVESTMENT MANAGEMENT LIMITED

(3) *Related Person* is (check only one box):

- (•) Investment Adviser
- ( ) Broker-Dealer
- ( ) Dual (Investment Adviser and Broker-Dealer)

	Yes	No
(4) If the *related person* is a broker-dealer, is it a qualified custodian for your *clients* in connection with advisory services you provide to *clients*?	( )	( )
(5) If you are registering or registered with the SEC and you have answered "yes," have you overcome the presumption that you are not operationally independent (pursuant to Advisers Act rule 206(4)(2)-(d)(5)) from the *related person* broker-dealer, and thus are not required to obtain a surprise examination for your *clients'* funds or securities that are maintained at the *related person* ?	( )	( )

Related Person Adviser's SEC File Number (if any)
801- 26847

Related Person's CRD Number (if any):
105922

(1) Legal Name of *Related Person*:
MORGAN STANLEY INVESTMENT MANAGEMENT INC.

(2) Primary Business Name of *Related Person*:
MORGAN STANLEY INVESTMENT MANGEMENT INC.

(3) *Related Person* is (check only one box):

- (•) Investment Adviser
- ( ) Broker-Dealer
- ( ) Dual (Investment Adviser and Broker-Dealer)

	Yes	No
(4) If the *related person* is a broker-dealer, is it a qualified custodian for your *clients* in connection with advisory services you provide to *clients*?	( )	( )
(5) If you are registering or registered with the SEC and you have answered "yes," have you overcome the presumption that you are not operationally independent (pursuant to Advisers Act rule 206(4)(2)-(d)(5)) from the *related person* broker-dealer, and thus are not required to obtain a surprise examination for your *clients'* funds or securities that are maintained at the *related person* ?	( )	( )

Related Person Adviser's SEC File Number (if any)
801- 15757

Related Person's CRD Number (if any):
110353

(1) Legal Name of *Related Person*:
MORGAN STANLEY INVESTMENT ADVISORS INC.

(2) Primary Business Name of *Related Person*:
MORGAN STANLEY INVESTMENT ADVISORS INC.

(3) *Related Person* is (check only one box):

- (•) Investment Adviser
- ( ) Broker-Dealer

○ Dual (Investment Adviser and Broker-Dealer)

	Yes	No
(4) If the *related person* is a broker-dealer, is it a qualified custodian for your *clients* in connection with advisory services you provide to *clients*?	○	○
(5) If you are registering or registered with the SEC and you have answered "yes," have you overcome the presumption that you are not operationally independent (pursuant to Advisers Act rule 206(4)(2)-(d)(5)) from the *related person* broker-dealer, and thus are not required to obtain a surprise examination for your *clients'* funds or securities that are maintained at the *related person* ?	○	○

Related Person Adviser's SEC File Number (if any)
801- 42061

Related Person's CRD Number (if any):
104525

(1) Legal Name of *Related Person*:
MORGAN STANLEY AIP GP LP

(2) Primary Business Name of *Related Person*:
MORGAN STANLEY AIP GP LP

(3) *Related Person* is (check only one box):

◉ Investment Adviser

○ Broker-Dealer

○ Dual (Investment Adviser and Broker-Dealer)

	Yes	No
(4) If the *related person* is a broker-dealer, is it a qualified custodian for your *clients* in connection with advisory services you provide to *clients*?	○	○
(5) If you are registering or registered with the SEC and you have answered "yes," have you overcome the presumption that you are not operationally independent (pursuant to Advisers Act rule 206(4)(2)-(d)(5)) from the *related person* broker-dealer, and thus are not required to obtain a surprise examination for your *clients'* funds or securities that are maintained at the *related person* ?	○	○

Related Person Adviser's SEC File Number (if any)
801- 60699

Related Person's CRD Number (if any):
117050

(1) Legal Name of *Related Person*:
MSREF IV, LLC

(2) Primary Business Name of *Related Person*:
MSREF IV, LLC

(3) *Related Person* is (check only one box):

◉ Investment Adviser

○ Broker-Dealer

○ Dual (Investment Adviser and Broker-Dealer)

	Yes	No
(4) If the *related person* is a broker-dealer, is it a qualified custodian for your *clients* in connection with advisory services you provide to *clients*?	○	○
(5) If you are registering or registered with the SEC and you have answered "yes," have you overcome the presumption that you are not operationally independent (pursuant to Advisers Act rule 206(4)(2)-(d)(5)) from the *related person* broker-dealer, and thus are not required to obtain a surprise examination for your *clients'* funds or securities that are maintained at the *related person* ?	○	○

Related Person Adviser's SEC File Number (if any)
801- 58139

Related Person's CRD Number (if any):
111003

(1) Legal Name of *Related Person*:
MSDW OIP INVESTORS, INC.

(2) Primary Business Name of *Related Person*:
MSDW OIP INVESTORS, INC.

(3) *Related Person* is (check only one box):

- (●) Investment Adviser
- ( ) Broker-Dealer
- ( ) Dual (Investment Adviser and Broker-Dealer)

	Yes	No
(4) If the *related person* is a broker-dealer, is it a qualified custodian for your *clients* in connection with advisory services you provide to *clients*?	( )	( )
(5) If you are registering or registered with the SEC and you have answered "yes," have you overcome the presumption that you are not operationally independent (pursuant to Advisers Act rule 206(4)(2)-(d)(5)) from the *related person* broker-dealer, and thus are not required to obtain a surprise examination for your *clients'* funds or securities that are maintained at the *related person* ?	( )	( )

Related Person Adviser's SEC File Number (if any)
801- 60220

Related Person's CRD Number (if any):
109946

(1) Legal Name of *Related Person*:
MS SECURITIES SERVICES INC.

(2) Primary Business Name of *Related Person*:
MS SECURITIES SERVICES INC.

(3) *Related Person* is (check only one box):

- ( ) Investment Adviser
- (●) Broker-Dealer
- ( ) Dual (Investment Adviser and Broker-Dealer)

	Yes	No
(4) If the *related person* is a broker-dealer, is it a qualified custodian for your *clients* in connection with advisory services you provide to *clients*?	( )	(●)
(5) If you are registering or registered with the SEC and you have answered "yes," have you overcome the presumption that you are not operationally independent (pursuant to Advisers Act rule 206(4)(2)-(d)(5)) from the *related person* broker-dealer, and thus are not required to obtain a surprise examination for your *clients'* funds or securities that are maintained at the *related person* ?	( )	( )

Related Person Adviser's SEC File Number (if any)
801-

Related Person's CRD Number (if any):
14276

(1) Legal Name of *Related Person*:
PRIME DEALER SERVICES CORP.

(2) Primary Business Name of *Related Person*:
PRIME DEALER SERVICES CORP.

(3) *Related Person* is (check only one box):

- ( ) Investment Adviser
- (●) Broker-Dealer
- ( ) Dual (Investment Adviser and Broker-Dealer)

	Yes	No
(4) If the *related person* is a broker-dealer, is it a qualified custodian for your *clients* in connection with advisory services you provide to *clients*?	( )	(●)
(5) If you are registering or registered with the SEC and you have answered "yes," have you overcome the presumption that you are not operationally independent (pursuant to Advisers Act rule 206(4)(2)-(d)(5)) from the *related person* broker-dealer, and thus are not required to obtain a surprise examination for your *clients'* funds or securities that are maintained at the *related person* ?	( )	( )

Related Person Adviser's SEC File Number (if any)
801-

Related Person's CRD Number (if any):
36142

(1) Legal Name of *Related Person*:

MORGAN STANLEY DISTRIBUTION INC.

(2) Primary Business Name of *Related Person*:
MORGAN STANLEY DISTRIBUTION INC.

(3) *Related Person* is (check only one box):

- ○ Investment Adviser
- ◉ Broker-Dealer
- ○ Dual (Investment Adviser and Broker-Dealer)

	Yes	No
(4) If the *related person* is a broker-dealer, is it a qualified custodian for your *clients* in connection with advisory services you provide to *clients*?	○	◉
(5) If you are registering or registered with the SEC and you have answered "yes," have you overcome the presumption that you are not operationally independent (pursuant to Advisers Act rule 206(4)(2)-(d)(5)) from the *related person* broker-dealer, and thus are not required to obtain a surprise examination for your *clients'* funds or securities that are maintained at the *related person* ?	○	○

Related Person Adviser's SEC File Number (if any)
801-

Related Person's CRD Number (if any):
30344

(1) Legal Name of *Related Person*:
MORGAN STANLEY INFRASTRUCTURE INC.

(2) Primary Business Name of *Related Person*:
MORGAN STANLEY INFRASTRUCTURE INC.

(3) *Related Person* is (check only one box):

- ◉ Investment Adviser
- ○ Broker-Dealer
- ○ Dual (Investment Adviser and Broker-Dealer)

	Yes	No
(4) If the *related person* is a broker-dealer, is it a qualified custodian for your *clients* in connection with advisory services you provide to *clients*?	○	○
(5) If you are registering or registered with the SEC and you have answered "yes," have you overcome the presumption that you are not operationally independent (pursuant to Advisers Act rule 206(4)(2)-(d)(5)) from the *related person* broker-dealer, and thus are not required to obtain a surprise examination for your *clients'* funds or securities that are maintained at the *related person* ?	○	○

Related Person Adviser's SEC File Number (if any)
801- 67678

Related Person's CRD Number (if any):
142824

(1) Legal Name of *Related Person*:
MORGAN STANLEY PRIVATE EQUITY ASIA III, INC.

(2) Primary Business Name of *Related Person*:
MORGAN STANLEY PRIVATE EQUITY ASIA III, INC.

(3) *Related Person* is (check only one box):

- ◉ Investment Adviser
- ○ Broker-Dealer
- ○ Dual (Investment Adviser and Broker-Dealer)

	Yes	No
(4) If the *related person* is a broker-dealer, is it a qualified custodian for your *clients* in connection with advisory services you provide to *clients*?	○	○
(5) If you are registering or registered with the SEC and you have answered "yes," have you overcome the presumption that you are not operationally independent (pursuant to Advisers Act rule 206(4)(2)-(d)(5)) from the *related person* broker-dealer, and thus are not required to obtain a surprise examination for your *clients'* funds or securities that are maintained at the *related person* ?	○	○

Related Person Adviser's SEC File Number (if any)
801- 67700

Related Person's CRD Number (if any):

143479

(1) Legal Name of *Related Person*:
MORGAN STANLEY INFRASTRUCTURE INC.

(2) Primary Business Name of *Related Person*:
MORGAN STANLEY INFRASTRUCTURE INC.

(3) *Related Person* is (check only one box):

- (•) Investment Adviser
- ( ) Broker-Dealer
- ( ) Dual (Investment Adviser and Broker-Dealer)

	Yes	No
(4) If the *related person* is a broker-dealer, is it a qualified custodian for your *clients* in connection with advisory services you provide to *clients*?	( )	( )
(5) If you are registering or registered with the SEC and you have answered "yes," have you overcome the presumption that you are not operationally independent (pursuant to Advisers Act rule 206(4)(2)-(d)(5)) from the *related person* broker-dealer, and thus are not required to obtain a surprise examination for your *clients'* funds or securities that are maintained at the *related person* ?	( )	( )

Related Person Adviser's SEC File Number (if any)
801- 67678

Related Person's CRD Number (if any):
142824

(1) Legal Name of *Related Person*:
MS CAPITAL PARTNERS ADVISER INC.

(2) Primary Business Name of *Related Person*:
MS CAPITAL PARTNERS ADVISER INC.

(3) *Related Person* is (check only one box):

- (•) Investment Adviser
- ( ) Broker-Dealer
- ( ) Dual (Investment Adviser and Broker-Dealer)

	Yes	No
(4) If the *related person* is a broker-dealer, is it a qualified custodian for your *clients* in connection with advisory services you provide to *clients*?	( )	( )
(5) If you are registering or registered with the SEC and you have answered "yes," have you overcome the presumption that you are not operationally independent (pursuant to Advisers Act rule 206(4)(2)-(d)(5)) from the *related person* broker-dealer, and thus are not required to obtain a surprise examination for your *clients'* funds or securities that are maintained at the *related person* ?	( )	( )

Related Person Adviser's SEC File Number (if any)
801- 69426

Related Person's CRD Number (if any):
147521

(1) Legal Name of *Related Person*:
MORGAN STANLEY CAPITAL PARTNERS III, INC.

(2) Primary Business Name of *Related Person*:
MORGAN STANLEY CAPITAL PARNTERS III, INC.

(3) *Related Person* is (check only one box):

- (•) Investment Adviser
- ( ) Broker-Dealer
- ( ) Dual (Investment Adviser and Broker-Dealer)

	Yes	No
(4) If the *related person* is a broker-dealer, is it a qualified custodian for your *clients* in connection with advisory services you provide to *clients*?	( )	( )
(5) If you are registering or registered with the SEC and you have answered "yes," have you overcome the presumption that you are not operationally independent (pursuant to Advisers Act rule 206(4)(2)-(d)(5)) from the *related person* broker-dealer, and thus are not required to obtain a surprise examination for your *clients'* funds or securities that are maintained at the *related person* ?	( )	( )

Related Person Adviser's SEC File Number (if any)
801- 45478

Related Person's CRD Number (if any):
111011

(1) Legal Name of *Related Person*:
EARLY ADOPTER FUND MANAGER, INC.

(2) Primary Business Name of *Related Person*:
EARLY ADOPTER FUND MANGER, INC.

(3) *Related Person* is (check only one box):

- (•) Investment Adviser
- ( ) Broker-Dealer
- ( ) Dual (Investment Adviser and Broker-Dealer)

	Yes	No
(4) If the *related person* is a broker-dealer, is it a qualified custodian for your *clients* in connection with advisory services you provide to *clients*?	( )	( )
(5) If you are registering or registered with the SEC and you have answered "yes," have you overcome the presumption that you are not operationally independent (pursuant to Advisers Act rule 206(4)(2)-(d)(5)) from the *related person* broker-dealer, and thus are not required to obtain a surprise examination for your *clients'* funds or securities that are maintained at the *related person* ?	( )	( )

Related Person Adviser's SEC File Number (if any)
801- 56337

Related Person's CRD Number (if any):
137463

(1) Legal Name of *Related Person*:
MSDW VENTURE PARTNERS IV INC.

(2) Primary Business Name of *Related Person*:
MSDW VENTURE PARTNERS IV INC.

(3) *Related Person* is (check only one box):

- (•) Investment Adviser
- ( ) Broker-Dealer
- ( ) Dual (Investment Adviser and Broker-Dealer)

	Yes	No
(4) If the *related person* is a broker-dealer, is it a qualified custodian for your *clients* in connection with advisory services you provide to *clients*?	( )	( )
(5) If you are registering or registered with the SEC and you have answered "yes," have you overcome the presumption that you are not operationally independent (pursuant to Advisers Act rule 206(4)(2)-(d)(5)) from the *related person* broker-dealer, and thus are not required to obtain a surprise examination for your *clients'* funds or securities that are maintained at the *related person* ?	( )	( )

Related Person Adviser's SEC File Number (if any)
801- 56916

Related Person's CRD Number (if any):
108709

(1) Legal Name of *Related Person*:
PG INVESTORS III, INC.

(2) Primary Business Name of *Related Person*:
PG INVESTORS III, INC.

(3) *Related Person* is (check only one box):

- (•) Investment Adviser
- ( ) Broker-Dealer
- ( ) Dual (Investment Adviser and Broker-Dealer)

	Yes	No
(4) If the *related person* is a broker-dealer, is it a qualified custodian for your *clients* in connection with advisory services you provide to *clients*?	( )	( )

(5) If you are registering or registered with the SEC and you have answered "yes," have you overcome the presumption that you are not operationally independent (pursuant to Advisers Act rule 206(4)(2)-(d)(5)) from the *related person* broker-dealer, and thus are not required to obtain a surprise examination for your *clients'* funds or securities that are maintained at the *related person* ?

Related Person Adviser's SEC File Number (if any)
801- 57373

Related Person's CRD Number (if any):
109302

(1) Legal Name of *Related Person*:
MORGAN STANLEY ASSET & INVESTMENT TRUST MANAGEMENT CO. LIMITED

(2) Primary Business Name of *Related Person*:
MORGAN STANLEY ASSET & INVESTMENT TRUST MANAGMENT CO. LIMITED

(3) *Related Person* is (check only one box):

- (•) Investment Adviser
- ( ) Broker-Dealer
- ( ) Dual (Investment Adviser and Broker-Dealer)

	Yes	No
(4) If the *related person* is a broker-dealer, is it a qualified custodian for your *clients* in connection with advisory services you provide to *clients*?	( )	( )
(5) If you are registering or registered with the SEC and you have answered "yes," have you overcome the presumption that you are not operationally independent (pursuant to Advisers Act rule 206(4)(2)-(d)(5)) from the *related person* broker-dealer, and thus are not required to obtain a surprise examination for your *clients'* funds or securities that are maintained at the *related person* ?	( )	( )

Related Person Adviser's SEC File Number (if any)
801- 62152

Related Person's CRD Number (if any):
126071

(1) Legal Name of *Related Person*:
MORGAN STANLEY ASSET MANAGEMENT PRIVATE LIMITED

(2) Primary Business Name of *Related Person*:
MORGAN STANLEY ASSET MANAGEMENT PRIVATE LIMITED

(3) *Related Person* is (check only one box):

- (•) Investment Adviser
- ( ) Broker-Dealer
- ( ) Dual (Investment Adviser and Broker-Dealer)

	Yes	No
(4) If the *related person* is a broker-dealer, is it a qualified custodian for your *clients* in connection with advisory services you provide to *clients*?	( )	( )
(5) If you are registering or registered with the SEC and you have answered "yes," have you overcome the presumption that you are not operationally independent (pursuant to Advisers Act rule 206(4)(2)-(d)(5)) from the *related person* broker-dealer, and thus are not required to obtain a surprise examination for your *clients'* funds or securities that are maintained at the *related person* ?	( )	( )

Related Person Adviser's SEC File Number (if any)
801-

Related Person's CRD Number (if any):

(1) Legal Name of *Related Person*:
MORGAN STANLEY INVESTMENT MANAGEMENT COMPANY

(2) Primary Business Name of *Related Person*:
MORGAN STANLEY INVESTMENT MANAGEMENT COMPANY

(3) *Related Person* is (check only one box):

- (•) Investment Adviser
- ( ) Broker-Dealer

○ Dual (Investment Adviser and Broker-Dealer)

	Yes	No
(4) If the *related person* is a broker-dealer, is it a qualified custodian for your *clients* in connection with advisory services you provide to *clients*?	○	○
(5) If you are registering or registered with the SEC and you have answered "yes," have you overcome the presumption that you are not operationally independent (pursuant to Advisers Act rule 206(4)(2)-(d)(5)) from the *related person* broker-dealer, and thus are not required to obtain a surprise examination for your *clients'* funds or securities that are maintained at the *related person* ?	○	○

Related Person Adviser's SEC File Number (if any)
801- 62173

Related Person's CRD Number (if any):
126896

(1) Legal Name of *Related Person*:
MSDW REAL ESTATE SPECIAL SITUATIONS II MANAGER LLC

(2) Primary Business Name of *Related Person*:
MSDW REAL ESTATE SPECIAL SITUATIONS II MANAGER LLC

(3) *Related Person* is (check only one box):

◉ Investment Adviser

○ Broker-Dealer

○ Dual (Investment Adviser and Broker-Dealer)

	Yes	No
(4) If the *related person* is a broker-dealer, is it a qualified custodian for your *clients* in connection with advisory services you provide to *clients*?	○	○
(5) If you are registering or registered with the SEC and you have answered "yes," have you overcome the presumption that you are not operationally independent (pursuant to Advisers Act rule 206(4)(2)-(d)(5)) from the *related person* broker-dealer, and thus are not required to obtain a surprise examination for your *clients'* funds or securities that are maintained at the *related person* ?	○	○

Related Person Adviser's SEC File Number (if any)
801- 57477

Related Person's CRD Number (if any):
108828

(1) Legal Name of *Related Person*:
MSVP 2002, INC.

(2) Primary Business Name of *Related Person*:
MSVP 2001, INC.

(3) *Related Person* is (check only one box):

◉ Investment Adviser

○ Broker-Dealer

○ Dual (Investment Adviser and Broker-Dealer)

	Yes	No
(4) If the *related person* is a broker-dealer, is it a qualified custodian for your *clients* in connection with advisory services you provide to *clients*?	○	○
(5) If you are registering or registered with the SEC and you have answered "yes," have you overcome the presumption that you are not operationally independent (pursuant to Advisers Act rule 206(4)(2)-(d)(5)) from the *related person* broker-dealer, and thus are not required to obtain a surprise examination for your *clients'* funds or securities that are maintained at the *related person* ?	○	○

Related Person Adviser's SEC File Number (if any)
801- 60774

Related Person's CRD Number (if any):
116974

(1) Legal Name of *Related Person*:
MSRESS III MANAGER, L.L.C.

(2) Primary Business Name of *Related Person*:
MSRESS III MANAGER, L.L.C.

(3) *Related Person* is (check only one box):

- (●) Investment Adviser
- ( ) Broker-Dealer
- ( ) Dual (Investment Adviser and Broker-Dealer)

	Yes	No
(4) If the *related person* is a broker-dealer, is it a qualified custodian for your *clients* in connection with advisory services you provide to *clients*?	( )	( )
(5) If you are registering or registered with the SEC and you have answered "yes," have you overcome the presumption that you are not operationally independent (pursuant to Advisers Act rule 206(4)(2)-(d)(5)) from the *related person* broker-dealer, and thus are not required to obtain a surprise examination for your *clients'* funds or securities that are maintained at the *related person* ?	( )	( )

Related Person Adviser's SEC File Number (if any)
801- 65333

Related Person's CRD Number (if any):
138602

(1) Legal Name of *Related Person*:
MSREF V, L.L.C.

(2) Primary Business Name of *Related Person*:
MSREF V, L.L.C.

(3) *Related Person* is (check only one box):

- (●) Investment Adviser
- ( ) Broker-Dealer
- ( ) Dual (Investment Adviser and Broker-Dealer)

	Yes	No
(4) If the *related person* is a broker-dealer, is it a qualified custodian for your *clients* in connection with advisory services you provide to *clients*?	( )	( )
(5) If you are registering or registered with the SEC and you have answered "yes," have you overcome the presumption that you are not operationally independent (pursuant to Advisers Act rule 206(4)(2)-(d)(5)) from the *related person* broker-dealer, and thus are not required to obtain a surprise examination for your *clients'* funds or securities that are maintained at the *related person* ?	( )	( )

Related Person Adviser's SEC File Number (if any)
801- 63729

Related Person's CRD Number (if any):
133373

(1) Legal Name of *Related Person*:
MORGAN STANLEY SMITH BARNEY LLC

(2) Primary Business Name of *Related Person*:
MORGAN STANLEY SMITH BARNEY LLC

(3) *Related Person* is (check only one box):

- ( ) Investment Adviser
- ( ) Broker-Dealer
- (●) Dual (Investment Adviser and Broker-Dealer)

	Yes	No
(4) If the *related person* is a broker-dealer, is it a qualified custodian for your *clients* in connection with advisory services you provide to *clients*?	( )	(●)
(5) If you are registering or registered with the SEC and you have answered "yes," have you overcome the presumption that you are not operationally independent (pursuant to Advisers Act rule 206(4)(2)-(d)(5)) from the *related person* broker-dealer, and thus are not required to obtain a surprise examination for your *clients'* funds or securities that are maintained at the *related person* ?	( )	( )

Related Person Adviser's SEC File Number (if any)
801- 70103

Related Person's CRD Number (if any):
149777

(1) Legal Name of *Related Person*:
MORGAN STANLEY SMITH BARNEY PRIVATE MANAGEMENT LLC

(2) Primary Business Name of *Related Person*:
MORGAN STANLEY SMITH BARNEY PRIVATE MANAGEMENT LLC

(3) *Related Person* is (check only one box):

- (•) Investment Adviser
- ( ) Broker-Dealer
- ( ) Dual (Investment Adviser and Broker-Dealer)

	Yes	No
(4) If the *related person* is a broker-dealer, is it a qualified custodian for your *clients* in connection with advisory services you provide to *clients*?	( )	( )
(5) If you are registering or registered with the SEC and you have answered "yes," have you overcome the presumption that you are not operationally independent (pursuant to Advisers Act rule 206(4)(2)-(d)(5)) from the *related person* broker-dealer, and thus are not required to obtain a surprise examination for your *clients'* funds or securities that are maintained at the *related person* ?	( )	( )

Related Person Adviser's SEC File Number (if any)
801- 60174

Related Person's CRD Number (if any):
11397

(1) Legal Name of *Related Person*:
MORGAN STANLEY SMITH BARNEY VENTURE SERVICES LLC

(2) Primary Business Name of *Related Person*:
MORGAN STANLEY SMITH BARNEY VENTURE SERVICES LLC

(3) *Related Person* is (check only one box):

- (•) Investment Adviser
- ( ) Broker-Dealer
- ( ) Dual (Investment Adviser and Broker-Dealer)

	Yes	No
(4) If the *related person* is a broker-dealer, is it a qualified custodian for your *clients* in connection with advisory services you provide to *clients*?	( )	( )
(5) If you are registering or registered with the SEC and you have answered "yes," have you overcome the presumption that you are not operationally independent (pursuant to Advisers Act rule 206(4)(2)-(d)(5)) from the *related person* broker-dealer, and thus are not required to obtain a surprise examination for your *clients'* funds or securities that are maintained at the *related person* ?	( )	( )

Related Person Adviser's SEC File Number (if any)
801- 60172

Related Person's CRD Number (if any):
11386

(1) Legal Name of *Related Person*:
CONSULTING GROUP ADVISORY SERVICES LLC

(2) Primary Business Name of *Related Person*:
CONSULTING GROUP ADVISORY SERVICES LLC

(3) *Related Person* is (check only one box):

- (•) Investment Adviser
- ( ) Broker-Dealer
- ( ) Dual (Investment Adviser and Broker-Dealer)

	Yes	No
(4) If the *related person* is a broker-dealer, is it a qualified custodian for your *clients* in connection with advisory services you provide to *clients*?	( )	( )
(5) If you are registering or registered with the SEC and you have answered "yes," have you overcome the presumption that you are not operationally independent (pursuant to Advisers Act rule 206(4)(2)-(d)(5)) from the *related person* broker-dealer, and thus are not required to obtain a surprise examination for your *clients'* funds or securities that are maintained at the *related person* ?	( )	( )

Related Person Adviser's SEC File Number (if any)
801- 64791

Related Person's CRD Number (if any):

137463

(1) Legal Name of *Related Person*:
MORGAN STANLEY PRIVATE WEALTH MANAGEMENT

(2) Primary Business Name of *Related Person*:
MORGAN STANLEY PRIVATE WEALTH MANAGMENT

(3) *Related Person* is (check only one box):

- (•) Investment Adviser
- ( ) Broker-Dealer
- ( ) Dual (Investment Adviser and Broker-Dealer)

	Yes	No
(4) If the *related person* is a broker-dealer, is it a qualified custodian for your *clients* in connection with advisory services you provide to *clients*?	( )	( )
(5) If you are registering or registered with the SEC and you have answered "yes," have you overcome the presumption that you are not operationally independent (pursuant to Advisers Act rule 206(4)(2)-(d)(5)) from the *related person* broker-dealer, and thus are not required to obtain a surprise examination for your *clients'* funds or securities that are maintained at the *related person* ?	( )	( )

Related Person Adviser's SEC File Number (if any)
801-

Related Person's CRD Number (if any):

(1) Legal Name of *Related Person*:
MORGAN STANLEY SMITH BARNEY PRIVATE MANAGMENT II LLC

(2) Primary Business Name of *Related Person*:
MORGAN STANLEY SMITH BARNEY PRIVATE MANAGEMENT II LLC

(3) *Related Person* is (check only one box):

- (•) Investment Adviser
- ( ) Broker-Dealer
- ( ) Dual (Investment Adviser and Broker-Dealer)

	Yes	No
(4) If the *related person* is a broker-dealer, is it a qualified custodian for your *clients* in connection with advisory services you provide to *clients*?	( )	( )
(5) If you are registering or registered with the SEC and you have answered "yes," have you overcome the presumption that you are not operationally independent (pursuant to Advisers Act rule 206(4)(2)-(d)(5)) from the *related person* broker-dealer, and thus are not required to obtain a surprise examination for your *clients'* funds or securities that are maintained at the *related person* ?	( )	( )

Related Person Adviser's SEC File Number (if any)
801-

Related Person's CRD Number (if any):

(1) Legal Name of *Related Person*:
PEREGRINE INVESTMENTS LLC

(2) Primary Business Name of *Related Person*:
PEREGRINE INVESTMENTS LLC

(3) *Related Person* is (check only one box):

- (•) Investment Adviser
- ( ) Broker-Dealer
- ( ) Dual (Investment Adviser and Broker-Dealer)

	Yes	No
(4) If the *related person* is a broker-dealer, is it a qualified custodian for your *clients* in connection with advisory services you provide to *clients*?	( )	( )
(5) If you are registering or registered with the SEC and you have answered "yes," have you overcome the presumption that you are not operationally independent (pursuant to Advisers Act rule 206(4)(2)-(d)(5)) from the *related person* broker-dealer, and thus are not required to obtain a surprise examination for your *clients'* funds or securities that are maintained at the *related person* ?	( )	( )

Related Person Adviser's SEC File Number (if any)

801-

Related Person's CRD Number (if any):

(1) Legal Name of *Related Person*:
QUILTER & CO. LIMITED

(2) Primary Business Name of *Related Person*:
QUILTER & CO. LIMITED

(3) *Related Person* is (check only one box):

- (•) Investment Adviser
- ( ) Broker-Dealer
- ( ) Dual (Investment Adviser and Broker-Dealer)

	Yes	No
(4) If the *related person* is a broker-dealer, is it a qualified custodian for your *clients* in connection with advisory services you provide to *clients*?	( )	( )
(5) If you are registering or registered with the SEC and you have answered "yes," have you overcome the presumption that you are not operationally independent (pursuant to Advisers Act rule 206(4)(2)-(d)(5)) from the *related person* broker-dealer, and thus are not required to obtain a surprise examination for your *clients'* funds or securities that are maintained at the *related person* ?	( )	( )

Related Person Adviser's SEC File Number (if any)
801-

Related Person's CRD Number (if any):

(1) Legal Name of *Related Person*:
MORGAN STANLEY ALTERNATIVE INVESTMENTS PARTNERS LP

(2) Primary Business Name of *Related Person*:
MORGAN STANLEY ALTERNATIVE INVESTMENTS PARTNERS LP

(3) *Related Person* is (check only one box):

- (•) Investment Adviser
- ( ) Broker-Dealer
- ( ) Dual (Investment Adviser and Broker-Dealer)

	Yes	No
(4) If the *related person* is a broker-dealer, is it a qualified custodian for your *clients* in connection with advisory services you provide to *clients*?	( )	( )
(5) If you are registering or registered with the SEC and you have answered "yes," have you overcome the presumption that you are not operationally independent (pursuant to Advisers Act rule 206(4)(2)-(d)(5)) from the *related person* broker-dealer, and thus are not required to obtain a surprise examination for your *clients'* funds or securities that are maintained at the *related person* ?	( )	( )

Related Person Adviser's SEC File Number (if any)
801- 66644

Related Person's CRD Number (if any):
111299

(1) Legal Name of *Related Person*:
FRONTPOINT MANAGEMENT (HONG KONG), LTD.

(2) Primary Business Name of *Related Person*:
FRONTPOINT MANAGEMENT (HONG KONG), LTD.

(3) *Related Person* is (check only one box):

- (•) Investment Adviser
- ( ) Broker-Dealer
- ( ) Dual (Investment Adviser and Broker-Dealer)

	Yes	No
(4) If the *related person* is a broker-dealer, is it a qualified custodian for your *clients* in connection with advisory services you provide to *clients*?	( )	( )
(5) If you are registering or registered with the SEC and you have answered "yes," have you overcome the presumption that you are not operationally independent (pursuant to Advisers Act rule 206(4)(2)-(d)(5)) from the *related person* broker-dealer, and thus are not required to obtain a surprise examination for your *clients'* funds or securities that are	( )	( )

maintained at the *related person* ?

Related Person Adviser's SEC File Number (if any)
801- 70716

Related Person's CRD Number (if any):
151834

(1) Legal Name of *Related Person*:
FRONTPOINT MANAGEMENT (UK) LLP

(2) Primary Business Name of *Related Person*:
FRONTPOINT MANAGEMENT (UK) LLP

(3) *Related Person* is (check only one box):

- (•) Investment Adviser
- ( ) Broker-Dealer
- ( ) Dual (Investment Adviser and Broker-Dealer)

	Yes	No
(4) If the *related person* is a broker-dealer, is it a qualified custodian for your *clients* in connection with advisory services you provide to *clients*?	( )	( )
(5) If you are registering or registered with the SEC and you have answered "yes," have you overcome the presumption that you are not operationally independent (pursuant to Advisers Act rule 206(4)(2)-(d)(5)) from the *related person* broker-dealer, and thus are not required to obtain a surprise examination for your *clients'* funds or securities that are maintained at the *related person* ?	( )	( )

Related Person Adviser's SEC File Number (if any)
801- 69875

Related Person's CRD Number (if any):
149246

(1) Legal Name of *Related Person*:
MSREF REAL ESTATE ADVISOR, INC.

(2) Primary Business Name of *Related Person*:
MSREF REAL ESTATE ADVISOR, INC.

(3) *Related Person* is (check only one box):

- (•) Investment Adviser
- ( ) Broker-Dealer
- ( ) Dual (Investment Adviser and Broker-Dealer)

	Yes	No
(4) If the *related person* is a broker-dealer, is it a qualified custodian for your *clients* in connection with advisory services you provide to *clients*?	( )	( )
(5) If you are registering or registered with the SEC and you have answered "yes," have you overcome the presumption that you are not operationally independent (pursuant to Advisers Act rule 206(4)(2)-(d)(5)) from the *related person* broker-dealer, and thus are not required to obtain a surprise examination for your *clients'* funds or securities that are maintained at the *related person* ?	( )	( )

Related Person Adviser's SEC File Number (if any)
801- 67286

Related Person's CRD Number (if any):
142047

(1) Legal Name of *Related Person*:
PRIVATE INVESTMENT PARTNERS INC.

(2) Primary Business Name of *Related Person*:
PRIVATE INVESTMENT PARTNERS INC.

(3) *Related Person* is (check only one box):

- (•) Investment Adviser
- ( ) Broker-Dealer
- ( ) Dual (Investment Adviser and Broker-Dealer)

	Yes	No

(4) If the *related person* is a broker-dealer, is it a qualified custodian for your *clients* in connection with advisory services you provide to *clients*? ○ ○

(5) If you are registering or registered with the SEC and you have answered "yes," have you overcome the presumption that you are not operationally independent (pursuant to Advisers Act rule 206(4)(2)-(d)(5)) from the *related person* broker-dealer, and thus are not required to obtain a surprise examination for your *clients'* funds or securities that are maintained at the *related person* ? ○ ○

Related Person Adviser's SEC File Number (if any)
801- 64995

Related Person's CRD Number (if any):
137806

FORM ADV
UNIFORM APPLICATION FOR INVESTMENT ADVISER REGISTRATION

Form ADV, Schedule D Page 4

Use this Schedule D Page 4 to report details for items listed below. Report only new information or changes/updates to previously submitted information. Do not repeat previously submitted information.

Section 7.B. Limited Partnership Participation or Other Private Fund Participation

You must complete a separate Schedule D Page 4 for each limited partnership in which you or a *related person* is a general partner, each limited liability company for which you or a *related person* is a manager, and each other private fund that you advise.

Name of Limited Partnership, Limited Liability Company, or other Private Fund:
DIVERSIFIED MULTI-ADVISOR FUTURES FUND L.P. II

Name of General Partner or Manager:
CERES MANAGED FUTURES LLC

	Yes	No
If you are registered or registering with the SEC, is this a "private fund" as defined under SEC rule 203(b)(3)-1?	○	○
Are your *clients* solicited to invest in the limited partnership, limited liability company, or other private fund?	○	◉

Approximately what percentage of your *clients* have invested in this limited partnership, limited liability company, or other private fund?
0 %

Minimum investment commitment required of a limited partner, member, or other investor:
$ 2000

Current value of the total assets of the limited partnership, limited liability company, or other private fund:
$ 25749357

Name of Limited Partnership, Limited Liability Company, or other Private Fund:
DIVERSIFIED MUTLI-ADVISOR FUTURES FUND L.P.

Name of General Partner or Manager:
CERES MANAGED FUTURES LLC

	Yes	No
If you are registered or registering with the SEC, is this a "private fund" as defined under SEC rule 203(b)(3)-1?	○	○
Are your *clients* solicited to invest in the limited partnership, limited liability company, or other private fund?	○	◉

Approximately what percentage of your *clients* have invested in this limited partnership, limited liability company, or other private fund?
0 %

Minimum investment commitment required of a limited partner, member, or other investor:
$ 2000

Current value of the total assets of the limited partnership, limited liability company, or other private fund:
$ 29474282

Name of Limited Partnership, Limited Liability Company, or other Private Fund:
ENERGY ADVISORS PORTFOLIO L.P.

Name of General Partner or Manager:
CERES MANAGED FUTURES LLC

	Yes	No
If you are registered or registering with the SEC, is this a "private fund" as defined under SEC rule 203(b)(3)-1?	○	○
Are your *clients* solicited to invest in the limited partnership, limited liability company, or other private fund?	○	◉

Approximately what percentage of your *clients* have invested in this limited partnership, limited liability company, or other private fund?
0 %

Minimum investment commitment required of a limited partner, member, or other investor:
$ 250000

Current value of the total assets of the limited partnership, limited liability company, or other private fund:
$ 47231363

Name of Limited Partnership, Limited Liability Company, or other Private Fund:
AAA MASTER FUND LLC

Name of General Partner or Manager:
CERES MANAGED FUTURES LLC

	Yes	No
If you are registered or registering with the SEC, is this a "private fund" as defined under SEC rule 203(b)(3)-1?	○	○
Are your *clients* solicited to invest in the limited partnership, limited liability company, or other private fund?	○	◉

Approximately what percentage of your *clients* have invested in this limited partnership, limited liability company, or other private fund?
0 %

Minimum investment commitment required of a limited partner, member, or other investor:
$ 0

Current value of the total assets of the limited partnership, limited liability company, or other private fund:
$ 1234677140

Name of Limited Partnership, Limited Liability Company, or other Private Fund:
JWH MASTER FUND LLC

Name of General Partner or Manager:
CERES MANAGED FUTURES LLC

	Yes	No
If you are registered or registering with the SEC, is this a "private fund" as defined under SEC rule 203(b)(3)-1?	○	○
Are your *clients* solicited to invest in the limited partnership, limited liability company, or other private fund?	○	◉

Approximately what percentage of your *clients* have invested in this limited partnership, limited liability company, or other private fund?
0 %

Minimum investment commitment required of a limited partner, member, or other investor:
$ 0

Current value of the total assets of the limited partnership, limited liability company, or other private fund:
$ 72063067

Name of Limited Partnership, Limited Liability Company, or other Private Fund:
CMF ALTIS PARNTERS MASTER FUND L.P.

Name of General Partner or Manager:
CERES MANAGED FUTURES LLC

	Yes	No
If you are registered or registering with the SEC, is this a "private fund" as defined under SEC rule 203(b)(3)-1?	○	○
Are your *clients* solicited to invest in the limited partnership, limited liability company, or other private fund?	○	◉

Approximately what percentage of your *clients* have invested in this limited partnership, limited liability company, or other private fund?
0 %

Minimum investment commitment required of a limited partner, member, or other investor:
$ 0

Current value of the total assets of the limited partnership, limited liability company, or other private fund:
$ 64276767

Name of Limited Partnership, Limited Liability Company, or other Private Fund:
CMF ASPECT MASTER FUND L.P.

Name of General Partner or Manager:
CERES MANAGED FUTURES LLC

	Yes	No
If you are registered or registering with the SEC, is this a "private fund" as defined under SEC rule 203(b)(3)-1?	○	○
Are your *clients* solicited to invest in the limited partnership, limited liability company, or other private fund?	○	◉

Approximately what percentage of your *clients* have invested in this limited partnership, limited liability company, or other private fund?
0 %

Minimum investment commitment required of a limited partner, member, or other investor:
$ 0

Current value of the total assets of the limited partnership, limited liability company, or other private fund:
$ 157910582

Name of Limited Partnership, Limited Liability Company, or other Private Fund:
CMF CAMPBELL MASTER FUND L.P.

Name of General Partner or Manager:
CERES MANAGED FUTURES LLC

	Yes	No
If you are registered or registering with the SEC, is this a "private fund" as defined under SEC rule 203(b)(3)-1?	○	○
Are your *clients* solicited to invest in the limited partnership, limited liability company, or other private fund?	○	◉

Approximately what percentage of your *clients* have invested in this limited partnership, limited liability company, or other private fund?
0 %

Minimum investment commitment required of a limited partner, member, or other investor:
$ 0

Current value of the total assets of the limited partnership, limited liability company, or other private fund:
$ 36471835

Name of Limited Partnership, Limited Liability Company, or other Private Fund:
CMF CAPITAL FUND MANAGEMENT MASTER FUND L.P.

Name of General Partner or Manager:
CERES MANAGED FUTURES LLC

	Yes	No
If you are registered or registering with the SEC, is this a "private fund" as defined under SEC rule 203(b)(3)-1?	○	○
Are your *clients* solicited to invest in the limited partnership, limited liability company, or other private fund?	○	◉

Approximately what percentage of your *clients* have invested in this limited partnership, limited liability company, or other private fund?
0 %

Minimum investment commitment required of a limited partner, member, or other investor:
$ 0

Current value of the total assets of the limited partnership, limited liability company, or other private fund:
$ 163136901

Name of Limited Partnership, Limited Liability Company, or other Private Fund:
CMF DRURY CAPITAL MASTER FUND L.P.

Name of General Partner or Manager:
CERES MANAGED FUTURES LLC

	Yes	No
If you are registered or registering with the SEC, is this a "private fund" as defined under SEC rule 203(b)(3)-1?	○	○
Are your *clients* solicited to invest in the limited partnership, limited liability company, or other private fund?	○	◉

Approximately what percentage of your *clients* have invested in this limited partnership, limited liability company, or other private fund?
0 %

Minimum investment commitment required of a limited partner, member, or other investor:
$ 0

Current value of the total assets of the limited partnership, limited liability company, or other private fund:
$ 123117898

Name of Limited Partnership, Limited Liability Company, or other Private Fund:
CMF ECKHARDT MASTER FUND L.P.

Name of General Partner or Manager:
CERES MANAGED FUTURES LLC

	Yes	No
If you are registered or registering with the SEC, is this a "private fund" as defined under SEC rule 203(b)(3)-1?	○	○
Are your *clients* solicited to invest in the limited partnership, limited liability company, or other private fund?	○	◉

Approximately what percentage of your *clients* have invested in this limited partnership, limited liability company, or other private fund?

0 %

Minimum investment commitment required of a limited partner, member, or other investor:
$ 0

Current value of the total assets of the limited partnership, limited liability company, or other private fund:
$ 23748773

Name of Limited Partnership, Limited Liability Company, or other Private Fund:
CMF GRAHAM CAPITAL MASTER FUND L.P.

Name of General Partner or Manager:
CERES MANAGED FUTURES LLC

	Yes	No
If you are registered or registering with the SEC, is this a "private fund" as defined under SEC rule 203(b)(3)-1?	○	○
Are your *clients* solicited to invest in the limited partnership, limited liability company, or other private fund?	○	◉

Approximately what percentage of your *clients* have invested in this limited partnership, limited liability company, or other private fund?
0 %

Minimum investment commitment required of a limited partner, member, or other investor:
$ 0

Current value of the total assets of the limited partnership, limited liability company, or other private fund:
$ 168973503

Name of Limited Partnership, Limited Liability Company, or other Private Fund:
CMF SANDRIDGE MASTER FUND L.P.

Name of General Partner or Manager:
CERES MANAGED FUTURES LLC

	Yes	No
If you are registered or registering with the SEC, is this a "private fund" as defined under SEC rule 203(b)(3)-1?	○	○
Are your *clients* solicited to invest in the limited partnership, limited liability company, or other private fund?	○	◉

Approximately what percentage of your *clients* have invested in this limited partnership, limited liability company, or other private fund?
0 %

Minimum investment commitment required of a limited partner, member, or other investor:
$ 0

Current value of the total assets of the limited partnership, limited liability company, or other private fund:
$ 581631311

Name of Limited Partnership, Limited Liability Company, or other Private Fund:
CMF SASCO MASTER FUND L.P.

Name of General Partner or Manager:
CERES MANAGED FUTURES LLC

	Yes	No
If you are registered or registering with the SEC, is this a "private fund" as defined under SEC rule 203(b)(3)-1?	○	○
Are your *clients* solicited to invest in the limited partnership, limited liability company, or other private fund?	○	◉

Approximately what percentage of your *clients* have invested in this limited partnership, limited liability company, or other private fund?
0 %

Minimum investment commitment required of a limited partner, member, or other investor:
$ 0

Current value of the total assets of the limited partnership, limited liability company, or other private fund:
$ 81882294

Name of Limited Partnership, Limited Liability Company, or other Private Fund:
CMF WILLOWBRIDGE ARGO MASTER FUND L.P.

Name of General Partner or Manager:
CERES MANAGED FUTURES LLC

	Yes	No
If you are registered or registering with the SEC, is this a "private fund" as defined under SEC rule 203(b)(3)-1?	○	○
Are your *clients* solicited to invest in the limited partnership, limited liability company, or other private fund?	○	◉

Approximately what percentage of your *clients* have invested in this limited partnership, limited liability company, or other private fund?
0 %

Minimum investment commitment required of a limited partner, member, or other investor:
$ 0

Current value of the total assets of the limited partnership, limited liability company, or other private fund:
$ 216360362

Name of Limited Partnership, Limited Liability Company, or other Private Fund:
CMF WINTON MASTER L.P.

Name of General Partner or Manager:
CERES MANAGED FUTURES LLC

	Yes	No
If you are registered or registering with the SEC, is this a "private fund" as defined under SEC rule 203(b)(3)-1?	○	○
Are your *clients* solicited to invest in the limited partnership, limited liability company, or other private fund?	○	◉

Approximately what percentage of your *clients* have invested in this limited partnership, limited liability company, or other private fund?
0 %

Minimum investment commitment required of a limited partner, member, or other investor:
$ 0

Current value of the total assets of the limited partnership, limited liability company, or other private fund:
$ 883842483

Name of Limited Partnership, Limited Liability Company, or other Private Fund:
WAYPOINT MASTER FUND L.P.

Name of General Partner or Manager:
CERES MANAGED FUTURES LLC

	Yes	No
If you are registered or registering with the SEC, is this a "private fund" as defined under SEC rule 203(b)(3)-1?	○	○
Are your *clients* solicited to invest in the limited partnership, limited liability company, or other private fund?	○	◉

Approximately what percentage of your *clients* have invested in this limited partnership, limited liability company, or other private fund?
0 %

Minimum investment commitment required of a limited partner, member, or other investor:
$ 0

Current value of the total assets of the limited partnership, limited liability company, or other private fund:
$ 41306976

Name of Limited Partnership, Limited Liability Company, or other Private Fund:
PI CO-INVEST LLC

Name of General Partner or Manager:
MORGAN STANLEY & CO. INCORPORATED

	Yes	No
If you are registered or registering with the SEC, is this a "private fund" as defined under SEC rule 203(b)(3)-1?	○	○
Are your *clients* solicited to invest in the limited partnership, limited liability company, or other private fund?	○	◉

Approximately what percentage of your *clients* have invested in this limited partnership, limited liability company, or other private fund?
0 %

Minimum investment commitment required of a limited partner, member, or other investor:
$ 0

Current value of the total assets of the limited partnership, limited liability company, or other private fund:
$ 250000000

Name of Limited Partnership, Limited Liability Company, or other Private Fund:
MHC CO-INVEST, L.P.

Name of General Partner or Manager:
MHC CO-INVEST GENPAR

	Yes	No
If you are registered or registering with the SEC, is this a "private fund" as defined under SEC rule 203(b)(3)-1?	○	○
Are your *clients* solicited to invest in the limited partnership, limited liability company, or other private fund?	○	◉

Approximately what percentage of your *clients* have invested in this limited partnership, limited liability company, or other private fund?
0 %

Minimum investment commitment required of a limited partner, member, or other investor:

$ 0

Current value of the total assets of the limited partnership, limited liability company, or other private fund:
$ 283836131

Name of Limited Partnership, Limited Liability Company, or other Private Fund:
MP, L.P.

Name of General Partner or Manager:
MHC CO INVEST GENPAR

	Yes	No
If you are registered or registering with the SEC, is this a "private fund" as defined under SEC rule 203(b)(3)-1?	○	○
Are your *clients* solicited to invest in the limited partnership, limited liability company, or other private fund?	○	◉

Approximately what percentage of your *clients* have invested in this limited partnership, limited liability company, or other private fund?
0 %

Minimum investment commitment required of a limited partner, member, or other investor:
$ 0

Current value of the total assets of the limited partnership, limited liability company, or other private fund:
$ 13229884

Name of Limited Partnership, Limited Liability Company, or other Private Fund:
MORGAN STANLEY HEDGE PREMIER/MAVERICK OFFSHORE FUND L.P.

Name of General Partner or Manager:
MORGAN STANLEY HEDGEPREMIER GP LLC

	Yes	No
If you are registered or registering with the SEC, is this a "private fund" as defined under SEC rule 203(b)(3)-1?	○	○
Are your *clients* solicited to invest in the limited partnership, limited liability company, or other private fund?	○	◉

Approximately what percentage of your *clients* have invested in this limited partnership, limited liability company, or other private fund?
0 %

Minimum investment commitment required of a limited partner, member, or other investor:
$ 100000

$ 100000

Current value of the total assets of the limited partnership, limited liability company, or other private fund:
$ 6378554

Name of Limited Partnership, Limited Liability Company, or other Private Fund:
MORGAN STANLEY HEDGEPREMIER/YORK TOTAL RETURN FUND LP

Name of General Partner or Manager:
MORGAN STANLEY HEDGEPREMIER GP LLC

	Yes	No
If you are registered or registering with the SEC, is this a "private fund" as defined under SEC rule 203(b)(3)-1?	○	○
Are your *clients* solicited to invest in the limited partnership, limited liability company, or other private fund?	○	◉

Approximately what percentage of your *clients* have invested in this limited partnership, limited liability company, or other private fund?
0 %

Minimum investment commitment required of a limited partner, member, or other investor:
$ 100000

Current value of the total assets of the limited partnership, limited liability company, or other private fund:
$ 20524654

Name of Limited Partnership, Limited Liability Company, or other Private Fund:
MORGAN STANLEY HEDGE PREMIER/MARINER TRICADIA CREDIT STRATEGIES FUND LP

Name of General Partner or Manager:
MORGAN STANLEY HEDGEPREMIER GP LLC

	Yes	No
If you are registered or registering with the SEC, is this a "private fund" as defined under SEC rule 203(b)(3)-1?	○	○
Are your *clients* solicited to invest in the limited partnership, limited liability company, or other private fund?	○	◉

Approximately what percentage of your *clients* have invested in this limited partnership, limited liability company, or other private fund?
0 %

Minimum investment commitment required of a limited partner, member, or other investor:
$ 100000

Current value of the total assets of the limited partnership, limited liability company, or other private fund:
$ 140775692

Name of Limited Partnership, Limited Liability Company, or other Private Fund:
MORGAN STANLEY HEDGEPREMIER/TRAXIS FUND LP

Name of General Partner or Manager:
MORGAN STANLEY HEDGEPREMIER GP LLC

	Yes	No
If you are registered or registering with the SEC, is this a "private fund" as defined under SEC rule 203(b)(3)-1?	○	○
Are your *clients* solicited to invest in the limited partnership, limited liability company, or other private fund?	○	◉

Approximately what percentage of your *clients* have invested in this limited partnership, limited liability company, or other private fund?
0 %

Minimum investment commitment required of a limited partner, member, or other investor:
$ 100000

Current value of the total assets of the limited partnership, limited liability company, or other private fund:
$ 5711191

Name of Limited Partnership, Limited Liability Company, or other Private Fund:
MORGAN STANLEY HEDGEPREMIER/TRAXIS OFFSHORE FUND L.P

Name of General Partner or Manager:
MORGAN STANLEY HEDGEPREMIER GP LLC

	Yes	No
If you are registered or registering with the SEC, is this a "private fund" as defined under SEC rule 203(b)(3)-1?	○	○
Are your *clients* solicited to invest in the limited partnership, limited liability company, or other private fund?	○	◉

Approximately what percentage of your *clients* have invested in this limited partnership, limited liability company, or other private fund?
0 %

Minimum investment commitment required of a limited partner, member, or other investor:
$ 100000

Current value of the total assets of the limited partnership, limited liability company, or other private fund:
$ 1629704

Name of Limited Partnership, Limited Liability Company, or other Private Fund:
MORGAN STANLEY HEDGE PREMIER/MAVERICK FUND LP

Name of General Partner or Manager:
MORGAN STANLEY HEDGEPREMIER GP LLC

	Yes	No
If you are registered or registering with the SEC, is this a "private fund" as defined under SEC rule 203(b)(3)-1?	○	○
Are your *clients* solicited to invest in the limited partnership, limited liability company, or other private fund?	○	◉

Approximately what percentage of your *clients* have invested in this limited partnership, limited liability company, or other private fund?
0 %

Minimum investment commitment required of a limited partner, member, or other investor:
$ 100000

Current value of the total assets of the limited partnership, limited liability company, or other private fund:
$ 14709581

Name of Limited Partnership, Limited Liability Company, or other Private Fund:
MORGAN STANLEY HEDGEPREMEIR/MARINER TRICADIA CREDIT STRATEGIES OFFSHORE FUND L.P.

Name of General Partner or Manager:
MORGAN STANLEY

	Yes	No
If you are registered or registering with the SEC, is this a "private fund" as defined under SEC rule 203(b)(3)-1?	○	○
Are your *clients* solicited to invest in the limited partnership, limited liability company, or other private fund?	○	◉

Approximately what percentage of your *clients* have invested in this limited partnership, limited liability company, or other private fund?
0 %

Minimum investment commitment required of a limited partner, member, or other investor:
$ 0

Current value of the total assets of the limited partnership, limited liability company, or other private fund:

$ 52547849

Name of Limited Partnership, Limited Liability Company, or other Private Fund:
MORGAN STANLEY HEDGEPREMIER/IVORY FLAGSHIP FUND LP

Name of General Partner or Manager:
MORGAN STANLEY HEDGEPREMIER GP LLC

	Yes	No
If you are registered or registering with the SEC, is this a "private fund" as defined under SEC rule 203(b)(3)-1?	○	○
Are your *clients* solicited to invest in the limited partnership, limited liability company, or other private fund?	○	◉

Approximately what percentage of your *clients* have invested in this limited partnership, limited liability company, or other private fund?
0 %

Minimum investment commitment required of a limited partner, member, or other investor:
$ 100000

Current value of the total assets of the limited partnership, limited liability company, or other private fund:
$ 114678000

Name of Limited Partnership, Limited Liability Company, or other Private Fund:
MORGAN STANLEY SMITH BARNEY SPECTRUM STRATEGIC L.P.

Name of General Partner or Manager:
CERES MANAGED FUTURES LLC

	Yes	No
If you are registered or registering with the SEC, is this a "private fund" as defined under SEC rule 203(b)(3)-1?	○	○
Are your *clients* solicited to invest in the limited partnership, limited liability company, or other private fund?	○	◉

Approximately what percentage of your *clients* have invested in this limited partnership, limited liability company, or other private fund?
0 %

Minimum investment commitment required of a limited partner, member, or other investor:
$ 2000

Current value of the total assets of the limited partnership, limited liability company, or other private fund:
$ 179510556

$ 179510556

Name of Limited Partnership, Limited Liability Company, or other Private Fund:
MORGAN STANLEY HEDGEPREMIER/IVORY FLAGSHIP OFFSHORE FUND L.P.

Name of General Partner or Manager:
MORGAN STANLEY HEDGEPREMIER GP LLC

	Yes	No
If you are registered or registering with the SEC, is this a "private fund" as defined under SEC rule 203(b)(3)-1?	○	○
Are your *clients* solicited to invest in the limited partnership, limited liability company, or other private fund?	○	◉

Approximately what percentage of your *clients* have invested in this limited partnership, limited liability company, or other private fund?
0 %

Minimum investment commitment required of a limited partner, member, or other investor:
$ 100000

Current value of the total assets of the limited partnership, limited liability company, or other private fund:
$ 54301498

Name of Limited Partnership, Limited Liability Company, or other Private Fund:
MORGAN STANLEY HEDGEPREMIER/DOUBLE BLACK DIAMOND FUND LP

Name of General Partner or Manager:
MORGAN STANLEY HEDGEPREMIER GP LLC

	Yes	No
If you are registered or registering with the SEC, is this a "private fund" as defined under SEC rule 203(b)(3)-1?	○	○
Are your *clients* solicited to invest in the limited partnership, limited liability company, or other private fund?	○	◉

Approximately what percentage of your *clients* have invested in this limited partnership, limited liability company, or other private fund?
0 %

Minimum investment commitment required of a limited partner, member, or other investor:
$ 100000

Current value of the total assets of the limited partnership, limited liability company, or other private fund:
$ 51156785

Name of Limited Partnership, Limited Liability Company, or other Private Fund:
MORGAN STANLEY HEDGEPREMIER/FRONTPOINT FINANCIAL SERVICES FUND LP

Name of General Partner or Manager:
MORGAN STANLEY HEDGEPREMIER GP LLC

	Yes	No
If you are registered or registering with the SEC, is this a "private fund" as defined under SEC rule 203(b)(3)-1?	○	○
Are your *clients* solicited to invest in the limited partnership, limited liability company, or other private fund?	○	◉

Approximately what percentage of your *clients* have invested in this limited partnership, limited liability company, or other private fund?
0 %

Minimum investment commitment required of a limited partner, member, or other investor:
$ 100000

Current value of the total assets of the limited partnership, limited liability company, or other private fund:
$ 4471333

Name of Limited Partnership, Limited Liability Company, or other Private Fund:
MORGAN STANLEY HEDGEPREMIER/PAULSON ADVANTAGE FUND LP

Name of General Partner or Manager:
MORGAN STANLEY HEDGEPREMIER GP LLC

	Yes	No
If you are registered or registering with the SEC, is this a "private fund" as defined under SEC rule 203(b)(3)-1?	○	○
Are your *clients* solicited to invest in the limited partnership, limited liability company, or other private fund?	○	◉

Approximately what percentage of your *clients* have invested in this limited partnership, limited liability company, or other private fund?
0 %

Minimum investment commitment required of a limited partner, member, or other investor:
$ 100000

Current value of the total assets of the limited partnership, limited liability company, or other private fund:
$ 141919255

Name of Limited Partnership, Limited Liability Company, or other Private Fund:
MORGAN STANLEY HEDGEPREMIER/PAULSON ADVANTAGE PLUS FUND LP

Name of General Partner or Manager:
MORGAN STANLEY HEDGPREMIER GP LLC

	Yes	No
If you are registered or registering with the SEC, is this a "private fund" as defined under SEC rule 203(b)(3)-1?	○	○
Are your *clients* solicited to invest in the limited partnership, limited liability company, or other private fund?	○	◉

Approximately what percentage of your *clients* have invested in this limited partnership, limited liability company, or other private fund?
0 %

Minimum investment commitment required of a limited partner, member, or other investor:
$ 100000

Current value of the total assets of the limited partnership, limited liability company, or other private fund:
$ 157015179

Name of Limited Partnership, Limited Liability Company, or other Private Fund:
MORGAN STANLEY HEDGEPREMIER/OZ DP II FUND LP

Name of General Partner or Manager:
MORGAN STANLEY HEDGEPREMIER GP LLC

	Yes	No
If you are registered or registering with the SEC, is this a "private fund" as defined under SEC rule 203(b)(3)-1?	○	○
Are your *clients* solicited to invest in the limited partnership, limited liability company, or other private fund?	○	◉

Approximately what percentage of your *clients* have invested in this limited partnership, limited liability company, or other private fund?
0 %

Minimum investment commitment required of a limited partner, member, or other investor:
$ 100000

Current value of the total assets of the limited partnership, limited liability company, or other private fund:
$ 75421502

Name of Limited Partnership, Limited Liability Company, or other Private Fund:

MORGAN STANLEY HEDGEPREMIER/HIGHBRIDGE LONG/SHORT EQUITY FUND LP

Name of General Partner or Manager:
MORGAN STANLEY HEDGEPREMIER GP LLC

	Yes	No
If you are registered or registering with the SEC, is this a "private fund" as defined under SEC rule 203(b)(3)-1?	○	○
Are your *clients* solicited to invest in the limited partnership, limited liability company, or other private fund?	○	◉

Approximately what percentage of your *clients* have invested in this limited partnership, limited liability company, or other private fund?
0 %

Minimum investment commitment required of a limited partner, member, or other investor:
$ 100000

Current value of the total assets of the limited partnership, limited liability company, or other private fund:
$ 28060526

Name of Limited Partnership, Limited Liability Company, or other Private Fund:
MORGAN STANLEY HEDGEPREMIER/GSO SPECIAL SITUATIONS FUND LP

Name of General Partner or Manager:
MORGAN STANLEY HEDGEPREMIER GP LLC

	Yes	No
If you are registered or registering with the SEC, is this a "private fund" as defined under SEC rule 203(b)(3)-1?	○	○
Are your *clients* solicited to invest in the limited partnership, limited liability company, or other private fund?	○	◉

Approximately what percentage of your *clients* have invested in this limited partnership, limited liability company, or other private fund?
0 %

Minimum investment commitment required of a limited partner, member, or other investor:
$ 100000

Current value of the total assets of the limited partnership, limited liability company, or other private fund:
$ 8648661

Name of Limited Partnership, Limited Liability Company, or other Private Fund:
MORGAN STANLEY CDH CHINA FUND III FEEDER L.P.

Name of General Partner or Manager:
MORGAN STANLEY GWM FEEDER STRATEGIES LLC

	Yes	No
If you are registered or registering with the SEC, is this a "private fund" as defined under SEC rule 203(b)(3)-1?	○	○
Are your *clients* solicited to invest in the limited partnership, limited liability company, or other private fund?	○	◉

Approximately what percentage of your *clients* have invested in this limited partnership, limited liability company, or other private fund?
0 %

Minimum investment commitment required of a limited partner, member, or other investor:
$ 500000

Current value of the total assets of the limited partnership, limited liability company, or other private fund:
$ 165491909

Name of Limited Partnership, Limited Liability Company, or other Private Fund:
MORGAN STANLEY SMITH BARNEY BLACKSTONE CAPITAL PARTNERS VI ONSHORE FEEDER LLC

Name of General Partner or Manager:
MORGAN STANLEY GWM FEEDER STRATEGIES LLC

	Yes	No
If you are registered or registering with the SEC, is this a "private fund" as defined under SEC rule 203(b)(3)-1?	○	○
Are your *clients* solicited to invest in the limited partnership, limited liability company, or other private fund?	○	◉

Approximately what percentage of your *clients* have invested in this limited partnership, limited liability company, or other private fund?
0 %

Minimum investment commitment required of a limited partner, member, or other investor:
$ 500000

Current value of the total assets of the limited partnership, limited liability company, or other private fund:
$ 2000000

Name of Limited Partnership, Limited Liability Company, or other Private Fund:
MORGAN STANLEY PPIP OPPORTUNITIES FUND, LP

Name of General Partner or Manager:
MORGAN STANLEY GWM FEEDER STRATEGIES LLC

	Yes	No
If you are registered or registering with the SEC, is this a "private fund" as defined under SEC rule 203(b)(3)-1?	○	○
Are your *clients* solicited to invest in the limited partnership, limited liability company, or other private fund?	○	◉

Approximately what percentage of your *clients* have invested in this limited partnership, limited liability company, or other private fund?
0 %

Minimum investment commitment required of a limited partner, member, or other investor:
$ 500000

Current value of the total assets of the limited partnership, limited liability company, or other private fund:
$ 121000000

Name of Limited Partnership, Limited Liability Company, or other Private Fund:
MANAGED FUTURES STRATEGIC ALTERNATIVES, L.P.

Name of General Partner or Manager:
CERES MANAGED FTURES LLC

	Yes	No
If you are registered or registering with the SEC, is this a "private fund" as defined under SEC rule 203(b)(3)-1?	○	○
Are your *clients* solicited to invest in the limited partnership, limited liability company, or other private fund?	○	◉

Approximately what percentage of your *clients* have invested in this limited partnership, limited liability company, or other private fund?
0 %

Minimum investment commitment required of a limited partner, member, or other investor:
$ 250000

Current value of the total assets of the limited partnership, limited liability company, or other private fund:
$ 74825902

Name of Limited Partnership, Limited Liability Company, or other Private Fund:
MANAGED FUTURES PROFILE LV, L.P.

Name of General Partner or Manager:
CERES MANAGED FUTURES LLC

	Yes	No
If you are registered or registering with the SEC, is this a "private fund" as defined under SEC rule 203(b)(3)-1?	○	○
Are your *clients* solicited to invest in the limited partnership, limited liability company, or other private fund?	○	◉

Approximately what percentage of your *clients* have invested in this limited partnership, limited liability company, or other private fund?
0 %

Minimum investment commitment required of a limited partner, member, or other investor:
$ 10000

Current value of the total assets of the limited partnership, limited liability company, or other private fund:
$ 71880660

Name of Limited Partnership, Limited Liability Company, or other Private Fund:
MANAGED FUTURES PROFILE MV, L.P.

Name of General Partner or Manager:
CERES MANGED FUTURES LLC

	Yes	No
If you are registered or registering with the SEC, is this a "private fund" as defined under SEC rule 203(b)(3)-1?	○	○
Are your *clients* solicited to invest in the limited partnership, limited liability company, or other private fund?	○	◉

Approximately what percentage of your *clients* have invested in this limited partnership, limited liability company, or other private fund?
0 %

Minimum investment commitment required of a limited partner, member, or other investor:
$ 10000

Current value of the total assets of the limited partnership, limited liability company, or other private fund:
$ 57813502

Name of Limited Partnership, Limited Liability Company, or other Private Fund:
MANAGED FUTURES PROFILE HV, L.P.

Name of General Partner or Manager:

CERES MANAGED FUTURES LLC

	Yes	No
If you are registered or registering with the SEC, is this a "private fund" as defined under SEC rule 203(b)(3)-1?	○	○
Are your *clients* solicited to invest in the limited partnership, limited liability company, or other private fund?	○	◉

Approximately what percentage of your *clients* have invested in this limited partnership, limited liability company, or other private fund?
0 %

Minimum investment commitment required of a limited partner, member, or other investor:
$ 10000

Current value of the total assets of the limited partnership, limited liability company, or other private fund:
$ 216190511

Name of Limited Partnership, Limited Liability Company, or other Private Fund:
MANAGED FUTURES CHARTER GRAHAM L.P.

Name of General Partner or Manager:
CERES MANAGED FUTURES LLC

	Yes	No
If you are registered or registering with the SEC, is this a "private fund" as defined under SEC rule 203(b)(3)-1?	○	○
Are your *clients* solicited to invest in the limited partnership, limited liability company, or other private fund?	○	◉

Approximately what percentage of your *clients* have invested in this limited partnership, limited liability company, or other private fund?
0 %

Minimum investment commitment required of a limited partner, member, or other investor:
$ 20000

Current value of the total assets of the limited partnership, limited liability company, or other private fund:
$ 358701010

Name of Limited Partnership, Limited Liability Company, or other Private Fund:
MORGAN STANLEY SMITH BARNEY CHARTER WNT, L.P.

Name of General Partner or Manager:
CERES MANAGED FUTURES LLC

	Yes	No
If you are registered or registering with the SEC, is this a "private fund" as defined under SEC rule 203(b)(3)-1?	○	○
Are your *clients* solicited to invest in the limited partnership, limited liability company, or other private fund?	○	◉

Approximately what percentage of your *clients* have invested in this limited partnership, limited liability company, or other private fund?
0 %

Minimum investment commitment required of a limited partner, member, or other investor:
$ 20000

Current value of the total assets of the limited partnership, limited liability company, or other private fund:
$ 80774340

Name of Limited Partnership, Limited Liability Company, or other Private Fund:
MORGAN STANLEY SMITH BARNEY CHARTER ASPECT, L.P.

Name of General Partner or Manager:
CERES MANAGED FUTURES LLC

	Yes	No
If you are registered or registering with the SEC, is this a "private fund" as defined under SEC rule 203(b)(3)-1?	○	○
Are your *clients* solicited to invest in the limited partnership, limited liability company, or other private fund?	○	◉

Approximately what percentage of your *clients* have invested in this limited partnership, limited liability company, or other private fund?
0 %

Minimum investment commitment required of a limited partner, member, or other investor:
$ 20000

Current value of the total assets of the limited partnership, limited liability company, or other private fund:
$ 107069145

Name of Limited Partnership, Limited Liability Company, or other Private Fund:
MORGAN STANLEY SMITH BARNEY CHARTER CAMPBELL L.P.

Name of General Partner or Manager:
CERES MANAGED FUTURES LLC

	Yes	No
If you are registered or registering with the SEC, is this a "private fund" as defined under SEC rule 203(b)(3)-1?	○	○
Are your *clients* solicited to invest in the limited partnership, limited liability company, or other private fund?	○	◉

Approximately what percentage of your *clients* have invested in this limited partnership, limited liability company, or other private fund?
0 %

Minimum investment commitment required of a limited partner, member, or other investor:
$ 20000

Current value of the total assets of the limited partnership, limited liability company, or other private fund:
$ 81686041

Name of Limited Partnership, Limited Liability Company, or other Private Fund:
MORGAN STANLEY SMITH BARNEY SPECTRUM SELECT L.P.

Name of General Partner or Manager:
CERES MANAGED FUTURES LLC

	Yes	No
If you are registered or registering with the SEC, is this a "private fund" as defined under SEC rule 203(b)(3)-1?	○	○
Are your *clients* solicited to invest in the limited partnership, limited liability company, or other private fund?	○	◉

Approximately what percentage of your *clients* have invested in this limited partnership, limited liability company, or other private fund?
0 %

Minimum investment commitment required of a limited partner, member, or other investor:
$ 2000

Current value of the total assets of the limited partnership, limited liability company, or other private fund:
$ 409250860

Name of Limited Partnership, Limited Liability Company, or other Private Fund:
MORGAN STANLEY SMITH BARNEY SPECTRUM TECHNICAL L.P.

Name of General Partner or Manager:
CERES MANAGED FUTURES LLC

	Yes	No
If you are registered or registering with the SEC, is this a "private fund" as defined under SEC rule 203(b)(3)-1?	○	○
Are your *clients* solicited to invest in the limited partnership, limited liability company, or other private fund?	○	◉

Approximately what percentage of your *clients* have invested in this limited partnership, limited liability company, or other private fund?
0 %

Minimum investment commitment required of a limited partner, member, or other investor:
$ 2000

Current value of the total assets of the limited partnership, limited liability company, or other private fund:
$ 343256027

Name of Limited Partnership, Limited Liability Company, or other Private Fund:
MORGAN STANLEY SMITH BARNEY SPECTRUM GLOBAL BALANCED L.P.

Name of General Partner or Manager:
CERES MANAGED FUTURES LLC

	Yes	No
If you are registered or registering with the SEC, is this a "private fund" as defined under SEC rule 203(b)(3)-1?	○	○
Are your *clients* solicited to invest in the limited partnership, limited liability company, or other private fund?	○	◉

Approximately what percentage of your *clients* have invested in this limited partnership, limited liability company, or other private fund?
0 %

Minimum investment commitment required of a limited partner, member, or other investor:
$ 2000

Current value of the total assets of the limited partnership, limited liability company, or other private fund:
$ 19440507

Name of Limited Partnership, Limited Liability Company, or other Private Fund:
MORGAN STANLEY SMITH BARNEY SPECTRUM CURRENCY L.P.

Name of General Partner or Manager:
CERES MANAGED FUTURES LLC

	Yes	No

If you are registered or registering with the SEC, is this a "private fund" as defined under SEC rule 203(b)(3)-1? ○ ○

Are your *clients* solicited to invest in the limited partnership, limited liability company, or other private fund? ○ ◉

Approximately what percentage of your *clients* have invested in this limited partnership, limited liability company, or other private fund?
0 %

Minimum investment commitment required of a limited partner, member, or other investor:
$ 2000

Current value of the total assets of the limited partnership, limited liability company, or other private fund:
$ 48021806

Name of Limited Partnership, Limited Liability Company, or other Private Fund:
MORGAN STANLEY SMITH BARNEY CHESAPEAKE DIVERSIFIED PLUS L.P.

Name of General Partner or Manager:
CERES MANAGED FUTURES LLC

	Yes	No
If you are registered or registering with the SEC, is this a "private fund" as defined under SEC rule 203(b)(3)-1?	○	○
Are your *clients* solicited to invest in the limited partnership, limited liability company, or other private fund?	○	◉

Approximately what percentage of your *clients* have invested in this limited partnership, limited liability company, or other private fund?
0 %

Minimum investment commitment required of a limited partner, member, or other investor:
$ 100000

Current value of the total assets of the limited partnership, limited liability company, or other private fund:
$ 12577883

Name of Limited Partnership, Limited Liability Company, or other Private Fund:
MORGAN STANLEY SMITH BARNEY ALTIS I, LLC

Name of General Partner or Manager:
CERES MANAGED FUTURES LLC

	Yes	No
If you are registered or registering with the SEC, is this a "private fund" as defined under SEC rule 203(b)(3)-1?	○	○
Are your *clients* solicited to invest in the limited partnership, limited liability company, or other private fund?	○	◉

Approximately what percentage of your *clients* have invested in this limited partnership, limited liability company, or other private fund?
0 %

Minimum investment commitment required of a limited partner, member, or other investor:
$ 0

Current value of the total assets of the limited partnership, limited liability company, or other private fund:
$ 45895764

Name of Limited Partnership, Limited Liability Company, or other Private Fund:
MORGAN STANLEY SMITH BARNEY ASPECT I, LLC

Name of General Partner or Manager:
CERES MANAGED FUTURES LLC

	Yes	No
If you are registered or registering with the SEC, is this a "private fund" as defined under SEC rule 203(b)(3)-1?	○	○
Are your *clients* solicited to invest in the limited partnership, limited liability company, or other private fund?	○	◉

Approximately what percentage of your *clients* have invested in this limited partnership, limited liability company, or other private fund?
0 %

Minimum investment commitment required of a limited partner, member, or other investor:
$ 0

Current value of the total assets of the limited partnership, limited liability company, or other private fund:
$ 55668056

Name of Limited Partnership, Limited Liability Company, or other Private Fund:
MORGAN STANLEY SMITH BARNEY AUGUSTUS I, LLC

Name of General Partner or Manager:
CERES MANAGED FUTURES LLC

	Yes	No
If you are registered or registering with the SEC, is this a "private fund" as defined under SEC rule 203(b)(3)-1?	○	○

Are your *clients* solicited to invest in the limited partnership, limited liability company, or other private fund? ○ ◉

Approximately what percentage of your *clients* have invested in this limited partnership, limited liability company, or other private fund?
0 %

Minimum investment commitment required of a limited partner, member, or other investor:
$ 0

Current value of the total assets of the limited partnership, limited liability company, or other private fund:
$ 18586703

Name of Limited Partnership, Limited Liability Company, or other Private Fund:
MORGAN STANLEY SMITH BARNEY BHM I, LLC

Name of General Partner or Manager:
CERES MANAGED FUTURES LLC

	Yes	No
If you are registered or registering with the SEC, is this a "private fund" as defined under SEC rule 203(b)(3)-1?	○	○
Are your *clients* solicited to invest in the limited partnership, limited liability company, or other private fund?	○	◉

Approximately what percentage of your *clients* have invested in this limited partnership, limited liability company, or other private fund?
0 %

Minimum investment commitment required of a limited partner, member, or other investor:
$ 0

Current value of the total assets of the limited partnership, limited liability company, or other private fund:
$ 214259520

Name of Limited Partnership, Limited Liability Company, or other Private Fund:
MORGAN STANLEY SMITH BARNEY CAMPBELL I, LLC

Name of General Partner or Manager:
CERES MANAGED FUTURES LLC

	Yes	No
If you are registered or registering with the SEC, is this a "private fund" as defined under SEC rule 203(b)(3)-1?	○	○
Are your *clients* solicited to invest in the limited partnership, limited liability company, or other private fund?	○	◉

Approximately what percentage of your *clients* have invested in this limited partnership, limited liability company, or other private fund?
0 %

Minimum investment commitment required of a limited partner, member, or other investor:
$ 0

Current value of the total assets of the limited partnership, limited liability company, or other private fund:
$ 5835540

Name of Limited Partnership, Limited Liability Company, or other Private Fund:
MORGAN STANLEY SMITH BARNEY CHESAPEAKE DIVERSIFIED I, LLC

Name of General Partner or Manager:
CERES MANAGED FUTURES LLC

	Yes	No
If you are registered or registering with the SEC, is this a "private fund" as defined under SEC rule 203(b)(3)-1?	○	○
Are your *clients* solicited to invest in the limited partnership, limited liability company, or other private fund?	○	◉

Approximately what percentage of your *clients* have invested in this limited partnership, limited liability company, or other private fund?
0 %

Minimum investment commitment required of a limited partner, member, or other investor:
$ 0

Current value of the total assets of the limited partnership, limited liability company, or other private fund:
$ 17490695

Name of Limited Partnership, Limited Liability Company, or other Private Fund:
MORGAN STANLEY SMITH BARNEY BORONIA I, LLC

Name of General Partner or Manager:
CERES MANAGED FUTURES LLC

	Yes	No
If you are registered or registering with the SEC, is this a "private fund" as defined under SEC rule 203(b)(3)-1?	○	○
Are your *clients* solicited to invest in the limited partnership, limited liability company, or other private fund?	○	◉

Approximately what percentage of your *clients* have invested in this limited partnership, limited liability company, or other private fund?
0 %

Minimum investment commitment required of a limited partner, member, or other investor:
$ 0

Current value of the total assets of the limited partnership, limited liability company, or other private fund:
$ 40748363

Name of Limited Partnership, Limited Liability Company, or other Private Fund:
MORGAN STANLEY SMITH BARNEY DKR FUSION I, LLC

Name of General Partner or Manager:
CERES MANAGED FUTURES LLC

	Yes	No
If you are registered or registering with the SEC, is this a "private fund" as defined under SEC rule 203(b)(3)-1?	○	○
Are your *clients* solicited to invest in the limited partnership, limited liability company, or other private fund?	○	◉

Approximately what percentage of your *clients* have invested in this limited partnership, limited liability company, or other private fund?
0 %

Minimum investment commitment required of a limited partner, member, or other investor:
$ 0

Current value of the total assets of the limited partnership, limited liability company, or other private fund:
$ 11943054

Name of Limited Partnership, Limited Liability Company, or other Private Fund:
MORGAN STANLEY SMITH BARNEY KAISER I, LLC

Name of General Partner or Manager:
CERES MANAGED FUTURES LLC

	Yes	No
If you are registered or registering with the SEC, is this a "private fund" as defined under SEC rule 203(b)(3)-1?	○	○
Are your *clients* solicited to invest in the limited partnership, limited liability company, or other private fund?	○	◉

Approximately what percentage of your *clients* have invested in this limited partnership, limited liability company, or other private fund?
0 %

Minimum investment commitment required of a limited partner, member, or other investor:
$ 0

Current value of the total assets of the limited partnership, limited liability company, or other private fund:
$ 40014468

Name of Limited Partnership, Limited Liability Company, or other Private Fund:
MORGAN STANLEY SMITH BARNEY GLC I, LLC

Name of General Partner or Manager:
CERES MANAGED FUTURES LLC

	Yes	No
If you are registered or registering with the SEC, is this a "private fund" as defined under SEC rule 203(b)(3)-1?	○	○
Are your *clients* solicited to invest in the limited partnership, limited liability company, or other private fund?	○	◉

Approximately what percentage of your *clients* have invested in this limited partnership, limited liability company, or other private fund?
0 %

Minimum investment commitment required of a limited partner, member, or other investor:
$ 0

Current value of the total assets of the limited partnership, limited liability company, or other private fund:
$ 17561848

Name of Limited Partnership, Limited Liability Company, or other Private Fund:
MORGAN STANLEY SMITH BARNEY ROTELLA I, LLC

Name of General Partner or Manager:
CERES MANGED FUTURES LLC

	Yes	No
If you are registered or registering with the SEC, is this a "private fund" as defined under SEC rule 203(b)(3)-1?	○	○
Are your *clients* solicited to invest in the limited partnership, limited liability company, or other private fund?	○	◉

Approximately what percentage of your *clients* have invested in this limited partnership, limited liability company, or other private fund?
0 %

Minimum investment commitment required of a limited partner, member, or other investor:
$ 0

Current value of the total assets of the limited partnership, limited liability company, or other private fund:
$ 18246323

Name of Limited Partnership, Limited Liability Company, or other Private Fund:
MORGAN STANLEY SMITH BARNEY TT II, LLC

Name of General Partner or Manager:
CERES MANAGED FUTURES LLC

	Yes	No
If you are registered or registering with the SEC, is this a "private fund" as defined under SEC rule 203(b)(3)-1?	○	○
Are your *clients* solicited to invest in the limited partnership, limited liability company, or other private fund?	○	◉

Approximately what percentage of your *clients* have invested in this limited partnership, limited liability company, or other private fund?
0 %

Minimum investment commitment required of a limited partner, member, or other investor:
$ 0

Current value of the total assets of the limited partnership, limited liability company, or other private fund:
$ 44489000

Name of Limited Partnership, Limited Liability Company, or other Private Fund:
ABINGDON FUTURES FUND L.P.

Name of General Partner or Manager:
CERES MANAGED FUTURES LLC

	Yes	No
If you are registered or registering with the SEC, is this a "private fund" as defined under SEC rule 203(b)(3)-1?	○	○
Are your *clients* solicited to invest in the limited partnership, limited liability company, or other private fund?	○	◉

Approximately what percentage of your *clients* have invested in this limited partnership, limited liability company, or other private fund?
0 %

Minimum investment commitment required of a limited partner, member, or other investor:
$ 10000

Current value of the total assets of the limited partnership, limited liability company, or other private fund:
$ 157857693

Name of Limited Partnership, Limited Liability Company, or other Private Fund:
WARRINGTON FUND L.P.

Name of General Partner or Manager:
CERES MANAGED FUTURES LLC

	Yes	No
If you are registered or registering with the SEC, is this a "private fund" as defined under SEC rule 203(b)(3)-1?	○	○
Are your *clients* solicited to invest in the limited partnership, limited liability company, or other private fund?	○	◉

Approximately what percentage of your *clients* have invested in this limited partnership, limited liability company, or other private fund?
0 %

Minimum investment commitment required of a limited partner, member, or other investor:
$ 10000

Current value of the total assets of the limited partnership, limited liability company, or other private fund:
$ 222241881

Name of Limited Partnership, Limited Liability Company, or other Private Fund:
BRISTOL ENERGY FUND L.P.

Name of General Partner or Manager:
CERES MANAGED FUTURES LLC

	Yes	No
If you are registered or registering with the SEC, is this a "private fund" as defined under SEC rule 203(b)(3)-1?	○	○
Are your *clients* solicited to invest in the limited partnership, limited liability company, or other private fund?	○	◉

Approximately what percentage of your *clients* have invested in this limited partnership, limited liability company, or other private fund?

0 %

Minimum investment commitment required of a limited partner, member, or other investor:
$ 25000

Current value of the total assets of the limited partnership, limited liability company, or other private fund:
$ 378107253

Name of Limited Partnership, Limited Liability Company, or other Private Fund:
INSTITUTIONAL FUTURES FUND L.P.

Name of General Partner or Manager:
CERES MANAGED FUTURES LLC

	Yes	No
If you are registered or registering with the SEC, is this a "private fund" as defined under SEC rule 203(b)(3)-1?	○	○
Are your *clients* solicited to invest in the limited partnership, limited liability company, or other private fund?	○	◉

Approximately what percentage of your *clients* have invested in this limited partnership, limited liability company, or other private fund?
0 %

Minimum investment commitment required of a limited partner, member, or other investor:
$ 1000000

Current value of the total assets of the limited partnership, limited liability company, or other private fund:
$ 130579225

Name of Limited Partnership, Limited Liability Company, or other Private Fund:
CMF WINTON FEEDER FUND I L.P.

Name of General Partner or Manager:
CERES MANAGED FUTURES LLC

	Yes	No
If you are registered or registering with the SEC, is this a "private fund" as defined under SEC rule 203(b)(3)-1?	○	○
Are your *clients* solicited to invest in the limited partnership, limited liability company, or other private fund?	○	◉

Approximately what percentage of your *clients* have invested in this limited partnership, limited liability company, or other private fund?
0 %

Minimum investment commitment required of a limited partner, member, or other investor:
$ 1000000

Current value of the total assets of the limited partnership, limited liability company, or other private fund:
$ 2929860

Name of Limited Partnership, Limited Liability Company, or other Private Fund:
EMERGING CTA PORTFOLIO L.P.

Name of General Partner or Manager:
CERES MANAGED FUTURES LLC

	Yes	No
If you are registered or registering with the SEC, is this a "private fund" as defined under SEC rule 203(b)(3)-1?	○	○
Are your *clients* solicited to invest in the limited partnership, limited liability company, or other private fund?	○	◉

Approximately what percentage of your *clients* have invested in this limited partnership, limited liability company, or other private fund?
0 %

Minimum investment commitment required of a limited partner, member, or other investor:
$ 25000

Current value of the total assets of the limited partnership, limited liability company, or other private fund:
$ 183525601

Name of Limited Partnership, Limited Liability Company, or other Private Fund:
FAIRFIELD FUTURES FUND L.P. II

Name of General Partner or Manager:
CERES MANAGED FUTURES LLC

	Yes	No
If you are registered or registering with the SEC, is this a "private fund" as defined under SEC rule 203(b)(3)-1?	○	○
Are your *clients* solicited to invest in the limited partnership, limited liability company, or other private fund?	○	◉

Approximately what percentage of your *clients* have invested in this limited partnership, limited liability company, or other private fund?
0 %

Minimum investment commitment required of a limited partner, member, or other investor:
$ 25000

Current value of the total assets of the limited partnership, limited liability company, or other private fund:
$ 37956902

Name of Limited Partnership, Limited Liability Company, or other Private Fund:
TACTICAL DIVERSIFIED FUTURES FUND L.P.

Name of General Partner or Manager:
CERES MANAGED FUTURES LLC

	Yes	No
If you are registered or registering with the SEC, is this a "private fund" as defined under SEC rule 203(b)(3)-1?	○	○
Are your *clients* solicited to invest in the limited partnership, limited liability company, or other private fund?	○	◉

Approximately what percentage of your *clients* have invested in this limited partnership, limited liability company, or other private fund?
0 %

Minimum investment commitment required of a limited partner, member, or other investor:
$ 10000

Current value of the total assets of the limited partnership, limited liability company, or other private fund:
$ 763167489

Name of Limited Partnership, Limited Liability Company, or other Private Fund:
ORION FUTURES FUND L.P.

Name of General Partner or Manager:
CERES MANAGED FUTURES FUND LLC

	Yes	No
If you are registered or registering with the SEC, is this a "private fund" as defined under SEC rule 203(b)(3)-1?	○	○
Are your *clients* solicited to invest in the limited partnership, limited liability company, or other private fund?	○	◉

Approximately what percentage of your *clients* have invested in this limited partnership, limited liability company, or other private fund?
0 %

Minimum investment commitment required of a limited partner, member, or other investor:
$ 10000

Current value of the total assets of the limited partnership, limited liability company, or other private fund:
$ 1169565735

Name of Limited Partnership, Limited Liability Company, or other Private Fund:
POTOMAC FUTURES FUND L.P.

Name of General Partner or Manager:
CERES MANAGED FUTURES LLC

	Yes	No
If you are registered or registering with the SEC, is this a "private fund" as defined under SEC rule 203(b)(3)-1?	○	○
Are your *clients* solicited to invest in the limited partnership, limited liability company, or other private fund?	○	◉

Approximately what percentage of your *clients* have invested in this limited partnership, limited liability company, or other private fund?
0 %

Minimum investment commitment required of a limited partner, member, or other investor:
$ 10000

Current value of the total assets of the limited partnership, limited liability company, or other private fund:
$ 35871031

Name of Limited Partnership, Limited Liability Company, or other Private Fund:
MSSB REAL ESTATE DEBT ONSHORE FEEDER I, LP

Name of General Partner or Manager:
MORGAN STANLEY GWM STRATEGIES LLC

	Yes	No
If you are registered or registering with the SEC, is this a "private fund" as defined under SEC rule 203(b)(3)-1?	○	○
Are your *clients* solicited to invest in the limited partnership, limited liability company, or other private fund?	○	◉

Approximately what percentage of your *clients* have invested in this limited partnership, limited liability company, or other private fund?
0 %

Minimum investment commitment required of a limited partner, member, or other investor:

$ 150000

Current value of the total assets of the limited partnership, limited liability company, or other private fund:
$ 1481343

Name of Limited Partnership, Limited Liability Company, or other Private Fund:
STERLING LAND AND RETAIL DEVELOPMENT OPPORTUNITIES LP

Name of General Partner or Manager:
EUROPEAN INVESTMENT MANAGEMENT SERVICES INC.

	Yes	No
If you are registered or registering with the SEC, is this a "private fund" as defined under SEC rule 203(b)(3)-1?	○	○
Are your *clients* solicited to invest in the limited partnership, limited liability company, or other private fund?	○	◉

Approximately what percentage of your *clients* have invested in this limited partnership, limited liability company, or other private fund?
0 %

Minimum investment commitment required of a limited partner, member, or other investor:
$ 250000

Current value of the total assets of the limited partnership, limited liability company, or other private fund:
$ 60040651

Name of Limited Partnership, Limited Liability Company, or other Private Fund:
MORGAN STANLEY HEDGEPREMIER/BP TOTAL RETURN FUND L.P.

Name of General Partner or Manager:
MORGAN STANLEY HEDGEPREMIER GP LLC

	Yes	No
If you are registered or registering with the SEC, is this a "private fund" as defined under SEC rule 203(b)(3)-1?	○	○
Are your *clients* solicited to invest in the limited partnership, limited liability company, or other private fund?	○	◉

Approximately what percentage of your *clients* have invested in this limited partnership, limited liability company, or other private fund?
0 %

Minimum investment commitment required of a limited partner, member, or other investor:
$ 100000

$ 100000

Current value of the total assets of the limited partnership, limited liability company, or other private fund:
$ 6003535

Name of Limited Partnership, Limited Liability Company, or other Private Fund:
MORGAN STANLEY HEDGEPREMIER/FRONTPOINT FINANCIAL SERVICES OFFSHORE FUND LTD.

Name of General Partner or Manager:
MORGAN STANLEY HEDGEPREMIER GP LLC

	Yes	No
If you are registered or registering with the SEC, is this a "private fund" as defined under SEC rule 203(b)(3)-1?	○	○
Are your *clients* solicited to invest in the limited partnership, limited liability company, or other private fund?	○	◉

Approximately what percentage of your *clients* have invested in this limited partnership, limited liability company, or other private fund?
0 %

Minimum investment commitment required of a limited partner, member, or other investor:
$ 100000

Current value of the total assets of the limited partnership, limited liability company, or other private fund:
$ 0

Name of Limited Partnership, Limited Liability Company, or other Private Fund:
MORGAN STANLEY/HEDGEPREMIER/IVORY FLAGSHIP FUND II LP

Name of General Partner or Manager:
MORGAN STANLEY HEDGEPREMIER GP LLC

	Yes	No
If you are registered or registering with the SEC, is this a "private fund" as defined under SEC rule 203(b)(3)-1?	○	○
Are your *clients* solicited to invest in the limited partnership, limited liability company, or other private fund?	○	◉

Approximately what percentage of your *clients* have invested in this limited partnership, limited liability company, or other private fund?
0 %

Minimum investment commitment required of a limited partner, member, or other investor:
$ 100000

Current value of the total assets of the limited partnership, limited liability company, or other private fund:
$ 47848954

Name of Limited Partnership, Limited Liability Company, or other Private Fund:
BHM DISCRETIONARY FUTURES FUND, L.P.

Name of General Partner or Manager:
MORGAN STANLEY HEDGEPREMIER GP LLC

	Yes	No
If you are registered or registering with the SEC, is this a "private fund" as defined under SEC rule 203(b)(3)-1?	○	○
Are your *clients* solicited to invest in the limited partnership, limited liability company, or other private fund?	○	◉

Approximately what percentage of your *clients* have invested in this limited partnership, limited liability company, or other private fund?
0 %

Minimum investment commitment required of a limited partner, member, or other investor:
$ 250000

Current value of the total assets of the limited partnership, limited liability company, or other private fund:
$ 10478975

Name of Limited Partnership, Limited Liability Company, or other Private Fund:
MORGAN STANLEY HEDGEPREMIER/MILLENNIUM USA LP

Name of General Partner or Manager:
MORGAN STANLEY HEDGEPREMIER GP LLC

	Yes	No
If you are registered or registering with the SEC, is this a "private fund" as defined under SEC rule 203(b)(3)-1?	○	○
Are your *clients* solicited to invest in the limited partnership, limited liability company, or other private fund?	○	◉

Approximately what percentage of your *clients* have invested in this limited partnership, limited liability company, or other private fund?
0 %

Minimum investment commitment required of a limited partner, member, or other investor:
$ 100000

Current value of the total assets of the limited partnership, limited liability company, or other private fund:
$ 151607667

Name of Limited Partnership, Limited Liability Company, or other Private Fund:
MORGAN STANLEY HEDGEPREMIER/GLOBAL ASCENT FUND LP

Name of General Partner or Manager:
MORGAN STANELY HEDGEPREMIER GP LLC

	Yes	No
If you are registered or registering with the SEC, is this a "private fund" as defined under SEC rule 203(b)(3)-1?	○	○
Are your *clients* solicited to invest in the limited partnership, limited liability company, or other private fund?	○	◉

Approximately what percentage of your *clients* have invested in this limited partnership, limited liability company, or other private fund?
0 %

Minimum investment commitment required of a limited partner, member, or other investor:
$ 100000

Current value of the total assets of the limited partnership, limited liability company, or other private fund:
$ 2021313

Name of Limited Partnership, Limited Liability Company, or other Private Fund:
MORGAN STANLEY HEDGEPREMIER/DISCOVERY PARTNERS FUND LP

Name of General Partner or Manager:
MORGAN STANLEY HEDGEPREMIER GP LLC

	Yes	No
If you are registered or registering with the SEC, is this a "private fund" as defined under SEC rule 203(b)(3)-1?	○	○
Are your *clients* solicited to invest in the limited partnership, limited liability company, or other private fund?	○	◉

Approximately what percentage of your *clients* have invested in this limited partnership, limited liability company, or other private fund?
0 %

Minimum investment commitment required of a limited partner, member, or other investor:
$ 100000

Current value of the total assets of the limited partnership, limited liability company, or other private fund:

$ 9496525

Name of Limited Partnership, Limited Liability Company, or other Private Fund:
MORGAN STANLEY HEDGEPREMIER/GRAHAM DISCRETIONARY 6V PORTFOLIO FUND LP

Name of General Partner or Manager:
MORGAN STANLEY HEDGEPREMIER GP LLC

	Yes	No
If you are registered or registering with the SEC, is this a "private fund" as defined under SEC rule 203(b)(3)-1?	○	○
Are your *clients* solicited to invest in the limited partnership, limited liability company, or other private fund?	○	◉

Approximately what percentage of your *clients* have invested in this limited partnership, limited liability company, or other private fund?
0 %

Minimum investment commitment required of a limited partner, member, or other investor:
$ 100000

Current value of the total assets of the limited partnership, limited liability company, or other private fund:
$ 700643

Name of Limited Partnership, Limited Liability Company, or other Private Fund:
MORGAN STANLEY HEDGEPREMIER/AVENUE FUND, L.P.

Name of General Partner or Manager:
MORGAN STANLEY HEDGEPREMIER GP LLC

	Yes	No
If you are registered or registering with the SEC, is this a "private fund" as defined under SEC rule 203(b)(3)-1?	○	○
Are your *clients* solicited to invest in the limited partnership, limited liability company, or other private fund?	○	◉

Approximately what percentage of your *clients* have invested in this limited partnership, limited liability company, or other private fund?
0 %

Minimum investment commitment required of a limited partner, member, or other investor:
$ 100000

Current value of the total assets of the limited partnership, limited liability company, or other private fund:
$ 1630513

Name of Limited Partnership, Limited Liability Company, or other Private Fund:
MORGAN STANLEY SMITH BARNEY WNT I, LLC

Name of General Partner or Manager:
CERES MANAGED FUTURES LLC

	Yes	No
If you are registered or registering with the SEC, is this a "private fund" as defined under SEC rule 203(b)(3)-1?	○	○
Are your *clients* solicited to invest in the limited partnership, limited liability company, or other private fund?	○	◉

Approximately what percentage of your *clients* have invested in this limited partnership, limited liability company, or other private fund?
0 %

Minimum investment commitment required of a limited partner, member, or other investor:
$ 0

Current value of the total assets of the limited partnership, limited liability company, or other private fund:
$ 54483161

Name of Limited Partnership, Limited Liability Company, or other Private Fund:
TIDEWATER FUTURES FUND L.P.

Name of General Partner or Manager:
CERES MANAGED FUTURES LLC

	Yes	No
If you are registered or registering with the SEC, is this a "private fund" as defined under SEC rule 203(b)(3)-1?	○	○
Are your *clients* solicited to invest in the limited partnership, limited liability company, or other private fund?	○	◉

Approximately what percentage of your *clients* have invested in this limited partnership, limited liability company, or other private fund?
0 %

Minimum investment commitment required of a limited partner, member, or other investor:
$ 25000

Current value of the total assets of the limited partnership, limited liability company, or other private fund:
$ 41672044

Name of Limited Partnership, Limited Liability Company, or other Private Fund:
WESTPORT JWH FUTURES FUND L.P.

Name of General Partner or Manager:
CERES MANAGED FUTURES LLC

	Yes	No
If you are registered or registering with the SEC, is this a "private fund" as defined under SEC rule 203(b)(3)-1?	○	○
Are your *clients* solicited to invest in the limited partnership, limited liability company, or other private fund?	○	◉

Approximately what percentage of your *clients* have invested in this limited partnership, limited liability company, or other private fund?
0 %

Minimum investment commitment required of a limited partner, member, or other investor:
$ 25000

Current value of the total assets of the limited partnership, limited liability company, or other private fund:
$ 64695711

Name of Limited Partnership, Limited Liability Company, or other Private Fund:
AAA CAPITAL ENERGY FUND L.P. II

Name of General Partner or Manager:
CERES MANAGED FUTURES LLC

	Yes	No
If you are registered or registering with the SEC, is this a "private fund" as defined under SEC rule 203(b)(3)-1?	○	○
Are your *clients* solicited to invest in the limited partnership, limited liability company, or other private fund?	○	◉

Approximately what percentage of your *clients* have invested in this limited partnership, limited liability company, or other private fund?
0 %

Minimum investment commitment required of a limited partner, member, or other investor:
$ 25000

Current value of the total assets of the limited partnership, limited liability company, or other private fund:
$ 392442335

Name of Limited Partnership, Limited Liability Company, or other Private Fund:
FAIRFIELD FUTURES FUND L.P.

Name of General Partner or Manager:
CERES MANAGED FUTURES LLC

	Yes	No
If you are registered or registering with the SEC, is this a "private fund" as defined under SEC rule 203(b)(3)-1?	○	○
Are your *clients* solicited to invest in the limited partnership, limited liability company, or other private fund?	○	◉

Approximately what percentage of your *clients* have invested in this limited partnership, limited liability company, or other private fund?
0 %

Minimum investment commitment required of a limited partner, member, or other investor:
$ 25000

Current value of the total assets of the limited partnership, limited liability company, or other private fund:
$ 17898987

Name of Limited Partnership, Limited Liability Company, or other Private Fund:
DIVERSIFIED 2000 FUTURES FUND L.P.

Name of General Partner or Manager:
CERES MANAGED FUTURES LLC

	Yes	No
If you are registered or registering with the SEC, is this a "private fund" as defined under SEC rule 203(b)(3)-1?	○	○
Are your *clients* solicited to invest in the limited partnership, limited liability company, or other private fund?	○	◉

Approximately what percentage of your *clients* have invested in this limited partnership, limited liability company, or other private fund?
0 %

Minimum investment commitment required of a limited partner, member, or other investor:
$ 2000

Current value of the total assets of the limited partnership, limited liability company, or other private fund:
$ 59414442

Name of Limited Partnership, Limited Liability Company, or other Private Fund:

GLOBAL DIVERSIFIED FUTURES FUND L.P.

Name of General Partner or Manager:
CERES MANAGED FUTURES LLC

	Yes	No
If you are registered or registering with the SEC, is this a "private fund" as defined under SEC rule 203(b)(3)-1?	○	○
Are your *clients* solicited to invest in the limited partnership, limited liability company, or other private fund?	○	◉

Approximately what percentage of your *clients* have invested in this limited partnership, limited liability company, or other private fund?
0 %

Minimum investment commitment required of a limited partner, member, or other investor:
$ 2000

Current value of the total assets of the limited partnership, limited liability company, or other private fund:
$ 28436063

Name of Limited Partnership, Limited Liability Company, or other Private Fund:
AAA CAPITAL ENERGY FUND L.P.

Name of General Partner or Manager:
CERES MANAGED FUTURES LLC

	Yes	No
If you are registered or registering with the SEC, is this a "private fund" as defined under SEC rule 203(b)(3)-1?	○	○
Are your *clients* solicited to invest in the limited partnership, limited liability company, or other private fund?	○	◉

Approximately what percentage of your *clients* have invested in this limited partnership, limited liability company, or other private fund?
0 %

Minimum investment commitment required of a limited partner, member, or other investor:
$ 25000

Current value of the total assets of the limited partnership, limited liability company, or other private fund:
$ 324421521

SECTION 9.C. Independent Public Accountant

No Information Filed

SECTION 9.D. Related Person Qualified Custodian

No Information Filed

Section 10 *Control Persons*

You must complete a separate Schedule D Page 4 for each *control person* not named in Item 1.A. or Schedules A, B, or C that directly or indirectly *controls* your management or policies.

No Information Filed

FORM ADV
UNIFORM APPLICATION FOR INVESTMENT ADVISER REGISTRATION

Form ADV, Schedule D Page 5

Use this Schedule D Page 5 to report details for items listed below. Report only new information or changes/updates to previously submitted information. Do not repeat previously submitted information.

Schedule D - Miscellaneous

You may use the space below to explain a response to an Item or to provide any other information.

ITEM 7A - THE AFFILIATED INVESTMENT ADVISERS LISTED CONTROL NUMEROUS INVESTMENT ADVISERS. A LIST OF THESE INVESTMENT ADVISERS IS AVAILABLE IN THE FORM ADVS OF THESE AFFILIATED INVESTMENT ADVISERS. ITEM 7B - THE REGISTRANT HAS RELATED SEC-REGISTERED INVESTMENT ADVISERS THAT MANAGE INVESTMENT-RELATED LIMITED LIABILITY COMPANIES ("LLCS") AND LIMITED PARTNERSHIPS ("LPS") THAT ARE NOT LISTED IN SECTION 7.B. OF THIS SCHEDULE D. COMPLETE AND ACCURATE INFORMATION ABOUT THOSE LLCS AND LPS IS AVAILABLE IN SECTION 7.B OF SCHEDULE D OF THE FORM ADVS OF THESE RELATED SEC-REGISTERED INVESTMENT ADVISERS. THE REGISTRANT MAY, AS A BROKER-DEALER, SOLICIT CLIENTS TO INVEST IN THESE LLCS OR LPS. THE FOLLOWING ENTITIES IDENTIFIED IN RESPONSE TO ITEM 7B DO NOT ACCEPT INVESTMENTS DIRECTLY. THE ASSETS SHOWN FOR THESE ENTITIES INCLUDE ASSETS OF THE FUNDS THAT FEED

INTO THEM, WHICH ARE SEPARATELY IDENTIFIED IN RESPONSE TO ITEM 7B: MORGAN STANLEY SMITH BARNEY ALTIS I, LLC, MORGAN STANLEY SMITH BARNEY ASPECT I, LLC, MORGAN STANLEY SMITH BARNEY AUGUSTUS I, LLC, MORGAN STANLEY SMITH BARNEY BHM I, LLC, MORGAN STANLEY SMITH BARNEY CAMPBELL I, LLC, MORGAN STANLEY SMITH BARNEY CHESAPEAKE DIVERSIFIED I, LLC, MORGAN STANLEY SMITH BARNEY DKR FUSION, LLC, MORGAN STANLEY SMITH BARNEY BORONIA I, LLC, MORGAN STANLEY KAISER I, LLC, MORGAN STANLEY SMITH BARNEY GLC I, LLC, MORGAN STANLEY SMITH BARNEY ROTELLA I, LLC, MORGAN STANLEY SMITH BARNEY TT II, LLC, MORGAN STANLEY SMITH BARNEY WNT, LLC, AAA MASTER FUND LLC, JWH MASTER FUND LLC, CMF ALTIS PARTNERS MASTER FUND L.P., CMF ASPECT MASTER FUND L.P., CMF CAMPBELL MASTER FUNDER L.P., CMF DRURY CAPITAL MASTER FUND L.P., CMF ECKHARDT MASTER FUND L.P., CMF GRAHAM CAPITAL MASTER FUND L.P., CMF SANDRIDGE MASTER FUND, L.P., CMF SASCO MASTER FUND L.P., CMF WILLOWBRIDGE ARGO MASTER FUND L.P., CMF WINTON MASTER L.P. AND WAYPOINT MASTER FUND L.P.

FORM ADV
UNIFORM APPLICATION FOR INVESTMENT ADVISER REGISTRATION

CRIMINAL DISCLOSURE REPORTING PAGE (ADV)

No Information Filed

REGULATORY ACTION DISCLOSURE REPORTING PAGE (ADV)

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ○ INITIAL ***OR*** ◉ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action

☐ 11.C(1)	☐ 11.C(5)	☑ 11.D(4)	☐ 11.E(3)
☐ 11.C(2)	☐ 11.D(1)	☐ 11.D(5)	☐ 11.E(4)
☐ 11.C(3)	☑ 11.D(2)	☐ 11.E(1)	☐ 11.F
☐ 11.C(4)	☐ 11.D(3)	☐ 11.E(2)	☐ 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

◉ You (the advisory firm)

○ You and one or more of your *advisory affiliates*

○ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*

No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

○ *Yes* ○ *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

○ SEC ○ Other Federal ◉ State ○ *SRO* ○ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
NEW HAMPSHIRE BUREAU OF SECURITIES REGULATION

2. Principal Sanction:

   Other Sanctions:

3. Date Initiated (MM/DD/YYYY):
   01/13/2004 (•) Exact ( ) Explanation

   If not exact, provide explanation:

4. Docket/Case Number:

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
   Other
   Other Product Types:
   RESEARCH

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

   ALLEGED THAT MORGAN STANLEY & CO. INCORPORATED ("MS&CO.") VIOLATED THE NEW HAMPSHIRE REVISED STATUTES ANNOTATED 421-B:26-A AND 421-B:27, BY, AMONG OTHER THINGS, ENGAGING IN ACTS AND PRACTICES THAT CREATED CONFLICTS OF INTEREST FOR ITS RESEARCH ANALYSTS WITH RESPECT TO INVESTMENT BANKING ACTIVITY AND CONSIDERATIONS AND FAILING TO MANAGE SUCH CONFLICTS ADEQUATELY OR APPROPRIATELY; FAILING TO ENSURE, IN OFFERINGS WHERE MS&CO. WAS LEAD UNDERWRITER, THAT PAYMENTS MADE TO OTHER BROKER-DEALERS FOR PUBLISHING RESEARCH REPORTS WERE DISCLOSED BY THE ISSUERS IN THE OFFERING DOCUMENTS AND THE OTHER BROKER-DEALERS IN THEIR RESEARCH REPORTS; AND FAILING TO SUPERVISE PROPERLY ITS RESEARCH ANALYSTS, INCLUDING WITH REPECT TO THE RATINGS, PRICE TARGETS AND CONTENT OF THE REPORTS OF SENIOR RESEARCH ANALYSTS.

8. Current status ? ( ) Pending ( ) On Appeal (•) Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
    Order

    ORDER

11. Resolution Date (MM/DD/YYYY):
    01/13/2004 (•) Exact ( ) Explanation

    If not exact, provide explanation:

12. Resolution Detail:

    A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

    - [x] Monetary/Fine Amount:$ 250000
    - [ ] Revocation/Expulsion/Denial
    - [ ] Disgorgement/Restitution
    - [ ] Censure
    - [x] Cease and Desist/Injunction
    - [ ] Bar
    - [ ] Suspension

    B. Other Sanctions *Ordered*:
    $75,000,000 TO PROVIDE FIRM'S CLIENTS WITH INDEPENDENT RESEARCH.

    Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
    $250,000 IN 12A IS PENALTY TO NEW HAMPSHIRE. ADDITIONAL PENALTIES/DISGORGEMENT OF $24,750,000 TO OTHER STATES AND $25,000,000 TO SEC, NASD AND NYSE IN RELATED PROCEEDINGS.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
    WITHOUT ADMITTING OR DENYING THE ALLEGATIONS IN THE COMPLAINT IN THE RELATED PROCEEDINGS AND MADE IN THIS PROCEEDING, EXCEPT AS TO JURISDICTION, MS&CO. CONSENTED TO PAY A TOTAL OF $50 MILLION, WHICH INCLUDES PAYMENTS TO THE SEC, NASD, NYSE, STATES AND TERRITORIES, FOR PAST CONDUCT AND $75 MILLION IN THE FUTURE TO FUND INDEPENDENT RESEARCH. THE PAYMENT MADE TO NEW HAMPSHIRE IS $250,000. IN ADDITION, MS&CO. HAS AGREED TO A NUMBER OF STRUCTURAL CHANGES TO THE OPERATIONS OF ITS EQUITY RESEARCH AND INVESTMENT BANKING OPERATIONS. MS&CO. IS ALSO IN THE PROCESS OF FINALIZING SETTLEMENTS WITH THE OTHER STATE AND TERRITORIAL SECURITIES ADMINISTRATORS.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ( ) INITIAL ***OR*** (•) AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of

Form ADV.

Check item(s) being responded to:

Regulatory Action			
☐ 11.C(1)	☐ 11.C(5)	☐ 11.D(4)	☐ 11.E(3)
☐ 11.C(2)	☐ 11.D(1)	☐ 11.D(5)	☐ 11.E(4)
☐ 11.C(3)	☑ 11.D(2)	☐ 11.E(1)	☐ 11.F
☐ 11.C(4)	☐ 11.D(3)	☐ 11.E(2)	☐ 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- ○ You (the advisory firm)
- ○ You and one or more of your *advisory affiliates*
- ◉ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*

CRD Number: This *advisory affiliate* is ◉ a Firm ○ an Individual

Registered: ○ Yes ◉ No

Name: SBHU LIFE AGENCY, INC.
(For individuals, Last, First, Middle)

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

○ *Yes* ◉ *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:
○ SEC ○ Other Federal ◉ State ○ *SRO* ○ Foreign
(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
STATE OF NEW YORK INSURANCE DEPARTMENT

2. Principal Sanction:
Civil and Administrative Penalt(ies) /Fine(s)
Other Sanctions:
UNDERTAKINGS

3. Date Initiated (MM/DD/YYYY):
12/20/2010 ◉ Exact ○ Explanation
If not exact, provide explanation:

4. Docket/Case Number:
STIPULATION NO. 2010-0329-S

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
Annuity(ies) - Fixed
Other Product Types:

ANNUITY(IES) - VARIABLE; INSURANCE

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

DURING THE PERIOD JANUARY 1, 2003 THROUGH DECEMBER 31, 2007, CITICORP INSURANCE AGENCY, INC. ("CIAI"), CITICORP INVESTMENT SERVICES ("CIS") AND SBHU LIFE AGENCY, INC. ("SBHU", TOGETHER WITH CIAI AND CIS "RESPONDENTS") IN CERTAIN INSTANCES DID NOT PRESENT COMPLETE, ACCURATE, AND/OR TIMELY DISCLOSURE STATEMENTS TO APPLICANTS IN REPLACEMENT TRANSACTIONS IN VIOLATION OF SECTION 51.5(C) OF DEPARTMENT REGULATION 60. RESPONDENTS DID NOT ADEQUATELY PROCESS AND RESOLVE CERTAIN CLIENT COMPLAINTS PERTAINING TO THE SALE OF LIFE INSURANCE POLICIES OR ANNUITY CONTRACTS. CERTAIN SALES OF LIFE INSURANCE POLICIES OR ANNUITY CONTRACTS WERE INCONSISTENT WITH THE RESPONDENTS' INTERNAL SUITABILITY STANDARDS.

8. Current status ? ○ Pending ○ On Appeal ◉ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Stipulation and Consent

STIPCONS

11. Resolution Date (MM/DD/YYYY):

12/20/2010 ◉ Exact ○ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

- ☑ Monetary/Fine Amount:$ 2000000
- ☐ Revocation/Expulsion/Denial
- ☐ Censure
- ☐ Bar
- ☐ Disgorgement/Restitution
- ☐ Cease and Desist/Injunction
- ☐ Suspension

B. Other Sanctions *Ordered*:
UNDERTAKINGS

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
RESPONDENTS CONSENTED TO A CIVIL PENALTY OF $2 MILLION AND VARIOUS UNDERTAKINGS DESCRIBED IN ITEM 13 BELOW. THE PENALTY WAS PAID ON DECEMBER 15, 2010.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
ON DECEMBER 20, 2010, THE DEPARTMENT AND THE RESPONDENTS FINALIZED A STIPULATION AGREEMENT. THE RESPONDENTS ADMITTED TO A VIOLATION OF SECTION 51.5(C) OF NEW YORK REGULATION 60, AND CONSENTED TO THE IMPOSITION OF A CIVIL PENALTY OF $2 MILLION AND TO TAKE CERTAIN REMEDIAL ACTIONS DESCRIBED IN THE STIPULATION AGREEMENT. THE RESPONDENTS WILL SUBMIT PERIODICALLY A WRITTEN REPORT TO THE DEPARTMENT DETAILING WITH RESPECT TO CERTAIN COMPLAINTS FILED BETWEEN 2003 AND THE PRESENT ACTIONS TAKEN TO COOPERATE WITH THE RELEVANT INSURERS. ALSO, THE RESPONDENTS WILL SUBMIT TO THE DEPARTMENT THEIR POLICIES AND PROCEDURES TO ADDRESS THE DEFICIENCIES IDENTIFIED IN THE STIPULATION AGREEMENT AND TO COMPLY WITH APPLICABLE SUITABILITY STANDARDS. LASTLY, RESPONDENTS AGREE TO TAKE ANY ADDITIONAL STEP NECESSARY TO PREVENT REOCCURRENCE OF THE VIOLATION.

GENERAL INSTRUCTIONS

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Check item(s) being responded to:

Regulatory Action

☐ 11.C(1)	☐ 11.C(5)	☐ 11.D(4)	☐ 11.E(3)
☐ 11.C(2)	☐ 11.D(1)	☐ 11.D(5)	☐ 11.E(4)
☐ 11.C(3)	☐ 11.D(2)	☐ 11.E(1)	☐ 11.F
☐ 11.C(4)	☐ 11.D(3)	☑ 11.E(2)	☐ 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- ○ You (the advisory firm)
- ○ You and one or more of your *advisory affiliates*
- ◉ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*		
CRD Number:	36142	This *advisory affiliate* is ◉ a Firm ○ an Individual
Registered:	◉ Yes ○ No	
Name:	PRIME DEALER SERVICES CORP. (For individuals, Last, First, Middle)	

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

◉ *Yes* ○ *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

○ SEC ○ Other Federal ○ State ○ *SRO* ○ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)

2. Principal Sanction:

Other Sanctions:

3. Date Initiated (MM/DD/YYYY):

○ Exact ○ Explanation

If not exact, provide explanation:

4. Docket/Case Number:

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:

Other Product Types:

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

8. Current status ? ○ Pending ○ On Appeal ○ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:

11. Resolution Date (MM/DD/YYYY):

○ Exact ○ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

- ☐ Monetary/Fine Amount:$
- ☐ Revocation/Expulsion/Denial
- ☐ Disgorgement/Restitution
- ☐ Censure
- ☐ Cease and Desist/Injunction
- ☐ Bar
- ☐ Suspension

B. Other Sanctions *Ordered*:

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ◉ INITIAL ***OR*** ○ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action			
☐ 11.C(1)	☐ 11.C(5)	☐ 11.D(4)	☐ 11.E(3)
☐ 11.C(2)	☐ 11.D(1)	☐ 11.D(5)	☐ 11.E(4)
☐ 11.C(3)	☐ 11.D(2)	☐ 11.E(1)	☐ 11.F
☐ 11.C(4)	☐ 11.D(3)	☑ 11.E(2)	☐ 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- ◉ You (the advisory firm)
- ○ You and one or more of your *advisory affiliates*
- ○ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

○ *Yes* ○ *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

○ SEC ○ Other Federal ○ State ◉ *SRO* ○ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
NASD REGULATION, INC.

2. Principal Sanction:
Censure
Other Sanctions:
FINE OF $22,500.

3. Date Initiated (MM/DD/YYYY):
04/08/2002 ◉ Exact ○ Explanation

If not exact, provide explanation:

4. Docket/Case Number:
CMS020053 AWC

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
No Product
Other Product Types:

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):
NASD REGULATION, INC. ALLEGED VIOLATIONS OF SEC RULE 11AC1-4 AND VIOLATIONS OF NASD MARKETPLACE RULE 6130.

8. Current status ? ○ Pending ○ On Appeal ◉ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Acceptance, Waiver & Consent(AWC)
AWC

11. Resolution Date (MM/DD/YYYY):
04/08/2002 ◉ Exact ○ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

- ☑ Monetary/Fine Amount:$ 22500
- ☐ Revocation/Expulsion/Denial
- ☐ Disgorgement/Restitution
- ☑ Censure
- ☐ Cease and Desist/Injunction
- ☐ Bar
- ☐ Suspension

B. Other Sanctions *Ordered*:

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
CENSURE AND A FINE OF $22,500.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
WITHOUT ADMITTING OR DENYING THE ALLEGED VIOLATIONS MORGAN STANLEY ACCEPTED AND CONSENTED TO A CENSURE AND A FINE OF $22,500.

GENERAL INSTRUCTIONS

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Check item(s) being responded to:

Regulatory Action

☐ 11.C(1)	☐ 11.C(5)	☐ 11.D(4)	☐ 11.E(3)
☐ 11.C(2)	☐ 11.D(1)	☐ 11.D(5)	☐ 11.E(4)
☐ 11.C(3)	☐ 11.D(2)	☐ 11.E(1)	☐ 11.F

☐ 11.C(4) ☐ 11.D(3) ☑ 11.E(2) ☐ 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- ◉ You (the advisory firm)
- ○ You and one or more of your *advisory affiliates*
- ○ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

○ *Yes* ○ *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:
   ○ SEC ○ Other Federal ○ State ◉ *SRO* ○ Foreign
   (Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
   NASD REGULATION, INC.

2. Principal Sanction:
   Censure
   Other Sanctions:

3. Date Initiated (MM/DD/YYYY):
   02/04/2002 ◉ Exact ○ Explanation
   If not exact, provide explanation:

4. Docket/Case Number:
   CMS020022 AWC

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
   Equity - OTC
   Other Product Types:

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):
   THE MARKET REGULATION DEPARTMENT ALLEGED VIOLATION OF NASD MARKETPLACE RULE 4613(E)(2), LOCKED AND CROSSED MARKET RULE, FOR THE PERIOD JULY 1 THROUGH SEPTEMBER 30, 2000.

8. Current status ? ○ Pending ○ On Appeal ◉ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:

Acceptance, Waiver & Consent(AWC)

AWC

11. Resolution Date (MM/DD/YYYY):

02/04/2002 (•) Exact ( ) Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

- [x] Monetary/Fine Amount:$ 7500
- [ ] Revocation/Expulsion/Denial
- [ ] Disgorgement/Restitution
- [x] Censure
- [ ] Cease and Desist/Injunction
- [ ] Bar
- [ ] Suspension

B. Other Sanctions *Ordered*:

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
CENSURE AND A FINE OF $7500.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
WITHOUT ADMITTING OR DENYING THE ALLEGATIONS MORGAN STANLEY & CO. INCORPORATED ACCEPTED AND CONSENTED TO A CENSURE AND A FINE OF $7500.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an (•) INITIAL ***OR*** ( ) AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action			
[ ] 11.C(1)	[ ] 11.C(5)	[ ] 11.D(4)	[ ] 11.E(3)
[ ] 11.C(2)	[ ] 11.D(1)	[ ] 11.D(5)	[ ] 11.E(4)
[ ] 11.C(3)	[ ] 11.D(2)	[ ] 11.E(1)	[ ] 11.F
[ ] 11.C(4)	[ ] 11.D(3)	[x] 11.E(2)	[ ] 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

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PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

(•) You (the advisory firm)

( ) You and one or more of your *advisory affiliates*

( ) One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

[ ] This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

[ ] This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the

event? If the answer is "Yes," no other information on this DRP must be provided.

○ *Yes* ○ *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:
   ○ SEC ○ Other Federal ○ State ◉ *SRO* ○ Foreign
   (Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
   NASD REGULATION INC.

2. Principal Sanction:

   Other Sanctions:

3. Date Initiated (MM/DD/YYYY):
   09/04/2002 ◉ Exact ○ Explanation

   If not exact, provide explanation:

4. Docket/Case Number:
   CMS020158

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
   No Product
   Other Product Types:

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):
   THE NASD MARKET REGULATION DEPARTMENT ALLEGED VIOLATIONS OF NASD MARKETPLACE RULE 6955(A) AND CONDUCT RULE 2110.

8. Current status ? ○ Pending ○ On Appeal ◉ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
    Acceptance, Waiver & Consent(AWC)

    AWC

11. Resolution Date (MM/DD/YYYY):
    09/04/2002 ◉ Exact ○ Explanation

    If not exact, provide explanation:

12. Resolution Detail:

    A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

    ☑ Monetary/Fine Amount:$ 9000

    ☐ Revocation/Expulsion/Denial

    ☑ Censure

    ☐ Bar

    ☐ Disgorgement/Restitution

    ☐ Cease and Desist/Injunction

    ☐ Suspension

    B. Other Sanctions *Ordered*:

    Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
    CENSURE AND A FINE OF $9000.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
    WITHOUT ADMITTING OR DENYING THE ALLEGED VIOLATIONS MORGAN STANLEY & CO. INCORPORATED CONSENTED TO A CENSURE AND A FINE OF $9000.

GENERAL INSTRUCTIONS

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Check item(s) being responded to:

Regulatory Action			
☐ 11.C(1)	☐ 11.C(5)	☐ 11.D(4)	☐ 11.E(3)
☐ 11.C(2)	☐ 11.D(1)	☐ 11.D(5)	☐ 11.E(4)
☐ 11.C(3)	☐ 11.D(2)	☐ 11.E(1)	☐ 11.F
☐ 11.C(4)	☐ 11.D(3)	☑ 11.E(2)	☐ 11.G

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PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- ◉ You (the advisory firm)
- ○ You and one or more of your *advisory affiliates*
- ○ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

○ *Yes* ○ *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

○ SEC ○ Other Federal ○ State ◉ *SRO* ○ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

2. Principal Sanction:

Other Sanctions:

3. Date Initiated (MM/DD/YYYY):
10/28/2002 ◉ Exact ○ Explanation

If not exact, provide explanation:

4. Docket/Case Number:
MRD200129383

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
Equity - OTC
Other Product Types:

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

VIOLATIONS OF NASD CONDUCT RULES 2110 AND 3340 ALLEGING THE MORGAN STANLEY & CO. INCORPORATED EFFECTED NINE TRANSACTIONS IN VARIOUS NASDAQ NATIONAL MARKET SECURITIES WHILE A TRADING HALT WAS IN EFFECT.

8. Current status ? ○ Pending ○ On Appeal ◉ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Acceptance, Waiver & Consent(AWC)

AWC

11. Resolution Date (MM/DD/YYYY):
10/28/2002 ◉ Exact ○ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

- ☑ Monetary/Fine Amount:$ 5000
- ☐ Revocation/Expulsion/Denial
- ☐ Censure
- ☐ Bar
- ☐ Disgorgement/Restitution
- ☐ Cease and Desist/Injunction
- ☐ Suspension

B. Other Sanctions *Ordered*:

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
$5000. FINE

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
WITHOUT ADMITTING OR DENYING THE ALLEGED VIOLATIONS, MORGAN STANLEY & CO. INCORPORATED ACCEPTED AND CONSENTED TO A $5000. FINE.

GENERAL INSTRUCTIONS

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Check item(s) being responded to:

Regulatory Action			
☐ 11.C(1)	☐ 11.C(5)	☐ 11.D(4)	☐ 11.E(3)
☐ 11.C(2)	☐ 11.D(1)	☐ 11.D(5)	☐ 11.E(4)
☐ 11.C(3)	☐ 11.D(2)	☐ 11.E(1)	☐ 11.F
☐ 11.C(4)	☐ 11.D(3)	☑ 11.E(2)	☐ 11.G

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PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- ◉ You (the advisory firm)
- ○ You and one or more of your *advisory affiliates*
- ○ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

○ *Yes* ○ *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

○ SEC ○ Other Federal ○ State ◉ *SRO* ○ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
NEW YORK STOCK EXCHANGE

2. Principal Sanction:
Censure
Other Sanctions:
FINE IN THE AMOUNT OF $1,650,000. THE AMOUNT TO BE PAID TO THE NYSE SHALL BE REDUCED BY AMOUNTS PAID PURSUANT TO AGREEMENTS TO PAY A CIVIL MONETARY PENALTY OF $550,000 TO THE U.S. TREASURY AND A FINE OF $550,000 TO THE NASD IN RELATED PROCEEDINGS. IN ADDITION TO THE MONETARY FINE, THE FIRM SHALL COMPLETE AN APPROPRIATE UNDERTAKING TO REVIEW ITS PROCEDURES REGARDING THE PRESERVATION OF ELECTRONIC MAIL COMMUNICATIONS.

3. Date Initiated (MM/DD/YYYY):
11/20/2002 ○ Exact ◉ Explanation

If not exact, provide explanation:
DATE OF RECEIPT OF HEARING PANEL DECISION

4. Docket/Case Number:
02-225

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
No Product
Other Product Types:

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

ALLEGED VIOLATIONS OF THE RECORD-KEEPING REQUIREMENTS OF THE SECURITIES AND EXCHANGE ACT OF 1934, SEC RULE 17A-4 AND EXCHANGE RULES 342 AND 440 BY FAILING TO PRESERVE FOR A PERIOD OF THREE YEARS, AND/OR PRESERVE IN AN ACCESSIBLE PLACE FOR TWO YEARS, ELECTRONIC COMMUNICATIONS RELATING TO THE BUSINESS OF THE FIRM AND NOT HAVING ADEQUATE SYSTEMS AND PROCEDURES TO ASSURE COMPLIANCE WITH THESE REQUIREMENTS.

8. Current status ? ○ Pending ○ On Appeal ◉ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Consent

CONSENT

11. Resolution Date (MM/DD/YYYY):
12/10/2002 ○ Exact ◉ Explanation

If not exact, provide explanation:
25 DAYS FROM HEARING PANEL DECISION DATED 11/15/2002

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☑ Monetary/Fine Amount:$ 1650000

☐ Revocation/Expulsion/Denial

☐ Disgorgement/Restitution

☑ Censure

☐ Cease and Desist/Injunction

☐ Bar

☐ Suspension

B. Other Sanctions *Ordered*:
UNDERTAKING

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations

Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
SEE QUESTIONS 2 AND 13

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
ON OR ABOUT NOVEMBER 11, 2002, MORGAN STANLEY AND FOUR OTHER INDUSTRY FIRMS, ENTERED INTO A SETTLEMENT WITH THE SEC, NYSE AND NASD TO RESOLVE ACTIONS FOR ALLEGED VIOLATIONS OF RECORD-KEEPING REQUIREMENTS CONCERNING EMAIL COMMUNICATIONS. THE FIRMS CONSENTED, WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, TO THE IMPOSITION OF FINES OF $1.65 MILLION EACH AND TO FINDINGS THAT EACH VIOLATED SECTION 17(A) OF THE SECURITIES EXCHANGE ACT OF 1934, RULE 17A-4 THEREUNDER, NYSE RULE 440 AND NASD RULE 3110, AMONG OTHERS, FOR FAILING TO PRESERVE FOR 3 YEARS, AND/OR PRESERVE IN AN ACCESSIBLE PLACE FOR 2 YEARS, ELECTRONIC COMMUNICATIONS RELATING TO THE BUSINESS OF THE FIRM. EACH FIRM ALSO AGREED TO REVIEW ITS PROCEDURES REGARDING THE PRESERVATION OF EMAIL COMMUNICATIONS FOR COMPLIANCE WITH THE SECURITIES LAWS AND RULES OF THE NYSE AND NASD, AND TO INFORM THE REGULATORS THAT IT HAS ESTABLISHED SYSTEMS AND PROCEDURES REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH THE STATUTE AND RULES. THERE WAS NO ALLEGATION OF INTENTIONAL MISCONDUCT.

GENERAL INSTRUCTIONS

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Check item(s) being responded to:

Regulatory Action			
☐ 11.C(1)	☐ 11.C(5)	☐ 11.D(4)	☐ 11.E(3)
☐ 11.C(2)	☐ 11.D(1)	☐ 11.D(5)	☐ 11.E(4)
☐ 11.C(3)	☐ 11.D(2)	☐ 11.E(1)	☐ 11.F
☐ 11.C(4)	☐ 11.D(3)	☑ 11.E(2)	☐ 11.G

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PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

◉ You (the advisory firm)

○ You and one or more of your *advisory affiliates*

○ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

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B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

○ *Yes* ○ *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

○ SEC ○ Other Federal ○ State ◉ *SRO* ○ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

2. Principal Sanction:
Censure

Other Sanctions:
FINE IN THE AMOUNT OF $1,650,000. THE AMOUNT TO BE PAID TO THE NASD SHALL BE REDUCED BY AMOUNTS PAID PURSUANT TO AGREEMENTS TO PAY A CIVIL MONETARY PENALTY OF $550,000 TO THE U.S. TREASURY AND A FINE OF $550,000 TO THE NYSE IN RELATED PROCEEDINGS. IN ADDITION TO THE MONETARY FINE, THE FIRM SHALL COMPLETE AN APPROPRIATE UNDERTAKING TO REVIEW ITS PROCEDURES REGARDING THE PRESERVATION OF ELECTRONIC MAIL COMMUNICATIONS.

3. Date Initiated (MM/DD/YYYY):
11/22/2002 ○ Exact ◉ Explanation

If not exact, provide explanation:
DATE OF NOTICE OF ACCEPTANCE OF AWC

4. Docket/Case Number:
CAF020064

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
No Product
Other Product Types:

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

ALLEGED VIOLATIONS OF THE RECORD-KEEPING REQUIREMENTS OF THE SECURITIES AND EXCHANGE ACT OF 1934, SEC RULE 17A-4 AND NASD RULES 3010 AND 3110 BY FAILING TO PRESERVE FOR A PERIOD OF THREE YEARS, AND/OR PRESERVE IN AN ACCESSIBLE PLACE FOR TWO YEARS, ELECTRONIC COMMUNICATIONS RELATING TO THE BUSINESS OF THE FIRM AND NOT HAVING ADEQUATE SYSTEMS AND PROCEDURES TO ASSURE COMPLIANCE WITH THESE REQUIREMENTS.

8. Current status ? ○ Pending ○ On Appeal ◉ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Acceptance, Waiver & Consent(AWC)

AWC

11. Resolution Date (MM/DD/YYYY):

11/22/2002 ◉ Exact ○ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

- ☑ Monetary/Fine Amount:$ 1650000
- ☐ Revocation/Expulsion/Denial
- ☐ Disgorgement/Restitution
- ☑ Censure
- ☐ Cease and Desist/Injunction
- ☐ Bar
- ☐ Suspension

B. Other Sanctions *Ordered*:
UNDERTAKING

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
SEE QUESTIONS 2 AND 13

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
ON OR ABOUT NOVEMBER 11, 2002, MORGAN STANLEY AND FOUR OTHER INDUSTRY FIRMS, ENTERED INTO A SETTLEMENT WITH THE SEC, NYSE AND NASD TO RESOLVE ACTIONS FOR ALLEGED VIOLATIONS OF RECORD-KEEPING REQUIREMENTS CONCERNING EMAIL COMMUNICATIONS. THE FIRMS CONSENTED, WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, TO THE IMPOSITION OF FINES OF $1.65 MILLION EACH AND TO FINDINGS THAT EACH VIOLATED SECTION 17(A) OF THE SECURITIES EXCHANGE ACT OF 1934, RULE 17A-4 THEREUNDER, NYSE RULE 440 AND NASD RULE 3110, AMONG OTHERS, FOR FAILING TO PRESERVE FOR 3 YEARS, AND/OR PRESERVE IN AN ACCESSIBLE PLACE FOR 2 YEARS, ELECTRONIC COMMUNICATIONS RELATING TO THE BUSINESS OF THE FIRM. EACH FIRM ALSO AGREED TO REVIEW ITS PROCEDURES REGARDING THE PRESERVATION OF EMAIL COMMUNICATIONS FOR COMPLIANCE WITH THE SECURITIES LAWS AND RULES OF THE NYSE AND NASD, AND TO INFORM THE REGULATORS THAT IT HAS ESTABLISHED SYSTEMS AND PROCEDURES REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH THE STATUTE AND RULES. THERE WAS NO ALLEGATION OF INTENTIONAL MISCONDUCT.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ○ INITIAL ***OR*** ◉ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action

☐ 11.C(1)	☑ 11.C(5)	☐ 11.D(4)	☐ 11.E(3)
☑ 11.C(2)	☐ 11.D(1)	☐ 11.D(5)	☐ 11.E(4)
☐ 11.C(3)	☐ 11.D(2)	☐ 11.E(1)	☐ 11.F
☐ 11.C(4)	☐ 11.D(3)	☐ 11.E(2)	☐ 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- ◉ You (the advisory firm)
- ○ You and one or more of your *advisory affiliates*
- ○ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

○ *Yes* ○ *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

◉ SEC ○ Other Federal ○ State ○ *SRO* ○ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
UNITED STATES SECURITIES AND EXCHANGE COMMISSION

2. Principal Sanction:
Censure
Other Sanctions:
FINE IN THE AMOUNT OF $1,650,000. THE AMOUNT TO BE PAID TO THE SEC SHALL BE REDUCED BY AMOUNTS PAID PURSUANT TO AGREEMENTS TO PAY A FINE OF $550,000 TO THE NYSE AND A FINE OF $550,000 TO THE NASD IN RELATED PROCEEDINGS. IN ADDITION TO THE MONETARY FINE, THE FIRM SHALL COMPLETE AN APPROPRIATE UNDERTAKING TO REVIEW ITS PROCEDURES REGARDING THE PRESERVATION OF ELECTRONIC MAIL COMMUNICATIONS.

3. Date Initiated (MM/DD/YYYY):
12/03/2002 ◉ Exact ○ Explanation

If not exact, provide explanation:

4. Docket/Case Number:
FILE NO. 3-10957

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
No Product
Other Product Types:

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

ALLEGED VIOLATIONS OF THE RECORD-KEEPING REQUIREMENTS OF THE SECURITIES AND EXCHANGE ACT OF 1934 AND SEC RULE 17A-4 BY FAILING TO PRESERVE FOR A PERIOD OF THREE YEARS, AND/OR PRESERVE IN AN ACCESSIBLE PLACE FOR TWO YEARS, ELECTRONIC COMMUNICATIONS RELATING TO THE BUSINESS OF

THE FIRM AND NOT HAVING ADEQUATE SYSTEMS AND PROCEDURES TO ASSURE COMPLIANCE WITH THESE REQUIREMENTS.

8. Current status ? ○ Pending ○ On Appeal ◉ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Consent

CONSENT

11. Resolution Date (MM/DD/YYYY):
12/03/2002 ◉ Exact ○ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

- ☑ Monetary/Fine Amount:$ 1650000
- ☐ Revocation/Expulsion/Denial
- ☑ Censure
- ☐ Bar
- ☐ Disgorgement/Restitution
- ☑ Cease and Desist/Injunction
- ☐ Suspension

B. Other Sanctions *Ordered*:
UNDERTAKING

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
SEE QUESTIONS 2 AND 13

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
ON OR ABOUT NOVEMBER 11, 2002, MORGAN STANLEY AND FOUR OTHER INDUSTRY FIRMS, ENTERED INTO A SETTLEMENT WITH THE SEC, NYSE AND NASD TO RESOLVE ACTIONS FOR ALLEGED VIOLATIONS OF RECORD-KEEPING REQUIREMENTS CONCERNING EMAIL COMMUNICATIONS. THE FIRMS CONSENTED, WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, TO THE IMPOSITION OF FINES OF $1.65 MILLION EACH AND TO FINDINGS THAT EACH VIOLATED SECTION 17(A) OF THE SECURITIES EXCHANGE ACT OF 1934, RULE 17A-4 THEREUNDER, NYSE RULE 440 AND NASD RULE 3110, AMONG OTHERS, FOR FAILING TO PRESERVE FOR 3 YEARS, AND/OR PRESERVE IN AN ACCESSIBLE PLACE FOR 2 YEARS, ELECTRONIC COMMUNICATIONS RELATING TO THE BUSINESS OF THE FIRM. EACH FIRM ALSO AGREED TO REVIEW ITS PROCEDURES REGARDING THE PRESERVATION OF EMAIL COMMUNICATIONS FOR COMPLIANCE WITH THE SECURITIES LAWS AND RULES OF THE NYSE AND NASD, AND TO INFORM THE REGULATORS THAT IT HAS ESTABLISHED SYSTEMS AND PROCEDURES REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH THE STATUTE AND RULES. THERE WAS NO ALLEGATION OF INTENTIONAL MISCONDUCT.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ◉ INITIAL ***OR*** ○ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action

☐ 11.C(1)	☐ 11.C(5)	☐ 11.D(4)	☐ 11.E(3)
☐ 11.C(2)	☐ 11.D(1)	☐ 11.D(5)	☐ 11.E(4)
☐ 11.C(3)	☐ 11.D(2)	☐ 11.E(1)	☐ 11.F
☐ 11.C(4)	☐ 11.D(3)	☑ 11.E(2)	☐ 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- ◉ You (the advisory firm)
- ○ You and one or more of your *advisory affiliates*
- ○ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

○ *Yes* ○ *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:
○ SEC ○ Other Federal ○ State ◉ *SRO* ○ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
NEW YORK STOCK EXCHANGE

2. Principal Sanction:

Other Sanctions:

3. Date Initiated (MM/DD/YYYY):
04/22/2003 ◉ Exact ○ Explanation

If not exact, provide explanation:

4. Docket/Case Number:
HEARING PANEL DECISION 03-69

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
Other
Other Product Types:
RESEARCH

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

ALLEGED THAT MORGAN STANLEY & CO. INCORPORATED ("MS&CO.") VIOLATED RULES 342, 401, 472 AND 476 (COLLECTIVELY, THE "CONDUCT RULES") BY, AMONG OTHER THINGS, ENGAGING IN ACTS AND PRACTICES THAT CREATED CONFLICTS OF INTEREST FOR ITS RESEARCH ANALYSTS WITH RESPECT TO INVESTMENT BANKING ACTIVITY AND CONSIDERATIONS AND FAILING TO MANAGE SUCH CONFLICTS ADEQUATELY OR APPROPRIATELY; FAILING TO ENSURE, IN OFFERINGS WHERE MS&CO. WAS THE LEAD UNDERWRITER, THAT PAYMENTS MADE TO OTHER BROKER-DEALERS FOR PUBLISHING RESEARCH REPORTS WERE DISCLOSED BY THE ISSUERS IN THE OFFERING DOCUMENTS AND THE OTHER BROKER-DEALERS IN THEIR RESEARCH REPORTS; AND FAILING TO SUPERVISE PROPERLY ITS RESEARCH ANALYSTS, INCLUDING WITH RESPECT TO THE RATINGS, PRICE TARGETS AND CONTENT OF THE REPORTS OF SENIOR RESEARCH ANALYSTS.

8. Current status ? ○ Pending ○ On Appeal ◉ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Consent

CONSENT

11. Resolution Date (MM/DD/YYYY):
04/22/2003 ◉ Exact ○ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☑ Monetary/Fine Amount:$ 50000000

☐ Revocation/Expulsion/Denial

☑ Disgorgement/Restitution

- [x] Censure
- [ ] Cease and Desist/Injunction
- [ ] Bar
- [ ] Suspension

B. Other Sanctions *Ordered*:
$75,000,000 TO PROVIDE FIRM'S CLIENTS WITH INDEPENDENT RESEARCH.

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
$50,000,000 IN 12A IS $25,000,000 PENALTY AND $25,000,000 DISGORGEMENT.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
WITHOUT ADMITTING OR DENYING THE ALLEGATIONS IN THE COMPLAINT, EXCEPT AS TO JURISDICTION, MS&CO. CONSENTED TO THE ENTRY OF AN ORDER THAT REQUIRES PAYMENTS OF $50 MILLION, WHICH INCLUDES PAYMENTS TO STATES AND TERRITORIES, FOR PAST CONDUCT AND $75 MILLION IN THE FUTURE TO FUND INDEPENDENT RESEARCH. IN ADDITION, MS&CO. HAS AGREED TO A NUMBER OF STRUCTURAL CHANGES TO THE OPERATIONS OF ITS EQUITY RESEARCH AND INVESTMENT BANKING OPERATIONS. CONCURRENTLY, MS&CO. ALSO ENTERED INTO A SETTLEMENT WITH THE SEC, NASD AND THE ATTORNEY GENERAL OF THE STATE OF NEW YORK WITH RESPECT TO THE SAME CONDUCT SPECIFIED IN THE COMPLAINT. MS&CO. IS ALSO IN THE PROCESS OF FINALIZING SETTLEMENTS WITH THE OTHER STATE AND TERRITORIAL SECURITIES ADMINISTRATORS.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an (•) INITIAL ***OR*** ( ) AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action			
[ ] 11.C(1)	[ ] 11.C(5)	[ ] 11.D(4)	[ ] 11.E(3)
[ ] 11.C(2)	[ ] 11.D(1)	[ ] 11.D(5)	[ ] 11.E(4)
[ ] 11.C(3)	[ ] 11.D(2)	[ ] 11.E(1)	[ ] 11.F
[ ] 11.C(4)	[ ] 11.D(3)	[x] 11.E(2)	[ ] 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- (•) You (the advisory firm)
- ( ) You and one or more of your *advisory affiliates*
- ( ) One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

- [ ] This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.
- [ ] This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

( ) *Yes* ( ) *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

( ) SEC ( ) Other Federal ( ) State (•) *SRO* ( ) Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

2. Principal Sanction:

   Other Sanctions:

3. Date Initiated (MM/DD/YYYY):
   04/24/2003 (•) Exact ( ) Explanation

   If not exact, provide explanation:

4. Docket/Case Number:
   CAF030025

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
   Other
   Other Product Types:
   RESEARCH

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

   ALLEGED THAT MORGAN STANLEY & CO. INCORPORATED ("MS&CO.") VIOLATED CONDUCT RULES 2110, 2210, AND 3010, (COLLECTIVELY, THE "CONDUCT RULES") BY, AMONG OTHER THINGS, ENGAGING IN ACTS AND PRACTICES THAT CREATED CONFLICTS OF INTEREST FOR ITS RESEARCH ANALYSTS WITH RESPECT TO INVESTMENT BANKING ACTIVITY AND CONSIDERATIONS AND FAILING TO MANAGE SUCH CONFLICTS ADEQUATELY OR APPROPRIATELY; FAILING TO ENSURE, IN OFFERINGS WHERE MS&CO. WAS THE LEAD UNDERWRITER, THAT PAYMENTS MADE TO OTHER BROKER-DEALERS FOR PUBLISHING RESEARCH REPORTS WERE DISCLOSED BY THE ISSUERS IN THE OFFERING DOCUMENTS AND THE OTHER BROKER-DEALERS IN THEIR RESEARCH REPORTS; AND FAILING TO SUPERVISE PROPERLY ITS RESEARCH ANALYSTS, INCLUDING WITH RESPECT TO THE RATINGS, PRICE TARGETS AND CONTENT OF THE REPORTS OF SENIOR RESEARCH ANALYSTS.

8. Current status ? ( ) Pending ( ) On Appeal (•) Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
    Acceptance, Waiver & Consent(AWC)

    AWC

11. Resolution Date (MM/DD/YYYY):
    04/24/2003 (•) Exact ( ) Explanation

    If not exact, provide explanation:

12. Resolution Detail:

    A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

    - [x] Monetary/Fine Amount:$ 50000000
    - [ ] Revocation/Expulsion/Denial
    - [x] Disgorgement/Restitution
    - [x] Censure
    - [ ] Cease and Desist/Injunction
    - [ ] Bar
    - [ ] Suspension

    B. Other Sanctions *Ordered*:
    $75,000,000 TO PROVIDE FIRM'S CLIENTS WITH INDEPENDENT RESEARCH.

    Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
    $50,000,000 IN 12A IS $25,000,000 PENALTY AND $25,000,000 DISGORGEMENT.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
    WITHOUT ADMITTING OR DENYING THE ALLEGATIONS IN THE COMPLAINT, EXCEPT AS TO JURISDICTION, MS&CO. CONSENTED TO AN AWC THAT REQUIRES PAYMENTS OF $50 MILLION, WHICH INCLUDES PAYMENTS TO STATES AND TERRITORIES, FOR PAST CONDUCT AND $75 MILLION IN THE FUTURE TO FUND INDEPENDENT RESEARCH. IN ADDITION, MS&CO. HAS AGREED TO A NUMBER OF STRUCTURAL CHANGES TO THE OPERATIONS OF ITS EQUITY RESEARCH AND INVESTMENT BANKING OPERATIONS. CONCURRENTLY, MS&CO. ALSO ENTERED INTO A SETTLEMENT WITH THE SEC, NYSE AND THE ATTORNEY GENERAL OF THE STATE OF NEW YORK WITH RESPECT TO THE SAME CONDUCT SPECIFIED IN THE COMPLAINT. MS&CO. IS ALSO IN THE PROCESS OF FINALIZING SETTLEMENTS WITH THE OTHER STATE AND TERRITORIAL SECURITIES ADMINISTRATORS.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ( ) INITIAL ***OR*** (•) AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of

Form ADV.

Check item(s) being responded to:

Regulatory Action			
☐ 11.C(1)	☐ 11.C(5)	☑ 11.D(4)	☐ 11.E(3)
☐ 11.C(2)	☐ 11.D(1)	☐ 11.D(5)	☐ 11.E(4)
☐ 11.C(3)	☑ 11.D(2)	☐ 11.E(1)	☐ 11.F
☐ 11.C(4)	☐ 11.D(3)	☐ 11.E(2)	☐ 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

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PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- ◉ You (the advisory firm)
- ○ You and one or more of your *advisory affiliates*
- ○ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

○ *Yes* ○ *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:
   ○ SEC ○ Other Federal ◉ State ○ *SRO* ○ Foreign
   (Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
   ATTORNEY GENERAL OF THE STATE OF NEW YORK

2. Principal Sanction:

   Other Sanctions:

3. Date Initiated (MM/DD/YYYY):
   04/28/2003 ◉ Exact ○ Explanation

   If not exact, provide explanation:

4. Docket/Case Number:

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
   Other
   Other Product Types:
   RESEARCH

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

ALLEGED THAT MORGAN STANLEY & CO. INCORPORATED ("MS&CO.") VIOLATED THE MARTIN ACT, N.Y.GEN.B. LAW ARTICLE 23-A, BY, AMONG OTHER THINGS, ENGAGING IN ACTS AND PRACTICES THAT CREATED CONFLICTS OF INTEREST FOR ITS RESEARCH ANALYSTS WITH RESPECT TO INVESTMENT BANKING ACTIVITY AND CONSIDERATIONS AND FAILING TO MANAGE SUCH CONFLICTS ADEQUATELY OR APPROPRIATELY; FAILING TO ENSURE, IN OFFERINGS WHERE MS&CO WAS THE LEAD UNDERWRITER, THAT PAYMENTS MADE TO OTHER BROKER-DEALERS FOR PUBLISHING RESEARCH REPORTS WERE DISCLOSED BY THE ISSUERS IN THE OFFERING DOCUMENTS AND THE OTHER BROKER-DEALERS IN THEIR RESEARCH REPORTS; AND FAILING TO SUPERVISE PROPERLY ITS RESEARCH ANALYSTS, INCLUDING WITH RESPECT TO THE RATINGS, PRICE TARGETS AND CONTENT OF THE REPORTS OF SENIOR RESEARCH ANALYSTS.

8. Current status ? ○ Pending ○ On Appeal ◉ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Consent

CONSENT

11. Resolution Date (MM/DD/YYYY):
04/28/2003 ◉ Exact ○ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☑ Monetary/Fine Amount:$ 1462158

☐ Revocation/Expulsion/Denial

☐ Censure

☐ Bar

☐ Disgorgement/Restitution

☑ Cease and Desist/Injunction

☐ Suspension

B. Other Sanctions *Ordered*:
$75,000,000 TO PROVIDE FIRM'S CLIENTS WITH INDEPENDENT RESEARCH.

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
$1,462,158 IN 12A IS PENALTY TO NEW YORK STATE. ADDITIONAL PENALTIES/DISGORGEMENT OF $23,537,842 TO OTHER STATES AND $25,000,000 TO SEC, NASD AND NYSE IN RELATED PROCEEDINGS.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
WITHOUT ADMITTING OR DENYING THE ALLEGATIONS IN THE COMPLAINT, EXCEPT AS TO JURISDICTION, MS&CO. CONSENTED TO PAY A TOTAL OF $50 MILLION, WHICH INCLUDES PAYMENTS TO STATES AND TERRITORIES, FOR PAST CONDUCT AND $75 MILLION IN THE FUTURE TO FUND INDEPENDENT RESEARCH. IN ADDITION, MS&CO. HAS AGREED TO A NUMBER OF STRUCTURAL CHANGES TO THE OPERATIONS OF ITS EQUITY RESEARCH AND INVESTMENT BANKING OPERATIONS. CONCURRENTLY, MS&CO. ALSO ENTERED INTO A SETTLEMENT WITH THE SEC, NYSE AND NASD WITH RESPECT TO THE SAME CONDUCT SPECIFIED IN THE COMPLAINT. MS&CO. IS ALSO IN THE PROCESS OF FINALIZING SETTLEMENTS WITH THE OTHER STATE AND TERRITORIAL SECURITIES ADMINISTRATORS.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ○ INITIAL ***OR*** ◉ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action			
☐ 11.C(1)	☐ 11.C(5)	☑ 11.D(4)	☐ 11.E(3)
☐ 11.C(2)	☐ 11.D(1)	☐ 11.D(5)	☐ 11.E(4)
☐ 11.C(3)	☑ 11.D(2)	☐ 11.E(1)	☐ 11.F
☐ 11.C(4)	☐ 11.D(3)	☐ 11.E(2)	☐ 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

◉ You (the advisory firm)

○ You and one or more of your *advisory affiliates*

○ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

○ *Yes* ○ *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:
○ SEC ○ Other Federal ◉ State ○ *SRO* ○ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
NEVADA SECRETARY OF STATE, SECURITIES DIVISION

2. Principal Sanction:

Other Sanctions:

3. Date Initiated (MM/DD/YYYY):
10/14/2003 ◉ Exact ○ Explanation

If not exact, provide explanation:

4. Docket/Case Number:
FILE NO. I03-186

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
Other
Other Product Types:
RESEARCH

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

ALLEGED THAT MORGAN STANLEY & CO. INCORPORATED ("MS&CO.") VIOLATED THE NEVADA REVISED STATUTES CHAPTER 90, BY, AMONG OTHER THINGS, ENGAGING IN ACTS AND PRACTICES THAT CREATED CONFLICTS OF INTEREST FOR ITS RESEARCH ANALYSTS WITH RESPECT TO INVESTMENT BANKING ACTIVITY AND CONSIDERATIONS AND FAILING TO MANAGE SUCH CONFLICTS ADEQUATELY OR APPROPRIATELY; FAILING TO ENSURE, IN OFFERINGS WHERE MS&CO. WAS LEAD UNDERWRITER, THAT PAYMENTS MADE TO OTHER BROKER-DEALERS FOR PUBLISHING RESEARCH REPORTS WERE DISCLOSED BY THE ISSUERS IN THE OFFERING DOCUMENTS AND THE OTHER BROKER-DEALERS IN THEIR RESEARCH REPORTS; AND FAILING TO SUPERVISE PROPERLY ITS RESEARCH ANALYSTS, INCLUDING WITH REPECT TO THE RATINGS, PRICE TARGETS AND CONTENT OF THE REPORTS OF SENIOR RESEARCH ANALYSTS.

8. Current status ? ○ Pending ○ On Appeal ◉ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Consent

CONSENT

11. Resolution Date (MM/DD/YYYY):
10/14/2003 ◉ Exact ○ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

- [x] Monetary/Fine Amount:$ 250000
- [ ] Revocation/Expulsion/Denial
- [ ] Disgorgement/Restitution
- [ ] Censure
- [x] Cease and Desist/Injunction
- [ ] Bar
- [ ] Suspension

B. Other Sanctions *Ordered*:
$75,000,000 TO PROVIDE FIRM'S CLIENTS WITH INDEPENDENT RESEARCH.

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
$250,000 IN 12A IS PENALTY TO NEVADA. ADDITIONAL PENALTIES/DISGORGEMENT OF $24,750,000 TO OTHER STATES AND $25,000,000 TO SEC, NASD AND NYSE IN RELATED PROCEEDINGS.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
WITHOUT ADMITTING OR DENYING THE ALLEGATIONS IN THE COMPLAINT IN THE RELATED PROCEEDINGS AND MADE IN THIS PROCEEDING, EXCEPT AS TO JURISDICTION, MS&CO. CONSENTED TO PAY A TOTAL OF $50 MILLION, WHICH INCLUDES PAYMENTS TO THE SEC, NASD, NYSE, STATES AND TERRITORIES, FOR PAST CONDUCT AND $75 MILLION IN THE FUTURE TO FUND INDEPENDENT RESEARCH. THE PAYMENT MADE TO NEVADA IS $250,000. IN ADDITION, MS&CO. HAS AGREED TO A NUMBER OF STRUCTURAL CHANGES TO THE OPERATIONS OF ITS EQUITY RESEARCH AND INVESTMENT BANKING OPERATIONS. MS&CO. IS ALSO IN THE PROCESS OF FINALIZING SETTLEMENTS WITH THE OTHER STATE AND TERRITORIAL SECURITIES ADMINISTRATORS.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ○ INITIAL ***OR*** ◉ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action			
☐ 11.C(1)	☐ 11.C(5)	☑ 11.D(4)	☐ 11.E(3)
☐ 11.C(2)	☐ 11.D(1)	☐ 11.D(5)	☐ 11.E(4)
☐ 11.C(3)	☑ 11.D(2)	☐ 11.E(1)	☐ 11.F
☐ 11.C(4)	☐ 11.D(3)	☐ 11.E(2)	☐ 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- ◉ You (the advisory firm)
- ○ You and one or more of your *advisory affiliates*
- ○ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

- ☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.
- ☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

○ *Yes* ○ *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:
   ○ SEC ○ Other Federal ◉ State ○ *SRO* ○ Foreign

   (Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
   HAWAII COMMISSIONER OF SECURITIES

2. Principal Sanction:

   Other Sanctions:

3. Date Initiated (MM/DD/YYYY):
   09/17/2003 ◉ Exact ○ Explanation

   If not exact, provide explanation:

4. Docket/Case Number:
   SEU2002-046

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
   Other
   Other Product Types:
   RESEARCH

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

   ALLEGED THAT MORGAN STANLEY & CO. INCORPORATED ("MS&CO.") VIOLATED THE HAWAII UNIFORM SECURITIES ACT, BY, AMONG OTHER THINGS, ENGAGING IN ACTS AND PRACTICES THAT CREATED CONFLICTS OF INTEREST FOR ITS RESEARCH ANALYSTS WITH RESPECT TO INVESTMENT BANKING ACTIVITY AND CONSIDERATIONS AND FAILING TO MANAGE SUCH CONFLICTS ADEQUATELY OR APPROPRIATELY; FAILING TO ENSURE, IN OFFERINGS WHERE MS&CO. WAS LEAD UNDERWRITER, THAT PAYMENTS MADE TO OTHER BROKER-DEALERS FOR PUBLISHING RESEARCH REPORTS WERE DISCLOSED BY THE ISSUERS IN THE OFFERING DOCUMENTS AND THE OTHER BROKER-DEALERS IN THEIR RESEARCH REPORTS; AND FAILING TO SUPERVISE PROPERLY ITS RESEARCH ANALYSTS, INCLUDING WITH REPECT TO THE RATINGS, PRICE TARGETS AND CONTENT OF THE REPORTS OF SENIOR RESEARCH ANALYSTS.

8. Current status ? ○ Pending ○ On Appeal ◉ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
    Consent

    CONSENT

11. Resolution Date (MM/DD/YYYY):
    09/17/2003 ◉ Exact ○ Explanation

    If not exact, provide explanation:

12. Resolution Detail:

    A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

    ☑ Monetary/Fine Amount:$ 250000

    ☐ Revocation/Expulsion/Denial

    ☐ Censure

    ☐ Bar

    ☐ Disgorgement/Restitution

    ☑ Cease and Desist/Injunction

    ☐ Suspension

    B. Other Sanctions *Ordered*:
    $75,000,000 TO PROVIDE FIRM'S CLIENTS WITH INDEPENDENT RESEARCH.

    Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
    $250,000 IN 12A IS PENALTY TO HAWAII. ADDITIONAL PENALTIES/DISGORGEMENT OF $24,750,000 TO OTHER STATES AND $25,000,000 TO SEC, NASD AND NYSE IN RELATED PROCEEDINGS.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
    WITHOUT ADMITTING OR DENYING THE ALLEGATIONS IN THE COMPLAINT IN THE RELATED PROCEEDINGS AND MADE IN THIS PROCEEDING, EXCEPT AS TO JURISDICTION, MS&CO. CONSENTED TO PAY A TOTAL OF $50 MILLION, WHICH INCLUDES PAYMENTS TO THE SEC, NASD, NYSE, STATES AND TERRITORIES, FOR PAST CONDUCT AND $75 MILLION IN THE FUTURE TO FUND INDEPENDENT RESEARCH. THE PAYMENT MADE TO HAWAII IS $250,000. IN ADDITION, MS&CO. HAS AGREED TO A NUMBER OF STRUCTURAL CHANGES TO THE OPERATIONS OF ITS EQUITY RESEARCH AND INVESTMENT BANKING OPERATIONS. MS&CO. IS ALSO IN THE PROCESS OF FINALIZING SETTLEMENTS WITH THE OTHER STATE AND TERRITORIAL SECURITIES ADMINISTRATORS.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ○ INITIAL ***OR*** ◉ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action			
☐ 11.C(1)	☐ 11.C(5)	☑ 11.D(4)	☐ 11.E(3)
☐ 11.C(2)	☐ 11.D(1)	☐ 11.D(5)	☐ 11.E(4)
☐ 11.C(3)	☑ 11.D(2)	☐ 11.E(1)	☐ 11.F
☐ 11.C(4)	☐ 11.D(3)	☐ 11.E(2)	☐ 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

◉ You (the advisory firm)

○ You and one or more of your *advisory affiliates*

○ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

○ *Yes* ○ *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

○ SEC ○ Other Federal ◉ State ○ *SRO* ○ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)

ALABAMA SECURITIES COMMISSION

2. Principal Sanction:

Other Sanctions:

3. Date Initiated (MM/DD/YYYY):

09/10/2003 ◉ Exact ○ Explanation

If not exact, provide explanation:

4. Docket/Case Number:

CO-2003-0024

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:

Other

Other Product Types:

RESEARCH

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

ALLEGED THAT MORGAN STANLEY & CO. INCORPORATED ("MS&CO.") VIOLATED THE ALABAMA SECURITIES ACT, BY, AMONG OTHER THINGS, ENGAGING IN ACTS AND PRACTICES THAT CREATED CONFLICTS OF INTEREST FOR ITS RESEARCH ANALYSTS WITH RESPECT TO INVESTMENT BANKING ACTIVITY AND CONSIDERATIONS AND FAILING TO MANAGE SUCH CONFLICTS ADEQUATELY OR APPROPRIATELY; FAILING TO ENSURE, IN OFFERINGS WHERE MS&CO. WAS LEAD UNDERWRITER, THAT PAYMENTS MADE TO OTHER BROKER-DEALERS FOR PUBLISHING RESEARCH REPORTS WERE DISCLOSED BY THE ISSUERS IN THE OFFERING DOCUMENTS AND THE OTHER BROKER-DEALERS IN THEIR RESEARCH REPORTS; AND FAILING TO SUPERVISE PROPERLY ITS RESEARCH ANALYSTS, INCLUDING WITH REPECT TO THE RATINGS, PRICE TARGETS AND CONTENT OF THE REPORTS OF SENIOR RESEARCH ANALYSTS.

8. Current status ? ○ Pending ○ On Appeal ◉ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Consent

CONSENT

11. Resolution Date (MM/DD/YYYY):

09/10/2003 ◉ Exact ○ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

- ☑ Monetary/Fine Amount:$ 342654
- ☐ Revocation/Expulsion/Denial
- ☐ Censure
- ☐ Bar
- ☐ Disgorgement/Restitution
- ☑ Cease and Desist/Injunction
- ☐ Suspension

B. Other Sanctions *Ordered*:
$75,000,000 TO PROVIDE FIRM'S CLIENTS WITH INDEPENDENT RESEARCH.

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
$342,654 IN 12A IS PENALTY TO ALABAMA. ADDITIONAL PENALTIES/DISGORGEMENT OF $24,657,346 TO OTHER STATES AND $25,000,000 TO SEC, NASD AND NYSE IN RELATED PROCEEDINGS

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
WITHOUT ADMITTING OR DENYING THE ALLEGATIONS IN THE COMPLAINT IN THE RELATED PROCEEDINGS AND MADE IN THIS PROCEEDING, EXCEPT AS TO JURISDICTION, MS&CO. CONSENTED TO PAY A TOTAL OF $50 MILLION, WHICH INCLUDES PAYMENTS TO THE SEC, NASD, NYSE, STATES AND TERRITORIES, FOR PAST CONDUCT AND $75 MILLION IN THE FUTURE TO FUND INDEPENDENT RESEARCH. THE PAYMENT MADE TO ALABAMA IS $342,654. IN ADDITION, MS&CO. HAS AGREED TO A NUMBER OF STRUCTURAL CHANGES TO THE OPERATIONS OF ITS EQUITY RESEARCH AND INVESTMENT BANKING OPERATIONS. MS&CO. IS ALSO IN THE PROCESS OF FINALIZING SETTLEMENTS WITH THE OTHER STATE AND TERRITORIAL SECURITIES ADMINISTRATORS.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ◉ INITIAL ***OR*** ○ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action			
☐ 11.C(1)	☐ 11.C(5)	☐ 11.D(4)	☐ 11.E(3)
☐ 11.C(2)	☐ 11.D(1)	☐ 11.D(5)	☐ 11.E(4)
☐ 11.C(3)	☐ 11.D(2)	☐ 11.E(1)	☐ 11.F
☐ 11.C(4)	☐ 11.D(3)	☑ 11.E(2)	☐ 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

◉ You (the advisory firm)

○ You and one or more of your *advisory affiliates*

○ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

○ *Yes* ○ *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

○ SEC ○ Other Federal ○ State ◉ SRO ○ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

2. Principal Sanction:

Other Sanctions:

3. Date Initiated (MM/DD/YYYY):
02/24/2003 ○ Exact ◉ Explanation

If not exact, provide explanation:
EXACT DATE AWC INITIATED UNKNOWN

4. Docket/Case Number:
CMS030031

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
Other
Other Product Types:
SECURITIES

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

THE MARKET REGULATION DEPARTMENT STAFF OF THE NASD ALLEGED THAT MORGAN STANLEY & CO. INCORPORATED, A MARKET MAKER IN SECURITIES, CAUSED A LOCKED OR CROSSED MARKET CONDITION PRIOR TO THE MARKET OPENING BY ENTERING A BID (ASK) QUOTATION THAT LOCKED/CROSSED ANOTHER MARKET MAKER'S QUOTATIONS WITHOUT IMMEDIATEDLY SENDING THROUGH SECLECTNET TO THE MARKET MAKER(S) WHOSE QUOTES IT LOCKED OR CROSSED A TRADE-OR-MOVE MESSAGE THAT WAS AT THE RECEIVING MARKET MAKER'S QUOTED PRICE AND WHOSE AGGREGATE SIZE WAS AT LEAST 5,000 SHARES IN VIOLATION OF NASD MARKETPLACE RULE 4613(E)(1)(C).

8. Current status ? ○ Pending ○ On Appeal ◉ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Acceptance, Waiver & Consent(AWC)

AWC

11. Resolution Date (MM/DD/YYYY):
02/24/2003 ◉ Exact ○ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

- [x] Monetary/Fine Amount:$ 9000
- [ ] Revocation/Expulsion/Denial
- [ ] Disgorgement/Restitution
- [x] Censure
- [ ] Cease and Desist/Injunction
- [ ] Bar
- [ ] Suspension

B. Other Sanctions *Ordered*:

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
WITHOUT ADMITTING OR THE DENYING THE ALLEGATIONS, MORGAN STANLEY & CO. INCORPORATED CONSENTED TO A CENSURE AND FINE OF $9000.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
WITHOUT ADMITTING OR THE DENYING THE ALLEGATIONS, MORGAN STANLEY & CO. INCORPORATED CONSENTED TO A CENSURE AND FINE OF $9000.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ○ INITIAL ***OR*** ◉ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action			
☐ 11.C(1)	☐ 11.C(5)	☑ 11.D(4)	☐ 11.E(3)
☐ 11.C(2)	☐ 11.D(1)	☐ 11.D(5)	☐ 11.E(4)
☐ 11.C(3)	☑ 11.D(2)	☐ 11.E(1)	☐ 11.F
☐ 11.C(4)	☐ 11.D(3)	☐ 11.E(2)	☐ 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- ◉ You (the advisory firm)
- ○ You and one or more of your *advisory affiliates*
- ○ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

○ *Yes* ○ *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

○ SEC ○ Other Federal ◉ State ○ *SRO* ○ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)

STATE OF NEW JERSEY BUREAU OF SECURITIES

2. Principal Sanction:

Other Sanctions:

3. Date Initiated (MM/DD/YYYY):
09/02/2003 ○ Exact ◉ Explanation

If not exact, provide explanation:
DATED 09/02/2003 AND SENT TO FIRM 9/30/2003

4. Docket/Case Number:

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
Other
Other Product Types:
RESEARCH

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

ALLEGED THAT MORGAN STANLEY & CO. INCORPORATED ("MS&CO.") VIOLATED THE NEW JERSEY UNIFORM SECURITIES LAW, BY, AMONG OTHER THINGS, ENGAGING IN ACTS AND PRACTICES THAT CREATED CONFLICTS OF INTEREST FOR ITS RESEARCH ANALYSTS WITH RESPECT TO INVESTMENT BANKING ACTIVITY AND CONSIDERATIONS AND FAILING TO MANAGE SUCH CONFLICTS ADEQUATELY OR APPROPRIATELY; FAILING TO ENSURE, IN OFFERINGS WHERE MS&CO. WAS LEAD UNDERWRITER, THAT PAYMENTS MADE TO OTHER BROKER-DEALERS FOR PUBLISHING RESEARCH REPORTS WERE DISCLOSED BY THE ISSUERS IN THE OFFERING DOCUMENTS AND THE OTHER BROKER-DEALERS IN THEIR RESEARCH REPORTS; AND FAILING TO SUPERVISE PROPERLY ITS RESEARCH ANALYSTS, INCLUDING WITH REPECT TO THE RATINGS, PRICE TARGETS AND CONTENT OF THE REPORTS OF SENIOR RESEARCH ANALYSTS.

8. Current status ? ○ Pending ○ On Appeal ◉ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Consent

CONSENT

11. Resolution Date (MM/DD/YYYY):
09/02/2003 ○ Exact ◉ Explanation

If not exact, provide explanation:
DATED 09/02/3003 AND SENT TO FIRM 09/30/2003.

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

- ☑ Monetary/Fine Amount:$ 648335
- ☐ Revocation/Expulsion/Denial
- ☐ Disgorgement/Restitution
- ☐ Censure
- ☑ Cease and Desist/Injunction
- ☐ Bar
- ☐ Suspension

B. Other Sanctions *Ordered*:
$75,000,000 TO PROVIDE FIRM'S CLIENTS WITH INDEPENDENT RESEARCH.

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
$648,335 IN 12A IS PENALTY TO NEW JERSEY. ADDITIONAL PENALTIES/DISGORGEMENT OF $24,351,665 TO OTHER STATES AND $25,000,000 TO SEC, NASD AND NYSE IN RELATED PROCEEDINGS.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
WITHOUT ADMITTING OR DENYING THE ALLEGATIONS IN THE COMPLAINT IN THE RELATED PROCEEDINGS AND MADE IN THIS PROCEEDING, EXCEPT AS TO JURISDICTION, MS&CO. CONSENTED TO PAY A TOTAL OF $50 MILLION, WHICH INCLUDES PAYMENTS TO THE SEC, NASD, NYSE, STATES AND TERRITORIES, FOR PAST CONDUCT AND $75 MILLION IN THE FUTURE TO FUND INDEPENDENT RESEARCH. THE PAYMENT MADE TO NEW JERSEY IS $648,335. IN ADDITION, MS&CO. HAS AGREED TO A NUMBER OF STRUCTURAL CHANGES TO THE OPERATIONS OF ITS EQUITY RESEARCH AND INVESTMENT BANKING OPERATIONS. MS&CO. IS ALSO IN THE PROCESS OF FINALIZING SETTLEMENTS WITH THE OTHER STATE AND TERRITORIAL SECURITIES ADMINISTRATORS.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ○ INITIAL ***OR*** ◉ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action			
☐ 11.C(1)	☐ 11.C(5)	☑ 11.D(4)	☐ 11.E(3)
☐ 11.C(2)	☐ 11.D(1)	☐ 11.D(5)	☐ 11.E(4)
☐ 11.C(3)	☑ 11.D(2)	☐ 11.E(1)	☐ 11.F
☐ 11.C(4)	☐ 11.D(3)	☐ 11.E(2)	☐ 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- ◉ You (the advisory firm)
- ○ You and one or more of your *advisory affiliates*
- ○ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

○ *Yes* ○ *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

○ SEC ○ Other Federal ◉ State ○ *SRO* ○ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
SECRETARY OF STATE OF MISSISSIPPI

2. Principal Sanction:

Other Sanctions:

3. Date Initiated (MM/DD/YYYY):
09/04/2003 ◉ Exact ○ Explanation

If not exact, provide explanation:

4. Docket/Case Number:
02-11-06-S

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
Other
Other Product Types:
RESEARCH

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

ALLEGED THAT MORGAN STANLEY & CO. INCORPORATED ("MS&CO.") VIOLATED THE MISSISSIPPI SECURITIES ACT, BY, AMONG OTHER THINGS, ENGAGING IN ACTS AND PRACTICES THAT CREATED CONFLICTS OF INTEREST FOR ITS RESEARCH ANALYSTS WITH RESPECT TO INVESTMENT BANKING ACTIVITY AND CONSIDERATIONS

AND FAILING TO MANAGE SUCH CONFLICTS ADEQUATELY OR APPROPRIATELY; FAILING TO ENSURE, IN OFFERINGS WHERE MS&CO. WAS LEAD UNDERWRITER, THAT PAYMENTS MADE TO OTHER BROKER-DEALERS FOR PUBLISHING RESEARCH REPORTS WERE DISCLOSED BY THE ISSUERS IN THE OFFERING DOCUMENTS AND THE OTHER BROKER-DEALERS IN THEIR RESEARCH REPORTS; AND FAILING TO SUPERVISE PROPERLY ITS RESEARCH ANALYSTS, INCLUDING WITH REPECT TO THE RATINGS, PRICE TARGETS AND CONTENT OF THE REPORTS OF SENIOR RESEARCH ANALYSTS.

8. Current status ? ○ Pending ○ On Appeal ◉ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Consent

CONSENT

11. Resolution Date (MM/DD/YYYY):
09/04/2003 ◉ Exact ○ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

- ☑ Monetary/Fine Amount:$ 250000
- ☐ Revocation/Expulsion/Denial
- ☐ Censure
- ☐ Bar
- ☐ Disgorgement/Restitution
- ☑ Cease and Desist/Injunction
- ☐ Suspension

B. Other Sanctions *Ordered*:
$75,000,000 TO PROVIDE FIRM'S CLIENTS WITH INDEPENDENT RESEARCH.

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
$250,000 IN 12A IS PENALTY TO MISSISSIPPI. ADDITIONAL PENALTIES/DISGORGEMENT OF $ 24,750,000 TO OTHER STATES AND $25,000,000 TO SEC, NASD AND NYSE IN RELATED PROCEEDINGS.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
WITHOUT ADMITTING OR DENYING THE ALLEGATIONS IN THE COMPLAINT IN THE RELATED PROCEEDINGS AND MADE IN THIS PROCEEDING, EXCEPT AS TO JURISDICTION, MS&CO. CONSENTED TO PAY A TOTAL OF $50 MILLION, WHICH INCLUDES PAYMENTS TO THE SEC, NASD, NYSE, STATES AND TERRITORIES, FOR PAST CONDUCT AND $75 MILLION IN THE FUTURE TO FUND INDEPENDENT RESEARCH. THE PAYMENT MADE TO MISSISSIPPI IS $250,000. IN ADDITION, MS&CO. HAS AGREED TO A NUMBER OF STRUCTURAL CHANGES TO THE OPERATIONS OF ITS EQUITY RESEARCH AND INVESTMENT BANKING OPERATIONS. MS&CO. IS ALSO IN THE PROCESS OF FINALIZING SETTLEMENTS WITH THE OTHER STATE AND TERRITORIAL SECURITIES ADMINISTRATORS.

GENERAL INSTRUCTIONS

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Check item(s) being responded to:

Regulatory Action			
☐ 11.C(1)	☐ 11.C(5)	☑ 11.D(4)	☐ 11.E(3)
☐ 11.C(2)	☐ 11.D(1)	☐ 11.D(5)	☐ 11.E(4)
☐ 11.C(3)	☑ 11.D(2)	☐ 11.E(1)	☐ 11.F
☐ 11.C(4)	☐ 11.D(3)	☐ 11.E(2)	☐ 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

◉ You (the advisory firm)

○ You and one or more of your *advisory affiliates*

○ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

○ *Yes* ○ *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

○ SEC ○ Other Federal ◉ State ○ *SRO* ○ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
RHODE ISLAND DEPARTMENT OF BUSINESS REGULATION

2. Principal Sanction:

Other Sanctions:

3. Date Initiated (MM/DD/YYYY):

09/16/2003 ◉ Exact ○ Explanation

If not exact, provide explanation:

4. Docket/Case Number:

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
Other
Other Product Types:
RESEARCH

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

ALLEGED THAT MORGAN STANLEY & CO. INCORPORATED ("MS&CO.") VIOLATED THE RHODE ISLAND UNIFORM SECURITIES ACT, BY, AMONG OTHER THINGS, ENGAGING IN ACTS AND PRACTICES THAT CREATED CONFLICTS OF INTEREST FOR ITS RESEARCH ANALYSTS WITH RESPECT TO INVESTMENT BANKING ACTIVITY AND CONSIDERATIONS AND FAILING TO MANAGE SUCH CONFLICTS ADEQUATELY OR APPROPRIATELY; FAILING TO ENSURE, IN OFFERINGS WHERE MS&CO. WAS LEAD UNDERWRITER, THAT PAYMENTS MADE TO OTHER BROKER-DEALERS FOR PUBLISHING RESEARCH REPORTS WERE DISCLOSED BY THE ISSUERS IN THE OFFERING DOCUMENTS AND THE OTHER BROKER-DEALERS IN THEIR RESEARCH REPORTS; AND FAILING TO SUPERVISE PROPERLY ITS RESEARCH ANALYSTS, INCLUDING WITH REPECT TO THE RATINGS, PRICE TARGETS AND CONTENT OF THE REPORTS OF SENIOR RESEARCH ANALYSTS.

8. Current status ? ○ Pending ○ On Appeal ◉ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Consent

CONSENT

11. Resolution Date (MM/DD/YYYY):

09/16/2003 ◉ Exact ○ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☑ Monetary/Fine Amount:$ 250000

- [ ] Revocation/Expulsion/Denial
- [ ] Censure
- [ ] Bar
- [ ] Disgorgement/Restitution
- [x] Cease and Desist/Injunction
- [ ] Suspension

B. Other Sanctions *Ordered*:
$75,000,000 TO PROVIDE FIRM'S CLIENTS WITH INDEPENDENT RESEARCH.

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
$250,000 IN 12A IS PENALTY TO RHODE ISLAND. ADDITIONAL PENALTIES/DISGORGEMENT OF $24,750,000 TO OTHER STATES AND $25,000,000 TO SEC, NASD AND NYSE IN RELATED PROCEEDINGS.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
WITHOUT ADMITTING OR DENYING THE ALLEGATIONS IN THE COMPLAINT IN THE RELATED PROCEEDINGS AND MADE IN THIS PROCEEDING, EXCEPT AS TO JURISDICTION, MS&CO. CONSENTED TO PAY A TOTAL OF $50 MILLION, WHICH INCLUDES PAYMENTS TO THE SEC, NASD, NYSE, STATES AND TERRITORIES, FOR PAST CONDUCT AND $75 MILLION IN THE FUTURE TO FUND INDEPENDENT RESEARCH. THE PAYMENT MADE TO RHODE ISLAND IS $250,000. IN ADDITION, MS&CO. HAS AGREED TO A NUMBER OF STRUCTURAL CHANGES TO THE OPERATIONS OF ITS EQUITY RESEARCH AND INVESTMENT BANKING OPERATIONS. MS&CO. IS ALSO IN THE PROCESS OF FINALIZING SETTLEMENTS WITH THE OTHER STATE AND TERRITORIAL SECURITIES ADMINISTRATORS.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ○ INITIAL ***OR*** ◉ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action			
☐ 11.C(1)	☐ 11.C(5)	☑ 11.D(4)	☐ 11.E(3)
☐ 11.C(2)	☐ 11.D(1)	☐ 11.D(5)	☐ 11.E(4)
☐ 11.C(3)	☑ 11.D(2)	☐ 11.E(1)	☐ 11.F
☐ 11.C(4)	☐ 11.D(3)	☐ 11.E(2)	☐ 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- ◉ You (the advisory firm)
- ○ You and one or more of your *advisory affiliates*
- ○ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

- ☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.
- ☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

○ *Yes* ○ *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

○ SEC ○ Other Federal ◉ State ○ *SRO* ○ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
WYOMING SECRETARY OF STATE AND WYOMING ATTORNEY GENERAL

2. Principal Sanction:

Other Sanctions:

3. Date Initiated (MM/DD/YYYY):
09/16/2003 ◉ Exact ○ Explanation

If not exact, provide explanation:

4. Docket/Case Number:
CASE NO. 02-12

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
Other
Other Product Types:
RESEARCH

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

ALLEGED THAT MORGAN STANLEY & CO. INCORPORATED ("MS&CO.") VIOLATED THE WYOMING UNIFORM SECURITIES ACT, BY, AMONG OTHER THINGS, ENGAGING IN ACTS AND PRACTICES THAT CREATED CONFLICTS OF INTEREST FOR ITS RESEARCH ANALYSTS WITH RESPECT TO INVESTMENT BANKING ACTIVITY AND CONSIDERATIONS AND FAILING TO MANAGE SUCH CONFLICTS ADEQUATELY OR APPROPRIATELY; FAILING TO ENSURE, IN OFFERINGS WHERE MS&CO. WAS LEAD UNDERWRITER, THAT PAYMENTS MADE TO OTHER BROKER-DEALERS FOR PUBLISHING RESEARCH REPORTS WERE DISCLOSED BY THE ISSUERS IN THE OFFERING DOCUMENTS AND THE OTHER BROKER-DEALERS IN THEIR RESEARCH REPORTS; AND FAILING TO SUPERVISE PROPERLY ITS RESEARCH ANALYSTS, INCLUDING WITH REPECT TO THE RATINGS, PRICE TARGETS AND CONTENT OF THE REPORTS OF SENIOR RESEARCH ANALYSTS.

8. Current status ? ○ Pending ○ On Appeal ◉ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Consent

CONSENT

11. Resolution Date (MM/DD/YYYY):
09/16/2003 ◉ Exact ○ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☑ Monetary/Fine Amount:$ 250000

☐ Revocation/Expulsion/Denial

☐ Disgorgement/Restitution

☐ Censure

☑ Cease and Desist/Injunction

☐ Bar

☐ Suspension

B. Other Sanctions *Ordered*:
$75,000,000 TO PROVIDE FIRM'S CLIENTS WITH INDEPENDENT RESEARCH.

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
$250,000 IN 12A IS PENALTY TO WYOMING. ADDITIONAL PENALTIES/DISGORGEMENT OF $24,750,000 TO OTHER STATES AND $25,000,000 TO SEC, NASD AND NYSE IN RELATED PROCEEDINGS.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
WITHOUT ADMITTING OR DENYING THE ALLEGATIONS IN THE COMPLAINT IN THE RELATED PROCEEDINGS AND MADE IN THIS PROCEEDING, EXCEPT AS TO JURISDICTION, MS&CO. CONSENTED TO PAY A TOTAL OF $50 MILLION, WHICH INCLUDES PAYMENTS TO THE SEC, NASD, NYSE, STATES AND TERRITORIES, FOR PAST CONDUCT AND $75 MILLION IN THE FUTURE TO FUND INDEPENDENT RESEARCH. THE PAYMENT MADE TO WYOMING IS $250,000. IN ADDITION, MS&CO. HAS AGREED TO A NUMBER OF STRUCTURAL CHANGES TO THE OPERATIONS OF ITS EQUITY RESEARCH AND INVESTMENT BANKING OPERATIONS. MS&CO. IS ALSO IN THE PROCESS OF FINALIZING SETTLEMENTS WITH THE OTHER STATE AND TERRITORIAL SECURITIES ADMINISTRATORS.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ○ INITIAL ***OR*** ◉ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action			
☐ 11.C(1)	☐ 11.C(5)	☑ 11.D(4)	☐ 11.E(3)
☐ 11.C(2)	☐ 11.D(1)	☐ 11.D(5)	☐ 11.E(4)
☐ 11.C(3)	☑ 11.D(2)	☐ 11.E(1)	☐ 11.F
☐ 11.C(4)	☐ 11.D(3)	☐ 11.E(2)	☐ 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

◉ You (the advisory firm)

○ You and one or more of your *advisory affiliates*

○ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

○ *Yes* ○ *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

○ SEC ○ Other Federal ◉ State ○ *SRO* ○ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
COMMISSIONER OF SECURITIES, STATE OF GEORGIA

2. Principal Sanction:

Other Sanctions:

3. Date Initiated (MM/DD/YYYY):
09/25/2003 ◉ Exact ○ Explanation

If not exact, provide explanation:

4. Docket/Case Number:
CASE NUMBER EN-19518

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
Other
Other Product Types:
RESEARCH

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

ALLEGED THAT MORGAN STANLEY & CO. INCORPORATED ("MS&CO.") VIOLATED THE GEORGIA SECURITIES ACT, BY, AMONG OTHER THINGS, ENGAGING IN ACTS AND PRACTICES THAT CREATED CONFLICTS OF INTEREST FOR ITS RESEARCH ANALYSTS WITH RESPECT TO INVESTMENT BANKING ACTIVITY AND CONSIDERATIONS AND FAILING TO MANAGE SUCH CONFLICTS ADEQUATELY OR APPROPRIATELY; FAILING TO ENSURE, IN OFFERINGS WHERE MS&CO. WAS LEAD UNDERWRITER, THAT PAYMENTS MADE TO OTHER BROKER-DEALERS FOR PUBLISHING RESEARCH REPORTS WERE DISCLOSED BY THE ISSUERS IN THE OFFERING DOCUMENTS AND THE OTHER BROKER-DEALERS IN THEIR RESEARCH REPORTS; AND FAILING TO SUPERVISE PROPERLY ITS RESEARCH ANALYSTS, INCLUDING WITH REPECT TO THE RATINGS, PRICE TARGETS AND CONTENT OF THE REPORTS OF SENIOR RESEARCH ANALYSTS.

8. Current status ? ○ Pending ○ On Appeal ◉ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Consent

CONSENT

11. Resolution Date (MM/DD/YYYY):

09/25/2003 ◉ Exact ○ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

- ☑ Monetary/Fine Amount:$ 630775
- ☐ Revocation/Expulsion/Denial
- ☐ Censure
- ☐ Bar
- ☐ Disgorgement/Restitution
- ☑ Cease and Desist/Injunction
- ☐ Suspension

B. Other Sanctions *Ordered*:
$75,000,000 TO PROVIDE FIRM'S CLIENTS WITH INDEPENDENT RESEARCH.

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
$630,775 IN 12A IS PENALTY TO GEORGIA. ADDITIONAL PENALTIES/DISGORGEMENT OF $24,369,225 TO OTHER STATES AND $25,000,000 TO SEC, NASD AND NYSE IN RELATED PROCEEDINGS.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
WITHOUT ADMITTING OR DENYING THE ALLEGATIONS IN THE COMPLAINT IN THE RELATED PROCEEDINGS AND MADE IN THIS PROCEEDING, EXCEPT AS TO JURISDICTION, MS&CO. CONSENTED TO PAY A TOTAL OF $50 MILLION, WHICH INCLUDES PAYMENTS TO THE SEC, NASD, NYSE, STATES AND TERRITORIES, FOR PAST CONDUCT AND $75 MILLION IN THE FUTURE TO FUND INDEPENDENT RESEARCH. THE PAYMENT MADE TO GEORGIA IS $630,775. IN ADDITION, MS&CO. HAS AGREED TO A NUMBER OF STRUCTURAL CHANGES TO THE OPERATIONS OF ITS EQUITY RESEARCH AND INVESTMENT BANKING OPERATIONS. MS&CO. IS ALSO IN THE PROCESS OF FINALIZING SETTLEMENTS WITH THE OTHER STATE AND TERRITORIAL SECURITIES ADMINISTRATORS.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ○ INITIAL ***OR*** ◉ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action

☐ 11.C(1)	☐ 11.C(5)	☑ 11.D(4)	☐ 11.E(3)
☐ 11.C(2)	☐ 11.D(1)	☐ 11.D(5)	☐ 11.E(4)
☐ 11.C(3)	☑ 11.D(2)	☐ 11.E(1)	☐ 11.F
☐ 11.C(4)	☐ 11.D(3)	☐ 11.E(2)	☐ 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

◉ You (the advisory firm)

○ You and one or more of your *advisory affiliates*

○ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

○ *Yes* ○ *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

○ SEC ○ Other Federal ◉ State ○ *SRO* ○ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
OKLAHOMA DEPARTMENT OF SECURITIES

2. Principal Sanction:

Other Sanctions:

3. Date Initiated (MM/DD/YYYY):
09/23/2003 ◉ Exact ○ Explanation

If not exact, provide explanation:

4. Docket/Case Number:
ODS FILE NO. 03-133

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
Other
Other Product Types:
RESEARCH

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

ALLEGED THAT MORGAN STANLEY & CO. INCORPORATED ("MS&CO.") VIOLATED THE OKLAHOMA SECURITIES ACT, BY, AMONG OTHER THINGS, ENGAGING IN ACTS AND PRACTICES THAT CREATED CONFLICTS OF INTEREST FOR ITS RESEARCH ANALYSTS WITH RESPECT TO INVESTMENT BANKING ACTIVITY AND CONSIDERATIONS AND FAILING TO MANAGE SUCH CONFLICTS ADEQUATELY OR APPROPRIATELY; FAILING TO ENSURE, IN OFFERINGS WHERE MS&CO. WAS LEAD UNDERWRITER, THAT PAYMENTS MADE TO OTHER BROKER-DEALERS FOR PUBLISHING RESEARCH REPORTS WERE DISCLOSED BY THE ISSUERS IN THE OFFERING DOCUMENTS AND THE OTHER BROKER-DEALERS IN THEIR RESEARCH REPORTS; AND FAILING TO SUPERVISE PROPERLY ITS RESEARCH ANALYSTS, INCLUDING WITH REPECT TO THE RATINGS, PRICE TARGETS AND CONTENT OF THE REPORTS OF SENIOR RESEARCH ANALYSTS.

8. Current status ? ○ Pending ○ On Appeal ◉ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Consent

CONSENT

11. Resolution Date (MM/DD/YYYY):
09/23/2003 ◉ Exact ○ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

- [x] Monetary/Fine Amount:$ 265877
- [ ] Revocation/Expulsion/Denial
- [ ] Disgorgement/Restitution
- [ ] Censure
- [x] Cease and Desist/Injunction
- [ ] Bar
- [ ] Suspension

B. Other Sanctions *Ordered*:
$75,000,000 TO PROVIDE FIRM'S CLIENTS WITH INDEPENDENT RESEARCH.

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
$265,877 IN 12A IS PENALTY TO OKLAHOMA. ADDITIONAL PENALTIES/DISGORGEMENT OF $24,734,123 TO OTHER STATES AND $25,000,000 TO SEC, NASD AND NYSE IN RELATED PROCEEDINGS.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
WITHOUT ADMITTING OR DENYING THE ALLEGATIONS IN THE COMPLAINT IN THE RELATED PROCEEDINGS AND MADE IN THIS PROCEEDING, EXCEPT AS TO JURISDICTION, MS&CO. CONSENTED TO PAY A TOTAL OF $50 MILLION, WHICH INCLUDES PAYMENTS TO THE SEC, NASD, NYSE, STATES AND TERRITORIES, FOR PAST CONDUCT AND $75 MILLION IN THE FUTURE TO FUND INDEPENDENT RESEARCH. THE PAYMENT MADE TO OKLAHOMA IS $265,877. IN ADDITION, MS&CO. HAS AGREED TO A NUMBER OF STRUCTURAL CHANGES TO THE OPERATIONS OF ITS EQUITY RESEARCH AND INVESTMENT BANKING OPERATIONS. MS&CO. IS ALSO IN THE PROCESS OF FINALIZING SETTLEMENTS WITH THE OTHER STATE AND TERRITORIAL SECURITIES ADMINISTRATORS.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ○ INITIAL ***OR*** ◉ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action			
☐ 11.C(1)	☐ 11.C(5)	☑ 11.D(4)	☐ 11.E(3)
☐ 11.C(2)	☐ 11.D(1)	☐ 11.D(5)	☐ 11.E(4)
☐ 11.C(3)	☑ 11.D(2)	☐ 11.E(1)	☐ 11.F
☐ 11.C(4)	☐ 11.D(3)	☐ 11.E(2)	☐ 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- ◉ You (the advisory firm)
- ○ You and one or more of your *advisory affiliates*
- ○ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

- ☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.
- ☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

○ *Yes* ○ *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:
   ○ SEC ○ Other Federal ◉ State ○ *SRO* ○ Foreign

   (Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
   IDAHO DEPARTMENT OF FINANCE

2. Principal Sanction:

   Other Sanctions:

3. Date Initiated (MM/DD/YYYY):
   09/02/2003 ◉ Exact ○ Explanation

   If not exact, provide explanation:

4. Docket/Case Number:
   2003-7-20

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
   Other
   Other Product Types:
   RESEARCH

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

   ALLEGED THAT MORGAN STANLEY & CO. INCORPORATED ("MS&CO.") VIOLATED THE IDAHO SECURITIES ACT, BY, AMONG OTHER THINGS, ENGAGING IN ACTS AND PRACTICES THAT CREATED CONFLICTS OF INTEREST FOR ITS RESEARCH ANALYSTS WITH RESPECT TO INVESTMENT BANKING ACTIVITY AND CONSIDERATIONS AND FAILING TO MANAGE SUCH CONFLICTS ADEQUATELY OR APPROPRIATELY; FAILING TO ENSURE, IN OFFERINGS WHERE MS&CO. WAS LEAD UNDERWRITER, THAT PAYMENTS MADE TO OTHER BROKER-DEALERS FOR PUBLISHING RESEARCH REPORTS WERE DISCLOSED BY THE ISSUERS IN THE OFFERING DOCUMENTS AND THE OTHER BROKER-DEALERS IN THEIR RESEARCH REPORTS; AND FAILING TO SUPERVISE PROPERLY ITS RESEARCH ANALYSTS, INCLUDING WITH REPECT TO THE RATINGS, PRICE TARGETS AND CONTENT OF THE REPORTS OF SENIOR RESEARCH ANALYSTS.

8. Current status ? ○ Pending ○ On Appeal ◉ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
    Consent

    CONSENT

11. Resolution Date (MM/DD/YYYY):
    09/02/2003 ◉ Exact ○ Explanation

    If not exact, provide explanation:

12. Resolution Detail:

    A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

    ☑ Monetary/Fine Amount:$ 250000

    ☐ Revocation/Expulsion/Denial

    ☐ Censure

    ☐ Bar

    ☐ Disgorgement/Restitution

    ☑ Cease and Desist/Injunction

    ☐ Suspension

    B. Other Sanctions *Ordered*:
    $75,000,000 TO PROVIDE FIRM'S CLIENTS WITH INDEPENDENT RESEARCH.

    Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
    $250,000 IN 12A IS PENALTY TO IDAHO. ADDITIONAL PENALTIES/DISGOREGMENT OF $24,750,000 TO OTHER STATES AND $25,000,000 TO SEC, NASD AND NYSE IN RELATED PROCEEDINGS.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
    WITHOUT ADMITTING OR DENYING THE ALLEGATIONS IN THE COMPLAINT IN THE RELATED PROCEEDINGS AND MADE IN THIS PROCEEDING, EXCEPT AS TO JURISDICTION, MS&CO. CONSENTED TO PAY A TOTAL OF $50 MILLION, WHICH INCLUDES PAYMENTS TO THE SEC, NASD, NYSE, STATES AND TERRITORIES, FOR PAST CONDUCT AND $75 MILLION IN THE FUTURE TO FUND INDEPENDENT RESEARCH. THE PAYMENT MADE TO IDAHO IS $250,000. IN ADDITION, MS&CO. HAS AGREED TO A NUMBER OF STRUCTURAL CHANGES TO THE OPERATIONS OF ITS EQUITY RESEARCH AND INVESTMENT BANKING OPERATIONS. MS&CO. IS ALSO IN THE PROCESS OF FINALIZING SETTLEMENTS WITH THE OTHER STATE AND TERRITORIAL SECURITIES ADMINISTRATORS.

GENERAL INSTRUCTIONS

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Check item(s) being responded to:

Regulatory Action			
☐ 11.C(1)	☐ 11.C(5)	☑ 11.D(4)	☐ 11.E(3)
☐ 11.C(2)	☐ 11.D(1)	☐ 11.D(5)	☐ 11.E(4)
☐ 11.C(3)	☑ 11.D(2)	☐ 11.E(1)	☐ 11.F
☐ 11.C(4)	☐ 11.D(3)	☐ 11.E(2)	☐ 11.G

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PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

◉ You (the advisory firm)

○ You and one or more of your *advisory affiliates*

○ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

○ *Yes* ○ *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

○ SEC ○ Other Federal ◉ State ○ *SRO* ○ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
KENTUCKY DEPARTMENT OF FINANCIAL INSTITUTIONS

2. Principal Sanction:

Other Sanctions:

3. Date Initiated (MM/DD/YYYY):
09/18/2003 ◉ Exact ○ Explanation

If not exact, provide explanation:

4. Docket/Case Number:

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
Other
Other Product Types:

RESEARCH

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

ALLEGED THAT MORGAN STANLEY & CO. INCORPORATED ("MS&CO.") VIOLATED THE SECURITIES ACT OF KENTUCKY, BY, AMONG OTHER THINGS, ENGAGING IN ACTS AND PRACTICES THAT CREATED CONFLICTS OF INTEREST FOR ITS RESEARCH ANALYSTS WITH RESPECT TO INVESTMENT BANKING ACTIVITY AND CONSIDERATIONS AND FAILING TO MANAGE SUCH CONFLICTS ADEQUATELY OR APPROPRIATELY; FAILING TO ENSURE, IN OFFERINGS WHERE MS&CO. WAS LEAD UNDERWRITER, THAT PAYMENTS MADE TO OTHER BROKER-DEALERS FOR PUBLISHING RESEARCH REPORTS WERE DISCLOSED BY THE ISSUERS IN THE OFFERING DOCUMENTS AND THE OTHER BROKER-DEALERS IN THEIR RESEARCH REPORTS; AND FAILING TO SUPERVISE PROPERLY ITS RESEARCH ANALYSTS, INCLUDING WITH REPECT TO THE RATINGS, PRICE TARGETS AND CONTENT OF THE REPORTS OF SENIOR RESEARCH ANALYSTS.

8. Current status ? ○ Pending ○ On Appeal ◉ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Consent

CONSENT

11. Resolution Date (MM/DD/YYYY):

09/18/2003 ◉ Exact ○ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

- ☑ Monetary/Fine Amount:$ 311423
- ☐ Revocation/Expulsion/Denial
- ☐ Censure
- ☐ Bar
- ☐ Disgorgement/Restitution
- ☑ Cease and Desist/Injunction
- ☐ Suspension

B. Other Sanctions *Ordered*:
$75,000,000 TO PROVIDE FIRM'S CLIENTS WITH INDEPENDENT RESEARCH.

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
$311,423 IN 12A IS PENALTY TO KENTUCKY. ADDITIONAL PENALTIES/DISGORGEMENT OF $24,688,577 TO OTHER STATES AND $25,000,000 TO SEC, NASD AND NYSE IN RELATED PROCEEDINGS.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
WITHOUT ADMITTING OR DENYING THE ALLEGATIONS IN THE COMPLAINT IN THE RELATED PROCEEDINGS AND MADE IN THIS PROCEEDING, EXCEPT AS TO JURISDICTION, MS&CO. CONSENTED TO PAY A TOTAL OF $50 MILLION, WHICH INCLUDES PAYMENTS TO THE SEC, NASD, NYSE, STATES AND TERRITORIES, FOR PAST CONDUCT AND $75 MILLION IN THE FUTURE TO FUND INDEPENDENT RESEARCH. THE PAYMENT MADE TO KENTUCKY IS $311,423. IN ADDITION, MS&CO. HAS AGREED TO A NUMBER OF STRUCTURAL CHANGES TO THE OPERATIONS OF ITS EQUITY RESEARCH AND INVESTMENT BANKING OPERATIONS. MS&CO. IS ALSO IN THE PROCESS OF FINALIZING SETTLEMENTS WITH THE OTHER STATE AND TERRITORIAL SECURITIES ADMINISTRATORS.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ◉ INITIAL ***OR*** ○ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action			
☐ 11.C(1)	☐ 11.C(5)	☐ 11.D(4)	☐ 11.E(3)
☐ 11.C(2)	☐ 11.D(1)	☐ 11.D(5)	☐ 11.E(4)
☐ 11.C(3)	☐ 11.D(2)	☐ 11.E(1)	☐ 11.F
☐ 11.C(4)	☐ 11.D(3)	☑ 11.E(2)	☐ 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

◉ You (the advisory firm)

○ You and one or more of your *advisory affiliates*

○ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

○ *Yes* ○ *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

○ SEC ○ Other Federal ○ State ◉ *SRO* ○ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
CHICAGO BOARD OPTIONS EXCHANGE INCORPORATED

2. Principal Sanction:

Other Sanctions:

3. Date Initiated (MM/DD/YYYY):
10/10/2001 ◉ Exact ○ Explanation

If not exact, provide explanation:

4. Docket/Case Number:
FILE NO. 03-0013

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
Index Option(s)
Other Product Types:

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):
THE BUSINESS CONDUCT COMMITTEE ALLEGED VIOLATIONS OF EXCHANGE RULES 4.1, 4.11, 4.6, 6.43(A), 6.49(A) AND 6.61.04.

8. Current status ? ○ Pending ○ On Appeal ◉ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Decision & Order of Offer of Settlement

OFFERSETTLE

11. Resolution Date (MM/DD/YYYY):
08/08/2003 ◉ Exact ○ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☑ Monetary/Fine Amount:$ 50000

☐ Revocation/Expulsion/Denial

☐ Disgorgement/Restitution

☐ Censure

☐ Cease and Desist/Injunction

☐ Bar

☐ Suspension

B. Other Sanctions *Ordered*:

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
FINE OF $50,000.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
WITH ADMITTING OR DENYING THE ALLEGED VIOLATIONS MORGAN STANLEY CONSENTED TO AN ORDER OF SETTLEMENT.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ○ INITIAL ***OR*** ◉ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action

☐ 11.C(1)	☐ 11.C(5)	☑ 11.D(4)	☐ 11.E(3)
☐ 11.C(2)	☐ 11.D(1)	☐ 11.D(5)	☐ 11.E(4)
☐ 11.C(3)	☑ 11.D(2)	☐ 11.E(1)	☐ 11.F
☐ 11.C(4)	☐ 11.D(3)	☐ 11.E(2)	☐ 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

◉ You (the advisory firm)

○ You and one or more of your *advisory affiliates*

○ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*

No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

○ *Yes* ○ *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

○ SEC ○ Other Federal ◉ State ○ *SRO* ○ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
FLORIDA OFFICE OF FINANCIAL REGULATION

2. Principal Sanction:

Other Sanctions:

3. Date Initiated (MM/DD/YYYY):
09/19/2003 (•) Exact ( ) Explanation

If not exact, provide explanation:

4. Docket/Case Number:
OFR NO. 0045-S-6/03

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
Other
Other Product Types:
RESEARCH

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

ALLEGED THAT MORGAN STANLEY & CO. INCORPORATED ("MS&CO.") VIOLATED THE FLORIDA SECURITIES AND INVESTOR PROTECTION ACT, BY, AMONG OTHER THINGS, ENGAGING IN ACTS AND PRACTICES THAT CREATED CONFLICTS OF INTEREST FOR ITS RESEARCH ANALYSTS WITH RESPECT TO INVESTMENT BANKING ACTIVITY AND CONSIDERATIONS AND FAILING TO MANAGE SUCH CONFLICTS ADEQUATELY OR APPROPRIATELY; FAILING TO ENSURE, IN OFFERINGS WHERE MS&CO. WAS LEAD UNDERWRITER, THAT PAYMENTS MADE TO OTHER BROKER-DEALERS FOR PUBLISHING RESEARCH REPORTS WERE DISCLOSED BY THE ISSUERS IN THE OFFERING DOCUMENTS AND THE OTHER BROKER-DEALERS IN THEIR RESEARCH REPORTS; AND FAILING TO SUPERVISE PROPERLY ITS RESEARCH ANALYSTS, INCLUDING WITH REPECT TO THE RATINGS, PRICE TARGETS AND CONTENT OF THE REPORTS OF SENIOR RESEARCH ANALYSTS.

8. Current status ? ( ) Pending ( ) On Appeal (•) Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Consent

CONSENT

11. Resolution Date (MM/DD/YYYY):
09/19/2003 (•) Exact ( ) Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

- [x] Monetary/Fine Amount:$ 1231461
- [ ] Revocation/Expulsion/Denial
- [ ] Disgorgement/Restitution
- [ ] Censure
- [x] Cease and Desist/Injunction
- [ ] Bar
- [ ] Suspension

B. Other Sanctions *Ordered*:
$75,000,000 TO PROVIDE FIRM'S CLIENTS WITH INDEPENDENT RESEARCH.

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
$1,231,461 IN 12A IS PENALTY TO FLORIDA. ADDITIONAL PENALTIES/DISGORGEMENT OF $23,768,539 TO OTHER STATES AND $25,000,000 TO SEC, NASD AND NYSE IN RELATED PROCEEDINGS.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
WITHOUT ADMITTING OR DENYING THE ALLEGATIONS IN THE COMPLAINT IN THE RELATED PROCEEDINGS AND MADE IN THIS PROCEEDING, EXCEPT AS TO JURISDICTION, MS&CO. CONSENTED TO PAY A TOTAL OF $50 MILLION, WHICH INCLUDES PAYMENTS TO THE SEC, NASD, NYSE, STATES AND TERRITORIES, FOR PAST CONDUCT AND $75 MILLION IN THE FUTURE TO FUND INDEPENDENT RESEARCH. THE PAYMENT MADE TO FLORIDA IS $1,231,461. IN ADDITION, MS&CO. HAS AGREED TO A NUMBER OF STRUCTURAL CHANGES TO THE OPERATIONS OF ITS EQUITY RESEARCH AND INVESTMENT BANKING OPERATIONS. MS&CO. IS ALSO IN THE PROCESS OF FINALIZING SETTLEMENTS WITH THE OTHER STATE AND TERRITORIAL SECURITIES ADMINISTRATORS.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ( ) INITIAL ***OR*** (•) AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action

☐ 11.C(1)	☐ 11.C(5)	☑ 11.D(4)	☐ 11.E(3)
☐ 11.C(2)	☐ 11.D(1)	☐ 11.D(5)	☐ 11.E(4)
☐ 11.C(3)	☑ 11.D(2)	☐ 11.E(1)	☐ 11.F
☐ 11.C(4)	☐ 11.D(3)	☐ 11.E(2)	☐ 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- ◉ You (the advisory firm)
- ○ You and one or more of your *advisory affiliates*
- ○ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

○ *Yes* ○ *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

○ SEC ○ Other Federal ◉ State ○ *SRO* ○ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
TEXAS STATE SECURITIES BOARD

2. Principal Sanction:

Other Sanctions:

3. Date Initiated (MM/DD/YYYY):
10/13/2003 ◉ Exact ○ Explanation

If not exact, provide explanation:

4. Docket/Case Number:
CDO/FIN - 1543

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
Other
Other Product Types:
RESEARCH

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

ALLEGED THAT MORGAN STANLEY & CO. INCORPORATED ("MS&CO.") VIOLATED THE TEXAS SECURITIES ACT, BY, AMONG OTHER THINGS, ENGAGING IN ACTS AND PRACTICES THAT CREATED CONFLICTS OF INTEREST FOR ITS RESEARCH ANALYSTS WITH RESPECT TO INVESTMENT BANKING ACTIVITY AND CONSIDERATIONS AND FAILING TO MANAGE SUCH CONFLICTS ADEQUATELY OR APPROPRIATELY; FAILING TO ENSURE, IN OFFERINGS WHERE MS&CO. WAS LEAD UNDERWRITER, THAT PAYMENTS MADE TO OTHER BROKER-DEALERS FOR PUBLISHING RESEARCH REPORTS WERE DISCLOSED BY THE ISSUERS IN THE OFFERING DOCUMENTS AND THE OTHER BROKER-DEALERS IN THEIR RESEARCH REPORTS; AND FAILING TO SUPERVISE PROPERLY ITS RESEARCH ANALYSTS, INCLUDING WITH REPECT TO

THE RATINGS, PRICE TARGETS AND CONTENT OF THE REPORTS OF SENIOR RESEARCH ANALYSTS.

8. Current status ? ○ Pending ○ On Appeal ◉ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Consent

CONSENT

11. Resolution Date (MM/DD/YYYY):
10/13/2003 ◉ Exact ○ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

- ☑ Monetary/Fine Amount:$ 1606657
- ☐ Revocation/Expulsion/Denial
- ☐ Censure
- ☐ Bar
- ☐ Disgorgement/Restitution
- ☑ Cease and Desist/Injunction
- ☐ Suspension

B. Other Sanctions *Ordered*:
$75,000,000 TO PROVIDE FIRM'S CLIENTS WITH INDEPENDENT RESEARCH.

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
$1,606,657 IN 12A IS PENALTY TO TEXAS. ADDITIONAL PENALTIES/DISGORGEMENT OF $23,393,343 TO OTHER STATES AND $25,000,000 TO SEC, NASD AND NYSE IN RELATED PROCEEDINGS.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
WITHOUT ADMITTING OR DENYING THE ALLEGATIONS IN THE COMPLAINT IN THE RELATED PROCEEDINGS AND MADE IN THIS PROCEEDING, EXCEPT AS TO JURISDICTION, MS&CO. CONSENTED TO PAY A TOTAL OF $50 MILLION, WHICH INCLUDES PAYMENTS TO THE SEC, NASD, NYSE, STATES AND TERRITORIES, FOR PAST CONDUCT AND $75 MILLION IN THE FUTURE TO FUND INDEPENDENT RESEARCH. THE PAYMENT MADE TO TEXAS IS $1,606,657. IN ADDITION, MS&CO. HAS AGREED TO A NUMBER OF STRUCTURAL CHANGES TO THE OPERATIONS OF ITS EQUITY RESEARCH AND INVESTMENT BANKING OPERATIONS. MS&CO. IS ALSO IN THE PROCESS OF FINALIZING SETTLEMENTS WITH THE OTHER STATE AND TERRITORIAL SECURITIES ADMINISTRATORS.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ○ INITIAL ***OR*** ◉ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action

☐ 11.C(1)	☐ 11.C(5)	☑ 11.D(4)	☐ 11.E(3)
☐ 11.C(2)	☐ 11.D(1)	☐ 11.D(5)	☐ 11.E(4)
☐ 11.C(3)	☑ 11.D(2)	☐ 11.E(1)	☐ 11.F
☐ 11.C(4)	☐ 11.D(3)	☐ 11.E(2)	☐ 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- ◉ You (the advisory firm)
- ○ You and one or more of your *advisory affiliates*
- ○ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*

No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

○ *Yes* ○ *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

○ SEC ○ Other Federal ◉ State ○ *SRO* ○ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)

VERMONT DEPARTMENT OF BANKING

2. Principal Sanction:

Other Sanctions:

3. Date Initiated (MM/DD/YYYY):

09/23/2003 ◉ Exact ○ Explanation

If not exact, provide explanation:

4. Docket/Case Number:

MATTER NO. 03-063-S

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:

Other

Other Product Types:

RESEARCH

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

ALLEGED THAT MORGAN STANLEY & CO. INCORPORATED ("MS&CO.") VIOLATED THE VERMONT SECURITIES ACT, BY, AMONG OTHER THINGS, ENGAGING IN ACTS AND PRACTICES THAT CREATED CONFLICTS OF INTEREST FOR ITS RESEARCH ANALYSTS WITH RESPECT TO INVESTMENT BANKING ACTIVITY AND CONSIDERATIONS AND FAILING TO MANAGE SUCH CONFLICTS ADEQUATELY OR APPROPRIATELY; FAILING TO ENSURE, IN OFFERINGS WHERE MS&CO. WAS LEAD UNDERWRITER, THAT PAYMENTS MADE TO OTHER BROKER-DEALERS FOR PUBLISHING RESEARCH REPORTS WERE DISCLOSED BY THE ISSUERS IN THE OFFERING DOCUMENTS AND THE OTHER BROKER-DEALERS IN THEIR RESEARCH REPORTS; AND FAILING TO SUPERVISE PROPERLY ITS RESEARCH ANALYSTS, INCLUDING WITH REPECT TO THE RATINGS, PRICE TARGETS AND CONTENT OF THE REPORTS OF SENIOR RESEARCH ANALYSTS.

8. Current status ? ○ Pending ○ On Appeal ◉ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:

Consent

CONSENT

11. Resolution Date (MM/DD/YYYY):

09/23/2003 ◉ Exact ○ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☑ Monetary/Fine Amount:$ 250000

☐ Revocation/Expulsion/Denial

☐ Disgorgement/Restitution

☐ Censure

☑ Cease and Desist/Injunction

☐ Bar ☐ Suspension

B. Other Sanctions *Ordered*:
$75,000,000 TO PROVIDE FIRM'S CLIENTS WITH INDEPENDENT RESEARCH.

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
$250,000 IN 12A IS PENALTY TO VERMONT. ADDITIONAL PENALTIES/DISGORGEMENT OF $24,750,000 TO OTHER STATES AND $25,000,000 TO SEC, NASD AND NYSE IN RELATED PROCEEDINGS.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
WITHOUT ADMITTING OR DENYING THE ALLEGATIONS IN THE COMPLAINT IN THE RELATED PROCEEDINGS AND MADE IN THIS PROCEEDING, EXCEPT AS TO JURISDICTION, MS&CO. CONSENTED TO PAY A TOTAL OF $50 MILLION, WHICH INCLUDES PAYMENTS TO THE SEC, NASD, NYSE, STATES AND TERRITORIES, FOR PAST CONDUCT AND $75 MILLION IN THE FUTURE TO FUND INDEPENDENT RESEARCH. THE PAYMENT MADE TO VERMONT IS $250,000. IN ADDITION, MS&CO. HAS AGREED TO A NUMBER OF STRUCTURAL CHANGES TO THE OPERATIONS OF ITS EQUITY RESEARCH AND INVESTMENT BANKING OPERATIONS. MS&CO. IS ALSO IN THE PROCESS OF FINALIZING SETTLEMENTS WITH THE OTHER STATE AND TERRITORIAL SECURITIES ADMINISTRATORS.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ○ INITIAL ***OR*** ◉ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action			
☐ 11.C(1)	☐ 11.C(5)	☑ 11.D(4)	☐ 11.E(3)
☐ 11.C(2)	☐ 11.D(1)	☐ 11.D(5)	☐ 11.E(4)
☐ 11.C(3)	☑ 11.D(2)	☐ 11.E(1)	☐ 11.F
☐ 11.C(4)	☐ 11.D(3)	☐ 11.E(2)	☐ 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

◉ You (the advisory firm)

○ You and one or more of your *advisory affiliates*

○ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

○ *Yes* ○ *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

○ SEC ○ Other Federal ◉ State ○ *SRO* ○ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
WISCONSIN DIVISION OF SECURITIES

2. Principal Sanction:

   Other Sanctions:

3. Date Initiated (MM/DD/YYYY):
   10/15/2003 (•) Exact ( ) Explanation

   If not exact, provide explanation:

4. Docket/Case Number:
   S-03160(LX)

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
   Other
   Other Product Types:
   RESEARCH

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

   ALLEGED THAT MORGAN STANLEY & CO. INCORPORATED ("MS&CO.") VIOLATED THE WISCONSIN UNIFORM SECURITIES LAW, CH. 551, WIS. STATS., BY, AMONG OTHER THINGS, ENGAGING IN ACTS AND PRACTICES THAT CREATED CONFLICTS OF INTEREST FOR ITS RESEARCH ANALYSTS WITH RESPECT TO INVESTMENT BANKING ACTIVITY AND CONSIDERATIONS AND FAILING TO MANAGE SUCH CONFLICTS ADEQUATELY OR APPROPRIATELY; FAILING TO ENSURE, IN OFFERINGS WHERE MS&CO. WAS LEAD UNDERWRITER, THAT PAYMENTS MADE TO OTHER BROKER-DEALERS FOR PUBLISHING RESEARCH REPORTS WERE DISCLOSED BY THE ISSUERS IN THE OFFERING DOCUMENTS AND THE OTHER BROKER-DEALERS IN THEIR RESEARCH REPORTS; AND FAILING TO SUPERVISE PROPERLY ITS RESEARCH ANALYSTS, INCLUDING WITH REPECT TO THE RATINGS, PRICE TARGETS AND CONTENT OF THE REPORTS OF SENIOR RESEARCH ANALYSTS.

8. Current status ? ( ) Pending ( ) On Appeal (•) Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
    Consent

    CONSENT

11. Resolution Date (MM/DD/YYYY):
    10/15/2003 (•) Exact ( ) Explanation

    If not exact, provide explanation:

12. Resolution Detail:

    A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

    - [x] Monetary/Fine Amount:$ 413277
    - [ ] Revocation/Expulsion/Denial
    - [ ] Disgorgement/Restitution
    - [ ] Censure
    - [x] Cease and Desist/Injunction
    - [ ] Bar
    - [ ] Suspension

    B. Other Sanctions *Ordered*:
    $75,000,000 TO PROVIDE FIRM'S CLIENTS WITH INDEPENDENT RESEARCH.

    Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
    $413,277 IN 12A IS PENALTY TO WISCONSIN. ADDITIONAL PENALTIES/DISGORGEMENT OF $24,586,723 TO OTHER STATES AND $25,000,000 TO SEC, NASD AND NYSE IN RELATED PROCEEDINGS.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
    WITHOUT ADMITTING OR DENYING THE ALLEGATIONS IN THE COMPLAINT IN THE RELATED PROCEEDINGS AND MADE IN THIS PROCEEDING, EXCEPT AS TO JURISDICTION, MS&CO. CONSENTED TO PAY A TOTAL OF $50 MILLION, WHICH INCLUDES PAYMENTS TO THE SEC, NASD, NYSE, STATES AND TERRITORIES, FOR PAST CONDUCT AND $75 MILLION IN THE FUTURE TO FUND INDEPENDENT RESEARCH. THE PAYMENT MADE TO WISCONSIN IS $413,277. IN ADDITION, MS&CO. HAS AGREED TO A NUMBER OF STRUCTURAL CHANGES TO THE OPERATIONS OF ITS EQUITY RESEARCH AND INVESTMENT BANKING OPERATIONS. MS&CO. IS ALSO IN THE PROCESS OF FINALIZING SETTLEMENTS WITH THE OTHER STATE AND TERRITORIAL SECURITIES ADMINISTRATORS.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ( ) INITIAL ***OR*** (•) AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action			
☐ 11.C(1)	☐ 11.C(5)	☑ 11.D(4)	☐ 11.E(3)
☐ 11.C(2)	☐ 11.D(1)	☐ 11.D(5)	☐ 11.E(4)
☐ 11.C(3)	☑ 11.D(2)	☐ 11.E(1)	☐ 11.F
☐ 11.C(4)	☐ 11.D(3)	☐ 11.E(2)	☐ 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- (•) You (the advisory firm)
- ( ) You and one or more of your *advisory affiliates*
- ( ) One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

( ) *Yes* ( ) *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

( ) SEC ( ) Other Federal (•) State ( ) *SRO* ( ) Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
MAINE OFFICE OF SECURITIES

2. Principal Sanction:

Other Sanctions:

3. Date Initiated (MM/DD/YYYY):
09/02/2003 (•) Exact ( ) Explanation

If not exact, provide explanation:

4. Docket/Case Number:
03-106

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
Other
Other Product Types:
RESEARCH

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

ALLEGED THAT MORGAN STANLEY & CO. INCORPORATED ("MS&CO.") VIOLATED THE REVISED MAINE SECURITIES ACT, BY, AMONG OTHER THINGS, ENGAGING IN ACTS AND PRACTICES THAT CREATED CONFLICTS OF INTEREST FOR ITS RESEARCH ANALYSTS WITH RESPECT TO INVESTMENT BANKING ACTIVITY AND CONSIDERATIONS AND FAILING TO MANAGE SUCH CONFLICTS ADEQUATELY OR APPROPRIATELY; FAILING TO ENSURE, IN OFFERINGS WHERE MS&CO. WAS LEAD UNDERWRITER, THAT

PAYMENTS MADE TO OTHER BROKER-DEALERS FOR PUBLISHING RESEARCH REPORTS WERE DISCLOSED BY THE ISSUERS IN THE OFFERING DOCUMENTS AND THE OTHER BROKER-DEALERS IN THEIR RESEARCH REPORTS; AND FAILING TO SUPERVISE PROPERLY ITS RESEARCH ANALYSTS, INCLUDING WITH REPECT TO THE RATINGS, PRICE TARGETS AND CONTENT OF THE REPORTS OF SENIOR RESEARCH ANALYSTS.

8. Current status ? ○ Pending ○ On Appeal ◉ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Consent

CONSENT

11. Resolution Date (MM/DD/YYYY):
09/02/2003 ◉ Exact ○ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

- ☑ Monetary/Fine Amount:$ 250000
- ☐ Revocation/Expulsion/Denial
- ☐ Censure
- ☐ Bar
- ☐ Disgorgement/Restitution
- ☑ Cease and Desist/Injunction
- ☐ Suspension

B. Other Sanctions *Ordered*:
$75,000,000 TO PROVIDE FIRM'S CLIENTS WITH INDEPENDENT RESEARCH.

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
$250,000 IN 12A IS PENALTY TO MAINE. ADDITIONAL PENALITIES/DISGORGEMENT OF $24,750,000 TO OTHER STATES AND $25,000,000 TO SEC, NASD AND NYSE IN RELATED PROCEEDINGS.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
WITHOUT ADMITTING OR DENYING THE ALLEGATIONS IN THE COMPLAINT IN THE RELATED PROCEEDINGS AND MADE IN THIS PROCEEDING, EXCEPT AS TO JURISDICTION, MS&CO. CONSENTED TO PAY A TOTAL OF $50 MILLION, WHICH INCLUDES PAYMENTS TO THE SEC, NASD, NYSE, STATES AND TERRITORIES, FOR PAST CONDUCT AND $75 MILLION IN THE FUTURE TO FUND INDEPENDENT RESEARCH. THE PAYMENT MADE TO MAINE IS $250,000. IN ADDITION, MS&CO. HAS AGREED TO A NUMBER OF STRUCTURAL CHANGES TO THE OPERATIONS OF ITS EQUITY RESEARCH AND INVESTMENT BANKING OPERATIONS. MS&CO. IS ALSO IN THE PROCESS OF FINALIZING SETTLEMENTS WITH THE OTHER STATE AND TERRITORIAL SECURITIES ADMINISTRATORS.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ○ INITIAL ***OR*** ◉ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action			
☐ 11.C(1)	☐ 11.C(5)	☑ 11.D(4)	☐ 11.E(3)
☐ 11.C(2)	☐ 11.D(1)	☐ 11.D(5)	☐ 11.E(4)
☐ 11.C(3)	☑ 11.D(2)	☐ 11.E(1)	☐ 11.F
☐ 11.C(4)	☐ 11.D(3)	☐ 11.E(2)	☐ 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- ◉ You (the advisory firm)
- ○ You and one or more of your *advisory affiliates*
- ○ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

○ *Yes* ○ *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

○ SEC ○ Other Federal ◉ State ○ *SRO* ○ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
MICHIGAN OFFICE OF FINANCIAL AND INSURANCE SERVICES

2. Principal Sanction:

Other Sanctions:

3. Date Initiated (MM/DD/YYYY):
09/22/2003 ◉ Exact ○ Explanation

If not exact, provide explanation:

4. Docket/Case Number:
ORDER NO. 03-035-M

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
Options
Other Product Types:
RESEARCH

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

ALLEGED THAT MORGAN STANLEY & CO. INCORPORATED ("MS&CO.") VIOLATED THE MICHIGAN UNIFORM SECURITIES ACT, BY, AMONG OTHER THINGS, ENGAGING IN ACTS AND PRACTICES THAT CREATED CONFLICTS OF INTEREST FOR ITS RESEARCH ANALYSTS WITH RESPECT TO INVESTMENT BANKING ACTIVITY AND CONSIDERATIONS AND FAILING TO MANAGE SUCH CONFLICTS ADEQUATELY OR APPROPRIATELY; FAILING TO ENSURE, IN OFFERINGS WHERE MS&CO. WAS LEAD UNDERWRITER, THAT PAYMENTS MADE TO OTHER BROKER-DEALERS FOR PUBLISHING RESEARCH REPORTS WERE DISCLOSED BY THE ISSUERS IN THE OFFERING DOCUMENTS AND THE OTHER BROKER-DEALERS IN THEIR RESEARCH REPORTS; AND FAILING TO SUPERVISE PROPERLY ITS RESEARCH ANALYSTS, INCLUDING WITH REPECT TO THE RATINGS, PRICE TARGETS AND CONTENT OF THE REPORTS OF SENIOR RESEARCH ANALYSTS.

8. Current status ? ○ Pending ○ On Appeal ◉ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Consent

CONSENT

11. Resolution Date (MM/DD/YYYY):
09/22/2003 ◉ Exact ○ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☑ Monetary/Fine Amount:$ 765768

☐ Revocation/Expulsion/Denial

☐ Disgorgement/Restitution

☐ Censure

☑ Cease and Desist/Injunction

☐ Bar

☐ Suspension

B. Other Sanctions *Ordered*:
$75,000,000 TO PROVIDE FIRM'S CLIENTS WITH INDEPENDENT RESEARCH.

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
$765,768 IN 12A IS PENALTY TO MICHIGAN. ADDITIONAL PENALTIES/DISGORGEMENT OF $24,234,232 TO OTHER STATES AND $25,000,000 TO SEC, NASD AND NYSE IN RELATED PROCEEDINGS.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
WITHOUT ADMITTING OR DENYING THE ALLEGATIONS IN THE COMPLAINT IN THE RELATED PROCEEDINGS AND MADE IN THIS PROCEEDING, EXCEPT AS TO JURISDICTION, MS&CO. CONSENTED TO PAY A TOTAL OF $50 MILLION, WHICH INCLUDES PAYMENTS TO THE SEC, NASD, NYSE, STATES AND TERRITORIES, FOR PAST CONDUCT AND $75 MILLION IN THE FUTURE TO FUND INDEPENDENT RESEARCH. THE PAYMENT MADE TO MICHIGAN IS $765,768. IN ADDITION, MS&CO. HAS AGREED TO A NUMBER OF STRUCTURAL CHANGES TO THE OPERATIONS OF ITS EQUITY RESEARCH AND INVESTMENT BANKING OPERATIONS. MS&CO. IS ALSO IN THE PROCESS OF FINALIZING SETTLEMENTS WITH THE OTHER STATE AND TERRITORIAL SECURITIES ADMINISTRATORS.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ○ INITIAL ***OR*** ◉ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action			
☐ 11.C(1)	☐ 11.C(5)	☑ 11.D(4)	☐ 11.E(3)
☐ 11.C(2)	☐ 11.D(1)	☐ 11.D(5)	☐ 11.E(4)
☐ 11.C(3)	☑ 11.D(2)	☐ 11.E(1)	☐ 11.F
☐ 11.C(4)	☐ 11.D(3)	☐ 11.E(2)	☐ 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

◉ You (the advisory firm)

○ You and one or more of your *advisory affiliates*

○ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

○ *Yes* ○ *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

○ SEC ○ Other Federal ◉ State ○ *SRO* ○ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
OREGON DEPARTMENT OF CONSUMER AND BUSINESS SERVICES, SECURITIES SECTION

2. Principal Sanction:

   Other Sanctions:

3. Date Initiated (MM/DD/YYYY):
   09/19/2003 (•) Exact ( ) Explanation

   If not exact, provide explanation:

4. Docket/Case Number:
   S-03-0031

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
   Other
   Other Product Types:
   RESEARCH

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

   ALLEGED THAT MORGAN STANLEY & CO. INCORPORATED ("MS&CO.") VIOLATED THE OREGON REVISED STATUTES, CHAPTER 59, BY, AMONG OTHER THINGS, ENGAGING IN ACTS AND PRACTICES THAT CREATED CONFLICTS OF INTEREST FOR ITS RESEARCH ANALYSTS WITH RESPECT TO INVESTMENT BANKING ACTIVITY AND CONSIDERATIONS AND FAILING TO MANAGE SUCH CONFLICTS ADEQUATELY OR APPROPRIATELY; FAILING TO ENSURE, IN OFFERINGS WHERE MS&CO. WAS LEAD UNDERWRITER, THAT PAYMENTS MADE TO OTHER BROKER-DEALERS FOR PUBLISHING RESEARCH REPORTS WERE DISCLOSED BY THE ISSUERS IN THE OFFERING DOCUMENTS AND THE OTHER BROKER-DEALERS IN THEIR RESEARCH REPORTS; AND FAILING TO SUPERVISE PROPERLY ITS RESEARCH ANALYSTS, INCLUDING WITH REPECT TO THE RATINGS, PRICE TARGETS AND CONTENT OF THE REPORTS OF SENIOR RESEARCH ANALYSTS.

8. Current status ? ( ) Pending ( ) On Appeal (•) Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
    Consent

    CONSENT

11. Resolution Date (MM/DD/YYYY):
    09/19/2003 (•) Exact ( ) Explanation

    If not exact, provide explanation:

12. Resolution Detail:

    A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

    - [x] Monetary/Fine Amount:$ 263622
    - [ ] Revocation/Expulsion/Denial
    - [ ] Disgorgement/Restitution
    - [ ] Censure
    - [x] Cease and Desist/Injunction
    - [ ] Bar
    - [ ] Suspension

    B. Other Sanctions *Ordered*:
    $75,000,000 TO PROVIDE FIRM'S CLIENTS WITH INDEPENDENT RESEARCH.

    Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
    $263,622 IN 12A IS PENALTY TO OREGON. ADDITIONAL PENALTIES/DISGORGEMENT OF $24,736,378 TO OTHER STATES AND $25,000,000 TO SEC, NASD AND NYSE IN RELATED PROCEEDINGS.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
    WITHOUT ADMITTING OR DENYING THE ALLEGATIONS IN THE COMPLAINT IN THE RELATED PROCEEDINGS AND MADE IN THIS PROCEEDING, EXCEPT AS TO JURISDICTION, MS&CO. CONSENTED TO PAY A TOTAL OF $50 MILLION, WHICH INCLUDES PAYMENTS TO THE SEC, NASD, NYSE, STATES AND TERRITORIES, FOR PAST CONDUCT AND $75 MILLION IN THE FUTURE TO FUND INDEPENDENT RESEARCH. THE PAYMENT MADE TO CONNECTICUT IS $263,622. IN ADDITION, MS&CO. HAS AGREED TO A NUMBER OF STRUCTURAL CHANGES TO THE OPERATIONS OF ITS EQUITY RESEARCH AND INVESTMENT BANKING OPERATIONS. MS&CO. IS ALSO IN THE PROCESS OF FINALIZING SETTLEMENTS WITH THE OTHER STATE AND TERRITORIAL SECURITIES ADMINISTRATORS.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ( ) INITIAL ***OR*** (•) AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action			
☐ 11.C(1)	☐ 11.C(5)	☑ 11.D(4)	☐ 11.E(3)
☐ 11.C(2)	☐ 11.D(1)	☐ 11.D(5)	☐ 11.E(4)
☐ 11.C(3)	☑ 11.D(2)	☐ 11.E(1)	☐ 11.F
☐ 11.C(4)	☐ 11.D(3)	☐ 11.E(2)	☐ 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- ◉ You (the advisory firm)
- ○ You and one or more of your *advisory affiliates*
- ○ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

○ *Yes* ○ *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

○ SEC ○ Other Federal ◉ State ○ *SRO* ○ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
SECURITIES DIVISION OF THE WASHINGTON STATE DEPARTMENT OF FINANCIAL INSTITUTIONS

2. Principal Sanction:

Other Sanctions:

3. Date Initiated (MM/DD/YYYY):
10/01/2003 ◉ Exact ○ Explanation

If not exact, provide explanation:

4. Docket/Case Number:
CASE NO. S-03-092

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
Other
Other Product Types:
RESEARCH

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

ALLEGED THAT MORGAN STANLEY & CO. INCORPORATED ("MS&CO.") VIOLATED THE SECURITIES ACT OF WASHINGTON, BY, AMONG OTHER THINGS, ENGAGING IN

ACTS AND PRACTICES THAT CREATED CONFLICTS OF INTEREST FOR ITS RESEARCH ANALYSTS WITH RESPECT TO INVESTMENT BANKING ACTIVITY AND CONSIDERATIONS AND FAILING TO MANAGE SUCH CONFLICTS ADEQUATELY OR APPROPRIATELY; FAILING TO ENSURE, IN OFFERINGS WHERE MS&CO. WAS LEAD UNDERWRITER, THAT PAYMENTS MADE TO OTHER BROKER-DEALERS FOR PUBLISHING RESEARCH REPORTS WERE DISCLOSED BY THE ISSUERS IN THE OFFERING DOCUMENTS AND THE OTHER BROKER-DEALERS IN THEIR RESEARCH REPORTS; AND FAILING TO SUPERVISE PROPERLY ITS RESEARCH ANALYSTS, INCLUDING WITH REPECT TO THE RATINGS, PRICE TARGETS AND CONTENT OF THE REPORTS OF SENIOR RESEARCH ANALYSTS.

8. Current status ? ○ Pending ○ On Appeal ◉ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Consent

CONSENT

11. Resolution Date (MM/DD/YYYY):
10/01/2003 ◉ Exact ○ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

- ☑ Monetary/Fine Amount:$ 454149
- ☐ Revocation/Expulsion/Denial
- ☐ Censure
- ☐ Bar
- ☐ Disgorgement/Restitution
- ☑ Cease and Desist/Injunction
- ☐ Suspension

B. Other Sanctions *Ordered*:
$75,000,000 TO PROVIDE FIRM'S CLIENTS WITH INDEPENDENT RESEARCH.

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
$454,149 IN 12A IS PENALTY TO WASHINGTON. ADDITIONAL PENALTIES/DISGORGEMENT OF $24,545,851 TO OTHER STATES AND $25,000,000 TO SEC, NASD AND NYSE IN RELATED PROCEEDINGS.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
WITHOUT ADMITTING OR DENYING THE ALLEGATIONS IN THE COMPLAINT IN THE RELATED PROCEEDINGS AND MADE IN THIS PROCEEDING, EXCEPT AS TO JURISDICTION, MS&CO. CONSENTED TO PAY A TOTAL OF $50 MILLION, WHICH INCLUDES PAYMENTS TO THE SEC, NASD, NYSE, STATES AND TERRITORIES, FOR PAST CONDUCT AND $75 MILLION IN THE FUTURE TO FUND INDEPENDENT RESEARCH. THE PAYMENT MADE TO WASHINGTON IS $454,149. IN ADDITION, MS&CO. HAS AGREED TO A NUMBER OF STRUCTURAL CHANGES TO THE OPERATIONS OF ITS EQUITY RESEARCH AND INVESTMENT BANKING OPERATIONS. MS&CO. IS ALSO IN THE PROCESS OF FINALIZING SETTLEMENTS WITH THE OTHER STATE AND TERRITORIAL SECURITIES ADMINISTRATORS.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ○ INITIAL ***OR*** ◉ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action			
☐ 11.C(1)	☐ 11.C(5)	☑ 11.D(4)	☐ 11.E(3)
☐ 11.C(2)	☐ 11.D(1)	☐ 11.D(5)	☐ 11.E(4)
☐ 11.C(3)	☑ 11.D(2)	☐ 11.E(1)	☐ 11.F
☐ 11.C(4)	☐ 11.D(3)	☐ 11.E(2)	☐ 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- ◉ You (the advisory firm)
- ○ You and one or more of your *advisory affiliates*
- ○ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

○ *Yes* ○ *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

○ SEC ○ Other Federal ◉ State ○ *SRO* ○ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
DELAWARE DIVISION OF SECURITIES

2. Principal Sanction:

Other Sanctions:

3. Date Initiated (MM/DD/YYYY):
09/22/2003 ◉ Exact ○ Explanation

If not exact, provide explanation:

4. Docket/Case Number:
C.A. NO. 03-6-8

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
Other
Other Product Types:
RESEARCH

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

ALLEGED THAT MORGAN STANLEY & CO. INCORPORATED ("MS&CO.") VIOLATED THE DELAWARE SECURITIES ACT, BY, AMONG OTHER THINGS, ENGAGING IN ACTS AND PRACTICES THAT CREATED CONFLICTS OF INTEREST FOR ITS RESEARCH ANALYSTS WITH RESPECT TO INVESTMENT BANKING ACTIVITY AND CONSIDERATIONS AND FAILING TO MANAGE SUCH CONFLICTS ADEQUATELY OR APPROPRIATELY; FAILING TO ENSURE, IN OFFERINGS WHERE MS&CO. WAS LEAD UNDERWRITER, THAT PAYMENTS MADE TO OTHER BROKER-DEALERS FOR PUBLISHING RESEARCH REPORTS WERE DISCLOSED BY THE ISSUERS IN THE OFFERING DOCUMENTS AND THE OTHER BROKER-DEALERS IN THEIR RESEARCH REPORTS; AND FAILING TO SUPERVISE PROPERLY ITS RESEARCH ANALYSTS, INCLUDING WITH REPECT TO THE RATINGS, PRICE TARGETS AND CONTENT OF THE REPORTS OF SENIOR RESEARCH ANALYSTS.

8. Current status ? ○ Pending ○ On Appeal ◉ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Consent

CONSENT

11. Resolution Date (MM/DD/YYYY):
09/22/2003 ◉ Exact ○ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☑ Monetary/Fine Amount:$ 250000

- [ ] Revocation/Expulsion/Denial
- [ ] Disgorgement/Restitution
- [ ] Censure
- [x] Cease and Desist/Injunction
- [ ] Bar
- [ ] Suspension

B. Other Sanctions *Ordered*:
$75,000,000 TO PROVIDE FIRM'S CLIENTS WITH INDEPENDENT RESEARCH.

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
$250,000 IN 12A IS PENALTY TO DELAWARE. ADDITIONAL PENALTIES/DISGORGEMENT OF $24,750,000 TO OTHER STATES AND $25,000,000 TO SEC, NASD AND NYSE IN RELATED PROCEEDINGS.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
WITHOUT ADMITTING OR DENYING THE ALLEGATIONS IN THE COMPLAINT IN THE RELATED PROCEEDINGS AND MADE IN THIS PROCEEDING, EXCEPT AS TO JURISDICTION, MS&CO. CONSENTED TO PAY A TOTAL OF $50 MILLION, WHICH INCLUDES PAYMENTS TO THE SEC, NASD, NYSE, STATES AND TERRITORIES, FOR PAST CONDUCT AND $75 MILLION IN THE FUTURE TO FUND INDEPENDENT RESEARCH. THE PAYMENT MADE TO DELAWARE IS $250,000. IN ADDITION, MS&CO. HAS AGREED TO A NUMBER OF STRUCTURAL CHANGES TO THE OPERATIONS OF ITS EQUITY RESEARCH AND INVESTMENT BANKING OPERATIONS. MS&CO. IS ALSO IN THE PROCESS OF FINALIZING SETTLEMENTS WITH THE OTHER STATE AND TERRITORIAL SECURITIES ADMINISTRATORS.

GENERAL INSTRUCTIONS

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Check item(s) being responded to:

Regulatory Action			
☐ 11.C(1)	☐ 11.C(5)	☑ 11.D(4)	☐ 11.E(3)
☐ 11.C(2)	☐ 11.D(1)	☐ 11.D(5)	☐ 11.E(4)
☐ 11.C(3)	☑ 11.D(2)	☐ 11.E(1)	☐ 11.F
☐ 11.C(4)	☐ 11.D(3)	☐ 11.E(2)	☐ 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- ◉ You (the advisory firm)
- ○ You and one or more of your *advisory affiliates*
- ○ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

- ☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.
- ☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

○ *Yes* ○ *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

○ SEC ○ Other Federal ◉ State ○ *SRO* ○ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
UTAH DIVISION OF SECURITIES

2. Principal Sanction:

   Other Sanctions:

3. Date Initiated (MM/DD/YYYY):
   09/04/2003 ◉ Exact ○ Explanation

   If not exact, provide explanation:

4. Docket/Case Number:
   SD-03-0047

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
   Other
   Other Product Types:
   RESEARCH

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

   ALLEGED THAT MORGAN STANLEY & CO. INCORPORATED ("MS&CO.") VIOLATED THE UTAH UNIFORM SECURITIES ACT, BY, AMONG OTHER THINGS, ENGAGING IN ACTS AND PRACTICES THAT CREATED CONFLICTS OF INTEREST FOR ITS RESEARCH ANALYSTS WITH RESPECT TO INVESTMENT BANKING ACTIVITY AND CONSIDERATIONS AND FAILING TO MANAGE SUCH CONFLICTS ADEQUATELY OR APPROPRIATELY; FAILING TO ENSURE, IN OFFERINGS WHERE MS&CO. WAS LEAD UNDERWRITER, THAT PAYMENTS MADE TO OTHER BROKER-DEALERS FOR PUBLISHING RESEARCH REPORTS WERE DISCLOSED BY THE ISSUERS IN THE OFFERING DOCUMENTS AND THE OTHER BROKER-DEALERS IN THEIR RESEARCH REPORTS; AND FAILING TO SUPERVISE PROPERLY ITS RESEARCH ANALYSTS, INCLUDING WITH REPECT TO THE RATINGS, PRICE TARGETS AND CONTENT OF THE REPORTS OF SENIOR RESEARCH ANALYSTS.

8. Current status ? ○ Pending ○ On Appeal ◉ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
    Consent

    CONSENT

11. Resolution Date (MM/DD/YYYY):
    09/04/2003 ◉ Exact ○ Explanation

    If not exact, provide explanation:

12. Resolution Detail:

    A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

    ☑ Monetary/Fine Amount:$ 250000

    ☐ Revocation/Expulsion/Denial

    ☐ Censure

    ☐ Bar

    ☐ Disgorgement/Restitution

    ☑ Cease and Desist/Injunction

    ☐ Suspension

    B. Other Sanctions *Ordered*:
    $75,000,000 TO PROVIDE FIRM'S CLIENTS WITH INDEPENDENT RESEARCH.

    Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
    $250,000 IN 12A IS PENALTY TO UTAH. ADDITIONAL PENALTIES/DISGORGEMENT OF $24,750,000 TO OTHER STATES AND $25,000,000 TO SEC, NASD AND NYSE IN RELATED PROCEEDINGS.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
    WITHOUT ADMITTING OR DENYING THE ALLEGATIONS IN THE COMPLAINT IN THE RELATED PROCEEDINGS AND MADE IN THIS PROCEEDING, EXCEPT AS TO JURISDICTION, MS&CO. CONSENTED TO PAY A TOTAL OF $50 MILLION, WHICH INCLUDES PAYMENTS TO THE SEC, NASD, NYSE, STATES AND TERRITORIES, FOR PAST CONDUCT AND $75 MILLION IN THE FUTURE TO FUND INDEPENDENT RESEARCH. THE PAYMENT MADE TO UTAH IS $250,000. IN ADDITION, MS&CO. HAS AGREED TO A NUMBER OF STRUCTURAL CHANGES TO THE OPERATIONS OF ITS EQUITY RESEARCH AND INVESTMENT BANKING OPERATIONS. MS&CO. IS ALSO IN THE PROCESS OF FINALIZING SETTLEMENTS WITH THE OTHER STATE AND TERRITORIAL SECURITIES ADMINISTRATORS.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ○ INITIAL ***OR*** ◉ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action			
☐ 11.C(1)	☐ 11.C(5)	☑ 11.D(4)	☐ 11.E(3)
☐ 11.C(2)	☐ 11.D(1)	☐ 11.D(5)	☐ 11.E(4)
☐ 11.C(3)	☑ 11.D(2)	☐ 11.E(1)	☐ 11.F
☐ 11.C(4)	☐ 11.D(3)	☐ 11.E(2)	☐ 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

◉ You (the advisory firm)

○ You and one or more of your *advisory affiliates*

○ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

○ *Yes* ○ *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

○ SEC ○ Other Federal ◉ State ○ *SRO* ○ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
KANSAS SECURITIES COMMISSIONER

2. Principal Sanction:

Other Sanctions:

3. Date Initiated (MM/DD/YYYY):
10/14/2003 ◉ Exact ○ Explanation

If not exact, provide explanation:

4. Docket/Case Number:
2003E048

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
Other
Other Product Types:
RESEARCH

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

ALLEGED THAT MORGAN STANLEY & CO. INCORPORATED ("MS&CO.") VIOLATED THE KANSAS SECURITIES ACT, BY, AMONG OTHER THINGS, ENGAGING IN ACTS AND PRACTICES THAT CREATED CONFLICTS OF INTEREST FOR ITS RESEARCH ANALYSTS WITH RESPECT TO INVESTMENT BANKING ACTIVITY AND CONSIDERATIONS AND FAILING TO MANAGE SUCH CONFLICTS ADEQUATELY OR APPROPRIATELY; FAILING TO ENSURE, IN OFFERINGS WHERE MS&CO. WAS LEAD UNDERWRITER, THAT PAYMENTS MADE TO OTHER BROKER-DEALERS FOR PUBLISHING RESEARCH REPORTS WERE DISCLOSED BY THE ISSUERS IN THE OFFERING DOCUMENTS AND THE OTHER BROKER-DEALERS IN THEIR RESEARCH REPORTS; AND FAILING TO SUPERVISE PROPERLY ITS RESEARCH ANALYSTS, INCLUDING WITH REPECT TO THE RATINGS, PRICE TARGETS AND CONTENT OF THE REPORTS OF SENIOR RESEARCH ANALYSTS.

8. Current status ? ○ Pending ○ On Appeal ◉ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Consent

CONSENT

11. Resolution Date (MM/DD/YYYY):

10/14/2003 ◉ Exact ○ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

- ☑ Monetary/Fine Amount:$ 250000
- ☐ Revocation/Expulsion/Denial
- ☐ Censure
- ☐ Bar
- ☐ Disgorgement/Restitution
- ☑ Cease and Desist/Injunction
- ☐ Suspension

B. Other Sanctions *Ordered*:
$75,000,000 TO PROVIDE FIRM'S CLIENTS WITH INDEPENDENT RESEARCH.

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
$250,000 IN 12A IS PENALTY TO KANSAS. ADDITIONAL PENALTIES/DISGORGEMENT OF $24,750,000 TO OTHER STATES AND $25,000,000 TO SEC, NASD AND NYSE IN RELATED PROCEEDINGS.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
WITHOUT ADMITTING OR DENYING THE ALLEGATIONS IN THE COMPLAINT IN THE RELATED PROCEEDINGS AND MADE IN THIS PROCEEDING, EXCEPT AS TO JURISDICTION, MS&CO. CONSENTED TO PAY A TOTAL OF $50 MILLION, WHICH INCLUDES PAYMENTS TO THE SEC, NASD, NYSE, STATES AND TERRITORIES, FOR PAST CONDUCT AND $75 MILLION IN THE FUTURE TO FUND INDEPENDENT RESEARCH. THE PAYMENT MADE TO KANSAS IS $250,000. IN ADDITION, MS&CO. HAS AGREED TO A NUMBER OF STRUCTURAL CHANGES TO THE OPERATIONS OF ITS EQUITY RESEARCH AND INVESTMENT BANKING OPERATIONS. MS&CO. IS ALSO IN THE PROCESS OF FINALIZING SETTLEMENTS WITH THE OTHER STATE AND TERRITORIAL SECURITIES ADMINISTRATORS.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ○ INITIAL ***OR*** ◉ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action			
☐ 11.C(1)	☐ 11.C(5)	☑ 11.D(4)	☐ 11.E(3)
☐ 11.C(2)	☐ 11.D(1)	☐ 11.D(5)	☐ 11.E(4)
☐ 11.C(3)	☑ 11.D(2)	☐ 11.E(1)	☐ 11.F
☐ 11.C(4)	☐ 11.D(3)	☐ 11.E(2)	☐ 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

◉ You (the advisory firm)

○ You and one or more of your *advisory affiliates*

○ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

○ *Yes* ○ *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

○ SEC ○ Other Federal ◉ State ○ *SRO* ○ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
CONNECTICUT DEPARTMENT OF BANKING

2. Principal Sanction:

Other Sanctions:

3. Date Initiated (MM/DD/YYYY):
09/02/2003 ◉ Exact ○ Explanation

If not exact, provide explanation:

4. Docket/Case Number:
CO-2003-6800-S

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
Other
Other Product Types:
RESEARCH

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

ALLEGED THAT MORGAN STANLEY & CO. INCORPORATED ("MS&CO.") VIOLATED THE CONNECTICUT UNIFORM SECURITIES ACT, BY, AMONG OTHER THINGS, ENGAGING IN ACTS AND PRACTICES THAT CREATED CONFLICTS OF INTEREST FOR ITS RESEARCH ANALYSTS WITH RESPECT TO INVESTMENT BANKING ACTIVITY AND CONSIDERATIONS AND FAILING TO MANAGE SUCH CONFLICTS ADEQUATELY OR APPROPRIATELY; FAILING TO ENSURE, IN OFFERINGS WHERE MS&CO. WAS LEAD UNDERWRITER, THAT PAYMENTS MADE TO OTHER BROKER-DEALERS FOR PUBLISHING RESEARCH REPORTS WERE DISCLOSED BY THE ISSUERS IN THE OFFERING DOCUMENTS AND THE OTHER BROKER-DEALERS IN THEIR RESEARCH REPORTS; AND FAILING TO SUPERVISE PROPERLY ITS RESEARCH ANALYSTS, INCLUDING WITH REPECT TO THE RATINGS, PRICE TARGETS AND CONTENT OF THE REPORTS OF SENIOR RESEARCH ANALYSTS.

8. Current status ? ○ Pending ○ On Appeal ◉ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Consent

CONSENT

11. Resolution Date (MM/DD/YYYY):
09/02/2003 ◉ Exact ○ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

- [x] Monetary/Fine Amount:$ 262402
- [ ] Revocation/Expulsion/Denial
- [ ] Censure
- [ ] Bar
- [ ] Disgorgement/Restitution
- [x] Cease and Desist/Injunction
- [ ] Suspension

B. Other Sanctions *Ordered*:
$75,OOO,OOO TO PROVIDE FIRM'S CLIENTS WITH INDEPENDENT RESEARCH.

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
$262,402 IN 12A IS PENALTY TO CONNECTICUT. ADDITIONAL PENALITIES/DISGORGEMENT OF $24,737,598 TO OTHER STATES AND $25,000,000 TO SEC, NASD AND NYSE IN RELATED PROCEEDINGS.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
WITHOUT ADMITTING OR DENYING THE ALLEGATIONS IN THE COMPLAINT IN THE RELATED PROCEEDINGS AND MADE IN THIS PROCEEDING, EXCEPT AS TO JURISDICTION, MS&CO. CONSENTED TO PAY A TOTAL OF $50 MILLION, WHICH INCLUDES PAYMENTS TO THE SEC, NASD, NYSE, STATES AND TERRITORIES, FOR PAST CONDUCT AND $75 MILLION IN THE FUTURE TO FUND INDEPENDENT RESEARCH. THE PAYMENT MADE TO CONNECTICUT IS $242,402. IN ADDITION, MS&CO. HAS AGREED TO A NUMBER OF STRUCTURAL CHANGES TO THE OPERATIONS OF ITS EQUITY RESEARCH AND INVESTMENT BANKING OPERATIONS. MS&C0. IS ALSO IN THE PROCESS OF FINALIZING SETTLEMENTS WITH THE OTHER STATE AND TERRITORIAL SECURITIES ADMINISTRATORS.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ○ INITIAL ***OR*** ◉ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action			
☐ 11.C(1)	☐ 11.C(5)	☑ 11.D(4)	☐ 11.E(3)
☐ 11.C(2)	☐ 11.D(1)	☐ 11.D(5)	☐ 11.E(4)
☐ 11.C(3)	☑ 11.D(2)	☐ 11.E(1)	☐ 11.F
☐ 11.C(4)	☐ 11.D(3)	☐ 11.E(2)	☐ 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- ◉ You (the advisory firm)
- ○ You and one or more of your *advisory affiliates*
- ○ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

- ☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.
- ☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

○ *Yes* ○ *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:
   ○ SEC ○ Other Federal ◉ State ○ *SRO* ○ Foreign

   (Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
   ARIZONA CORPORATION COMMISSION

2. Principal Sanction:

   Other Sanctions:

3. Date Initiated (MM/DD/YYYY):
   09/24/2003 ◉ Exact ○ Explanation

   If not exact, provide explanation:

4. Docket/Case Number:
   S-03536A-03-0000

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
   Other
   Other Product Types:
   RESEARCH

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

   ALLEGED THAT MORGAN STANLEY & CO. INCORPORATED ("MS&CO.") VIOLATED THE SECURITIES ACT OF ARIZONA, BY, AMONG OTHER THINGS, ENGAGING IN ACTS AND PRACTICES THAT CREATED CONFLICTS OF INTEREST FOR ITS RESEARCH ANALYSTS WITH RESPECT TO INVESTMENT BANKING ACTIVITY AND CONSIDERATIONS AND FAILING TO MANAGE SUCH CONFLICTS ADEQUATELY OR APPROPRIATELY; FAILING TO ENSURE, IN OFFERINGS WHERE MS&CO. WAS LEAD UNDERWRITER, THAT PAYMENTS MADE TO OTHER BROKER-DEALERS FOR PUBLISHING RESEARCH REPORTS WERE DISCLOSED BY THE ISSUERS IN THE OFFERING DOCUMENTS AND THE OTHER BROKER-DEALERS IN THEIR RESEARCH REPORTS; AND FAILING TO SUPERVISE PROPERLY ITS RESEARCH ANALYSTS, INCLUDING WITH REPECT TO THE RATINGS, PRICE TARGETS AND CONTENT OF THE REPORTS OF SENIOR RESEARCH ANALYSTS.

8. Current status ? ○ Pending ○ On Appeal ◉ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
    Consent

    CONSENT

11. Resolution Date (MM/DD/YYYY):
    09/24/2003 ◉ Exact ○ Explanation

    If not exact, provide explanation:

12. Resolution Detail:

    A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

    ☑ Monetary/Fine Amount:$ 395321

    ☐ Revocation/Expulsion/Denial

    ☐ Censure

    ☐ Bar

    ☐ Disgorgement/Restitution

    ☑ Cease and Desist/Injunction

    ☐ Suspension

    B. Other Sanctions *Ordered*:
    $75,000,000 TO PROVIDE FIRM'S CLIENTS WITH INDEPENDENT RESEARCH.

    Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
    $395,321 IN 12A IS PENALTY TO ARIZONA. ADDITIONAL PENALTIES/DISGORGEMENT OF $24,604,679 TO OTHER STATES AND $25,000,000 TO SEC, NASD AND NYSE IN RELATED PROCEEDINGS.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
    WITHOUT ADMITTING OR DENYING THE ALLEGATIONS IN THE COMPLAINT IN THE RELATED PROCEEDINGS AND MADE IN THIS PROCEEDING, EXCEPT AS TO JURISDICTION, MS&CO. CONSENTED TO PAY A TOTAL OF $50 MILLION, WHICH INCLUDES PAYMENTS TO THE SEC, NASD, NYSE, STATES AND TERRITORIES, FOR PAST CONDUCT AND $75 MILLION IN THE FUTURE TO FUND INDEPENDENT RESEARCH. THE PAYMENT MADE TO ARIZONA IS $395,321. IN ADDITION, MS&CO. HAS AGREED TO A NUMBER OF STRUCTURAL CHANGES TO THE OPERATIONS OF ITS EQUITY RESEARCH AND INVESTMENT BANKING OPERATIONS. MS&CO. IS ALSO IN THE PROCESS OF FINALIZING SETTLEMENTS WITH THE OTHER STATE AND TERRITORIAL SECURITIES ADMINISTRATORS.

GENERAL INSTRUCTIONS

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Check item(s) being responded to:

Regulatory Action			
☐ 11.C(1)	☐ 11.C(5)	☑ 11.D(4)	☐ 11.E(3)
☐ 11.C(2)	☐ 11.D(1)	☐ 11.D(5)	☐ 11.E(4)
☐ 11.C(3)	☑ 11.D(2)	☐ 11.E(1)	☐ 11.F
☐ 11.C(4)	☐ 11.D(3)	☐ 11.E(2)	☐ 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

◉ You (the advisory firm)

○ You and one or more of your *advisory affiliates*

○ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

○ *Yes* ○ *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

○ SEC ○ Other Federal ◉ State ○ *SRO* ○ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
SECURITIES DIVISION, OFFICE OF THE SECRETARY OF STATE OF INDIANA

2. Principal Sanction:

Other Sanctions:

3. Date Initiated (MM/DD/YYYY):
10/06/2003 ◉ Exact ○ Explanation

If not exact, provide explanation:

4. Docket/Case Number:
CAUSE NO. 03-0066 CO

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
Other
Other Product Types:

RESEARCH

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

ALLEGED THAT MORGAN STANLEY & CO. INCORPORATED ("MS&CO.") VIOLATED THE INDIANA SECURITIES ACT, BY, AMONG OTHER THINGS, ENGAGING IN ACTS AND PRACTICES THAT CREATED CONFLICTS OF INTEREST FOR ITS RESEARCH ANALYSTS WITH RESPECT TO INVESTMENT BANKING ACTIVITY AND CONSIDERATIONS AND FAILING TO MANAGE SUCH CONFLICTS ADEQUATELY OR APPROPRIATELY; FAILING TO ENSURE, IN OFFERINGS WHERE MS&CO. WAS LEAD UNDERWRITER, THAT PAYMENTS MADE TO OTHER BROKER-DEALERS FOR PUBLISHING RESEARCH REPORTS WERE DISCLOSED BY THE ISSUERS IN THE OFFERING DOCUMENTS AND THE OTHER BROKER-DEALERS IN THEIR RESEARCH REPORTS; AND FAILING TO SUPERVISE PROPERLY ITS RESEARCH ANALYSTS, INCLUDING WITH REPECT TO THE RATINGS, PRICE TARGETS AND CONTENT OF THE REPORTS OF SENIOR RESEARCH ANALYSTS.

8. Current status ? ○ Pending ○ On Appeal ◉ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Consent

CONSENT

11. Resolution Date (MM/DD/YYYY):

10/06/2003 ◉ Exact ○ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

- ☑ Monetary/Fine Amount:$ 468508
- ☐ Revocation/Expulsion/Denial
- ☐ Censure
- ☐ Bar
- ☐ Disgorgement/Restitution
- ☑ Cease and Desist/Injunction
- ☐ Suspension

B. Other Sanctions *Ordered*:
$75,000,000 TO PROVIDE FIRM'S CLIENTS WITH INDEPENDENT RESEARCH.

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
$468,508 IN 12A IS PENALTY TO INDIANA. ADDITIONAL PENALTIES/DISGORGEMENT OF $24,531,492 TO OTHER STATES AND $25,000,000 TO SEC, NASD AND NYSE IN RELATED PROCEEDINGS.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
WITHOUT ADMITTING OR DENYING THE ALLEGATIONS IN THE COMPLAINT IN THE RELATED PROCEEDINGS AND MADE IN THIS PROCEEDING, EXCEPT AS TO JURISDICTION, MS&CO. CONSENTED TO PAY A TOTAL OF $50 MILLION, WHICH INCLUDES PAYMENTS TO THE SEC, NASD, NYSE, STATES AND TERRITORIES, FOR PAST CONDUCT AND $75 MILLION IN THE FUTURE TO FUND INDEPENDENT RESEARCH. THE PAYMENT MADE TO INDIANA IS $468,508. IN ADDITION, MS&CO. HAS AGREED TO A NUMBER OF STRUCTURAL CHANGES TO THE OPERATIONS OF ITS EQUITY RESEARCH AND INVESTMENT BANKING OPERATIONS. MS&CO. IS ALSO IN THE PROCESS OF FINALIZING SETTLEMENTS WITH THE OTHER STATE AND TERRITORIAL SECURITIES ADMINISTRATORS.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ○ INITIAL ***OR*** ◉ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action

☐ 11.C(1)	☐ 11.C(5)	☑ 11.D(4)	☐ 11.E(3)
☐ 11.C(2)	☐ 11.D(1)	☐ 11.D(5)	☐ 11.E(4)
☐ 11.C(3)	☑ 11.D(2)	☐ 11.E(1)	☐ 11.F
☐ 11.C(4)	☐ 11.D(3)	☐ 11.E(2)	☐ 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

◉ You (the advisory firm)

○ You and one or more of your *advisory affiliates*

○ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

○ *Yes* ○ *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

○ SEC ○ Other Federal ◉ State ○ *SRO* ○ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
COLORADO DIVISION OF SECURITIES

2. Principal Sanction:

Other Sanctions:

3. Date Initiated (MM/DD/YYYY):
10/07/2003 ◉ Exact ○ Explanation

If not exact, provide explanation:

4. Docket/Case Number:
ORDER NO. 04-L-13

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
Other
Other Product Types:
RESEARCH

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

ALLEGED THAT MORGAN STANLEY & CO. INCORPORATED ("MS&CO.") VIOLATED THE COLORADO SECURITIES ACT, BY, AMONG OTHER THINGS, ENGAGING IN ACTS AND PRACTICES THAT CREATED CONFLICTS OF INTEREST FOR ITS RESEARCH ANALYSTS WITH RESPECT TO INVESTMENT BANKING ACTIVITY AND CONSIDERATIONS AND FAILING TO MANAGE SUCH CONFLICTS ADEQUATELY OR APPROPRIATELY; FAILING TO ENSURE, IN OFFERINGS WHERE MS&CO. WAS LEAD UNDERWRITER, THAT PAYMENTS MADE TO OTHER BROKER-DEALERS FOR PUBLISHING RESEARCH REPORTS WERE DISCLOSED BY THE ISSUERS IN THE OFFERING DOCUMENTS AND THE OTHER BROKER-DEALERS IN THEIR RESEARCH REPORTS; AND FAILING TO SUPERVISE PROPERLY ITS RESEARCH ANALYSTS, INCLUDING WITH REPECT TO THE RATINGS, PRICE TARGETS AND CONTENT OF THE REPORTS OF SENIOR RESEARCH ANALYSTS.

8. Current status ? ○ Pending ○ On Appeal ◉ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Consent

CONSENT

11. Resolution Date (MM/DD/YYYY):
10/07/2003 ◉ Exact ○ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

- [x] Monetary/Fine Amount:$ 331417
- [ ] Revocation/Expulsion/Denial
- [ ] Disgorgement/Restitution
- [ ] Censure
- [x] Cease and Desist/Injunction
- [ ] Bar
- [ ] Suspension

B. Other Sanctions *Ordered*:
$75,000,000 TO PROVIDE FIRM'S CLIENTS WITH INDEPENDENT RESEARCH.

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
$331,417 IN 12A IS PENALTY TO COLORADO. ADDITIONAL PENALTIES/DISGORGEMENT OF $24,668,583 TO OTHER STATES AND $25,000,000 TO SEC, NASD AND NYSE IN RELATED PROCEEDINGS.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
WITHOUT ADMITTING OR DENYING THE ALLEGATIONS IN THE COMPLAINT IN THE RELATED PROCEEDINGS AND MADE IN THIS PROCEEDING, EXCEPT AS TO JURISDICTION, MS&CO. CONSENTED TO PAY A TOTAL OF $50 MILLION, WHICH INCLUDES PAYMENTS TO THE SEC, NASD, NYSE, STATES AND TERRITORIES, FOR PAST CONDUCT AND $75 MILLION IN THE FUTURE TO FUND INDEPENDENT RESEARCH. THE PAYMENT MADE TO COLORADO IS $331,417. IN ADDITION, MS&CO. HAS AGREED TO A NUMBER OF STRUCTURAL CHANGES TO THE OPERATIONS OF ITS EQUITY RESEARCH AND INVESTMENT BANKING OPERATIONS. MS&CO. IS ALSO IN THE PROCESS OF FINALIZING SETTLEMENTS WITH THE OTHER STATE AND TERRITORIAL SECURITIES ADMINISTRATORS.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an (•) INITIAL ***OR*** ( ) AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action			
[ ] 11.C(1)	[ ] 11.C(5)	[x] 11.D(4)	[ ] 11.E(3)
[ ] 11.C(2)	[ ] 11.D(1)	[ ] 11.D(5)	[ ] 11.E(4)
[ ] 11.C(3)	[x] 11.D(2)	[ ] 11.E(1)	[ ] 11.F
[ ] 11.C(4)	[ ] 11.D(3)	[ ] 11.E(2)	[ ] 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- (•) You (the advisory firm)
- ( ) You and one or more of your *advisory affiliates*
- ( ) One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

- [ ] This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.
- [ ] This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

( ) *Yes* ( ) *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:
   ○ SEC ○ Other Federal ◉ State ○ *SRO* ○ Foreign

   (Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
   NEBRASKA DEPARTMENT OF BANKING AND FINANCE

2. Principal Sanction:

   Other Sanctions:

3. Date Initiated (MM/DD/YYYY):
   11/03/2003 ◉ Exact ○ Explanation

   If not exact, provide explanation:

4. Docket/Case Number:

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
   Other
   Other Product Types:
   RESEARCH

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

   ALLEGED THAT MORGAN STANLEY & CO. INCORPORATED ("MS&CO.") VIOLATED THE SECURITIES ACT OF NEBRASKA, BY, AMONG OTHER THINGS, ENGAGING IN ACTS AND PRACTICES THAT CREATED CONFLICTS OF INTEREST FOR ITS RESEARCH ANALYSTS WITH RESPECT TO INVESTMENT BANKING ACTIVITY AND CONSIDERATIONS AND FAILING TO MANAGE SUCH CONFLICTS ADEQUATELY OR APPROPRIATELY; FAILING TO ENSURE, IN OFFERINGS WHERE MS&CO. WAS LEAD UNDERWRITER, THAT PAYMENTS MADE TO OTHER BROKER-DEALERS FOR PUBLISHING RESEARCH REPORTS WERE DISCLOSED BY THE ISSUERS IN THE OFFERING DOCUMENTS AND THE OTHER BROKER-DEALERS IN THEIR RESEARCH REPORTS; AND FAILING TO SUPERVISE PROPERLY ITS RESEARCH ANALYSTS, INCLUDING WITH REPECT TO THE RATINGS, PRICE TARGETS AND CONTENT OF THE REPORTS OF SENIOR RESEARCH ANALYSTS.

8. Current status ? ○ Pending ○ On Appeal ◉ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
    Consent

    CONSENT

11. Resolution Date (MM/DD/YYYY):
    11/03/2003 ◉ Exact ○ Explanation

    If not exact, provide explanation:

12. Resolution Detail:

    A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

    ☑ Monetary/Fine Amount:$ 250000

    ☐ Revocation/Expulsion/Denial

    ☐ Censure

    ☐ Bar

    ☐ Disgorgement/Restitution

    ☑ Cease and Desist/Injunction

    ☐ Suspension

    B. Other Sanctions *Ordered*:
    $75,000,000 TO PROVIDE FIRM'S CLIENTS WITH INDEPENDENT RESEARCH.

    Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
    $250,000 IN 12A IS PENALTY TO NEBRASKA. ADDITIONAL PENALTIES/DISGORGEMENT OF $24,750,000 TO OTHER STATES AND $25,000,000 TO SEC, NASD AND NYSE IN RELATED PROCEEDINGS.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
    WITHOUT ADMITTING OR DENYING THE ALLEGATIONS IN THE COMPLAINT IN THE RELATED PROCEEDINGS AND MADE IN THIS PROCEEDING, EXCEPT AS TO JURISDICTION, MS&CO. CONSENTED TO PAY A TOTAL OF $50 MILLION, WHICH INCLUDES PAYMENTS TO THE SEC, NASD, NYSE, STATES AND TERRITORIES, FOR PAST CONDUCT AND $75 MILLION IN THE FUTURE TO FUND INDEPENDENT RESEARCH. THE PAYMENT MADE TO NEBRASKA IS $250,000. IN ADDITION, MS&CO. HAS AGREED TO A NUMBER OF STRUCTURAL CHANGES TO THE OPERATIONS OF ITS EQUITY RESEARCH AND INVESTMENT BANKING OPERATIONS. MS&CO. IS ALSO IN THE

PROCESS OF FINALIZING SETTLEMENTS WITH THE OTHER STATE AND TERRITORIAL SECURITIES ADMINISTRATORS.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ◉ INITIAL ***OR*** ○ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action			
☐ 11.C(1)	☐ 11.C(5)	☑ 11.D(4)	☐ 11.E(3)
☐ 11.C(2)	☐ 11.D(1)	☐ 11.D(5)	☐ 11.E(4)
☐ 11.C(3)	☑ 11.D(2)	☐ 11.E(1)	☐ 11.F
☐ 11.C(4)	☐ 11.D(3)	☐ 11.E(2)	☐ 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

◉ You (the advisory firm)

○ You and one or more of your *advisory affiliates*

○ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

○ *Yes* ○ *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

○ SEC ○ Other Federal ◉ State ○ *SRO* ○ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
ARKANSAS SECURITIES DEPARTMENT

2. Principal Sanction:

Other Sanctions:

3. Date Initiated (MM/DD/YYYY):
11/05/2003 ◉ Exact ○ Explanation

If not exact, provide explanation:

4. Docket/Case Number:
S-03-016-03-C009

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:

Other
Other Product Types:
RESEARCH

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

ALLEGED THAT MORGAN STANLEY & CO. INCORPORATED ("MS&CO.") VIOLATED THE ARKANSAS SECURITIES ACT, BY, AMONG OTHER THINGS, ENGAGING IN ACTS AND PRACTICES THAT CREATED CONFLICTS OF INTEREST FOR ITS RESEARCH ANALYSTS WITH RESPECT TO INVESTMENT BANKING ACTIVITY AND CONSIDERATIONS AND FAILING TO MANAGE SUCH CONFLICTS ADEQUATELY OR APPROPRIATELY; FAILING TO ENSURE, IN OFFERINGS WHERE MS&CO. WAS LEAD UNDERWRITER, THAT PAYMENTS MADE TO OTHER BROKER-DEALERS FOR PUBLISHING RESEARCH REPORTS WERE DISCLOSED BY THE ISSUERS IN THE OFFERING DOCUMENTS AND THE OTHER BROKER-DEALERS IN THEIR RESEARCH REPORTS; AND FAILING TO SUPERVISE PROPERLY ITS RESEARCH ANALYSTS, INCLUDING WITH REPECT TO THE RATINGS, PRICE TARGETS AND CONTENT OF THE REPORTS OF SENIOR RESEARCH ANALYSTS.

8. Current status ? ○ Pending ○ On Appeal ◉ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Consent

CONSENT

11. Resolution Date (MM/DD/YYYY):
11/05/2003 ◉ Exact ○ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☑ Monetary/Fine Amount:$ 250000

☐ Revocation/Expulsion/Denial

☐ Censure

☐ Bar

☐ Disgorgement/Restitution

☑ Cease and Desist/Injunction

☐ Suspension

B. Other Sanctions *Ordered*:
$75,000,000 TO PROVIDE FIRM'S CLIENTS WITH INDEPENDENT RESEARCH.

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
$250,000 IN 12A IS PENALTY TO ARKANSAS. ADDITIONAL PENALTIES/DISGORGEMENT OF $24,750,000 TO OTHER STATES AND $25,000,000 TO SEC, NASD AND NYSE IN RELATED PROCEEDINGS.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
WITHOUT ADMITTING OR DENYING THE ALLEGATIONS IN THE COMPLAINT IN THE RELATED PROCEEDINGS AND MADE IN THIS PROCEEDING, EXCEPT AS TO JURISDICTION, MS&CO. CONSENTED TO PAY A TOTAL OF $50 MILLION, WHICH INCLUDES PAYMENTS TO THE SEC, NASD, NYSE, STATES AND TERRITORIES, FOR PAST CONDUCT AND $75 MILLION IN THE FUTURE TO FUND INDEPENDENT RESEARCH. THE PAYMENT MADE TO ARKANSAS IS $250,000. IN ADDITION, MS&CO. HAS AGREED TO A NUMBER OF STRUCTURAL CHANGES TO THE OPERATIONS OF ITS EQUITY RESEARCH AND INVESTMENT BANKING OPERATIONS. MS&CO. IS ALSO IN THE PROCESS OF FINALIZING SETTLEMENTS WITH THE OTHER STATE AND TERRITORIAL SECURITIES ADMINISTRATORS.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ○ INITIAL ***OR*** ○ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action			
☐ 11.C(1)	☐ 11.C(5)	☑ 11.D(4)	☐ 11.E(3)
☐ 11.C(2)	☐ 11.D(1)	☐ 11.D(5)	☐ 11.E(4)
☐ 11.C(3)	☑ 11.D(2)	☐ 11.E(1)	☐ 11.F
☐ 11.C(4)	☐ 11.D(3)	☐ 11.E(2)	☐ 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- (•) You (the advisory firm)
- ( ) You and one or more of your *advisory affiliates*
- ( ) One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

( ) *Yes* ( ) *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:
   ( ) SEC ( ) Other Federal (•) State ( ) *SRO* ( ) Foreign
   (Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
   MASSACHUSETTS SECURITIES DIVISION

2. Principal Sanction:

   Other Sanctions:

3. Date Initiated (MM/DD/YYYY):
   10/16/2003 (•) Exact ( ) Explanation

   If not exact, provide explanation:

4. Docket/Case Number:
   E-2003-42

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
   Other
   Other Product Types:
   RESEARCH

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

   ALLEGED THAT MORGAN STANLEY & CO. INCORPORATED ("MS&CO.") VIOLATED THE M.G.L. C. 110A, BY, AMONG OTHER THINGS, ENGAGING IN ACTS AND PRACTICES THAT CREATED CONFLICTS OF INTEREST FOR ITS RESEARCH ANALYSTS WITH RESPECT TO INVESTMENT BANKING ACTIVITY AND CONSIDERATIONS AND FAILING TO MANAGE SUCH CONFLICTS ADEQUATELY OR APPROPRIATELY; FAILING TO ENSURE, IN OFFERINGS WHERE MS&CO. WAS LEAD UNDERWRITER, THAT PAYMENTS MADE TO OTHER BROKER-DEALERS FOR PUBLISHING RESEARCH REPORTS WERE DISCLOSED BY THE ISSUERS IN THE OFFERING DOCUMENTS AND THE OTHER BROKER-DEALERS IN THEIR RESEARCH REPORTS; AND FAILING TO SUPERVISE PROPERLY ITS RESEARCH ANALYSTS, INCLUDING WITH REPECT TO THE RATINGS, PRICE TARGETS AND CONTENT OF THE REPORTS OF SENIOR RESEARCH ANALYSTS.

8. Current status ? ( ) Pending ( ) On Appeal (•) Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
    Consent

    CONSENT

11. Resolution Date (MM/DD/YYYY):
    10/16/2003 (•) Exact ( ) Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

- [x] Monetary/Fine Amount:$ 489205
- [ ] Revocation/Expulsion/Denial
- [ ] Disgorgement/Restitution
- [ ] Censure
- [x] Cease and Desist/Injunction
- [ ] Bar
- [ ] Suspension

B. Other Sanctions *Ordered*:
$75,000,000 TO PROVIDE FIRM'S CLIENTS WITH INDEPENDENT RESEARCH.

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
$489,205 IN 12A IS PENALTY TO MASSACHUSETTS. ADDITIONAL PENALTIES/DISGORGEMENT OF $24,510,795 TO OTHER STATES AND $25,000,000 TO SEC, NASD AND NYSE IN RELATED PROCEEDINGS.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
WITHOUT ADMITTING OR DENYING THE ALLEGATIONS IN THE COMPLAINT IN THE RELATED PROCEEDINGS AND MADE IN THIS PROCEEDING, EXCEPT AS TO JURISDICTION, MS&CO. CONSENTED TO PAY A TOTAL OF $50 MILLION, WHICH INCLUDES PAYMENTS TO THE SEC, NASD, NYSE, STATES AND TERRITORIES, FOR PAST CONDUCT AND $75 MILLION IN THE FUTURE TO FUND INDEPENDENT RESEARCH. THE PAYMENT MADE TO MASSACHUSETTS IS $489,205. IN ADDITION, MS&CO. HAS AGREED TO A NUMBER OF STRUCTURAL CHANGES TO THE OPERATIONS OF ITS EQUITY RESEARCH AND INVESTMENT BANKING OPERATIONS. MS&CO. IS ALSO IN THE PROCESS OF FINALIZING SETTLEMENTS WITH THE OTHER STATE AND TERRITORIAL SECURITIES ADMINISTRATORS.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an (•) INITIAL ***OR*** ( ) AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action

[ ] 11.C(1)	[ ] 11.C(5)	[x] 11.D(4)	[ ] 11.E(3)
[ ] 11.C(2)	[ ] 11.D(1)	[ ] 11.D(5)	[ ] 11.E(4)
[ ] 11.C(3)	[x] 11.D(2)	[ ] 11.E(1)	[ ] 11.F
[ ] 11.C(4)	[ ] 11.D(3)	[ ] 11.E(2)	[ ] 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- (•) You (the advisory firm)
- ( ) You and one or more of your *advisory affiliates*
- ( ) One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

- [ ] This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.
- [ ] This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the

event? If the answer is "Yes," no other information on this DRP must be provided.

○ *Yes* ○ *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:
   ○ SEC ○ Other Federal ◉ State ○ *SRO* ○ Foreign

   (Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
   COMMONWEALTH OF PUERTO RICO

2. Principal Sanction:

   Other Sanctions:

3. Date Initiated (MM/DD/YYYY):
   11/03/2003 ◉ Exact ○ Explanation

   If not exact, provide explanation:

4. Docket/Case Number:
   C03-V-005

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
   Other
   Other Product Types:
   RESEARCH

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

   ALLEGED THAT MORGAN STANLEY & CO. INCORPORATED ("MS&CO.") VIOLATED THE PUERTO RICO UNIFORM SECURITIES ACT, BY, AMONG OTHER THINGS, ENGAGING IN ACTS AND PRACTICES THAT CREATED CONFLICTS OF INTEREST FOR ITS RESEARCH ANALYSTS WITH RESPECT TO INVESTMENT BANKING ACTIVITY AND CONSIDERATIONS AND FAILING TO MANAGE SUCH CONFLICTS ADEQUATELY OR APPROPRIATELY; FAILING TO ENSURE, IN OFFERINGS WHERE MS&CO. WAS LEAD UNDERWRITER, THAT PAYMENTS MADE TO OTHER BROKER-DEALERS FOR PUBLISHING RESEARCH REPORTS WERE DISCLOSED BY THE ISSUERS IN THE OFFERING DOCUMENTS AND THE OTHER BROKER-DEALERS IN THEIR RESEARCH REPORTS; AND FAILING TO SUPERVISE PROPERLY ITS RESEARCH ANALYSTS, INCLUDING WITH REPECT TO THE RATINGS, PRICE TARGETS AND CONTENT OF THE REPORTS OF SENIOR RESEARCH ANALYSTS.

8. Current status ? ○ Pending ○ On Appeal ◉ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
    Consent

    CONSENT

11. Resolution Date (MM/DD/YYYY):
    11/03/2003 ◉ Exact ○ Explanation

    If not exact, provide explanation:

12. Resolution Detail:

    A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

    - ☑ Monetary/Fine Amount:$ 293457
    - ☐ Revocation/Expulsion/Denial
    - ☐ Disgorgement/Restitution
    - ☑ Censure
    - ☐ Cease and Desist/Injunction
    - ☐ Bar
    - ☐ Suspension

    B. Other Sanctions *Ordered*:
    $75,000,000 TO PROVIDE FIRM'S CLIENTS WITH INDEPENDENT RESEARCH.

    Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
    $293,457 IN 12A IS PENALTY TO PUERTO RICO. ADDITIONAL PENALTIES/DISGORGEMENT OF $24,706,543 TO OTHER STATES AND $25,000,000 TO SEC, NASD AND NYSE IN RELATED PROCEEDINGS.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
    WITHOUT ADMITTING OR DENYING THE ALLEGATIONS IN THE COMPLAINT IN THE RELATED PROCEEDINGS AND MADE IN THIS PROCEEDING, EXCEPT AS TO

JURISDICTION, MS&CO. CONSENTED TO PAY A TOTAL OF $50 MILLION, WHICH INCLUDES PAYMENTS TO THE SEC, NASD, NYSE, STATES AND TERRITORIES, FOR PAST CONDUCT AND $75 MILLION IN THE FUTURE TO FUND INDEPENDENT RESEARCH. THE PAYMENT MADE TO PUERTO RICO IS $293,457. IN ADDITION, MS&CO. HAS AGREED TO A NUMBER OF STRUCTURAL CHANGES TO THE OPERATIONS OF ITS EQUITY RESEARCH AND INVESTMENT BANKING OPERATIONS. MS&CO. IS ALSO IN THE PROCESS OF FINALIZING SETTLEMENTS WITH THE OTHER STATE AND TERRITORIAL SECURITIES ADMINISTRATORS.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an (•) INITIAL ***OR*** ( ) AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action			
☐ 11.C(1)	☐ 11.C(5)	☑ 11.D(4)	☐ 11.E(3)
☐ 11.C(2)	☐ 11.D(1)	☐ 11.D(5)	☐ 11.E(4)
☐ 11.C(3)	☑ 11.D(2)	☐ 11.E(1)	☐ 11.F
☐ 11.C(4)	☐ 11.D(3)	☐ 11.E(2)	☐ 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

(•) You (the advisory firm)

( ) You and one or more of your *advisory affiliates*

( ) One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

( ) *Yes* ( ) *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

( ) SEC ( ) Other Federal (•) State ( ) *SRO* ( ) Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
NORTH DAKOTA SECURITIES DEPARTMENT

2. Principal Sanction:

Other Sanctions:

3. Date Initiated (MM/DD/YYYY):
10/21/2003 (•) Exact ( ) Explanation

If not exact, provide explanation:

4. Docket/Case Number:

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
Other
Other Product Types:
RESEARCH

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

ALLEGED THAT MORGAN STANLEY & CO. INCORPORATED ("MS&CO.") VIOLATED THE NORTH DAKOTA SECURITIES ACT, BY, AMONG OTHER THINGS, ENGAGING IN ACTS AND PRACTICES THAT CREATED CONFLICTS OF INTEREST FOR ITS RESEARCH ANALYSTS WITH RESPECT TO INVESTMENT BANKING ACTIVITY AND CONSIDERATIONS AND FAILING TO MANAGE SUCH CONFLICTS ADEQUATELY OR APPROPRIATELY; FAILING TO ENSURE, IN OFFERINGS WHERE MS&CO. WAS LEAD UNDERWRITER, THAT PAYMENTS MADE TO OTHER BROKER-DEALERS FOR PUBLISHING RESEARCH REPORTS WERE DISCLOSED BY THE ISSUERS IN THE OFFERING DOCUMENTS AND THE OTHER BROKER-DEALERS IN THEIR RESEARCH REPORTS; AND FAILING TO SUPERVISE PROPERLY ITS RESEARCH ANALYSTS, INCLUDING WITH REPECT TO THE RATINGS, PRICE TARGETS AND CONTENT OF THE REPORTS OF SENIOR RESEARCH ANALYSTS.

8. Current status ? ○ Pending ○ On Appeal ◉ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Consent

CONSENT

11. Resolution Date (MM/DD/YYYY):
10/21/2003 ◉ Exact ○ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

- ☑ Monetary/Fine Amount:$ 250000
- ☐ Revocation/Expulsion/Denial
- ☐ Censure
- ☐ Bar
- ☐ Disgorgement/Restitution
- ☑ Cease and Desist/Injunction
- ☐ Suspension

B. Other Sanctions *Ordered*:
$75,000,000 TO PROVIDE FIRM'S CLIENTS WITH INDEPENDENT RESEARCH.

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
$250,000 IN 12A IS PENALTY TO NORTH DAKOTA. ADDITIONAL PENALTIES/DISGORGEMENT OF $24,750,000 TO OTHER STATES AND $25,000,000 TO SEC, NASD AND NYSE IN RELATED PROCEEDINGS.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
WITHOUT ADMITTING OR DENYING THE ALLEGATIONS IN THE COMPLAINT IN THE RELATED PROCEEDINGS AND MADE IN THIS PROCEEDING, EXCEPT AS TO JURISDICTION, MS&CO. CONSENTED TO PAY A TOTAL OF $50 MILLION, WHICH INCLUDES PAYMENTS TO THE SEC, NASD, NYSE, STATES AND TERRITORIES, FOR PAST CONDUCT AND $75 MILLION IN THE FUTURE TO FUND INDEPENDENT RESEARCH. THE PAYMENT MADE TO NORTH DAKOTA IS $250,000. IN ADDITION, MS&CO. HAS AGREED TO A NUMBER OF STRUCTURAL CHANGES TO THE OPERATIONS OF ITS EQUITY RESEARCH AND INVESTMENT BANKING OPERATIONS. MS&CO. IS ALSO IN THE PROCESS OF FINALIZING SETTLEMENTS WITH THE OTHER STATE AND TERRITORIAL SECURITIES ADMINISTRATORS.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ◉ INITIAL ***OR*** ○ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action

☐ 11.C(1)	☐ 11.C(5)	☑ 11.D(4)	☐ 11.E(3)
☐ 11.C(2)	☐ 11.D(1)	☐ 11.D(5)	☐ 11.E(4)
☐ 11.C(3)	☑ 11.D(2)	☐ 11.E(1)	☐ 11.F
☐ 11.C(4)	☐ 11.D(3)	☐ 11.E(2)	☐ 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- (•) You (the advisory firm)
- ( ) You and one or more of your *advisory affiliates*
- ( ) One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

( ) *Yes* ( ) *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

( ) SEC ( ) Other Federal (•) State ( ) *SRO* ( ) Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
TENNESSEE SECURITIES DIVISION

2. Principal Sanction:

Other Sanctions:

3. Date Initiated (MM/DD/YYYY):
10/30/2003 (•) Exact ( ) Explanation

If not exact, provide explanation:

4. Docket/Case Number:
FILE NO. 03-007

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
Other
Other Product Types:
RESEARCH

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

ALLEGED THAT MORGAN STANLEY & CO. INCORPORATED ("MS&CO.") VIOLATED THE TENNESSEE SECURITIES ACT, BY, AMONG OTHER THINGS, ENGAGING IN ACTS AND PRACTICES THAT CREATED CONFLICTS OF INTEREST FOR ITS RESEARCH ANALYSTS WITH RESPECT TO INVESTMENT BANKING ACTIVITY AND CONSIDERATIONS AND FAILING TO MANAGE SUCH CONFLICTS ADEQUATELY OR APPROPRIATELY; FAILING TO ENSURE, IN OFFERINGS WHERE MS&CO. WAS LEAD UNDERWRITER, THAT PAYMENTS MADE TO OTHER BROKER-DEALERS FOR PUBLISHING RESEARCH REPORTS WERE DISCLOSED BY THE ISSUERS IN THE OFFERING DOCUMENTS AND THE OTHER BROKER-DEALERS IN THEIR RESEARCH REPORTS; AND FAILING TO SUPERVISE PROPERLY ITS RESEARCH ANALYSTS, INCLUDING WITH REPECT TO THE RATINGS, PRICE TARGETS AND CONTENT OF THE REPORTS OF SENIOR RESEARCH ANALYSTS.

8. Current status ? ( ) Pending ( ) On Appeal (•) Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Consent

CONSENT

11. Resolution Date (MM/DD/YYYY):

10/30/2003 (•) Exact ( ) Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

- [x] Monetary/Fine Amount:$ 438366
- [ ] Revocation/Expulsion/Denial
- [ ] Disgorgement/Restitution
- [ ] Censure
- [x] Cease and Desist/Injunction
- [ ] Bar
- [ ] Suspension

B. Other Sanctions *Ordered*:
$75,000,000 TO PROVIDE FIRM'S CLIENTS WITH INDEPENDENT RESEARCH.

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
$438,366 IN 12A IS PENALTY TO TENNESSEE. ADDITIONAL PENALTIES/DISGORGEMENT OF $24,561,634 TO OTHER STATES AND $25,000,000 TO SEC, NASD AND NYSE IN RELATED PROCEEDINGS.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
WITHOUT ADMITTING OR DENYING THE ALLEGATIONS IN THE COMPLAINT IN THE RELATED PROCEEDINGS AND MADE IN THIS PROCEEDING, EXCEPT AS TO JURISDICTION, MS&CO. CONSENTED TO PAY A TOTAL OF $50 MILLION, WHICH INCLUDES PAYMENTS TO THE SEC, NASD, NYSE, STATES AND TERRITORIES, FOR PAST CONDUCT AND $75 MILLION IN THE FUTURE TO FUND INDEPENDENT RESEARCH. THE PAYMENT MADE TO TENNESSEE IS $438,366. IN addition, MS&CO. HAS AGREED TO A NUMBER OF STRUCTURAL CHANGES TO THE OPERATIONS OF ITS EQUITY RESEARCH AND INVESTMENT BANKING OPERATIONS. MS&CO. IS ALSO IN THE PROCESS OF FINALIZING SETTLEMENTS WITH THE OTHER STATE AND TERRITORIAL SECURITIES ADMINISTRATORS.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an (•) INITIAL ***OR*** ( ) AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action

[ ] 11.C(1)	[ ] 11.C(5)	[x] 11.D(4)	[ ] 11.E(3)
[ ] 11.C(2)	[ ] 11.D(1)	[ ] 11.D(5)	[ ] 11.E(4)
[ ] 11.C(3)	[x] 11.D(2)	[ ] 11.E(1)	[ ] 11.F
[ ] 11.C(4)	[ ] 11.D(3)	[ ] 11.E(2)	[ ] 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- (•) You (the advisory firm)
- ( ) You and one or more of your *advisory affiliates*
- ( ) One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

- [ ] This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.
- [ ] This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

○ *Yes* ○ *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:
○ SEC ○ Other Federal ◉ State ○ *SRO* ○ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
MINNESOTA DEPARTMENT OF COMMERCE

2. Principal Sanction:

Other Sanctions:

3. Date Initiated (MM/DD/YYYY):
11/07/2003 ◉ Exact ○ Explanation

If not exact, provide explanation:

4. Docket/Case Number:

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
Other
Other Product Types:
RESEARCH

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

ALLEGED THAT MORGAN STANLEY & CO. INCORPORATED ("MS&CO.") VIOLATED THE MINN. STAT. CHAPTERS 45 AND 80A(2002) AND MINN. R. CH. 2875(2001), BY, AMONG OTHER THINGS, ENGAGING IN ACTS AND PRACTICES THAT CREATED CONFLICTS OF INTEREST FOR ITS RESEARCH ANALYSTS WITH RESPECT TO INVESTMENT BANKING ACTIVITY AND CONSIDERATIONS AND FAILING TO MANAGE SUCH CONFLICTS ADEQUATELY OR APPROPRIATELY; FAILING TO ENSURE, IN OFFERINGS WHERE MS&CO. WAS LEAD UNDERWRITER, THAT PAYMENTS MADE TO OTHER BROKER-DEALERS FOR PUBLISHING RESEARCH REPORTS WERE DISCLOSED BY THE ISSUERS IN THE OFFERING DOCUMENTS AND THE OTHER BROKER-DEALERS IN THEIR RESEARCH REPORTS; AND FAILING TO SUPERVISE PROPERLY ITS RESEARCH ANALYSTS, INCLUDING WITH REPECT TO THE RATINGS, PRICE TARGETS AND CONTENT OF THE REPORTS OF SENIOR RESEARCH ANALYSTS.

8. Current status ? ○ Pending ○ On Appeal ◉ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Order

ORDER

11. Resolution Date (MM/DD/YYYY):
11/07/2003 ◉ Exact ○ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☑ Monetary/Fine Amount:$ 379051

☐ Revocation/Expulsion/Denial

☐ Censure

☐ Bar

☐ Disgorgement/Restitution

☑ Cease and Desist/Injunction

☐ Suspension

B. Other Sanctions *Ordered*:
$75,000,000 TO PROVIDE FIRM'S CLIENTS WITH INDEPENDENT RESEARCH.

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
$379,051 IN 12A IS PENALTY TO MINNESOTA. ADDITIONAL PENALTIES/DISGORGEMENT OF $24,620,949 TO OTHER STATES AND $25,000,000 TO SEC, NASD AND NYSE IN RELATED PROCEEDINGS.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space

provided.)
WITHOUT ADMITTING OR DENYING THE ALLEGATIONS IN THE COMPLAINT IN THE RELATED PROCEEDINGS AND MADE IN THIS PROCEEDING, EXCEPT AS TO JURISDICTION, MS&CO. CONSENTED TO PAY A TOTAL OF $50 MILLION, WHICH INCLUDES PAYMENTS TO THE SEC, NASD, NYSE, STATES AND TERRITORIES, FOR PAST CONDUCT AND $75 MILLION IN THE FUTURE TO FUND INDEPENDENT RESEARCH. THE PAYMENT MADE TO MINNESOTA IS $379,051. IN ADDITION, MS&CO. HAS AGREED TO A NUMBER OF STRUCTURAL CHANGES TO THE OPERATIONS OF ITS EQUITY RESEARCH AND INVESTMENT BANKING OPERATIONS. MS&CO. IS ALSO IN THE PROCESS OF FINALIZING SETTLEMENTS WITH THE OTHER STATE AND TERRITORIAL SECURITIES ADMINISTRATORS.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an (•) INITIAL ***OR*** ( ) AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action			
☐ 11.C(1)	☐ 11.C(5)	☑ 11.D(4)	☐ 11.E(3)
☐ 11.C(2)	☐ 11.D(1)	☐ 11.D(5)	☐ 11.E(4)
☐ 11.C(3)	☑ 11.D(2)	☐ 11.E(1)	☐ 11.F
☐ 11.C(4)	☐ 11.D(3)	☐ 11.E(2)	☐ 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

(•) You (the advisory firm)

( ) You and one or more of your *advisory affiliates*

( ) One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*

No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

( ) *Yes* ( ) *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

( ) SEC ( ) Other Federal (•) State ( ) *SRO* ( ) Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
MARYLAND SECURITIES COMMISSIONER

2. Principal Sanction:

Other Sanctions:

3. Date Initiated (MM/DD/YYYY):
11/21/2003 (•) Exact ( ) Explanation

If not exact, provide explanation:

4. Docket/Case Number:

FILE NO. 2002-0889

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
Other
Other Product Types:
RESEARCH

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

ALLEGED THAT MORGAN STANLEY & CO. INCORPORATED ("MS&CO.") VIOLATED THE MARYLAND SECURITIES ACT, BY, AMONG OTHER THINGS, ENGAGING IN ACTS AND PRACTICES THAT CREATED CONFLICTS OF INTEREST FOR ITS RESEARCH ANALYSTS WITH RESPECT TO INVESTMENT BANKING ACTIVITY AND CONSIDERATIONS AND FAILING TO MANAGE SUCH CONFLICTS ADEQUATELY OR APPROPRIATELY; FAILING TO ENSURE, IN OFFERINGS WHERE MS&CO. WAS LEAD UNDERWRITER, THAT PAYMENTS MADE TO OTHER BROKER-DEALERS FOR PUBLISHING RESEARCH REPORTS WERE DISCLOSED BY THE ISSUERS IN THE OFFERING DOCUMENTS AND THE OTHER BROKER-DEALERS IN THEIR RESEARCH REPORTS; AND FAILING TO SUPERVISE PROPERLY ITS RESEARCH ANALYSTS, INCLUDING WITH REPECT TO THE RATINGS, PRICE TARGETS AND CONTENT OF THE REPORTS OF SENIOR RESEARCH ANALYSTS.

8. Current status ? ○ Pending ○ On Appeal ◉ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Order

ORDER

11. Resolution Date (MM/DD/YYYY):
11/21/2003 ◉ Exact ○ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

- ☑ Monetary/Fine Amount:$ 408100
- ☐ Revocation/Expulsion/Denial
- ☐ Disgorgement/Restitution
- ☐ Censure
- ☑ Cease and Desist/Injunction
- ☐ Bar
- ☐ Suspension

B. Other Sanctions *Ordered*:
$75,000,000 TO PROVIDE FIRM'S CLIENTS WITH INDEPENDENT RESEARCH.

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
$408,100 IN 12A IS PENALTY TO MARYLAND. ADDITIONAL PENALTIES/DISGORGEMENT OF $24,591,900 TO OTHER STATES AND $25,000,000 TO SEC, NASD AND NYSE IN RELATED PROCEEDINGS.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
WITHOUT ADMITTING OR DENYING THE ALLEGATIONS IN THE COMPLAINT IN THE RELATED PROCEEDINGS AND MADE IN THIS PROCEEDING, EXCEPT AS TO JURISDICTION, MS&CO. CONSENTED TO PAY A TOTAL OF $50 MILLION, WHICH INCLUDES PAYMENTS TO THE SEC, NASD, NYSE, STATES AND TERRITORIES, FOR PAST CONDUCT AND $75 MILLION IN THE FUTURE TO FUND INDEPENDENT RESEARCH. THE PAYMENT MADE TO MARYLAND IS $408,100. IN ADDITION, MS&CO. HAS AGREED TO A NUMBER OF STRUCTURAL CHANGES TO THE OPERATIONS OF ITS EQUITY RESEARCH AND INVESTMENT BANKING OPERATIONS. MS&CO. IS ALSO IN THE PROCESS OF FINALIZING SETTLEMENTS WITH THE OTHER STATE AND TERRITORIAL SECURITIES ADMINISTRATORS.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ◉ INITIAL ***OR*** ○ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action			
☐ 11.C(1)	☐ 11.C(5)	☑ 11.D(4)	☐ 11.E(3)
☐ 11.C(2)	☐ 11.D(1)	☐ 11.D(5)	☐ 11.E(4)
☐ 11.C(3)	☑ 11.D(2)	☐ 11.E(1)	☐ 11.F
☐ 11.C(4)	☐ 11.D(3)	☐ 11.E(2)	☐ 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- (•) You (the advisory firm)
- ( ) You and one or more of your *advisory affiliates*
- ( ) One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

( ) *Yes* ( ) *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

( ) SEC ( ) Other Federal (•) State ( ) *SRO* ( ) Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
SOUTH DAKOTA DIVISION OF SECURITIES

2. Principal Sanction:

Other Sanctions:

3. Date Initiated (MM/DD/YYYY):
11/24/2003 (•) Exact ( ) Explanation

If not exact, provide explanation:

4. Docket/Case Number:
CASE # 649

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
Other
Other Product Types:
RESEARCH

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

ALLEGED THAT MORGAN STANLEY & CO. INCORPORATED ("MS&CO.") VIOLATED CHAPTER 47-31A, BY, AMONG OTHER THINGS, ENGAGING IN ACTS AND PRACTICES THAT CREATED CONFLICTS OF INTEREST FOR ITS RESEARCH ANALYSTS WITH RESPECT TO INVESTMENT BANKING ACTIVITY AND CONSIDERATIONS AND FAILING TO MANAGE SUCH CONFLICTS ADEQUATELY OR APPROPRIATELY; FAILING TO ENSURE, IN OFFERINGS WHERE MS&CO. WAS LEAD UNDERWRITER, THAT PAYMENTS MADE TO OTHER BROKER-DEALERS FOR PUBLISHING RESEARCH REPORTS WERE DISCLOSED BY THE ISSUERS IN THE OFFERING DOCUMENTS AND THE OTHER BROKER-DEALERS IN THEIR RESEARCH REPORTS; AND FAILING TO SUPERVISE PROPERLY ITS RESEARCH ANALYSTS, INCLUDING WITH REPECT TO THE RATINGS, PRICE TARGETS AND CONTENT OF THE REPORTS OF SENIOR RESEARCH ANALYSTS.

8. Current status ? ( ) Pending ( ) On Appeal (•) Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Order

ORDER

11. Resolution Date (MM/DD/YYYY):

11/24/2003 (•) Exact ( ) Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

- [x] Monetary/Fine Amount:$ 250000
- [ ] Revocation/Expulsion/Denial
- [ ] Disgorgement/Restitution
- [ ] Censure
- [x] Cease and Desist/Injunction
- [ ] Bar
- [ ] Suspension

B. Other Sanctions *Ordered*:
$75,000,000 TO PROVIDE FIRM'S CLIENTS WITH INDEPENDENT RESEARCH.

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
$250,000 IN 12A IS PENALTY TO SOUTH DAKOTA. ADDITIONAL PENALTIES/DISGORGEMENT OF $24,750,000 TO OTHER STATES AND $25,000,000 TO SEC, NASD AND NYSE IN RELATED PROCEEDINGS.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
WITHOUT ADMITTING OR DENYING THE ALLEGATIONS IN THE COMPLAINT IN THE RELATED PROCEEDINGS AND MADE IN THIS PROCEEDING, EXCEPT AS TO JURISDICTION, MS&CO. CONSENTED TO PAY A TOTAL OF $50 MILLION, WHICH INCLUDES PAYMENTS TO THE SEC, NASD, NYSE, STATES AND TERRITORIES, FOR PAST CONDUCT AND $75 MILLION IN THE FUTURE TO FUND INDEPENDENT RESEARCH. THE PAYMENT MADE TO SOUTH DAKOTA IS $250,000. IN ADDITION, MS&CO. HAS AGREED TO A NUMBER OF STRUCTURAL CHANGES TO THE OPERATIONS OF ITS EQUITY RESEARCH AND INVESTMENT BANKING OPERATIONS. MS&CO. IS ALSO IN THE PROCESS OF FINALIZING SETTLEMENTS WITH THE OTHER STATE AND TERRITORIAL SECURITIES ADMINISTRATORS.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ( ) INITIAL ***OR*** (•) AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action			
[ ] 11.C(1)	[ ] 11.C(5)	[ ] 11.D(4)	[ ] 11.E(3)
[ ] 11.C(2)	[ ] 11.D(1)	[ ] 11.D(5)	[ ] 11.E(4)
[ ] 11.C(3)	[ ] 11.D(2)	[ ] 11.E(1)	[ ] 11.F
[ ] 11.C(4)	[ ] 11.D(3)	[x] 11.E(2)	[ ] 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- (•) You (the advisory firm)
- ( ) You and one or more of your *advisory affiliates*
- ( ) One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

[ ] This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

[ ] This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

○ *Yes* ○ *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

○ SEC ○ Other Federal ○ State ◉ *SRO* ○ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
PHILADELPHIA STOCK EXCHANGE, INC.

2. Principal Sanction:
Civil and Administrative Penalt(ies) /Fine(s)
Other Sanctions:
IN ADDITION TO A FINE, THE PHILADELPHIA STOCK EXCHANGE SOUGHT A CENSURE AND UNDERTAKINGS AGAINST MORGAN STANELY & CO. INCORPORATED

3. Date Initiated (MM/DD/YYYY):
03/20/2003 ◉ Exact ○ Explanation

If not exact, provide explanation:
A STATEMENT OF CHARGES WAS ISSUED ON THE ABOVE NOTED DATE.

4. Docket/Case Number:
ENFORCEMENT NO. 2003-02

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
Options
Other Product Types:

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

ALLEGED VIOLATION OF EXCHANGE RULE 707 IN THAT BOTH MORGAN STANLEY AND ALIMOHAMMED AGBOATWALLA FAILED TO EXERCISE DUE DILIGENCE IN HANDLING A CUSTOMER ORDER, WHEREBY AFTER OBTAINING A PRICE FROM THE AMEX, MORGAN STANLEY AND AGBOATWALLA SUBSEQUENTLY ALLOWED THE ORDER TO BE TRADED AT THE PHILADELPHIA STOCK EXCHANGE AT AN INFERIOR PRICE.

8. Current status ? ○ Pending ○ On Appeal ◉ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Stipulation and Consent

STIPCONS

11. Resolution Date (MM/DD/YYYY):
11/12/2003 ◉ Exact ○ Explanation

If not exact, provide explanation:
A DECISION WAS RENDERED BY THE BUSINESS CONDUCT COMMITTEE OF THE PHILDELPHIA STOCK EXCHANGE ON THE ABOVE NOTED DATE.

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

- ☑ Monetary/Fine Amount:$ 100000
- ☐ Revocation/Expulsion/Denial
- ☑ Censure
- ☐ Bar
- ☐ Disgorgement/Restitution
- ☐ Cease and Desist/Injunction
- ☐ Suspension

B. Other Sanctions *Ordered*:
UNDERTAKINGS

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
SEE QUESTION #13

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
WITHOUT ADMITTING OR DENYING THE ALLEGATIONS IN THE COMPLAINT, MORGAN STANLEY AND ALIMOHAMMED AGBOATWALLA AGREED TO A CENSURE AND A FINE

JOINTLY AND SEVERALLY OF $100,000 BY THE AMEX AND PHILADELPHIA STOCK EXCHANGE. IN ADDITION, AGBOATWALLA WAS SUSPENDED FOR TEN (10) BUSINESS DAYS FROM EMPLOYMENT OR ASSOCIATION IN ANY CAPACITY WITH ANY EXCHANGE MEMBER OR MEMBER ORGANIZATION, AND MORGAN STANLEY WAS REQUIRED TO PERFORM THE FOLLOWING UNDERTAKINGS: (I) HAVE OUTSIDE COUNSEL CONDUCT AN EDUCATIONAL SESSION REGARDING THE FIRM'S BEST EXECUTION OBLIGATIONS, RULES REGARDING BEST EXECUTION AND INTERNALIZATION OF ORDERS, AND (II) ISSUE A COMPLIANCE BULLETIN EXPLAINING THE PROCEDURE SET FORTH BY THE FIRM TO ENSURE COMPLIANCE WITH THEIR BEST EXECUTION OBLIGATIONS TO ITS CUSTOMERS, AND SETTING FORTH EACH INDIVIDUAL'S RESPONSIBILITY TO STRICTLY FOLLOW THE AFOREMENTIONED PROCEDURES.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ○ INITIAL ***OR*** ◉ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action			
☐ 11.C(1)	☐ 11.C(5)	☐ 11.D(4)	☐ 11.E(3)
☐ 11.C(2)	☐ 11.D(1)	☐ 11.D(5)	☐ 11.E(4)
☐ 11.C(3)	☐ 11.D(2)	☐ 11.E(1)	☐ 11.F
☐ 11.C(4)	☐ 11.D(3)	☑ 11.E(2)	☐ 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

◉ You (the advisory firm)

○ You and one or more of your *advisory affiliates*

○ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

○ *Yes* ○ *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

○ SEC ○ Other Federal ○ State ◉ *SRO* ○ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
AMERICAN STOCK EXCHANGE

2. Principal Sanction:
Civil and Administrative Penalt(ies) /Fine(s)
Other Sanctions:
IN ADDITION TO SEEKING A FINE, THE AMERICAN STOCK EXCHANGE SOUGHT A CENSURE AND UNDERTAKINGS AGAINST MORGAN STANLEY & CO. INCORPORATED

3. Date Initiated (MM/DD/YYYY):
03/27/2003 ◉ Exact ○ Explanation

If not exact, provide explanation:
A STATEMENT OF CHARGES WAS ISSUED ON THE ABOVE NOTED DATE.

4. Docket/Case Number:

03-01

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
Options
Other Product Types:

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

ALLEGED VIOLATION OF ARTICLE V, SECTION 4(H) OF THE EXCHANGE CONSTITUTION (AND ALLEGED ITS EMPLOYEE, ALIMOHAMMED AGBOATWALLA VIOLATED EXCHANGE RULE 345(A)(4)) IN THAT BOTH MORGAN STANLEY AND AGBOATWALLA FAILED TO EXERCISE DUE DILIGENCE IN HANDLING A CUSTOMER ORDER, WHEREBY AFTER OBTAINING A PRICE FROM THE AMEX, MORGAN STANLEY AND AGBOATWALLA SUBSEQUENTLY ALLOWED THE ORDER TO BE TRADED AT THE PHILADELPHIA STOCK EXCHANGE AT AN INFERIOR PRICE.

8. Current status ? ○ Pending ○ On Appeal ◉ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Stipulation and Consent

STIPCONS

11. Resolution Date (MM/DD/YYYY):
10/03/2003 ◉ Exact ○ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

- ☑ Monetary/Fine Amount:$ 100000
- ☐ Revocation/Expulsion/Denial
- ☑ Censure
- ☐ Bar
- ☐ Disgorgement/Restitution
- ☐ Cease and Desist/Injunction
- ☐ Suspension

B. Other Sanctions *Ordered*:
UNDERTAKINGS

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
SEE QUESTION 13

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
WITHOUT ADMITTING OR DENYING THE ALLEGATIONS IN THE COMPLIANT MORGAN STANLEY AND ALIMOHAMMED AGBOATWALLA AGREED TO A CENSURE AND A FINE JOINTLY AND SEVERALLY OF $100,000 BY THE AMEX AND PHILADELPHIA STOCK EXCHANGE. IN ADDITION, AGBOATWALLA WAS SUSPENDED FOR TEN (10) BUSINESS DAYS FROM EMPLOYMENT OR ASSOCIATION IN ANY CAPACITY WITH ANY EXCHANGE MEMBER OR MEMBER ORGANIZATION, AND MORGAN STANLEY WAS REQUIRED TO PERFORM THE FOLLOWING UNDERTAKINGS: (I) HAVE OUTSIDE COUNSEL CONDUCT AN EDUCATIONAL SESSION REGARDING THE FIRM'S BEST EXECUTION OBLIGATIONS, RULES REGARDING BEST EXECUTION AND INTERNALIZATION OF ORDERS, AND (II) ISSUE A COMPLIANCE BULLETIN EXPLAINING THE PROCEDURE SET FORTH BY THE FIRM TO ENSURE COMPLIANCE WITH THEIR BEST EXECUTION OBLIGATIONS TO ITS CUSTOMERS, AND SETTING FORTH EACH INDIVIDUAL'S RESPONSIBILITY TO STRICTLY FOLLOW THE AFOREMENTIONED PROCEDURES.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ◉ INITIAL ***OR*** ○ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action

☐ 11.C(1)	☐ 11.C(5)	☑ 11.D(4)	☐ 11.E(3)
☐ 11.C(2)	☐ 11.D(1)	☐ 11.D(5)	☐ 11.E(4)
☐ 11.C(3)	☑ 11.D(2)	☐ 11.E(1)	☐ 11.F
☐ 11.C(4)	☐ 11.D(3)	☐ 11.E(2)	☐ 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to

actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- (•) You (the advisory firm)
- ( ) You and one or more of your *advisory affiliates*
- ( ) One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

( ) *Yes* ( ) *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

( ) SEC ( ) Other Federal (•) State ( ) *SRO* ( ) Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
DISTRICT OF COLUMBIA DEPARTMENT OF INSURANCE AND SECURITIES REGULATION

2. Principal Sanction:

Other Sanctions:

3. Date Initiated (MM/DD/YYYY):
11/25/2003 (•) Exact ( ) Explanation

If not exact, provide explanation:

4. Docket/Case Number:
SEC. CO 03-05

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
Other
Other Product Types:
RESEARCH

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

ALLEGED THAT MORGAN STANLEY & CO. INCORPORATED ("MS&CO.") VIOLATED THE SECURITIES ACT OF 2000, D.C, OFFICIAL CODE SECTION 31-5601.01 ET SEQ. (2001 ED.), BY, AMONG OTHER THINGS, ENGAGING IN ACTS AND PRACTICES THAT CREATED CONFLICTS OF INTEREST FOR ITS RESEARCH ANALYSTS WITH RESPECT TO INVESTMENT BANKING ACTIVITY AND CONSIDERATIONS AND FAILING TO MANAGE SUCH CONFLICTS ADEQUATELY OR APPROPRIATELY; FAILING TO ENSURE, IN OFFERINGS WHERE MS&CO. WAS LEAD UNDERWRITER, THAT PAYMENTS MADE TO OTHER BROKER-DEALERS FOR PUBLISHING RESEARCH REPORTS WERE DISCLOSED BY THE ISSUERS IN THE OFFERING DOCUMENTS AND THE OTHER BROKER-DEALERS IN THEIR RESEARCH REPORTS; AND FAILING TO SUPERVISE PROPERLY ITS RESEARCH ANALYSTS, INCLUDING WITH REPECT TO THE RATINGS, PRICE TARGETS AND CONTENT OF THE REPORTS OF SENIOR RESEARCH ANALYSTS.

8. Current status ? ( ) Pending ( ) On Appeal (•) Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Order

ORDER

11. Resolution Date (MM/DD/YYYY):

11/25/2003 (•) Exact ( ) Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

- [x] Monetary/Fine Amount:$ 250000
- [ ] Revocation/Expulsion/Denial
- [ ] Disgorgement/Restitution
- [ ] Censure
- [x] Cease and Desist/Injunction
- [ ] Bar
- [ ] Suspension

B. Other Sanctions *Ordered*:
$75,000,000 TO PROVIDE FIRM'S CLIENTS WITH INDEPENDENT RESEARCH.

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
$250,000 IN 12A IS PENALTY TO DISTRICT OF COLUMBIA. ADDITIONAL PENALTIES/DISGORGEMENT OF $24,750,000 TO OTHER STATES AND $25,000,000 TO SEC, NASD AND NYSE IN RELATED PROCEEDINGS.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
WITHOUT ADMITTING OR DENYING THE ALLEGATIONS IN THE COMPLAINT IN THE RELATED PROCEEDINGS AND MADE IN THIS PROCEEDING, EXCEPT AS TO JURISDICTION, MS&CO. CONSENTED TO PAY A TOTAL OF $50 MILLION, WHICH INCLUDES PAYMENTS TO THE SEC, NASD, NYSE, STATES AND TERRITORIES, FOR PAST CONDUCT AND $75 MILLION IN THE FUTURE TO FUND INDEPENDENT RESEARCH. THE PAYMENT MADE TO DISTRICT OF COLUMBIA IS $250,000. IN ADDITION, MS&CO. HAS AGREED TO A NUMBER OF STRUCTURAL CHANGES TO THE OPERATIONS OF ITS EQUITY RESEARCH AND INVESTMENT BANKING OPERATIONS. MS&CO. IS ALSO IN THE PROCESS OF FINALIZING SETTLEMENTS WITH THE OTHER STATE AND TERRITORIAL SECURITIES ADMINISTRATORS.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an (•) INITIAL ***OR*** ( ) AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action			
[ ] 11.C(1)	[ ] 11.C(5)	[x] 11.D(4)	[ ] 11.E(3)
[ ] 11.C(2)	[ ] 11.D(1)	[ ] 11.D(5)	[ ] 11.E(4)
[ ] 11.C(3)	[x] 11.D(2)	[ ] 11.E(1)	[ ] 11.F
[ ] 11.C(4)	[ ] 11.D(3)	[ ] 11.E(2)	[ ] 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- (•) You (the advisory firm)
- ( ) You and one or more of your *advisory affiliates*
- ( ) One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

[ ] This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

[ ] This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

○ *Yes* ○ *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

○ SEC ○ Other Federal ◉ State ○ *SRO* ○ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
MISSOURI COMMISSIONER OF SECURITIES

2. Principal Sanction:

Other Sanctions:

3. Date Initiated (MM/DD/YYYY):
11/24/2003 ◉ Exact ○ Explanation

If not exact, provide explanation:

4. Docket/Case Number:
CASE NO. AO-03-19

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
Other
Other Product Types:
RESEARCH

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

ALLEGED THAT MORGAN STANLEY & CO. INCORPORATED ("MS&CO.") VIOLATED THE MISSOURI SECURITIES ACT, BY, AMONG OTHER THINGS, ENGAGING IN ACTS AND PRACTICES THAT CREATED CONFLICTS OF INTEREST FOR ITS RESEARCH ANALYSTS WITH RESPECT TO INVESTMENT BANKING ACTIVITY AND CONSIDERATIONS AND FAILING TO MANAGE SUCH CONFLICTS ADEQUATELY OR APPROPRIATELY; FAILING TO ENSURE, IN OFFERINGS WHERE MS&CO. WAS LEAD UNDERWRITER, THAT PAYMENTS MADE TO OTHER BROKER-DEALERS FOR PUBLISHING RESEARCH REPORTS WERE DISCLOSED BY THE ISSUERS IN THE OFFERING DOCUMENTS AND THE OTHER BROKER-DEALERS IN THEIR RESEARCH REPORTS; AND FAILING TO SUPERVISE PROPERLY ITS RESEARCH ANALYSTS, INCLUDING WITH REPECT TO THE RATINGS, PRICE TARGETS AND CONTENT OF THE REPORTS OF SENIOR RESEARCH ANALYSTS.

8. Current status ? ○ Pending ○ On Appeal ◉ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Order

ORDER

11. Resolution Date (MM/DD/YYYY):
11/24/2003 ◉ Exact ○ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☑ Monetary/Fine Amount:$ 431117

☐ Revocation/Expulsion/Denial

☐ Censure

☐ Bar

☐ Disgorgement/Restitution

☑ Cease and Desist/Injunction

☐ Suspension

B. Other Sanctions *Ordered*:
$75,000,000 TO PROVIDE FIRM'S CLIENTS WITH INDEPENDENT RESEARCH.

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
$431,117 IN 12A IS PENALTY TO MISSOURI. ADDITIONAL PENALTIES/DISGORGEMENT OF $24,568,883. TO OTHER STATES AND $25,000,000 TO SEC, NASD AND NYSE IN RELATED PROCEEDINGS.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
WITHOUT ADMITTING OR DENYING THE ALLEGATIONS IN THE COMPLAINT IN THE RELATED PROCEEDINGS AND MADE IN THIS PROCEEDING, EXCEPT AS TO JURISDICTION, MS&CO. CONSENTED TO PAY A TOTAL OF $50 MILLION, WHICH INCLUDES PAYMENTS TO THE SEC, NASD, NYSE, STATES AND TERRITORIES, FOR PAST CONDUCT AND $75 MILLION IN THE FUTURE TO FUND INDEPENDENT RESEARCH. THE PAYMENT MADE TO MISSOURI IS $431,117. IN ADDITION, MS&CO. HAS AGREED TO A NUMBER OF STRUCTURAL CHANGES TO THE OPERATIONS OF ITS EQUITY RESEARCH AND INVESTMENT BANKING OPERATIONS. MS&CO. IS ALSO IN THE PROCESS OF FINALIZING SETTLEMENTS WITH THE OTHER STATE AND TERRITORIAL SECURITIES ADMINISTRATORS.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ◉ INITIAL ***OR*** ○ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action			
☐ 11.C(1)	☐ 11.C(5)	☑ 11.D(4)	☐ 11.E(3)
☐ 11.C(2)	☐ 11.D(1)	☐ 11.D(5)	☐ 11.E(4)
☐ 11.C(3)	☑ 11.D(2)	☐ 11.E(1)	☐ 11.F
☐ 11.C(4)	☐ 11.D(3)	☐ 11.E(2)	☐ 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

◉ You (the advisory firm)

○ You and one or more of your *advisory affiliates*

○ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

○ *Yes* ○ *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

○ SEC ○ Other Federal ◉ State ○ *SRO* ○ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
CALIFORNIA DEPARTMENT OF CORPORATIONS

2. Principal Sanction:

Other Sanctions:

3. Date Initiated (MM/DD/YYYY):
12/15/2003 ◉ Exact ○ Explanation

If not exact, provide explanation:

4. Docket/Case Number:

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
Other
Other Product Types:
RESEARCH

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

ALLEGED THAT MORGAN STANLEY & CO. INCORPORATED ("MS&CO.") VIOLATED THE CORPORATE SECURITIES LAW OF 1968 AND THE CALIFORNIA CORPORATIONS CODE SECTION 25000 ET SEQ., BY, AMONG OTHER THINGS, ENGAGING IN ACTS AND PRACTICES THAT CREATED CONFLICTS OF INTEREST FOR ITS RESEARCH ANALYSTS WITH RESPECT TO INVESTMENT BANKING ACTIVITY AND CONSIDERATIONS AND FAILING TO MANAGE SUCH CONFLICTS ADEQUATELY OR APPROPRIATELY; FAILING TO ENSURE, IN OFFERINGS WHERE MS&CO. WAS LEAD UNDERWRITER, THAT PAYMENTS MADE TO OTHER BROKER-DEALERS FOR PUBLISHING RESEARCH REPORTS WERE DISCLOSED BY THE ISSUERS IN THE OFFERING DOCUMENTS AND THE OTHER BROKER-DEALERS IN THEIR RESEARCH REPORTS; AND FAILING TO SUPERVISE PROPERLY ITS RESEARCH ANALYSTS, INCLUDING WITH REPECT TO THE RATINGS, PRICE TARGETS AND CONTENT OF THE REPORTS OF SENIOR RESEARCH ANALYSTS.

8. Current status ? ○ Pending ○ On Appeal ◉ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Order

ORDER

11. Resolution Date (MM/DD/YYYY):
12/15/2003 ◉ Exact ○ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

- ☑ Monetary/Fine Amount:$ 2609851
- ☐ Revocation/Expulsion/Denial
- ☐ Censure
- ☐ Bar
- ☐ Disgorgement/Restitution
- ☑ Cease and Desist/Injunction
- ☐ Suspension

B. Other Sanctions *Ordered*:
$75,000,000 TO PROVIDE FIRM'S CLIENTS WITH INDEPENDENT RESEARCH.

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
$2,609,851 IN 12A IS PENALTY TO CALIFORNIA. ADDITIONAL PENALTIES/DISGORGEMENT OF $22,390,149 TO OTHER STATES AND $25,000,000 TO SEC, NASD AND NYSE IN RELATED PROCEEDINGS.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
WITHOUT ADMITTING OR DENYING THE ALLEGATIONS IN THE COMPLAINT IN THE RELATED PROCEEDINGS AND MADE IN THIS PROCEEDING, EXCEPT AS TO JURISDICTION, MS&CO. CONSENTED TO PAY A TOTAL OF $50 MILLION, WHICH INCLUDES PAYMENTS TO THE SEC, NASD, NYSE, STATES AND TERRITORIES, FOR PAST CONDUCT AND $75 MILLION IN THE FUTURE TO FUND INDEPENDENT RESEARCH. THE PAYMENT MADE TO CALIFORNIA IS $2,609,851. IN ADDITION, MS&CO. HAS AGREED TO A NUMBER OF STRUCTURAL CHANGES TO THE OPERATIONS OF ITS EQUITY RESEARCH AND INVESTMENT BANKING OPERATIONS. MS&CO. IS ALSO IN THE PROCESS OF FINALIZING SETTLEMENTS WITH THE OTHER STATE AND TERRITORIAL SECURITIES ADMINISTRATORS.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ○ INITIAL ***OR*** ◉ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action

☐ 11.C(1)	☐ 11.C(5)	☐ 11.D(4)	☐ 11.E(3)
☐ 11.C(2)	☐ 11.D(1)	☐ 11.D(5)	☐ 11.E(4)
☐ 11.C(3)	☐ 11.D(2)	☐ 11.E(1)	☐ 11.F
☐ 11.C(4)	☐ 11.D(3)	☑ 11.E(2)	☐ 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution

Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- (•) You (the advisory firm)
- ( ) You and one or more of your *advisory affiliates*
- ( ) One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

( ) *Yes* ( ) *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:
( ) SEC ( ) Other Federal ( ) State (•) *SRO* ( ) Foreign
(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
NEW YORK STOCK EXCHANGE DIVISON OF ENFORCEMENT

2. Principal Sanction:

Other Sanctions:

3. Date Initiated (MM/DD/YYYY):
10/31/2003 (•) Exact ( ) Explanation

If not exact, provide explanation:

4. Docket/Case Number:
03-224

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
Other
Other Product Types:

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

THE FIRM AGREED TO A SETTLEMENT WITH EXCHANGE STAFF, WITHOUT ADMITTING OR DENYING LIABILITY, IN WHICH IT CONSENTED TO ALLEDGED VIOLATIONS OF: (1) EXCHANGE RULE 476(A)(11) IN THAT ON NUMEROUS TRADE DATES BETWEEN 1999 AND 2002, THE FIRM (A) FAILED TO TIMELY AND ACCURATELY FILE DAILY PROGRAM TRADE REPORTS, AND (B) FAILED TO REPORT PROCESS DRIVEN TRADING AS PROGRAM TRADING; (2) EXCHANGE RULE 97 IN THAT ON NUMEROUS TRADE DATES VARIOUS OF THE FIRMS TRADING DESKS EFFECTED TRADES ON PLUS TICKS AND/OR ON ZERO PLUS TICKS FOR MORE THAN 50% OF THE STOCK OFFERED AT A PRICE HIGER THAN THE LOWEST PRICE AT WHICH THE POSITION WAS ACQUIRED IN A PREVIOUS TRANSACTION ON A PARTICULAR DAY; (3) EXCHANGE RULE 132.30(9) IN THAT ON NUMEROUS OCCASIONS THE FIRM FAILED TO SUBMIT ACCURATE ACCOUNT TYPE INDICATORS AND AUDIT TRAIL REPORTS; (4) EXCHANGE RULE 410B IN THAT THE FIRM FAILED TO REPORT TRANSACTIONS IN EXCHANGE LISTED SECURITIES EXECUTED OFF THE EXCHANGE TO EITHER THE CONSOLIDATED TAPE OR TO THE EXCHANGE; (5) EXCHANGE RULE 80A IN THAT, BETWEEN JANUARY 1999 AND APRIL 2002, THE FIRM ENTERED A SERIES OF INDEX ARBITRAGE TRANSACTIONS THAT DID NOT CONTAIN THE APPROPRIATE TICK INSTRUCTION; (6) EXCHANGE MARKET-ON-CLOSE AND LIMIT-ON-CLOSE ORDER ENTRY AND CANCELLATION PROCEDURES AND POLICY APPROVED BY THE SECURITIES AND EXCHANGE COMMISSION AND SET FORTH IN THE EXCHANGE INFORMATION MEMORANDA 98-20 AND 99-51, AND; (7) EXCHANGE RULE 342(A) AND (B) IN THAT THE FIRM FAILED REASONABLY TO SUPERVISE AND CONTROL THE BUSINESS ACTIVITIES OF THE FIRM AND PROVIDE FOR APPROPRIATE PROCEDURES OF SUPERVISION AND CONTROL TO ENSURE COMPLIANCE WITH SECURITIES LAWS AND

REGUALTIONS.

8. Current status ? ○ Pending ○ On Appeal ◉ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Decision

DECISION

11. Resolution Date (MM/DD/YYYY):
01/06/2004 ◉ Exact ○ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

- ☑ Monetary/Fine Amount:$ 800000
- ☐ Revocation/Expulsion/Denial
- ☐ Disgorgement/Restitution
- ☑ Censure
- ☐ Cease and Desist/Injunction
- ☐ Bar
- ☐ Suspension

B. Other Sanctions *Ordered*:
N/A

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
MONETARY FINE AND CENSURE.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
SEE QUESTION #7.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ◉ INITIAL ***OR*** ○ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action			
☐ 11.C(1)	☐ 11.C(5)	☑ 11.D(4)	☐ 11.E(3)
☐ 11.C(2)	☐ 11.D(1)	☐ 11.D(5)	☐ 11.E(4)
☐ 11.C(3)	☑ 11.D(2)	☐ 11.E(1)	☐ 11.F
☐ 11.C(4)	☐ 11.D(3)	☐ 11.E(2)	☐ 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- ◉ You (the advisory firm)
- ○ You and one or more of your *advisory affiliates*
- ○ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

○ *Yes* ○ *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

○ SEC ○ Other Federal ◉ State ○ *SRO* ○ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
PENNSYLVANIA SECURITIES COMMISSION

2. Principal Sanction:

Other Sanctions:

3. Date Initiated (MM/DD/YYYY):
12/30/2003 ◉ Exact ○ Explanation

If not exact, provide explanation:

4. Docket/Case Number:
2003-04-43

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
Other
Other Product Types:
RESEARCH

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

ALLEGED THAT MORGAN STANLEY & CO. INCORPORATED ("MS&CO.") VIOLATED SECTION 510 OF THE PENNSYLVANIA SECURITIES ACT OF 1972, BY, AMONG OTHER THINGS, ENGAGING IN ACTS AND PRACTICES THAT CREATED CONFLICTS OF INTEREST FOR ITS RESEARCH ANALYSTS WITH RESPECT TO INVESTMENT BANKING ACTIVITY AND CONSIDERATIONS AND FAILING TO MANAGE SUCH CONFLICTS ADEQUATELY OR APPROPRIATELY; FAILING TO ENSURE, IN OFFERINGS WHERE MS&CO. WAS LEAD UNDERWRITER, THAT PAYMENTS MADE TO OTHER BROKER-DEALERS FOR PUBLISHING RESEARCH REPORTS WERE DISCLOSED BY THE ISSUERS IN THE OFFERING DOCUMENTS AND THE OTHER BROKER-DEALERS IN THEIR RESEARCH REPORTS; AND FAILING TO SUPERVISE PROPERLY ITS RESEARCH ANALYSTS, INCLUDING WITH REPECT TO THE RATINGS, PRICE TARGETS AND CONTENT OF THE REPORTS OF SENIOR RESEARCH ANALYSTS.

8. Current status ? ○ Pending ○ On Appeal ◉ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Order

ORDER

11. Resolution Date (MM/DD/YYYY):
12/30/2003 ◉ Exact ○ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☑ Monetary/Fine Amount:$ 946269

☐ Revocation/Expulsion/Denial

☐ Censure

☐ Bar

☐ Disgorgement/Restitution

☑ Cease and Desist/Injunction

☐ Suspension

B. Other Sanctions *Ordered*:
$75,000,000 TO PROVIDE FIRM'S CLIENTS WITH INDEPENDENT RESEARCH.

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations

Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
$946,269 IN 12A IS PENALTY TO PENNSYLVANIA. ADDITIONAL PENALTIES/DISGORGEMENT OF $24,053,731 TO OTHER STATES AND $25,000,000 TO SEC, NASD AND NYSE IN RELATED PROCEEDINGS.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
WITHOUT ADMITTING OR DENYING THE ALLEGATIONS IN THE COMPLAINT IN THE RELATED PROCEEDINGS AND MADE IN THIS PROCEEDING, EXCEPT AS TO JURISDICTION, MS&CO. CONSENTED TO PAY A TOTAL OF $50 MILLION, WHICH INCLUDES PAYMENTS TO THE SEC, NASD, NYSE, STATES AND TERRITORIES, FOR PAST CONDUCT AND $75 MILLION IN THE FUTURE TO FUND INDEPENDENT RESEARCH. THE PAYMENT MADE TO PENNSYLVANIA IS $946,269. IN ADDITION, MS&CO. HAS AGREED TO A NUMBER OF STRUCTURAL CHANGES TO THE OPERATIONS OF ITS EQUITY RESEARCH AND INVESTMENT BANKING OPERATIONS. MS&CO. IS ALSO IN THE PROCESS OF FINALIZING SETTLEMENTS WITH THE OTHER STATE AND TERRITORIAL SECURITIES ADMINISTRATORS.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an (•) INITIAL ***OR*** ( ) AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action			
☐ 11.C(1)	☐ 11.C(5)	☐ 11.D(4)	☐ 11.E(3)
☐ 11.C(2)	☐ 11.D(1)	☐ 11.D(5)	☐ 11.E(4)
☐ 11.C(3)	☐ 11.D(2)	☐ 11.E(1)	☐ 11.F
☐ 11.C(4)	☐ 11.D(3)	☑ 11.E(2)	☐ 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

(•) You (the advisory firm)

( ) You and one or more of your *advisory affiliates*

( ) One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

( ) *Yes* ( ) *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

( ) SEC ( ) Other Federal ( ) State (•) *SRO* ( ) Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
NATIONAL ASSOCATION OF SECURITIES DEALERS INC.

2. Principal Sanction:

Other Sanctions:

3. Date Initiated (MM/DD/YYYY):
01/15/2004 (•) Exact ( ) Explanation

If not exact, provide explanation:

4. Docket/Case Number:
CMS040003

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
Other
Other Product Types:
EQUITY SECURITIES

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

ALLEGED VIOLATIONS OF NASD MARKETPLACE RULE 6955(A) AND NASD CONDUCT RULE 2110 IN THAT MORGAN STANLEY & CO. INCORPORATED (MS&CO.) FAILED TO TIMELY REPORT TO OATS REPORTABLE ORDER EVENTS ("ROES"). IN ADDITION, MS&CO. SUBMITTED TO OATS REPORTS WITH RESPECT TO EQUITY SECURITIES TRADED ON THE NASDAQ STOCK MARKET (THE "SUBJECT REPORTS") THAT WERE NOT IN THE ELECTRONIC FORMAT PRESCRIBED BY NASD. THE SUBJECT REPORTS WERE REJECTED BY THE OATS SYSTEM AND NOTICE OF SUCH REJECTION WAS MADE AVAILABLE TO MS&CO. ON THE OATS WEBSITE. MS&CO. FAILED TO REPAIR ANY OF THE REJECTED ROES RESULTING IN A FAILURE TO SUBMIT ROES TO OATS.

8. Current status ? ( ) Pending ( ) On Appeal (•) Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Acceptance, Waiver & Consent(AWC)

AWC

11. Resolution Date (MM/DD/YYYY):
01/15/2004 (•) Exact ( ) Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

- [x] Monetary/Fine Amount:$ 8000
- [ ] Revocation/Expulsion/Denial
- [ ] Disgorgement/Restitution
- [x] Censure
- [ ] Cease and Desist/Injunction
- [ ] Bar
- [ ] Suspension

B. Other Sanctions *Ordered*:

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
SEE ABOVE

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
WITHOUT ADMITTING OR DENYING THE ALLEGATIONS IN THE COMPLAINT MS&CO. CONSENTED TO A CENSURE AND A FINE OF $8000.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an (•) INITIAL ***OR*** ( ) AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action			
[ ] 11.C(1)	[ ] 11.C(5)	[x] 11.D(4)	[ ] 11.E(3)
[ ] 11.C(2)	[ ] 11.D(1)	[ ] 11.D(5)	[ ] 11.E(4)
[ ] 11.C(3)	[x] 11.D(2)	[ ] 11.E(1)	[ ] 11.F
[ ] 11.C(4)	[ ] 11.D(3)	[ ] 11.E(2)	[ ] 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- (•) You (the advisory firm)
- ( ) You and one or more of your *advisory affiliates*
- ( ) One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

( ) *Yes* ( ) *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

( ) SEC ( ) Other Federal (•) State ( ) *SRO* ( ) Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
COMMONWEALTH OF VIRGINIA

2. Principal Sanction:

Other Sanctions:

3. Date Initiated (MM/DD/YYYY):
12/11/2003 (•) Exact ( ) Explanation

If not exact, provide explanation:

4. Docket/Case Number:
SEC-2003-00019

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
Other
Other Product Types:
RESEARCH

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

ALLEGED THAT MORGAN STANLEY & CO. INCORPORATED ("MS&CO.") VIOLATED THE VIRGINIA SECURITIES ACT, BY, AMONG OTHER THINGS, ENGAGING IN ACTS AND PRACTICES THAT CREATED CONFLICTS OF INTEREST FOR ITS RESEARCH ANALYSTS WITH RESPECT TO INVESTMENT BANKING ACTIVITY AND CONSIDERATIONS AND FAILING TO MANAGE SUCH CONFLICTS ADEQUATELY OR APPROPRIATELY; FAILING TO ENSURE, IN OFFERINGS WHERE MS&CO. WAS LEAD UNDERWRITER, THAT PAYMENTS MADE TO OTHER BROKER-DEALERS FOR PUBLISHING RESEARCH REPORTS WERE DISCLOSED BY THE ISSUERS IN THE OFFERING DOCUMENTS AND THE OTHER BROKER-DEALERS IN THEIR RESEARCH REPORTS; AND FAILING TO SUPERVISE PROPERLY ITS RESEARCH ANALYSTS, INCLUDING WITH REPECT TO THE RATINGS, PRICE TARGETS AND CONTENT OF THE REPORTS OF SENIOR RESEARCH ANALYSTS.

8. Current status ? ( ) Pending ( ) On Appeal (•) Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Order

ORDER

11. Resolution Date (MM/DD/YYYY):

12/11/2003 (•) Exact ( ) Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

- [x] Monetary/Fine Amount:$ 545408
- [ ] Revocation/Expulsion/Denial
- [ ] Disgorgement/Restitution
- [ ] Censure
- [x] Cease and Desist/Injunction
- [ ] Bar
- [ ] Suspension

B. Other Sanctions *Ordered*:
$75,000,000 TO PROVIDE FIRM'S CLIENTS WITH INDEPENDENT RESEARCH.

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
$545,408 IN 12A IS PENALTY TO VIRGINIA. ADDITIONAL PENALTIES/DISGORGEMENT OF $24,454,592 TO OTHER STATES AND $25,000,000 TO SEC, NASD AND NYSE IN RELATED PROCEEDINGS.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
WITHOUT ADMITTING OR DENYING THE ALLEGATIONS IN THE COMPLAINT IN THE RELATED PROCEEDINGS AND MADE IN THIS PROCEEDING, EXCEPT AS TO JURISDICTION, MS&CO. CONSENTED TO PAY A TOTAL OF $50 MILLION, WHICH INCLUDES PAYMENTS TO THE SEC, NASD, NYSE, STATES AND TERRITORIES, FOR PAST CONDUCT AND $75 MILLION IN THE FUTURE TO FUND INDEPENDENT RESEARCH. THE PAYMENT MADE TO VIRGINIA IS $454,408. IN ADDITION, MS&CO. HAS AGREED TO A NUMBER OF STRUCTURAL CHANGES TO THE OPERATIONS OF ITS EQUITY RESEARCH AND INVESTMENT BANKING OPERATIONS. MS&CO. IS ALSO IN THE PROCESS OF FINALIZING SETTLEMENTS WITH THE OTHER STATE AND TERRITORIAL SECURITIES ADMINISTRATORS.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an (•) INITIAL ***OR*** ( ) AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action			
[ ] 11.C(1)	[ ] 11.C(5)	[x] 11.D(4)	[ ] 11.E(3)
[ ] 11.C(2)	[ ] 11.D(1)	[ ] 11.D(5)	[ ] 11.E(4)
[ ] 11.C(3)	[x] 11.D(2)	[ ] 11.E(1)	[ ] 11.F
[ ] 11.C(4)	[ ] 11.D(3)	[ ] 11.E(2)	[ ] 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- (•) You (the advisory firm)
- ( ) You and one or more of your *advisory affiliates*
- ( ) One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

[ ] This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

[ ] This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

○ *Yes* ○ *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

○ SEC ○ Other Federal ◉ State ○ *SRO* ○ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
OHIO DIVISION OF SECURITIES

2. Principal Sanction:

Other Sanctions:

3. Date Initiated (MM/DD/YYYY):
12/18/2003 ◉ Exact ○ Explanation

If not exact, provide explanation:

4. Docket/Case Number:

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
Other
Other Product Types:
RESEARCH

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

ALLEGED THAT MORGAN STANLEY & CO. INCORPORATED ("MS&CO.") VIOLATED CHAPTER 1707 AND CHAPTER 119 OF THE OHIO REVISED CODE, BY, AMONG OTHER THINGS, ENGAGING IN ACTS AND PRACTICES THAT CREATED CONFLICTS OF INTEREST FOR ITS RESEARCH ANALYSTS WITH RESPECT TO INVESTMENT BANKING ACTIVITY AND CONSIDERATIONS AND FAILING TO MANAGE SUCH CONFLICTS ADEQUATELY OR APPROPRIATELY; FAILING TO ENSURE, IN OFFERINGS WHERE MS&CO. WAS LEAD UNDERWRITER, THAT PAYMENTS MADE TO OTHER BROKER-DEALERS FOR PUBLISHING RESEARCH REPORTS WERE DISCLOSED BY THE ISSUERS IN THE OFFERING DOCUMENTS AND THE OTHER BROKER-DEALERS IN THEIR RESEARCH REPORTS; AND FAILING TO SUPERVISE PROPERLY ITS RESEARCH ANALYSTS, INCLUDING WITH REPECT TO THE RATINGS, PRICE TARGETS AND CONTENT OF THE REPORTS OF SENIOR RESEARCH ANALYSTS.

8. Current status ? ○ Pending ○ On Appeal ◉ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Order

ORDER

11. Resolution Date (MM/DD/YYYY):
12/18/2003 ◉ Exact ○ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☑ Monetary/Fine Amount:$ 874773

☐ Revocation/Expulsion/Denial

☐ Censure

☐ Bar

☐ Disgorgement/Restitution

☑ Cease and Desist/Injunction

☐ Suspension

B. Other Sanctions *Ordered*:
$75,000,000 TO PROVIDE FIRM'S CLIENTS WITH INDEPENDENT RESEARCH.

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
$874,773 IN 12A IS PENALTY TO OHIO. ADDITIONAL PENALTIES/DISGORGEMENT OF $24,125,227 TO OTHER STATES AND $25,000,000 TO SEC, NASD AND NYSE IN RELATED PROCEEDINGS.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
WITHOUT ADMITTING OR DENYING THE ALLEGATIONS IN THE COMPLAINT IN THE RELATED PROCEEDINGS AND MADE IN THIS PROCEEDING, EXCEPT AS TO JURISDICTION, MS&CO. CONSENTED TO PAY A TOTAL OF $50 MILLION, WHICH INCLUDES PAYMENTS TO THE SEC, NASD, NYSE, STATES AND TERRITORIES, FOR PAST CONDUCT AND $75 MILLION IN THE FUTURE TO FUND INDEPENDENT RESEARCH. THE PAYMENT MADE TO OHIO IS $874,773. IN ADDITION, MS&CO. HAS AGREED TO A NUMBER OF STRUCTURAL CHANGES TO THE OPERATIONS OF ITS EQUITY RESEARCH AND INVESTMENT BANKING OPERATIONS. MS&CO. IS ALSO IN THE PROCESS OF FINALIZING SETTLEMENTS WITH THE OTHER STATE AND TERRITORIAL SECURITIES ADMINISTRATORS.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an (•) INITIAL ***OR*** ( ) AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action			
☐ 11.C(1)	☐ 11.C(5)	☑ 11.D(4)	☐ 11.E(3)
☐ 11.C(2)	☐ 11.D(1)	☐ 11.D(5)	☐ 11.E(4)
☐ 11.C(3)	☑ 11.D(2)	☐ 11.E(1)	☐ 11.F
☐ 11.C(4)	☐ 11.D(3)	☐ 11.E(2)	☐ 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

(•) You (the advisory firm)

( ) You and one or more of your *advisory affiliates*

( ) One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

( ) *Yes* ( ) *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

( ) SEC ( ) Other Federal (•) State ( ) *SRO* ( ) Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
SECRETARY OF STATE OF THE STATE OF NORTH CAROLINA

2. Principal Sanction:

Other Sanctions:

3. Date Initiated (MM/DD/YYYY):
01/02/2004 (•) Exact ( ) Explanation

If not exact, provide explanation:

4. Docket/Case Number:
FILE # 03-011-IG

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
Other
Other Product Types:
RESEARCH

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

ALLEGED THAT MORGAN STANLEY & CO. INCORPORATED ("MS&CO.") VIOLATED THE NORTH CAROLINA SECURITIES ACT, BY, AMONG OTHER THINGS, ENGAGING IN ACTS AND PRACTICES THAT CREATED CONFLICTS OF INTEREST FOR ITS RESEARCH ANALYSTS WITH RESPECT TO INVESTMENT BANKING ACTIVITY AND CONSIDERATIONS AND FAILING TO MANAGE SUCH CONFLICTS ADEQUATELY OR APPROPRIATELY; FAILING TO ENSURE, IN OFFERINGS WHERE MS&CO. WAS LEAD UNDERWRITER, THAT PAYMENTS MADE TO OTHER BROKER-DEALERS FOR PUBLISHING RESEARCH REPORTS WERE DISCLOSED BY THE ISSUERS IN THE OFFERING DOCUMENTS AND THE OTHER BROKER-DEALERS IN THEIR RESEARCH REPORTS; AND FAILING TO SUPERVISE PROPERLY ITS RESEARCH ANALYSTS, INCLUDING WITH REPECT TO THE RATINGS, PRICE TARGETS AND CONTENT OF THE REPORTS OF SENIOR RESEARCH ANALYSTS.

8. Current status ? ○ Pending ○ On Appeal ◉ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Order

ORDER

11. Resolution Date (MM/DD/YYYY):
01/02/2004 ◉ Exact ○ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

- ☑ Monetary/Fine Amount:$ 620209
- ☐ Revocation/Expulsion/Denial
- ☐ Censure
- ☐ Bar
- ☐ Disgorgement/Restitution
- ☑ Cease and Desist/Injunction
- ☐ Suspension

B. Other Sanctions *Ordered*:
$75,000,000 TO PROVIDE FIRM'S CLIENTS WITH INDEPENDENT RESEARCH.

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
$620,209 IN 12A IS PENALTY TO NORTH CAROLINA. ADDITIONAL PENALTIES/DISGORGEMENT OF $24,379,791 TO OTHER STATES AND $25,000,000 TO SEC, NASD AND NYSE IN RELATED PROCEEDINGS.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
WITHOUT ADMITTING OR DENYING THE ALLEGATIONS IN THE COMPLAINT IN THE RELATED PROCEEDINGS AND MADE IN THIS PROCEEDING, EXCEPT AS TO JURISDICTION, MS&CO. CONSENTED TO PAY A TOTAL OF $50 MILLION, WHICH INCLUDES PAYMENTS TO THE SEC, NASD, NYSE, STATES AND TERRITORIES, FOR PAST CONDUCT AND $75 MILLION IN THE FUTURE TO FUND INDEPENDENT RESEARCH. THE PAYMENT MADE TO NORTH CAROLINA IS $620,209. IN ADDITION, MS&CO. HAS AGREED TO A NUMBER OF STRUCTURAL CHANGES TO THE OPERATIONS OF ITS EQUITY RESEARCH AND INVESTMENT BANKING OPERATIONS. MS&CO. IS ALSO IN THE PROCESS OF FINALIZING SETTLEMENTS WITH THE OTHER STATE AND TERRITORIAL SECURITIES ADMINISTRATORS.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ◉ INITIAL ***OR*** ○ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action			
☐ 11.C(1)	☐ 11.C(5)	☑ 11.D(4)	☐ 11.E(3)
☐ 11.C(2)	☐ 11.D(1)	☐ 11.D(5)	☐ 11.E(4)
☐ 11.C(3)	☑ 11.D(2)	☐ 11.E(1)	☐ 11.F
☐ 11.C(4)	☐ 11.D(3)	☐ 11.E(2)	☐ 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- (•) You (the advisory firm)
- ( ) You and one or more of your *advisory affiliates*
- ( ) One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

( ) *Yes* ( ) *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:
( ) SEC ( ) Other Federal (•) State ( ) *SRO* ( ) Foreign
(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
WEST VIRGINIA COMMISSIONER OF SECURITIES

2. Principal Sanction:

Other Sanctions:

3. Date Initiated (MM/DD/YYYY):
12/19/2003 (•) Exact ( ) Explanation

If not exact, provide explanation:

4. Docket/Case Number:
E03-1347

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
Other
Other Product Types:
RESEARCH

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

ALLEGED THAT MORGAN STANLEY & CO. INCORPORATED ("MS&CO.") VIOLATED WEST VIRGINIA CODE SECTION 32-1-101 ET SEQ., BY, AMONG OTHER THINGS, ENGAGING IN ACTS AND PRACTICES THAT CREATED CONFLICTS OF INTEREST FOR ITS RESEARCH ANALYSTS WITH RESPECT TO INVESTMENT BANKING ACTIVITY AND CONSIDERATIONS AND FAILING TO MANAGE SUCH CONFLICTS ADEQUATELY OR APPROPRIATELY; FAILING TO ENSURE, IN OFFERINGS WHERE MS&CO. WAS LEAD UNDERWRITER, THAT PAYMENTS MADE TO OTHER BROKER-DEALERS FOR PUBLISHING RESEARCH REPORTS WERE DISCLOSED BY THE ISSUERS IN THE OFFERING DOCUMENTS AND THE OTHER BROKER-DEALERS IN THEIR RESEARCH REPORTS; AND FAILING TO SUPERVISE PROPERLY ITS RESEARCH ANALYSTS, INCLUDING WITH REPECT TO THE RATINGS, PRICE TARGETS AND CONTENT OF THE REPORTS OF SENIOR RESEARCH ANALYSTS.

8. Current status ? ( ) Pending ( ) On Appeal (•) Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:

Order

ORDER

11. Resolution Date (MM/DD/YYYY):

12/19/2003 (•) Exact ( ) Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

- [x] Monetary/Fine Amount:$ 250000
- [ ] Revocation/Expulsion/Denial
- [ ] Censure
- [ ] Bar
- [ ] Disgorgement/Restitution
- [x] Cease and Desist/Injunction
- [ ] Suspension

B. Other Sanctions *Ordered*:

$75,000,000 TO PROVIDE FIRM'S CLIENTS WITH INDEPENDENT RESEARCH.

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:

$250,000 IN 12A IS PENALTY TO WEST VIRGINIA. ADDITIONAL PENALTIES/DISGORGEMENT OF $24,750,000 TO OTHER STATES AND $25,000,000 TO SEC, NASD AND NYSE IN RELATED PROCEEDINGS.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)

WITHOUT ADMITTING OR DENYING THE ALLEGATIONS IN THE COMPLAINT IN THE RELATED PROCEEDINGS AND MADE IN THIS PROCEEDING, EXCEPT AS TO JURISDICTION, MS&CO. CONSENTED TO PAY A TOTAL OF $50 MILLION, WHICH INCLUDES PAYMENTS TO THE SEC, NASD, NYSE, STATES AND TERRITORIES, FOR PAST CONDUCT AND $75 MILLION IN THE FUTURE TO FUND INDEPENDENT RESEARCH. THE PAYMENT MADE TO WEST VIRGINIA IS $250,000. IN ADDITION, MS&CO. HAS AGREED TO A NUMBER OF STRUCTURAL CHANGES TO THE OPERATIONS OF ITS EQUITY RESEARCH AND INVESTMENT BANKING OPERATIONS. MS&CO. IS ALSO IN THE PROCESS OF FINALIZING SETTLEMENTS WITH THE OTHER STATE AND TERRITORIAL SECURITIES ADMINISTRATORS.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an (•) INITIAL ***OR*** ( ) AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action			
[ ] 11.C(1)	[ ] 11.C(5)	[x] 11.D(4)	[ ] 11.E(3)
[ ] 11.C(2)	[ ] 11.D(1)	[ ] 11.D(5)	[ ] 11.E(4)
[ ] 11.C(3)	[x] 11.D(2)	[ ] 11.E(1)	[ ] 11.F
[ ] 11.C(4)	[ ] 11.D(3)	[ ] 11.E(2)	[ ] 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- (•) You (the advisory firm)
- ( ) You and one or more of your *advisory affiliates*
- ( ) One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

- [ ] This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.
- [ ] This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for

registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

○ *Yes* ○ *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

○ SEC ○ Other Federal ◉ State ○ *SRO* ○ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
ILLINOIS SECURITIES DEPARTMENT

2. Principal Sanction:

Other Sanctions:

3. Date Initiated (MM/DD/YYYY):
01/07/2004 ◉ Exact ○ Explanation

If not exact, provide explanation:

4. Docket/Case Number:
0400011

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
Other
Other Product Types:
RESEARCH

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

ALLEGED THAT MORGAN STANLEY & CO. INCORPORATED ("MS&CO.") VIOLATED THE ILLINOIS PROCEDURE ACT [5 ILCS 100/10 ET SEQ.] AND THE ILLINOIS REVIEW LAW [735ILCS 5/3], BY, AMONG OTHER THINGS, ENGAGING IN ACTS AND PRACTICES THAT CREATED CONFLICTS OF INTEREST FOR ITS RESEARCH ANALYSTS WITH RESPECT TO INVESTMENT BANKING ACTIVITY AND CONSIDERATIONS AND FAILING TO MANAGE SUCH CONFLICTS ADEQUATELY OR APPROPRIATELY; FAILING TO ENSURE, IN OFFERINGS WHERE MS&CO. WAS LEAD UNDERWRITER, THAT PAYMENTS MADE TO OTHER BROKER-DEALERS FOR PUBLISHING RESEARCH REPORTS WERE DISCLOSED BY THE ISSUERS IN THE OFFERING DOCUMENTS AND THE OTHER BROKER-DEALERS IN THEIR RESEARCH REPORTS; AND FAILING TO SUPERVISE PROPERLY ITS RESEARCH ANALYSTS, INCLUDING WITH REPECT TO THE RATINGS, PRICE TARGETS AND CONTENT OF THE REPORTS OF SENIOR RESEARCH ANALYSTS.

8. Current status ? ○ Pending ○ On Appeal ◉ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Order

ORDER

11. Resolution Date (MM/DD/YYYY):
01/07/2004 ◉ Exact ○ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

- ☑ Monetary/Fine Amount:$ 956921
- ☐ Revocation/Expulsion/Denial
- ☐ Censure
- ☐ Bar
- ☐ Disgorgement/Restitution
- ☑ Cease and Desist/Injunction
- ☐ Suspension

B. Other Sanctions *Ordered*:
$75,000,000 TO PROVIDE FIRM'S CLIENTS WITH INDEPENDENT RESEARCH.

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:

$956,921 IN 12A IS PENALTY TO ILLINOIS. ADDITIONAL PENALTIES/DISGORGEMENT OF $24,043,079 TO OTHER STATES AND $25,000,000 TO SEC, NASD AND NYSE IN RELATED PROCEEDINGS.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
WITHOUT ADMITTING OR DENYING THE ALLEGATIONS IN THE COMPLAINT IN THE RELATED PROCEEDINGS AND MADE IN THIS PROCEEDING, EXCEPT AS TO JURISDICTION, MS&CO. CONSENTED TO PAY A TOTAL OF $50 MILLION, WHICH INCLUDES PAYMENTS TO THE SEC, NASD, NYSE, STATES AND TERRITORIES, FOR PAST CONDUCT AND $75 MILLION IN THE FUTURE TO FUND INDEPENDENT RESEARCH. THE PAYMENT MADE TO ILLINOIS IS $956,921. IN ADDITION, MS&CO. HAS AGREED TO A NUMBER OF STRUCTURAL CHANGES TO THE OPERATIONS OF ITS EQUITY RESEARCH AND INVESTMENT BANKING OPERATIONS. MS&CO. IS ALSO IN THE PROCESS OF FINALIZING SETTLEMENTS WITH THE OTHER STATE AND TERRITORIAL SECURITIES ADMINISTRATORS.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an (•) INITIAL ***OR*** ( ) AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action			
☐ 11.C(1)	☐ 11.C(5)	☑ 11.D(4)	☐ 11.E(3)
☐ 11.C(2)	☐ 11.D(1)	☐ 11.D(5)	☐ 11.E(4)
☐ 11.C(3)	☑ 11.D(2)	☐ 11.E(1)	☐ 11.F
☐ 11.C(4)	☐ 11.D(3)	☐ 11.E(2)	☐ 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

(•) You (the advisory firm)

( ) You and one or more of your *advisory affiliates*

( ) One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*

No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

( ) *Yes* ( ) *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

( ) SEC ( ) Other Federal (•) State ( ) *SRO* ( ) Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
IOWA SECURITIES BUREAU

2. Principal Sanction:

Other Sanctions:

3. Date Initiated (MM/DD/YYYY):
02/17/2004 (•) Exact ( ) Explanation

If not exact, provide explanation:

4. Docket/Case Number:
C04-12-432

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
Other
Other Product Types:
RESEARCH

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

ALLEGED THAT MORGAN STANLEY & CO. INCORPORATED ("MS&CO.") VIOLATED THE IOWA UNIFORM SECURITIES ACT, CHAPTER 502, CODE OF IOWA (2003), BY, AMONG OTHER THINGS, ENGAGING IN ACTS AND PRACTICES THAT CREATED CONFLICTS OF INTEREST FOR ITS RESEARCH ANALYSTS WITH RESPECT TO INVESTMENT BANKING ACTIVITY AND CONSIDERATIONS AND FAILING TO MANAGE SUCH CONFLICTS ADEQUATELY OR APPROPRIATELY; FAILING TO ENSURE, IN OFFERINGS WHERE MS&CO. WAS LEAD UNDERWRITER, THAT PAYMENTS MADE TO OTHER BROKER-DEALERS FOR PUBLISHING RESEARCH REPORTS WERE DISCLOSED BY THE ISSUERS IN THE OFFERING DOCUMENTS AND THE OTHER BROKER-DEALERS IN THEIR RESEARCH REPORTS; AND FAILING TO SUPERVISE PROPERLY ITS RESEARCH ANALYSTS, INCLUDING WITH REPECT TO THE RATINGS, PRICE TARGETS AND CONTENT OF THE REPORTS OF SENIOR RESEARCH ANALYSTS.

8. Current status ? ○ Pending ○ On Appeal ◉ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Order

ORDER

11. Resolution Date (MM/DD/YYYY):
02/17/2004 ◉ Exact ○ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

- ☑ Monetary/Fine Amount:$ 250000
- ☐ Revocation/Expulsion/Denial
- ☐ Disgorgement/Restitution
- ☐ Censure
- ☑ Cease and Desist/Injunction
- ☐ Bar
- ☐ Suspension

B. Other Sanctions *Ordered*:
$75,000,000 TO PROVIDE FIRM'S CLIENTS WITH INDEPENDENT RESEARCH.

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
$250,000 IN 12A IS PENALTY TO IOWA. ADDITIONAL PENALTIES/DISGORGEMENT OF $24,750,000 TO OTHER STATES AND $25,000,000 TO SEC, NASD AND NYSE IN RELATED PROCEEDINGS.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
WITHOUT ADMITTING OR DENYING THE ALLEGATIONS IN THE COMPLAINT IN THE RELATED PROCEEDINGS AND MADE IN THIS PROCEEDING, EXCEPT AS TO JURISDICTION, MS&CO. CONSENTED TO PAY A TOTAL OF $50 MILLION, WHICH INCLUDES PAYMENTS TO THE SEC, NASD, NYSE, STATES AND TERRITORIES, FOR PAST CONDUCT AND $75 MILLION IN THE FUTURE TO FUND INDEPENDENT RESEARCH. THE PAYMENT MADE TO IOWA IS $250,000. IN ADDITION, MS&CO. HAS AGREED TO A NUMBER OF STRUCTURAL CHANGES TO THE OPERATIONS OF ITS EQUITY RESEARCH AND INVESTMENT BANKING OPERATIONS. MS&CO. IS ALSO IN THE PROCESS OF FINALIZING SETTLEMENTS WITH THE OTHER STATE AND TERRITORIAL SECURITIES ADMINISTRATORS.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ◉ INITIAL ***OR*** ○ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action

☐ 11.C(1)	☐ 11.C(5)	☑ 11.D(4)	☐ 11.E(3)
☐ 11.C(2)	☐ 11.D(1)	☐ 11.D(5)	☐ 11.E(4)
☐ 11.C(3)	☑ 11.D(2)	☐ 11.E(1)	☐ 11.F

☐ 11.C(4) ☐ 11.D(3) ☐ 11.E(2) ☐ 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- (•) You (the advisory firm)
- ( ) You and one or more of your *advisory affiliates*
- ( ) One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

( ) *Yes* ( ) *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:
( ) SEC ( ) Other Federal (•) State ( ) *SRO* ( ) Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
MONTANA COMMISSIONER OF SECURITIES

2. Principal Sanction:

Other Sanctions:

3. Date Initiated (MM/DD/YYYY):
01/07/2004 (•) Exact ( ) Explanation

If not exact, provide explanation:

4. Docket/Case Number:
I 05-01-03-115

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
Other
Other Product Types:
RESEARCH

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

ALLEGED THAT MORGAN STANLEY & CO. INCORPORATED ("MS&CO.") VIOLATED THE SECURITIES ACT OF MONTANA, BY, AMONG OTHER THINGS, ENGAGING IN ACTS AND PRACTICES THAT CREATED CONFLICTS OF INTEREST FOR ITS RESEARCH ANALYSTS WITH RESPECT TO INVESTMENT BANKING ACTIVITY AND CONSIDERATIONS AND FAILING TO MANAGE SUCH CONFLICTS ADEQUATELY OR APPROPRIATELY; FAILING TO ENSURE, IN OFFERINGS WHERE MS&CO. WAS LEAD UNDERWRITER, THAT PAYMENTS MADE TO OTHER BROKER-DEALERS FOR PUBLISHING RESEARCH REPORTS WERE DISCLOSED BY THE ISSUERS IN THE OFFERING DOCUMENTS AND THE OTHER BROKER-DEALERS IN THEIR RESEARCH REPORTS; AND FAILING TO SUPERVISE PROPERLY ITS RESEARCH ANALYSTS, INCLUDING WITH REPECT TO THE RATINGS, PRICE TARGETS AND CONTENT OF THE REPORTS OF SENIOR RESEARCH ANALYSTS.

8. Current status ? ( ) Pending ( ) On Appeal (•) Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Order

ORDER

11. Resolution Date (MM/DD/YYYY):
01/07/2004 (•) Exact ( ) Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

- [x] Monetary/Fine Amount:$ 250000
- [ ] Revocation/Expulsion/Denial
- [ ] Disgorgement/Restitution
- [ ] Censure
- [x] Cease and Desist/Injunction
- [ ] Bar
- [ ] Suspension

B. Other Sanctions *Ordered*:
$75,000,000 TO PROVIDE FIRM'S CLIENTS WITH INDEPENDENT RESEARCH.

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
$250,000 IN 12A IS PENALTY TO MONTANA. ADDITIONAL PENALTIES/DISGORGEMENT OF $24,750,000 TO OTHER STATES AND $25,000,000 TO SEC, NASD AND NYSE IN RELATED PROCEEDINGS.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
WITHOUT ADMITTING OR DENYING THE ALLEGATIONS IN THE COMPLAINT IN THE RELATED PROCEEDINGS AND MADE IN THIS PROCEEDING, EXCEPT AS TO JURISDICTION, MS&CO. CONSENTED TO PAY A TOTAL OF $50 MILLION, WHICH INCLUDES PAYMENTS TO THE SEC, NASD, NYSE, STATES AND TERRITORIES, FOR PAST CONDUCT AND $75 MILLION IN THE FUTURE TO FUND INDEPENDENT RESEARCH. THE PAYMENT MADE TO MONTANA IS $250,000. IN ADDITION, MS&CO. HAS AGREED TO A NUMBER OF STRUCTURAL CHANGES TO THE OPERATIONS OF ITS EQUITY RESEARCH AND INVESTMENT BANKING OPERATIONS. MS&CO. IS ALSO IN THE PROCESS OF FINALIZING SETTLEMENTS WITH THE OTHER STATE AND TERRITORIAL SECURITIES ADMINISTRATORS.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an (•) INITIAL ***OR*** ( ) AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action			
[ ] 11.C(1)	[ ] 11.C(5)	[x] 11.D(4)	[ ] 11.E(3)
[ ] 11.C(2)	[ ] 11.D(1)	[ ] 11.D(5)	[ ] 11.E(4)
[ ] 11.C(3)	[x] 11.D(2)	[ ] 11.E(1)	[ ] 11.F
[ ] 11.C(4)	[ ] 11.D(3)	[ ] 11.E(2)	[ ] 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

(•) You (the advisory firm)

( ) You and one or more of your *advisory affiliates*

( ) One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*

No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

○ *Yes* ○ *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:
○ SEC ○ Other Federal ◉ State ○ *SRO* ○ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
NEW MEXICO SECURITIES DIVISION

2. Principal Sanction:

Other Sanctions:

3. Date Initiated (MM/DD/YYYY):
12/30/2003 ◉ Exact ○ Explanation

If not exact, provide explanation:

4. Docket/Case Number:
03-03-028-053(CO)

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
Other
Other Product Types:
RESEARCH

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

ALLEGED THAT MORGAN STANLEY & CO. INCORPORATED ("MS&CO.") VIOLATED THE NEW MEXICO SECURITIES ACT OF 1986, SECTIONS 58-13B1 ET. SEQ., NMSA 1978 AND THE RULES OF DIRECTION ADOPTED THEREUNDER, TITLE 12, CHAPTER 11, PARTS 1-16, BY, AMONG OTHER THINGS, ENGAGING IN ACTS AND PRACTICES THAT CREATED CONFLICTS OF INTEREST FOR ITS RESEARCH ANALYSTS WITH RESPECT TO INVESTMENT BANKING ACTIVITY AND CONSIDERATIONS AND FAILING TO MANAGE SUCH CONFLICTS ADEQUATELY OR APPROPRIATELY; FAILING TO ENSURE, IN OFFERINGS WHERE MS&CO. WAS LEAD UNDERWRITER, THAT PAYMENTS MADE TO OTHER BROKER-DEALERS FOR PUBLISHING RESEARCH REPORTS WERE DISCLOSED BY THE ISSUERS IN THE OFFERING DOCUMENTS AND THE OTHER BROKER-DEALERS IN THEIR RESEARCH REPORTS; AND FAILING TO SUPERVISE PROPERLY ITS RESEARCH ANALYSTS, INCLUDING WITH REPECT TO THE RATINGS, PRICE TARGETS AND CONTENT OF THE REPORTS OF SENIOR RESEARCH ANALYSTS.

8. Current status ? ○ Pending ○ On Appeal ◉ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Order

ORDER

11. Resolution Date (MM/DD/YYYY):
12/30/2003 ◉ Exact ○ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☑ Monetary/Fine Amount:$ 250000

☐ Revocation/Expulsion/Denial

☐ Censure

☐ Bar

☐ Disgorgement/Restitution

☑ Cease and Desist/Injunction

☐ Suspension

B. Other Sanctions *Ordered*:
$75,000,000 TO PROVIDE FIRM'S CLIENTS WITH INDEPENDENT RESEARCH.

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
$250,000 IN 12A IS PENALTY TO NEW MEXICO. ADDITIONAL PENALTIES/DISGORGEMENT OF $24,750,000 TO OTHER STATES AND $25,000,000 TO SEC, NASD AND NYSE IN RELATED PROCEEDINGS.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
WITHOUT ADMITTING OR DENYING THE ALLEGATIONS IN THE COMPLAINT IN THE RELATED PROCEEDINGS AND MADE IN THIS PROCEEDING, EXCEPT AS TO JURISDICTION, MS&CO. CONSENTED TO PAY A TOTAL OF $50 MILLION, WHICH INCLUDES PAYMENTS TO THE SEC, NASD, NYSE, STATES AND TERRITORIES, FOR PAST CONDUCT AND $75 MILLION IN THE FUTURE TO FUND INDEPENDENT RESEARCH. THE PAYMENT MADE TO NEW MEXICO IS $250,000. IN ADDITION, MS&CO. HAS AGREED TO A NUMBER OF STRUCTURAL CHANGES TO THE OPERATIONS OF ITS EQUITY RESEARCH AND INVESTMENT BANKING OPERATIONS. MS&CO. IS ALSO IN THE PROCESS OF FINALIZING SETTLEMENTS WITH THE OTHER STATE AND TERRITORIAL SECURITIES ADMINISTRATORS.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ○ INITIAL ***OR*** ◉ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action			
☐ 11.C(1)	☐ 11.C(5)	☐ 11.D(4)	☐ 11.E(3)
☐ 11.C(2)	☐ 11.D(1)	☐ 11.D(5)	☐ 11.E(4)
☐ 11.C(3)	☐ 11.D(2)	☐ 11.E(1)	☐ 11.F
☐ 11.C(4)	☐ 11.D(3)	☑ 11.E(2)	☐ 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

◉ You (the advisory firm)

○ You and one or more of your *advisory affiliates*

○ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

○ *Yes* ○ *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

○ SEC ○ Other Federal ○ State ◉ *SRO* ○ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
NEW YORK STOCK EXCHANGE DIVISION OF ENFORCEMENT

2. Principal Sanction:

Other Sanctions:

3. Date Initiated (MM/DD/YYYY):
03/17/2004 (•) Exact ( ) Explanation

If not exact, provide explanation:

4. Docket/Case Number:
HPD#: 04-66

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
Other
Other Product Types:
RESERVE BANK ACCOUNT

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

ALLEGED VIOLATIONS OF 1. SEC RULE 15C3-3(E) PROMULGATED UNDER THE SECURITIES ACT OF 1934 BY FAILING TO CALCULATE PROPERLY THE AMOUNT IT WAS REQUIRED TO DEPOSIT INTO A SPECIAL RESERVE BANK ACCOUNT FOR EXCLUSIVE BENEFIT OF CUSTOMERS; 2. SEC RULE 15C3-3(E) PROMULGATED UNDER THE SECURITIES ACT OF 1934 BY FAILING TO MAINTAIN THE SPECIAL RESERVE BANK ACCOUNT FOR THE EXCLUSIVE BENEFIT OF CUSTOMERS AT THE REQUIRED LEVEL; 3. EXCHANGE RULE 342 IN THAT ON ONE OR MORE OCCASIONS IT FAILED TO PROVIDE APPROPRIATE SUPERVISION AND CONTROL OF ITS BUSINESS ACTIVITIES, AND TO ESTABLISH A SEPARATE SYSTEM TO FOLLOW UP AND REVIEW TO ENSURE COMPLIANCE WITH RULES AND REGULATIONS RELATED TO THE SPECIAL RESERVE BANK ACCOUNT FOR THE EXCLUSIVE BENEFIT OF CUSTOMERS.

8. Current status ? ( ) Pending ( ) On Appeal (•) Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Stipulation and Consent

STIPCONS

11. Resolution Date (MM/DD/YYYY):
07/14/2004 (•) Exact ( ) Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

- [x] Monetary/Fine Amount:$ 140000
- [ ] Revocation/Expulsion/Denial
- [ ] Disgorgement/Restitution
- [x] Censure
- [ ] Cease and Desist/Injunction
- [ ] Bar
- [ ] Suspension

B. Other Sanctions *Ordered*:

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
CENSURE AND A FINE OF $140,000.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
MORGAN STANLEY ENTERED INTO A STIPULATION AND CONSENT TO PENALTY WITH THE NYSE'S DIVISION OF ENFORCEMENT AND, WITHOUT ADMITTING OR DENYING GUILT, CONSENTED TO A FINDING BY A HEARING PANEL THAT IT (1) VIOLATED SEC RULE 15C3-3(E) BY FAILING TO CALCULATE PROPERLY THE AMOUNT IT WAS REQUIRED TO DEPOSIT INTO A SPECIAL RESERVE BANK ACCOUNT FOR THE EXCLUSIVE BENEFIT OF CUSTOMERS; (2) VIOLATED SEC RULE 15C3-3(E) BY FAILING TO MAINTAIN THE SPECIAL RESERVE BANK ACCOUNT FOR THE EXCLUSIVE BENEFIT OF CUSTOMERS AT THE REQUIRED LEVEL; AND (3) VOILATED NYSE RULE 342 IN THAT ON ONE OR MORE OCCASIONS IT FAILED TO PROVIDE APPROPRIATE SUPERVISION AND CONTROL OF ITS BUSINESS ACTIVITIES, AND TO ESTABLISH A SEPARATE SYSTEM TO FOLLOW UP AND REVIEW TO ENSURE COMPLIANCE WITH RULES AND REGULATIONS RELATED TO THE SPECIAL RESERVE BANK ACCOUNT FOR THE EXCLUSIVE BENEFIT OF CUSTOMERS.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ( ) INITIAL ***OR*** (•) AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action

- [ ] 11.C(1)
- [ ] 11.C(5)
- [ ] 11.D(4)
- [ ] 11.E(3)

☐ 11.C(2) ☐ 11.D(1) ☐ 11.D(5) ☐ 11.E(4)

☐ 11.C(3) ☐ 11.D(2) ☐ 11.E(1) ☐ 11.F

☐ 11.C(4) ☐ 11.D(3) ☑ 11.E(2) ☐ 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- ◉ You (the advisory firm)
- ○ You and one or more of your *advisory affiliates*
- ○ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

○ *Yes* ○ *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:
   ○ SEC ○ Other Federal ○ State ◉ *SRO* ○ Foreign
   (Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
   NASD

2. Principal Sanction:

   Other Sanctions:

3. Date Initiated (MM/DD/YYYY):
   05/18/2004 ◉ Exact ○ Explanation

   If not exact, provide explanation:

4. Docket/Case Number:
   CAF040036

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
   Other
   Other Product Types:
   IPOS

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

   ON OR ABOUT MAY 18, 2004, MORGAN STANLEY ENTERED INTO A SETTLEMENT WITH THE NASD TO RESOLVE A MATTER RELATING TO IPO ALLOCATION PRACTICES, AND THE RECEIPT OF HIGHER THAN USUAL COMMISSION RATES. MORGAN STANLEY SUBMITTED A LETTER OF ACCEPTANCE, WAIVER AND CONSENT FOR THE PURPOSE OF SETTLING ALLEGED VIOLATIONS OF NASD RULE 2110 REQUIRING MEMBER FIRMS TO OBSERVE HIGH STANDARDS OF COMMERCIAL HONOR AND ADHERE TO JUST AND EQUITABLE PRINCIPLES OF TRADE. THE FIRM CONSENTED, WITHOUT ADMITTING OR DENYING, TO THE IMPOSITION OF A CENSURE, A FINE OF $490,000 AND A PAYMENT OF $4.9 MILLION IN DISGORGEMENT FOR RECEIVING UNUSUALLY HIGH COMMISSIONS FROM APPROXIMATELY 25 CUSTOMERS WITHOUT INQUIRY AND WITHIN ONE DAY OF ALLOCATING SHARES OF "HOT" IPOS TO THESE CUSTOMERS.

8. Current status ? ○ Pending ○ On Appeal ◉ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Acceptance, Waiver & Consent(AWC)

AWC

11. Resolution Date (MM/DD/YYYY):
05/18/2004 ◉ Exact ○ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

- ☑ Monetary/Fine Amount:$ 490000
- ☐ Revocation/Expulsion/Denial
- ☑ Censure
- ☐ Bar
- ☑ Disgorgement/Restitution
- ☐ Cease and Desist/Injunction
- ☐ Suspension

B. Other Sanctions *Ordered*:
A PAYMENT OF $4.9 MILLION IN DISGORGEMENT.

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
CENSURE, FINE OF $490,000 PAID 5/26/2004 AND A PAYMENT OF $4.9 MILLION IN DISGORGEMENT.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
ON OR ABOUT MAY 18, 2004, MORGAN STANLEY ENTERED INTO A SETTLEMENT WITH THE NASD TO RESOLVE A MATTER RELATING TO IPO ALLOCATION PRACTICES, AND THE RECEIPT OF HIGHER THAN USUAL COMMISSION RATES. MORGAN STANLEY SUBMITTED A LETTER OF ACCEPTANCE, WAIVER AND CONSENT FOR THE PURPOSE OF SETTLING ALLEGED VIOLATIONS OF NASD RULE 2110 REQUIRING MEMBER FIRMS TO OBSERVE HIGH STANDARDS OF COMMERCIAL HONOR AND ADHERE TO JUST AND EQUITABLE PRINCIPLES OF TRADE. THE FIRM CONSENTED, WITHOUT ADMITTING OR DENYING, TO THE IMPOSITION OF A CENSURE, A FINE OF $490,000 AND A PAYMENT OF $4.9 MILLION IN DISGORGEMENT FOR RECEIVING UNUSUALLY HIGH COMMISSIONS FROM APPROXIMATELY 25 CUSTOMERS WITHOUT INQUIRY AND WITHIN ONE DAY OF ALLOCATING SHARES OF "HOT" IPOS TO THESE CUSTOMERS.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ◉ INITIAL ***OR*** ○ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action

☐ 11.C(1)	☐ 11.C(5)	☑ 11.D(4)	☐ 11.E(3)
☐ 11.C(2)	☐ 11.D(1)	☐ 11.D(5)	☐ 11.E(4)
☐ 11.C(3)	☑ 11.D(2)	☐ 11.E(1)	☐ 11.F
☐ 11.C(4)	☐ 11.D(3)	☐ 11.E(2)	☐ 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- ◉ You (the advisory firm)
- ○ You and one or more of your *advisory affiliates*
- ○ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*

No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

○ *Yes* ○ *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

○ SEC ○ Other Federal ◉ State ○ *SRO* ○ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
LOUISIANA COMMISSIONER OF SECURITIES

2. Principal Sanction:

Other Sanctions:

3. Date Initiated (MM/DD/YYYY):
05/26/2004 ◉ Exact ○ Explanation

If not exact, provide explanation:

4. Docket/Case Number:
NOT APPLICABLE

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
Other
Other Product Types:
RESEARCH

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

ALLEGED THAT MORGAN STANLEY & CO. INCORPORATED ("MS&CO.") VIOLATED SECTION 716 OF THE LOUISIANA SECURITIES LAW, BY, AMONG OTHER THINGS, ENGAGING IN ACTS AND PRACTICES THAT CREATED CONFLICTS OF INTEREST FOR ITS RESEARCH ANALYSTS WITH RESPECT TO INVESTMENT BANKING ACTIVITY AND CONSIDERATIONS AND FAILING TO MANAGE SUCH CONFLICTS ADEQUATELY OR APPROPRIATELY; FAILING TO ENSURE, IN OFFERINGS WHERE MS&CO. WAS LEAD UNDERWRITER, THAT PAYMENTS MADE TO OTHER BROKER-DEALERS FOR PUBLISHING RESEARCH REPORTS WERE DISCLOSED BY THE ISSUERS IN THE OFFERING DOCUMENTS AND THE OTHER BROKER-DEALERS IN THEIR RESEARCH REPORTS; AND FAILING TO SUPERVISE PROPERLY ITS RESEARCH ANALYSTS, INCLUDING WITH REPECT TO THE RATINGS, PRICE TARGETS AND CONTENT OF THE REPORTS OF SENIOR RESEARCH ANALYSTS.

8. Current status ? ○ Pending ○ On Appeal ◉ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Order

ORDER

11. Resolution Date (MM/DD/YYYY):
05/26/2004 ◉ Exact ○ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☑ Monetary/Fine Amount:$ 344339

☐ Revocation/Expulsion/Denial

☐ Censure

☐ Bar

☐ Disgorgement/Restitution

☑ Cease and Desist/Injunction

☐ Suspension

B. Other Sanctions *Ordered*:
$75,000,000 TO PROVIDE FIRM'S CLIENTS WITH INDEPENDENT RESEARCH.

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
$344,339 IN 12A IS PENALTY TO LOUISIANA. ADDITIONAL PENALTIES/DISGORGEMENT OF $24,655,661 TO OTHER STATES AND $25,000,000 TO SEC, NASD AND NYSE IN RELATED PROCEEDINGS.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
WITHOUT ADMITTING OR DENYING THE ALLEGATIONS IN THE COMPLAINT IN THE RELATED PROCEEDINGS AND MADE IN THIS PROCEEDING, EXCEPT AS TO JURISDICTION, MS&CO. CONSENTED TO PAY A TOTAL OF $50 MILLION, WHICH INCLUDES PAYMENTS TO THE SEC, NASD, NYSE, STATES AND TERRITORIES, FOR PAST CONDUCT AND $75 MILLION IN THE FUTURE TO FUND INDEPENDENT RESEARCH. THE PAYMENT MADE TO LOUISIANA IS $344,339. IN ADDITION, MS&CO. HAS AGREED TO A NUMBER OF STRUCTURAL CHANGES TO THE OPERATIONS OF ITS EQUITY RESEARCH AND INVESTMENT BANKING OPERATIONS. MS&CO. IS ALSO IN THE PROCESS OF FINALIZING SETTLEMENTS WITH THE OTHER STATE AND TERRITORIAL SECURITIES ADMINISTRATORS.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an (•) INITIAL ***OR*** ( ) AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action			
☐ 11.C(1)	☐ 11.C(5)	☑ 11.D(4)	☐ 11.E(3)
☐ 11.C(2)	☐ 11.D(1)	☐ 11.D(5)	☐ 11.E(4)
☐ 11.C(3)	☑ 11.D(2)	☐ 11.E(1)	☐ 11.F
☐ 11.C(4)	☐ 11.D(3)	☐ 11.E(2)	☐ 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):
- (•) You (the advisory firm)
- ( ) You and one or more of your *advisory affiliates*
- ( ) One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.
( ) *Yes* ( ) *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:
( ) SEC ( ) Other Federal (•) State ( ) *SRO* ( ) Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
SOUTH CAROLINA SECURITIES DIVISION

2. Principal Sanction:

Other Sanctions:

3. Date Initiated (MM/DD/YYYY):
06/29/2004 (•) Exact ( ) Explanation

If not exact, provide explanation:

4. Docket/Case Number:
FILE NO. 03087

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
Other
Other Product Types:
RESEARCH

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

ALLEGED THAT MORGAN STANLEY & CO. INCORPORATED ("MS&CO.") VIOLATED THE SECTION 35-1-580 AND SECTION 35-1-1310 OF THE SOUTH CAROLINA UNIFORM SECURITIES ACT, S.C. ANN. SECTION 35-1-10 ET SEQ., BY, AMONG OTHER THINGS, ENGAGING IN ACTS AND PRACTICES THAT CREATED CONFLICTS OF INTEREST FOR ITS RESEARCH ANALYSTS WITH RESPECT TO INVESTMENT BANKING ACTIVITY AND CONSIDERATIONS AND FAILING TO MANAGE SUCH CONFLICTS ADEQUATELY OR APPROPRIATELY; FAILING TO ENSURE, IN OFFERINGS WHERE MS&CO. WAS LEAD UNDERWRITER, THAT PAYMENTS MADE TO OTHER BROKER-DEALERS FOR PUBLISHING RESEARCH REPORTS WERE DISCLOSED BY THE ISSUERS IN THE OFFERING DOCUMENTS AND THE OTHER BROKER-DEALERS IN THEIR RESEARCH REPORTS; AND FAILING TO SUPERVISE PROPERLY ITS RESEARCH ANALYSTS, INCLUDING WITH REPECT TO THE RATINGS, PRICE TARGETS AND CONTENT OF THE REPORTS OF SENIOR RESEARCH ANALYSTS.

8. Current status ? ( ) Pending ( ) On Appeal (•) Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Order

ORDER

11. Resolution Date (MM/DD/YYYY):
06/29/2004 (•) Exact ( ) Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

- [x] Monetary/Fine Amount:$ 309130
- [ ] Revocation/Expulsion/Denial
- [ ] Disgorgement/Restitution
- [ ] Censure
- [x] Cease and Desist/Injunction
- [ ] Bar
- [ ] Suspension

B. Other Sanctions *Ordered*:
$75,000,000 TO PROVIDE FIRM'S CLIENTS WITH INDEPENDENT RESEARCH.

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
$309,130 IN 12A IS PENALTY TO SOUTH CAROLINA. ADDITIONAL PENALTIES/DISGORGEMENT OF $24,390,870 TO OTHER STATES AND $25,000,000 TO SEC, NASD AND NYSE IN RELATED PROCEEDINGS.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
WITHOUT ADMITTING OR DENYING THE ALLEGATIONS IN THE COMPLAINT IN THE RELATED PROCEEDINGS AND MADE IN THIS PROCEEDING, EXCEPT AS TO JURISDICTION, MS&CO. CONSENTED TO PAY A TOTAL OF $50 MILLION, WHICH INCLUDES PAYMENTS TO THE SEC, NASD, NYSE, STATES AND TERRITORIES, FOR PAST CONDUCT AND $75 MILLION IN THE FUTURE TO FUND INDEPENDENT RESEARCH. THE PAYMENT MADE TO SOUTH CAROLINA IS $309,130. IN ADDITION, MS&CO. HAS AGREED TO A NUMBER OF STRUCTURAL CHANGES TO THE OPERATIONS OF ITS EQUITY RESEARCH AND INVESTMENT BANKING OPERATIONS. MS&CO. IS ALSO IN THE PROCESS OF FINALIZING SETTLEMENTS WITH THE OTHER STATE AND TERRITORIAL SECURITIES ADMINISTRATORS.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ( ) INITIAL ***OR*** (•) AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action

☐ 11.C(1)	☐ 11.C(5)	☑ 11.D(4)	☐ 11.E(3)
☐ 11.C(2)	☐ 11.D(1)	☐ 11.D(5)	☐ 11.E(4)
☐ 11.C(3)	☑ 11.D(2)	☐ 11.E(1)	☐ 11.F
☐ 11.C(4)	☐ 11.D(3)	☐ 11.E(2)	☐ 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- ◉ You (the advisory firm)
- ○ You and one or more of your *advisory affiliates*
- ○ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

○ *Yes* ○ *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

○ SEC ○ Other Federal ◉ State ○ *SRO* ○ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
NEW HAMPSHIRE BUREAU OF SECURITIES REGULATION

2. Principal Sanction:

Other Sanctions:

3. Date Initiated (MM/DD/YYYY):
01/13/2004 ◉ Exact ○ Explanation

If not exact, provide explanation:

4. Docket/Case Number:

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
Other
Other Product Types:
RESEARCH

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

ALLEGED THAT MORGAN STANLEY & CO. INCORPORATED ("MS&CO.") VIOLATED THE NEW HAMPSHIRE REVISED STATUTES ANNOTATED 421-B:26-A AND 421-B:27, BY, AMONG OTHER THINGS, ENGAGING IN ACTS AND PRACTICES THAT CREATED CONFLICTS OF INTEREST FOR ITS RESEARCH ANALYSTS WITH RESPECT TO INVESTMENT BANKING ACTIVITY AND CONSIDERATIONS AND FAILING TO MANAGE SUCH CONFLICTS ADEQUATELY OR APPROPRIATELY; FAILING TO ENSURE, IN OFFERINGS WHERE MS&CO. WAS LEAD UNDERWRITER, THAT PAYMENTS MADE TO OTHER BROKER-DEALERS FOR PUBLISHING RESEARCH REPORTS WERE

DISCLOSED BY THE ISSUERS IN THE OFFERING DOCUMENTS AND THE OTHER BROKER-DEALERS IN THEIR RESEARCH REPORTS; AND FAILING TO SUPERVISE PROPERLY ITS RESEARCH ANALYSTS, INCLUDING WITH REPECT TO THE RATINGS, PRICE TARGETS AND CONTENT OF THE REPORTS OF SENIOR RESEARCH ANALYSTS.

8. Current status ? ○ Pending ○ On Appeal ◉ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Order

ORDER

11. Resolution Date (MM/DD/YYYY):
01/13/2004 ◉ Exact ○ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

- ☑ Monetary/Fine Amount:$ 250000
- ☐ Revocation/Expulsion/Denial
- ☐ Censure
- ☐ Bar
- ☐ Disgorgement/Restitution
- ☑ Cease and Desist/Injunction
- ☐ Suspension

B. Other Sanctions *Ordered*:
$75,000,000 TO PROVIDE FIRM'S CLIENTS WITH INDEPENDENT RESEARCH.

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
$250,000 IN 12A IS PENALTY TO NEW HAMPSHIRE. ADDITIONAL PENALTIES/DISGORGEMENT OF $24,750,000 TO OTHER STATES AND $25,000,000 TO SEC, NASD AND NYSE IN RELATED PROCEEDINGS.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
WITHOUT ADMITTING OR DENYING THE ALLEGATIONS IN THE COMPLAINT IN THE RELATED PROCEEDINGS AND MADE IN THIS PROCEEDING, EXCEPT AS TO JURISDICTION, MS&CO. CONSENTED TO PAY A TOTAL OF $50 MILLION, WHICH INCLUDES PAYMENTS TO THE SEC, NASD, NYSE, STATES AND TERRITORIES, FOR PAST CONDUCT AND $75 MILLION IN THE FUTURE TO FUND INDEPENDENT RESEARCH. THE PAYMENT MADE TO NEW HAMPSHIRE IS $250,000. IN ADDITION, MS&CO. HAS AGREED TO A NUMBER OF STRUCTURAL CHANGES TO THE OPERATIONS OF ITS EQUITY RESEARCH AND INVESTMENT BANKING OPERATIONS. MS&CO. IS ALSO IN THE PROCESS OF FINALIZING SETTLEMENTS WITH THE OTHER STATE AND TERRITORIAL SECURITIES ADMINISTRATORS.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ◉ INITIAL ***OR*** ○ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action

☐ 11.C(1)	☐ 11.C(5)	☐ 11.D(4)	☐ 11.E(3)
☐ 11.C(2)	☐ 11.D(1)	☐ 11.D(5)	☐ 11.E(4)
☐ 11.C(3)	☐ 11.D(2)	☐ 11.E(1)	☐ 11.F
☐ 11.C(4)	☐ 11.D(3)	☑ 11.E(2)	☐ 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- ◉ You (the advisory firm)
- ○ You and one or more of your *advisory affiliates*
- ○ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

○ *Yes* ○ *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:
○ SEC ○ Other Federal ○ State ◉ *SRO* ○ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
NATIONAL ASSOCIATION OF SECURITIES DEALERS INC.

2. Principal Sanction:
Censure
Other Sanctions:
$15,000 FINE.

3. Date Initiated (MM/DD/YYYY):
12/13/2004 ◉ Exact ○ Explanation

If not exact, provide explanation:

4. Docket/Case Number:
CMS040198

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
Equity - OTC
Other Product Types:

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

ALLEGED VIOLATIONS OF (1) NASD MARKETPLACE RULE 6130(D) BY FAILING TO REPORT TO ACT THE CORRECT SYMBOL INDICATING WHETHER THE TRANSACTION WAS A BUY, SELL, SELL SHORT, SELL SHORT EXEMPT OR CROSS FOR 8 TRANSACTIONS IN ELIGIBLE SECURITIES; (2) SEC RULE 10B-10 BY FAILING ON 37 OCCASIONS TO PROVIDE WRITTEN NOTIFICATION DISCLOSING TO ITS CUSTOMER THAT THE TRANSACTION WAS EXECUTED AT AN AVERAGE PRICE; AND (3) NASD CONDUCT RULE 3370 BY, DURING THE REVIEW PERIOD, ACCEPTING 3 CUSTOMER SHORT SALE ORDERS IN CERTAIN SECURITIES AND, FOR EACH ORDER, FAILING TO MAKE AND ANNOTATE AN AFFIRMATIVE DETERMINATION THAT THE FIRM WOULD RECEIVE DELIVERY OF THE SECURITY ON BEHALF OF THE CUSTOMER OR THAT THE FIRM COULD BORROW THE SECURITY ON BEHALF OF THE CUSTOMER FOR DELIVERY BY SETTLEMENT DATE AND DURING THE REVIEW PERIOD, EFFECTING 2 SHORT SALES IN CERTAIN SECURITIES FOR THE FIRM'S PROPRIETARY ACCOUNT(S) AND FAILING TO MAKE AND ANNOTATE AN AFFIRMATIVE DETERMINATION THAT THE FIRM COULD BORROW THE SECURITIES OR OTHERWISE PROVIDE FOR DELIVERY OF THE SECURITIES BY SETTLEMENT DATE.

8. Current status ? ○ Pending ○ On Appeal ◉ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Acceptance, Waiver & Consent(AWC)

AWC

11. Resolution Date (MM/DD/YYYY):
12/13/2004 ◉ Exact ○ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☑ Monetary/Fine Amount:$ 15000

- [ ] Revocation/Expulsion/Denial
- [x] Censure
- [ ] Bar
- [ ] Disgorgement/Restitution
- [ ] Cease and Desist/Injunction
- [ ] Suspension

B. Other Sanctions *Ordered*:

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
$15,000 FINE (COMPOSED OF $5,000 FOR VIOLATIONS OF RULE 3370 (AFFIRMATIVE DETERMINATION), $5,000 FOR VIOLATIONS OF RULE 6130 (ACT SHORT SALE REPORTING), AND $5,000 FOR VIOLATIONS OF SEC RULE 10B-10.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
WITHOUT ADMITTING OR DENYING THE ALLEGATIONS OR FINDINGS MORGAN STANLEY & CO. INCORPORATED CONSENTED TO A CENSURE AND FINE OF $15,000.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ○ INITIAL ***OR*** ◉ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action			
☐ 11.C(1)	☐ 11.C(5)	☐ 11.D(4)	☐ 11.E(3)
☐ 11.C(2)	☐ 11.D(1)	☐ 11.D(5)	☐ 11.E(4)
☐ 11.C(3)	☐ 11.D(2)	☐ 11.E(1)	☐ 11.F
☐ 11.C(4)	☐ 11.D(3)	☑ 11.E(2)	☐ 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- ◉ You (the advisory firm)
- ○ You and one or more of your *advisory affiliates*
- ○ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

- ☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.
- ☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

◉ *Yes* ○ *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

○ SEC ○ Other Federal ○ State ◉ *SRO* ○ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
NEW YORK STOCK EXCHANGE

2. Principal Sanction:
Censure
Other Sanctions:
$6,000,000 FINE

3. Date Initiated (MM/DD/YYYY):
12/03/2004 (•) Exact ( ) Explanation

If not exact, provide explanation:

4. Docket/Case Number:
HPD#: 04-185

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
No Product
Other Product Types:

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

ALLEGED VIOLATIONS BY MORGAN STANLEY & CO. INCORPORATED AND/OR MORGAN STANLEY DW INC. OF (1)EXCHANGE RULE 342 BY FAILING TO PROVIDE FOR APPROPRIATE SUPERVISION OF CERTAIN BUSINESS ACTIVITIES AND BY FAILING TO PROVIDE FOR PROPER IMPLEMENTATION OF ADEQUATE SYSTEMS AND PROCEDURES TO ENSURE ADEQUATE SUPERVISION OF CERTAIN CUSTOMER ACCOUNTS; (2) EXCHANGE RULE 405 BY FAILING TO USE DUE DILIGENCE RELATIVE TO CERTAIN CUSTOMER ACCOUNTS AND TO SUPERVISE DILIGENTLY ACCOUNTS HANDLED BY TWO REGISTERED REPRESENTATIVES; AND (3) EXCHANGE RULE 440 AND REGULATION 240.17A-3 OF THE EXCHANGE ACT BY FAILING TO MAINTAIN COMPLETE AND ACCURATE BOOKS AND RECORDS RELATED TO THIS MATTER.

8. Current status ? ( ) Pending ( ) On Appeal (•) Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Stipulation and Consent

STIPCONS

11. Resolution Date (MM/DD/YYYY):
01/07/2005 (•) Exact ( ) Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

- [x] Monetary/Fine Amount:$ 6000000
- [ ] Revocation/Expulsion/Denial
- [x] Censure
- [ ] Bar
- [ ] Disgorgement/Restitution
- [ ] Cease and Desist/Injunction
- [ ] Suspension

B. Other Sanctions *Ordered*:

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
$6,000,000 FINE AND CENSURE.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
WITHOUT ADMITTING OR DENYING GUILT, MORGAN STANLEY & CO. INCORPORATED AND MORGAN STANLEY DW INC. CONSENTED TO A CENSURE AND A FINE OF $6,000,000.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ( ) INITIAL ***OR*** (•) AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action

[ ] 11.C(1)	[ ] 11.C(5)	[ ] 11.D(4)	[ ] 11.E(3)
[ ] 11.C(2)	[ ] 11.D(1)	[ ] 11.D(5)	[ ] 11.E(4)

☐ 11.C(3) ☐ 11.D(2) ☐ 11.E(1) ☐ 11.F

☐ 11.C(4) ☐ 11.D(3) ☑ 11.E(2) ☐ 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- ◉ You (the advisory firm)
- ○ You and one or more of your *advisory affiliates*
- ○ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

◉ *Yes* ○ *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:
○ SEC ○ Other Federal ○ State ◉ *SRO* ○ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
NEW YORK STOCK EXCHANGE

2. Principal Sanction:
Censure
Other Sanctions:
$13,000,000

3. Date Initiated (MM/DD/YYYY):
12/03/2004 ◉ Exact ○ Explanation

If not exact, provide explanation:

4. Docket/Case Number:
HPD# 04-184

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
Other
Other Product Types:
DEBT - ASSET BACKED; EQUITY - OTC; EQUITY - LISTED; MUTUAL FUNDS

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

ALLEGED VIOLATIONS BY MORGAN STANLEY & CO. INCORPORATED AND/OR MORGAN STANLEY DW INC. OF (1) EXCHANGE RULES 401 AND 476(A)(6) BY FAILING TO ENSURE DELIVERY OF PROSPECTUSES IN CONNECTION WITH CERTAIN SALES OF SECURITIES; (2) EXCHANGE RULE 476(A)(11) BY FAILING TO TIMELY AND ACCURATELY FILE DAILY PROGRAM TRADE REPORTS; (3) EXCHANGE RULE 440B AND REGULATION 10A-1 OF THE EXCHANGE ACT BY ERRONEOUSLY EXECUTING CERTAIN SELL ORDERS ON A MINUS TICK FOR SECURITIES IN WHICH THE FIRM HELD A SHORT POSITION; (4) EXCHANGE RULE 351 BY FAILING TO TIMELY SUBMIT FORMS RE-3 IN CONNECTION WITH CERTAIN MATTERS; (5) EXCHANGE RULE 345 AND EXCHANGE ACT REGULATIONS 17F-2 AND 17A-3(12)(I) BY HIRING CERTAIN INDIVIDUALS SUBJECT TO STATUTORY DISQUALIFICATION AND FAILING TO FILE FINGERPRINT CARDS FOR CERTAIN NON-REGISTERED EMPLOYEES; (6) EXCHANGE RULE 123C BY FAILING TO COMPLY WITH REQUIREMENTS CONCERNING CERTAIN MARKET-ON-CLOSE AND LIMIT-ON-CLOSE ORDERS; (7) EXCHANGE RULES 472, 342.16 AND 342.17 CONCERNING SUPERVISION OF CERTAIN INCOMING AND/OR OUTGOING COMMUNICATIONS; AND (8) EXCHANGE RULE 342(A) AND (B) BY FAILING

TO REASONABLY SUPERVISE CERTAIN ACTIVITIES.

8. Current status ? ○ Pending ○ On Appeal ◉ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Stipulation and Consent

STIPCONS

11. Resolution Date (MM/DD/YYYY):
01/07/2005 ◉ Exact ○ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

- ☑ Monetary/Fine Amount:$ 13000000
- ☐ Revocation/Expulsion/Denial
- ☑ Censure
- ☐ Bar
- ☐ Disgorgement/Restitution
- ☐ Cease and Desist/Injunction
- ☐ Suspension

B. Other Sanctions *Ordered*:

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
CENSURE AND $13,000,000.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
WITHOUT ADMITTING OR DENYING GUILT, MORGAN STANLEY & CO. INCORPORATED AND MORGAN STANELY DW INC. CONSENTED TO A CENSURE, A FINE OF $13,000,000, AND TO OFFER TO THOSE CLIENTS WHO SHOULD HAVE RECEIVED A PROSPECTUS DURING THE PERIOD JUNE 2003 TO SEPTEMBER 2004, THE OPPORTUNITY TO RESCIND THOSE PURCHASES.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ◉ INITIAL ***OR*** ○ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action			
☐ 11.C(1)	☐ 11.C(5)	☐ 11.D(4)	☐ 11.E(3)
☐ 11.C(2)	☐ 11.D(1)	☐ 11.D(5)	☐ 11.E(4)
☐ 11.C(3)	☐ 11.D(2)	☐ 11.E(1)	☐ 11.F
☐ 11.C(4)	☐ 11.D(3)	☑ 11.E(2)	☐ 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- ◉ You (the advisory firm)
- ○ You and one or more of your *advisory affiliates*
- ○ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*

No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

○ *Yes* ○ *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:
○ SEC ○ Other Federal ○ State ◉ *SRO* ○ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
PHILADELPHIA STOCK EXCHANGE, INC.

2. Principal Sanction:
Civil and Administrative Penalt(ies) /Fine(s)
Other Sanctions:
CENSURE AND UNDERTAKINGS

3. Date Initiated (MM/DD/YYYY):
02/24/2005 ◉ Exact ○ Explanation

If not exact, provide explanation:

4. Docket/Case Number:
ENFORCEMENT NO. 2005-06

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
Options
Other Product Types:

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

DURING JANUARY 2003 AND MAY 2003, ON AT LEAST TWENTY SEPARATE OCCASIONS, A FORMER EMPLOYEE ENTERED ORDERS TO TRADE THE SEPARATE COMPONENTS OF THE EXCHANGE OIL SERVICE, SEMICONDUCTOR, DEFENSE, GOLD/SILVER OR BANK SECTOR INDICIES (THE "INDICIES") FOR MORGAN STANLEY & CO. INCORPORATED'S ("MORGAN STANLEY") PROPRIETARY FACILITATION ACCOUNT PRIOR TO DISCLOSING TO THE EXCHANGE'S TRADING CROWD THE TERMS OF CUSTOMER ORDERS TO TRADE OPTIONS ON THE INDICIES IN VIOLATION OF EXCHANGE RULE 1064.

8. Current status ? ○ Pending ○ On Appeal ◉ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Settled

SETTLMNT

11. Resolution Date (MM/DD/YYYY):
04/06/2005 ◉ Exact ○ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☑ Monetary/Fine Amount:$ 150000

☐ Revocation/Expulsion/Denial

☑ Censure

☐ Bar

☐ Disgorgement/Restitution

☐ Cease and Desist/Injunction

☐ Suspension

B. Other Sanctions *Ordered*:
AGREEMENT BY MORGAN STANLEY TO PERFORM THE FOLLOWING UNDERTAKINGS: (A) TO UPDATE ITS WRITTEN SUPERVISORY PROCEDURES TO INCLUDE PROCEDURES REASONABLY EXPECTED TO PREVENT AND DETECT, INSOFAR AS PRACTICABLE, VIOLATIONS OF EXCHANGE RULE 1064 BY ITS PERSONNEL;

AND (B) TO UPDATE ITS COMPLIANCE MANUAL WITH PROCEDURES, USING LANGUAGE NOT UNACCEPTABLE TO EXCHANGE STAFF, REASONABLY DESIGNED TO ENSURE COMPLIANCE WITH EXCHANGE RULE 1064, WHICH WILL BE DISSEMINATED TO ALL OF MORGAN STANLEY'S EMPOLYEES IN THE INSTITUTIONAL EQUITY DIVISION, AND WHICH WILL SET FORTH EACH INDIVIDUAL'S RESPONSIBILITY TO STRICTLY ADHERE TO THE REQUIREMENTS OF THE RULE.

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
FINE, CENSURE AND UNDERTAKINGS

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
THE FORMER EMPLOYEE WAS CENSURED AND FINED $50,000.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ◉ INITIAL ***OR*** ○ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action			
☐ 11.C(1)	☐ 11.C(5)	☐ 11.D(4)	☐ 11.E(3)
☐ 11.C(2)	☐ 11.D(1)	☐ 11.D(5)	☐ 11.E(4)
☐ 11.C(3)	☐ 11.D(2)	☐ 11.E(1)	☐ 11.F
☐ 11.C(4)	☐ 11.D(3)	☑ 11.E(2)	☐ 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

◉ You (the advisory firm)

○ You and one or more of your *advisory affiliates*

○ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

○ *Yes* ○ *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

○ SEC ○ Other Federal ○ State ◉ *SRO* ○ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
NATIONAL ASSOCIATION OF SECURITIES DEALERS INC.

2. Principal Sanction:
Censure
Other Sanctions:
DISGORGEMENT OF PROFITS TOTALING $2,545,618.14 AND A FINE OF $150,000.

3. Date Initiated (MM/DD/YYYY):

04/28/2005 (•) Exact ( ) Explanation

If not exact, provide explanation:

4. Docket/Case Number:
CE2050009

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
Equity Listed (Common & Preferred Stock)
Other Product Types:

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

ALLEGED VIOLATIONS OF NASD RULES 2710 AND 2110 FOR FAILING TO TAKE REASONABLE STEPS TO ENSURE THAT CERTAIN SHARES HELD BY CERTAIN MORGAN STANLEY AFFILIATES WERE NOT SOLD PRIOR TO THE EXPIRATION OF THE ONE-YEAR LOCK-UP PERIOD REQUIRED BY RULE 2710(C)(7)(A)(I). ALLEGED VIOLATION OF NASD CONDUCT RULE 2110 FOR FAILING TO TAKE REASONABLE STEPS TO ENSURE ADHERENCE TO CERTAIN REPRESENTATIONS TO NASD THAT CERTAIN SHARES HELD BY CERTAIN MORGAN STANLEY AFFILIATES WOULD NOT BE SOLD FOR ONE YEAR FROM THE EFFECTIVE DATE OF THE IPO. ALLEGED VIOLATIONS OF NASD CONDUCT RULES 3010(A) AND (B) AND 2110 FOR FAILING TO ESTABLISH AND MAINTAIN AN ADEQUATE SUPERVISORY SYSTEM, INCLUDING WRITTEN PROCEDURES, REASONABLY DESIGNED TO ENSURE THAT CERTAIN SHARES HELD BY CERTAIN MORGAN STANLEY AFFILIATES WOULD NOT BE SOLD PRIOR TO WHEN PERMISSIBLE UNDER RULE 2710 OR PRIOR TO THE PERIOD REPRESENTED TO NASD.

8. Current status ? ( ) Pending ( ) On Appeal (•) Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Acceptance, Waiver & Consent(AWC)

AWC

11. Resolution Date (MM/DD/YYYY):

04/28/2005 (•) Exact ( ) Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

- [x] Monetary/Fine Amount:$ 150000
- [ ] Revocation/Expulsion/Denial
- [x] Disgorgement/Restitution
- [x] Censure
- [ ] Cease and Desist/Injunction
- [ ] Bar
- [ ] Suspension

B. Other Sanctions *Ordered*:
DISGORGEMENT OF PROFITS TOTALING $2,545,618.14

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
CENSURE, DISGORGEMENT OF PROFITS TOTALING $2,545,618.14 AND A FINE OF $150,000.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
WITHOUT ADMITTING OR DENYING THE ALLEGATIONS OR FINDINGS, MORGAN STANLEY & CO. INCORPORATED CONSENTED TO A CENSURE, DISGORGEMENT OF PROFITS TOTALING $2,545,618.14 AND A FINE OF $150,000. PAYMENT TOTALING $2,695,618.10 SENT TO THE NASD ON MAY 6, 2005.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an (•) INITIAL ***OR*** ( ) AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action			
[ ] 11.C(1)	[ ] 11.C(5)	[ ] 11.D(4)	[ ] 11.E(3)
[ ] 11.C(2)	[ ] 11.D(1)	[ ] 11.D(5)	[ ] 11.E(4)
[ ] 11.C(3)	[ ] 11.D(2)	[ ] 11.E(1)	[ ] 11.F
[ ] 11.C(4)	[ ] 11.D(3)	[x] 11.E(2)	[ ] 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- (•) You (the advisory firm)
- ( ) You and one or more of your *advisory affiliates*
- ( ) One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

( ) *Yes* ( ) *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:
( ) SEC ( ) Other Federal ( ) State (•) *SRO* ( ) Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
NASD

2. Principal Sanction:
Civil and Administrative Penalt(ies) /Fine(s)
Other Sanctions:
CENSURE, UNDERTAKING

3. Date Initiated (MM/DD/YYYY):
05/01/2006 (•) Exact ( ) Explanation

If not exact, provide explanation:

4. Docket/Case Number:
CONSENT NO. 2005003527001

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
No Product
Other Product Types:

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

NASD ALLEGED AND FOUND THAT MORGAN STANLEY & CO. INCORPORATED (FIRM) VIOLATED NASD RULES 8210 AND 3010 BY FAILING TO PRODUCE EMAILS IN RESPONSE TO REQUESTS FROM THE NASD FOR DOCUMENTS IN CONNECTION WITH THE RESEARCH ANALYST INVESTIGATION AND AT LEAST ANOTHER INVESTIGATION, AND BY FAILING TO SUPERVISE AND CONTROL THE ACTIVITIES OF ITS EMPLOYEES AND ESTABLISH AN ADEQUATE SYSTEM OF FOLLOW-UP AND REVIEW TO ENSURE COMPLIANCE WITH NASD RULES AND THE FEDERAL SECURITIES LAWS RELATING TO THE TIMELY PRODUCTION OF EMAIL.

8. Current status ? ( ) Pending ( ) On Appeal (•) Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:

Acceptance, Waiver & Consent(AWC)

AWC

11. Resolution Date (MM/DD/YYYY):

05/02/2006 (•) Exact ( ) Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

- [x] Monetary/Fine Amount:$ 2500000
- [ ] Revocation/Expulsion/Denial
- [ ] Disgorgement/Restitution
- [x] Censure
- [ ] Cease and Desist/Injunction
- [ ] Bar
- [ ] Suspension

B. Other Sanctions *Ordered*:
UNDERTAKING. SEE 13

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
SEE 13

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM CONSENTED TO THE AWC IN WHICH IT WAS CENSURED AND ORDERED TO PAY A FINE OF $2,500,000. THE PAYMENT OF THIS FINE REDUCES THE FIRM'S OBLIGATION TO PAY THE SEC CIVIL MONETARY PENALTIES ORDERED IN CONNECTION WITH A SIMILAR PROCEEDING BROUGHT BY THE SEC. THE FIRM ALSO AGREED TO ADOPT AND IMPLEMENT POLICIES AND PROCEDURES REASONABLY DESIGNED TO ENSURE COMPLIANCE WITH NASD RULE 8210 CONCERNING THE PRESERVATION AND PROMPT PRODUCTION OF ELECTRONIC COMMUNICATIONS AND INFORM THE NASD STAFF IN WRITING NO LATER THAN NINETY DAYS AFTER NOTICE OF ACCEPTANCE OF THIS AWC THAT IT HAS ADOPTED AND IMPLEMENTED SUCH POLICIES AND PROCEDURES. THE FIRM ALSO AGREED TO CERTAIN OTHER UNDERTAKINGS INVOLVING PROVIDING ANNUAL TRAINING TO EMPLOYEES RESPONSIBLE FOR PRESERVING OR PRODUCING ELECTRONIC COMMUNICATIONS REQUESTED BY THE NASD AND RETAINING AN INDEPENDENT CONSULTANT TO CONDUCT A REVIEW OF THE IMPLEMENTATION AND EFFECTIVENESS OF SUCH POLICIES, PROCEDURES AND TRAINING REFERRED TO IN PARAGRAPH II (A) AND (B) OF THE SECTION ON THE AWC CONCERNING VIOLATIONS AND SANCTIONS.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an (•) INITIAL ***OR*** ( ) AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action			
[ ] 11.C(1)	[ ] 11.C(5)	[ ] 11.D(4)	[ ] 11.E(3)
[ ] 11.C(2)	[ ] 11.D(1)	[ ] 11.D(5)	[ ] 11.E(4)
[ ] 11.C(3)	[ ] 11.D(2)	[ ] 11.E(1)	[ ] 11.F
[ ] 11.C(4)	[ ] 11.D(3)	[x] 11.E(2)	[ ] 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

(•) You (the advisory firm)

( ) You and one or more of your *advisory affiliates*

( ) One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

○ *Yes* ○ *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

○ SEC ○ Other Federal ○ State ◉ *SRO* ○ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)

NEW YORK STOCK EXCHANGE

2. Principal Sanction:

Civil and Administrative Penalt(ies) /Fine(s)

Other Sanctions:

CENSURE, UNDERTAKING

3. Date Initiated (MM/DD/YYYY):

05/05/2006 ◉ Exact ○ Explanation

If not exact, provide explanation:

4. Docket/Case Number:

06-80

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:

No Product

Other Product Types:

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

NYSE ALLEGED AND FOUND THAT MORGAN STANLEY & CO. INCORPORATED (THE FIRM) VIOLATED NYSE RULE 476(A) BY FAILING TO TIMELY PRODUCE EMAIL RECORDS IN CONNECTION WITH NYSE REQUESTS; VIOLATED NYSE RULE 342 BY FAILING TO REASONABLY SUPERVISE AND CONTROL ACTIVITIES OF ITS EMPLOYEES AND FAILING TO ESTABLISH ADEQUATE SYSTEM OF FOLLOW-UP AND REVIEW TO ENSURE COMPLIANCE WITH NYSE RULES AND FEDERAL SECURITIES LAWS RELATING TO PRODUCTION OF EMAIL.

8. Current status ? ○ Pending ○ On Appeal ◉ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:

Decision

DECISION

11. Resolution Date (MM/DD/YYYY):

05/05/2006 ◉ Exact ○ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☑ Monetary/Fine Amount:$ 2500000

☐ Revocation/Expulsion/Denial

☑ Censure

☐ Bar

☐ Disgorgement/Restitution

☐ Cease and Desist/Injunction

☐ Suspension

B. Other Sanctions *Ordered*:

UNDERTAKING. SEE 13

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:

SEE 13

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM CONSENTED TO A FINDING BY THE HEARING OFFICER THAT THE FIRM VIOLATED NYSE RULES 476(A)(11) AND 342. THE FIRM CONSENTED TO CENSURE AND WAS ORDERED TO PAY $2,500,000 IN PENALTY. THE PAYMENT OF THIS FINE REDUCES THE FIRM'S OBLIGATION TO PAY THE SEC CIVIL MONETARY PENALTIES ORDERED IN CONNECTION WITH A SIMILAR PROCEEDING BROUGHT BY THE SEC. THE FIRM ALSO AGREED TO AN UNDERTAKING, AS OUTLINED IN THE PENALTY SECTION OF THE DECISION, TO: (1) ADOPT AND INSTITUTE POLICIES, PROCEDURES, AND TRAINING REASONABLY DESIGNED TO ENSURE COMPLIANCE WITH NYSE RULES 476(A)(11) AND 342 CONCERNING THE PRESERVATION AND PROMPT PRODUCTION OF ELECTRONIC COMMUNICATIONS; (2) PROVIDE ANNUAL TRAINING TO ITS EMPLOYEES WHO ARE RESPONSIBLE FOR PRESERVING OR PRODUCING ELECTRONIC COMMUNICATIONS REQUESTED BY THE NYSE; AND (3) RETAIN AN INDEPENDENT CONSULTANT TO CONDUCT A REVIEW OF THE IMPLEMENTATION AND EFFECTIVENESS OF SUCH POLICIES, PROCEDURES AND TRAINING.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ◉ INITIAL ***OR*** ○ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action			
☐ 11.C(1)	☐ 11.C(5)	☐ 11.D(4)	☐ 11.E(3)
☑ 11.C(2)	☐ 11.D(1)	☐ 11.D(5)	☐ 11.E(4)
☐ 11.C(3)	☐ 11.D(2)	☐ 11.E(1)	☐ 11.F
☐ 11.C(4)	☐ 11.D(3)	☐ 11.E(2)	☐ 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

◉ You (the advisory firm)

○ You and one or more of your *advisory affiliates*

○ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

○ *Yes* ○ *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:
◉ SEC ○ Other Federal ○ State ○ *SRO* ○ Foreign
(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
SECURITIES AND EXCHANGE COMMISSION

2. Principal Sanction:
Civil and Administrative Penalt(ies) /Fine(s)
Other Sanctions:
INJUNCTION AND UNDERTAKING

3. Date Initiated (MM/DD/YYYY):

05/10/2006 (•) Exact ( ) Explanation

If not exact, provide explanation:

4. Docket/Case Number:
CIV. NO. 60-0882

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
No Product
Other Product Types:

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

THE SEC ALLEGED THAT MORGAN STANLEY & CO. INCORPORATED (THE FIRM) VIOLATED SECTION 17(B) AND RULE 17A-4(J) OF THE SECURITIES EXCHANGE ACT OF 1934 (EXCHANGE ACT) BY FAILING TO TIMELY PRODUCE EMAILS TO THE COMMISSION STAFF PURSUANT TO SUBPOENAS IN THE COMMISSION'S INVESTIGATION INTO THE FIRM'S PRACTICES IN ALLOCATING SHARES OF STOCK IN INITIAL PUBLIC OFFERINGS AND ANOTHER INVESTIGATION INTO CONFLICTS OF INTEREST BETWEEN THE FIRM'S RESEARCH AND INVESTMENT BANKING PRACTICES.

8. Current status ? ( ) Pending ( ) On Appeal (•) Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Order

ORDER

11. Resolution Date (MM/DD/YYYY):

05/12/2006 (•) Exact ( ) Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

- [x] Monetary/Fine Amount:$ 15000000
- [ ] Revocation/Expulsion/Denial
- [ ] Disgorgement/Restitution
- [ ] Censure
- [x] Cease and Desist/Injunction
- [ ] Bar
- [ ] Suspension

B. Other Sanctions *Ordered*:
UNDERTAKING. SEE 13

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
SEE 13

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM CONSENTED TO THE ENTRY OF A FINAL JUDGMENT AGAINST IT IN WHICH IT WAS PERMANENTLY RESTRAINED AND ENJOINED FROM VIOLATING SECTION 17(B) AND RULE 17A-4(J) OF THE EXCHANGE ACT. THE FIRM AGREED TO MAKE PAYMENTS AGGREGATING $15 MILLION IN SETTLEMENT OF THE MATTER, WHICH AMOUNT WAS REDUCED BY $5 MILLION CONTEMPORANEOUSLY PAID BY THE FIRM PURSUANT TO ITS AGREEMENT WITH NASD AND THE NEW YORK STOCK EXCHANGE, INC. (NYSE) TO PAY $5 MILLION IN PENALTIES TO NASD AND NYSE IN RELATED PROCEEDINGS. THE FIRM ALSO AGREED TO NOTIFY THE SEC, NASD AND THE NYSE IN ACCORDANCE WITH SECTION V OF THE ENTRY OF THE FINAL JUDGMENT THAT IT HAS ADOPTED AND IMPLEMENTED POLICIES AND PROCEDURES REASONABLY DESIGNED TO ENSURE COMPLIANCE WITH SECTION 17(B) OF THE EXCHANGE ACT AND EXCHANGE ACT RULE 17A-4(J) CONCERNING THE PRESERVATION AND PROMPT PRODUCTION OF ELECTRONIC COMMUNICATIONS REQUESTED BY REPRESENTATIVES OF THE COMMISSION. THE FIRM ALSO AGREED TO PROVIDE ANNUAL TRAINING TO ITS EMPLOYEES RESPONSIBLE FOR PRESERVING OR PRODUCING ELECTRONIC COMMUNICATIONS REQUESTED BY REPRESENTATIVES OF THE COMMISSION, INCLUDING, BUT NOT LIMITED TO, EMPLOYEES OF THE FIRM'S LAW AND INFORMATION TECHNOLOGY DIVISIONS. WITHIN ONE YEAR AFTER THE ENTRY OF THE FINAL JUDGMENT, THE FIRM AGREED TO RETAIN AN INDEPENDENT CONSULTANT TO REVIEW THE FIRM'S IMPLEMENTATION AND EFFECTIVENESS OF THE POLICIES, PROCEDURES AND TRAINING REFERENCED IN SECTIONS V AND VI OF THE FINAL JUDGMENT. THE INDEPENDENT CONSULTANT SHALL PROVIDE WRITTEN RECOMMENDATIONS TO THE FIRM, WHICH THE FIRM SHALL ADOPT PURSUANT TO SECTION VIII OF THE FINAL JUDGMENT.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ( ) INITIAL ***OR*** (•) AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action

☐ 11.C(1)	☑ 11.C(5)	☐ 11.D(4)	☐ 11.E(3)
☑ 11.C(2)	☐ 11.D(1)	☐ 11.D(5)	☐ 11.E(4)
☐ 11.C(3)	☐ 11.D(2)	☐ 11.E(1)	☐ 11.F
☑ 11.C(4)	☐ 11.D(3)	☐ 11.E(2)	☐ 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- ◉ You (the advisory firm)
- ○ You and one or more of your *advisory affiliates*
- ○ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

◉ *Yes* ○ *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

◉ SEC ○ Other Federal ○ State ○ *SRO* ○ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
SECURITIES AND EXCHANGE COMMISSION

2. Principal Sanction:
Civil and Administrative Penalt(ies) /Fine(s)
Other Sanctions:
CENSURE, CEASE AND DESIST, UNDERTAKING

3. Date Initiated (MM/DD/YYYY):
05/31/2006 ◉ Exact ○ Explanation

If not exact, provide explanation:

4. Docket/Case Number:
3-12310

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
Other
Other Product Types:
AUCTION RATE SECURITIES

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

THE SEC FOUND THAT BETWEEN JANUARY 1, 2003 AND JUNE 30, 2004, THE FIRM (MORGAN STANLEY & CO. INCORPORATED AND MORGAN STANLEY DW INC.) AND 13 OTHER BROKER-DEALERS WHO UNDERWRITE AND/OR MANAGE AUCTIONS FOR AUCTION RATE SECURITIES ENGAGED IN ONE OR MORE PRACTICES THAT VIOLATED SECTION 17(A)(2) OF THE SECURITIES ACT OF 1933 (SECURITIES ACT). THE SEC ALLEGED THAT THE FIRMS VIOLATED SECTION 17(A)(2) OF THE SECURITIES ACT BY MANAGING AUCTIONS FOR AUCTION RATE SECURITIES IN WAYS THAT WERE NOT ADEQUATELY DISCLOSED OR THAT DID NOT CONFORM TO DISCLOSED

PROCEDURES.

8. Current status ? ○ Pending ○ On Appeal ◉ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Order

ORDER

11. Resolution Date (MM/DD/YYYY):
05/31/2006 ◉ Exact ○ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

- ☑ Monetary/Fine Amount:$ 1500000
- ☐ Revocation/Expulsion/Denial
- ☑ Censure
- ☐ Bar
- ☐ Disgorgement/Restitution
- ☑ Cease and Desist/Injunction
- ☐ Suspension

B. Other Sanctions *Ordered*:
UNDERTAKING. SEE 13 FOR MORE DETAILS.

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
SEE 13

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE ORDER IN WHICH THE FIRM WAS CENSURED. THE ORDER REQUIRES THAT THE FIRM CEASE AND DESIST FROM COMMITTING OR CAUSING ANY VIOLATIONS AND ANY FUTURE VIOLATIONS OF SECTION 17(A)(2) OF THE SECURITIES ACT, THE PAYMENT OF A CIVIL MONEY PENALTY AND COMPLY WITH CERTAIN UNDERTAKINGS. THE FIRM AGREED TO PAY A TOTAL CIVIL MONEY PENALTY OF $1.5 MILLION TO SATISFY THE SETTLEMENT FOR BOTH ENTITIES. THE FIRM MUST CERTIFY WITHIN 6 MONTHS OF THE ENTRY OF THE ORDER THAT IT HAS IMPLEMENTED PROCEDURES THAT ARE REASONABLY DESIGNED TO PREVENT AND DETECT FAILURES TO CONDUCT THE AUCTION PROCESS IN ACCORDANCE WITH THE AUCTION PROCEDURES IN THE DISCLOSURE DOCUMENTS AND ANY SUPPLEMENTAL DISCLOSURES AND ARE IN COMPLIANCE WITH THE SECTION IV.E. OF THE SEC'S ORDER. THE ORDER ALSO CONTAINS CERTAIN OTHER UNDERTAKINGS.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ○ INITIAL ***OR*** ◉ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action			
☐ 11.C(1)	☑ 11.C(5)	☐ 11.D(4)	☐ 11.E(3)
☑ 11.C(2)	☐ 11.D(1)	☐ 11.D(5)	☐ 11.E(4)
☐ 11.C(3)	☐ 11.D(2)	☐ 11.E(1)	☐ 11.F
☑ 11.C(4)	☐ 11.D(3)	☐ 11.E(2)	☐ 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- ◉ You (the advisory firm)
- ○ You and one or more of your *advisory affiliates*
- ○ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

◉ *Yes* ○ *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:
◉ SEC ○ Other Federal ○ State ○ *SRO* ○ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
SECURITIES AND EXCHANGE COMMISSION

2. Principal Sanction:
Civil and Administrative Penalt(ies) /Fine(s)
Other Sanctions:
CENSURE, CEASE AND DESIST, UNDERTAKING

3. Date Initiated (MM/DD/YYYY):
06/27/2006 ◉ Exact ○ Explanation

If not exact, provide explanation:

4. Docket/Case Number:
ADMINISTRATIVE PROCEEDING NO. 3-12342

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
No Product
Other Product Types:

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

THE SEC FOUND THAT THE FIRM (MORGAN STANLEY & CO. INCORPORATED AND MORGAN STANLEY DW INC.) VIOLATED SECTION 15(F) OF THE SECURITIES EXCHANGE ACT OF 1934 (EXCHANGE ACT) AND SECTION 204A OF THE INVESTMENT ADVISERS ACT OF 1940 (ADVISERS ACT). THE SEC FOUND THAT THE FIRM FAILED TO MAINTAIN AND ENFORCE WRITTEN POLICIES AND PROCEDURES REASONABLY DESIGNED TO PREVENT THE MISUSE OF MATERIAL NONPUBLIC INFORMATION BY THE FIRM OR PERSONS ASSOCIATED WITH IT. THE SEC ALLEGED, INTER ALIA, THAT THE FIRM FAILED TO: (1) CONDUCT ANY SURVEILLANCE OF A NUMBER OF ACCOUNTS AND SECURITIES; (2) PROVIDE ADEQUATE GUIDANCE TO FIRM PERSONNEL CHARGED WITH CONDUCTING SURVEILLANCE; AND (3) HAVE ADEQUATE CONTROLS IN PLACE WITH RESPECT TO CERTAIN ASPECTS OF WATCH LIST MAINTENANCE. THE COMMISSION'S FINDINGS COVERED DIFFERENT AREAS FROM THE 1997 THROUGH 2006 TIME PERIOD.

8. Current status ? ○ Pending ○ On Appeal ◉ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Order

ORDER

11. Resolution Date (MM/DD/YYYY):
06/27/2006 ◉ Exact ○ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☑ Monetary/Fine Amount:$ 10000000

☐ Revocation/Expulsion/Denial

☐ Disgorgement/Restitution

- [x] Censure
- [x] Cease and Desist/Injunction
- [ ] Bar
- [ ] Suspension

B. Other Sanctions *Ordered*:
UNDERTAKING. SEE 13 FOR MORE DETAILS.

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
SEE 13

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE ORDER. IN THE ORDER, THE COMMISSION CENSURED THE FIRM, REQUIRED THAT THE FIRM CEASE AND DESIST FROM COMMITTING OR CAUSING ANY VIOLATIONS AND ANY FUTURE VIOLATIONS OF SECTION 15(F) OF THE EXCHANGE ACT AND SECTION 204A OF THE ADVISERS ACT AND PAY A CIVIL MONEY PENALTY OF $10,000,000. THE FIRM MUST ALSO COMPLY WITH CERTAIN UNDERTAKINGS AS DESCRIBED IN SECTION IV OF THE SEC'S ORDER, WHICH INCLUDE RETAINING A QUALIFIED INDEPENDENT CONSULTANT TO CONDUCT A COMPREHENSIVE REVIEW OF THE FIRM'S POLICIES, PRACTICES AND PROCEDURES RELATING TO SECTION 15(F) OF THE EXCHANGE ACT AND SECTION 204A OF THE ADVISERS ACT TO DETERMINE THE ADEQUACY OF SUCH POLICIES, PRACTICES AND PROCEDURES AND MAKE APPROPRIATE RECOMMENDATIONS. SECTION IV OF THE ORDER ALSO PROVIDES THAT THE FIRM MUST CERTIFY IN WRITING WITHIN CERTAIN TIMEFRAMES THAT IT HAS ADOPTED AND IMPLEMENTED THE CONSULTANT'S RECOMMENDATIONS, AND HAS ESTABLISHED AND CONTINUES TO MAINTAIN POLICIES, PRACTICES AND PROCEDURES PURSUANT TO SECTION 15(F) OF THE EXCHANGE ACT AND SECTION 204A OF THE ADVISERS ACT THAT ARE CONSISTENT WITH THE ORDER. THE INDEPENDENT CONSULTANT WILL ALSO CONDUCT A REVIEW OF THE FIRM'S PROPOSED METHOD OF REVIEWING FOUR YEARS OF TRADING DATA, WHICH DATA THE FIRM IS REQUIRED TO REVIEW UNDER THE ORDER TO ASCERTAIN WHETHER ANY TRADING HAS OCCURRED IN VIOLATION OF THE FIRM'S POLICIES AGAINST TRADING ON THE BASIS OF MATERIAL NONPUBLIC INFORMATION.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ○ INITIAL ***OR*** ◉ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action			
☐ 11.C(1)	☐ 11.C(5)	☐ 11.D(4)	☐ 11.E(3)
☐ 11.C(2)	☐ 11.D(1)	☐ 11.D(5)	☐ 11.E(4)
☐ 11.C(3)	☐ 11.D(2)	☐ 11.E(1)	☐ 11.F
☐ 11.C(4)	☐ 11.D(3)	☑ 11.E(2)	☐ 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- ◉ You (the advisory firm)
- ○ You and one or more of your *advisory affiliates*
- ○ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

- ☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.
- ☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

○ *Yes* ○ *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:
   ○ SEC ○ Other Federal ○ State ◉ *SRO* ○ Foreign

   (Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
   NASD

2. Principal Sanction:
   Civil and Administrative Penalt(ies) /Fine(s)
   Other Sanctions:
   CENSURE

3. Date Initiated (MM/DD/YYYY):
   07/17/2006 ◉ Exact ○ Explanation

   If not exact, provide explanation:

4. Docket/Case Number:
   EAF04015000001

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
   No Product
   Other Product Types:
   RESEARCH REPORTS

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

   NASD FOUND THAT AT VARIOUS TIMES BETWEEN MARCH 2003 AND JULY 2005, MORGAN STANLEY & CO. VIOLATED NASD RULES 2711(H), 3010 AND 2110 AND SEC RULE 482(B) RELATING TO: (1) DISCLOSURE IN CERTAIN RESEARCH REPORTS OF ITS RATING DISTRIBUTION; (2) DISCLOSURE IN CERTAIN RESEARCH REPORTS OF ITS ANALYST INDUSTRY VIEWS; AND (3) THE FORM OF CERTAIN DISCLOSURES IN CERTAIN OF ITS EXCHANGE TRADED FUND REPORTS.

8. Current status ? ○ Pending ○ On Appeal ◉ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
    Acceptance, Waiver & Consent(AWC)

    AWC

11. Resolution Date (MM/DD/YYYY):
    07/17/2006 ◉ Exact ○ Explanation

    If not exact, provide explanation:

12. Resolution Detail:

    A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

    - ☑ Monetary/Fine Amount:$ 200000
    - ☐ Revocation/Expulsion/Denial
    - ☐ Disgorgement/Restitution
    - ☑ Censure
    - ☐ Cease and Desist/Injunction
    - ☐ Bar
    - ☐ Suspension

    B. Other Sanctions *Ordered*:
    CENSURE

    Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
    CENSURE AND $200,000.00 FINE.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
    WITHOUT ADMITTING OR DENYING THE FINDINGS THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF THE FINDINGS AND WAS CENSURED AND FINED $200,000.00.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ◉ INITIAL ***OR*** ○ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action			
☐ 11.C(1)	☐ 11.C(5)	☐ 11.D(4)	☐ 11.E(3)
☐ 11.C(2)	☐ 11.D(1)	☐ 11.D(5)	☐ 11.E(4)
☐ 11.C(3)	☐ 11.D(2)	☐ 11.E(1)	☐ 11.F
☐ 11.C(4)	☐ 11.D(3)	☑ 11.E(2)	☐ 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- ◉ You (the advisory firm)
- ○ You and one or more of your *advisory affiliates*
- ○ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

○ *Yes* ○ *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:
   ○ SEC ○ Other Federal ○ State ◉ *SRO* ○ Foreign
   (Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
   INTERNATIONAL SECURITIES EXCHANGE

2. Principal Sanction:
   Civil and Administrative Penalt(ies) /Fine(s)
   Other Sanctions:

3. Date Initiated (MM/DD/YYYY):
   06/27/2006 ◉ Exact ○ Explanation
   If not exact, provide explanation:

4. Docket/Case Number:
   FILE NO. 2004-0930-21; 2004-40; 2005-57

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
   Options
   Other Product Types:

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):
   ON JUNE 27, 2006 THE ISE FOUND THAT THE FIRM VIOLATED ISE RULE 1904 CONCERNING LIMITATION ON PRINCIPAL ORDER ACCESS. ISE FOUND THAT IN THE THIRD AND FOURTH QUARTERS OF 2004 AND THE FIRST QUARTER OF 2005, THE FIRM SENT PRINCIPAL ORDERS IN ELIGIBLE OPTIONS CLASSES THROUGH THE

LINKAGE WHEN THE FIRM WAS NOT PERMITTED TO DO SO BECAUSE IT HAD EFFECTED LESS THAN 80 PERCENT OF ITS VOLUME IN THE RESPECTIVE ELIGIBLE OPTIONS CLASSES IN THE RESPECTIVE PREVIOUS CALENDAR QUARTER.

8. Current status ? ○ Pending ○ On Appeal ◉ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Acceptance, Waiver & Consent(AWC)

AWC

11. Resolution Date (MM/DD/YYYY):
06/27/2006 ◉ Exact ○ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

- ☑ Monetary/Fine Amount:$ 7500
- ☐ Revocation/Expulsion/Denial
- ☐ Disgorgement/Restitution
- ☐ Censure
- ☐ Cease and Desist/Injunction
- ☐ Bar
- ☐ Suspension

B. Other Sanctions *Ordered*:

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
$7,500.00 FINE.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND ENTRY OF FINDING AND WAS FINED $7,500.00.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ○ INITIAL ***OR*** ◉ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action

☐ 11.C(1)	☐ 11.C(5)	☐ 11.D(4)	☐ 11.E(3)
☐ 11.C(2)	☐ 11.D(1)	☐ 11.D(5)	☐ 11.E(4)
☐ 11.C(3)	☐ 11.D(2)	☐ 11.E(1)	☐ 11.F
☐ 11.C(4)	☐ 11.D(3)	☑ 11.E(2)	☐ 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- ◉ You (the advisory firm)
- ○ You and one or more of your *advisory affiliates*
- ○ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*

No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

◉ *Yes* ○ *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

○ SEC ○ Other Federal ○ State ◉ *SRO* ○ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)

NASD

2. Principal Sanction:

Censure

Other Sanctions:

MONETARY FINE, RESTITUTION AND UNDERTAKINGS

3. Date Initiated (MM/DD/YYYY):

08/21/2006 ◉ Exact ○ Explanation

If not exact, provide explanation:

4. Docket/Case Number:

20050000775-02

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:

Equity Listed (Common & Preferred Stock)

Other Product Types:

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

NASD FOUND THAT AT VARIOUS TIMES BETWEEN JULY 1999 AND 2005, MORGAN STANLEY & CO. INCORPORATED (MS&CO) VIOLATED NASD RULES 2110, 2320, 2860(B)(5), 3110, 3370, 4632, 6620(A) AND (B), 6130(B) AND (D), 4613(E)(1)(C), 6230(A) AND (C)(8), 6420, 6955(A) 7420(C)(5), AS WELL AS SEC RULES 10A-1, 10B-10, 11AC1-5 (CURRENTLY RULE 605 OF REGULATION NMS), 17A-3 AND 17A-4. THE VIOLATIONS RELATED TO AREAS INCLUDING TRADE REPORTING THROUGH THE NASDAQ MARKET CENTER (FORMERLY AUTOMATED CONFIRMATION TRANSACTION SERVICE (ACT)), TRADE REPORTING AND COMPLIANCE ENGINE (TRACE), AND ORDER AUDIT TRAIL SYSTEM (OATS); MARKET MAKING ACTIVITIES; TRADING PRACTICES; SHORT SALES; AND LARGE OPTIONS POSITIONS REPORTS. NASD ALSO FOUND THAT AT VARIOUS TIMES DURING DECEMBER 2002 AND MAY 2005, MORGAN STANLEY DEAN WITTER (MSDW) VIOLATED NASD RULES 2110, 2440, IM 2440, 3110, 6230, AND 6955(A); SEC RULES 10B-10, 15C2-12, 17A-3, 17A-4, AND 203(B); AND MSRB RULES G-8(A) G-14, G-15(A), G-27, G-32(A) AND G-36(B). THE VIOLATIONS RELATED TO AREAS INCLUDING TRADE REPORTING THROUGH TRACE, SHORT SALES, AND OATS. NASD FURTHER FOUND THAT IN CERTAIN CASES, MS&CO. AND MSDW (THE "FIRM") VIOLATED NASD RULE 3010 BECAUSE ITS SUPERVISORY SYSTEMS DID NOT PROVIDE SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH APPLICABLE SECURITIES LAWS, REGULATIONS AND/OR RULES.

8. Current status ? ○ Pending ○ On Appeal ◉ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:

Acceptance, Waiver & Consent(AWC)

AWC

11. Resolution Date (MM/DD/YYYY):

08/21/2006 ◉ Exact ○ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☑ Monetary/Fine Amount:$ 2900000

☐ Revocation/Expulsion/Denial

☑ Censure

☑ Disgorgement/Restitution

☐ Cease and Desist/Injunction

☐ Bar ☐ Suspension

B. Other Sanctions *Ordered*:
UNDERTAKINGS

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
SEE 13

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE AWC. IN THE AWC, THE FIRM WAS CENSURED, REQUIRED TO PAY A MONETARY FINE IN THE AMOUNT OF $2,900,000 AND AGREED TO MAKE RESTITUTION TO THE PARTIES INVOLVED IN THE TRANSACTION DESCRIBED IN APPENDIX 3 AND APPENDIX 4 OF THE AWC, PLUS INTEREST AT THE RATE SET FORTH IN SECTION 6621(A) OF THE INTERNAL REVENUE CODE, 26 U.S.C. 6621(A)(2) FROM THE DATE OF THE VIOLATIVE CONDUCT UNTIL THE DATE OF THE AWC. THE FIRM ALSO CONSENTED TO AN UNDERTAKING TO REVISE ITS WRITTEN SUPERVISORY PROCEDURES WITH RESPECT TO CERTAIN AREAS IDENTIFIED IN THE AWC. WITHIN 60 DAYS OF THE AWC, REGISTERED PRINCIPALS OF THE FIRM SHALL SUBMIT WRITTEN NOTICE TO NASD THAT THE FIRM HAS REVISED THE WRITTEN SUPERVISORY PROCEDURES TO ADDRESS DEFICIENCIES DESCRIBED IN THE AWC. THE FIRM ALSO CONSENTED TO PROVIDE A REPORT THAT DESCRIBES (1) THE CORRECTIVE ACTION THAT THE FIRM COMPLETED DURING THE YEAR PRECEDING THE AWC TO ADDRESS REGULATORY ISSUES AND VIOLATIONS ADDRESSED IN THE AWC, AND (2) THE ONGOING CORRECTIVE ACTION, INCLUDING CHANGES TO THE FIRM'S POLICIES, PROCEDURES, SYSTEMS AND EMPLOYEE TRAINING, THAT THE FIRM IS IN THE PROCESS OF COMPLETING. THE FIRM AGREED TO PROVIDE SUBSEQUENT REPORTS ON THE PROGRESS OF THE IDENTIFIED ONGOING CORRECTIVE ACTION NO LATER THAN SIX MONTHS AFTER THE DATE OF THE INITIAL REPORT AND NO LATER THAN ONE YEAR AFTER THE DATE OF THE INITIAL REPORT.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ◉ INITIAL ***OR*** ○ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action			
☐ 11.C(1)	☐ 11.C(5)	☐ 11.D(4)	☐ 11.E(3)
☐ 11.C(2)	☐ 11.D(1)	☐ 11.D(5)	☐ 11.E(4)
☐ 11.C(3)	☐ 11.D(2)	☐ 11.E(1)	☐ 11.F
☐ 11.C(4)	☐ 11.D(3)	☑ 11.E(2)	☐ 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

◉ You (the advisory firm)

○ You and one or more of your *advisory affiliates*

○ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

○ *Yes* ○ *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:
○ SEC ○ Other Federal ○ State ◉ *SRO* ○ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
CHICAGO BOARD OF TRADE

2. Principal Sanction:
Civil and Administrative Penalt(ies) /Fine(s)
Other Sanctions:

3. Date Initiated (MM/DD/YYYY):
06/26/2006 ◉ Exact ○ Explanation

If not exact, provide explanation:

4. Docket/Case Number:
DECISION 05-MSI-58; 2006-MSI-14

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
Futures - Commodity
Other Product Types:

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

CHICAGO BOARD OF TRADE (CBOT) FOUND THAT THE FIRM VIOLATED REGULATION 545.02, IN THAT: (1) BETWEEN OCTOBER 26 AND 28, 2005, THE FIRM FAILED TO ACCURATELY REPORT ITS OPEN INTEREST TO THE EXCHANGE FOR DECEMBER 2005 CORN FUTURES AND/OR DECEMBER 2005 TEN-YEAR TREASURY NOTE FUTURES; AND (2) FOR THE TRADE DATE OF MARCH 1, 2006, THE FIRM FAILED TO ACCURATELY REPORT ITS OPEN INTEREST TO THE EXCHANGE FOR MARCH 2006 TEN-YEAR TERM TREASURY NOTE FUTURES.

8. Current status ? ○ Pending ○ On Appeal ◉ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Settled

SETTLMNT

11. Resolution Date (MM/DD/YYYY):
06/26/2006 ◉ Exact ○ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☑ Monetary/Fine Amount:$ 25000

☐ Revocation/Expulsion/Denial

☐ Censure

☐ Bar

☐ Disgorgement/Restitution

☐ Cease and Desist/Injunction

☐ Suspension

B. Other Sanctions *Ordered*:

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
SEE 13

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
WITHOUT ADMITTING OR DENYING ANY VIOLATION, THE FIRM CONSENTED TO A SETTLEMENT IN WHICH THE FIRM AGREED TO PAY A FINE IN THE AMOUNT OF $25,000.00

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ◉ INITIAL ***OR*** ○ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action

☐ 11.C(1)	☐ 11.C(5)	☐ 11.D(4)	☐ 11.E(3)
☐ 11.C(2)	☐ 11.D(1)	☐ 11.D(5)	☐ 11.E(4)
☐ 11.C(3)	☐ 11.D(2)	☐ 11.E(1)	☐ 11.F
☐ 11.C(4)	☐ 11.D(3)	☑ 11.E(2)	☐ 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- ◉ You (the advisory firm)
- ○ You and one or more of your *advisory affiliates*
- ○ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

○ *Yes* ○ *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

○ SEC ○ Other Federal ○ State ◉ *SRO* ○ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
NEW YORK STOCK EXCHANGE

2. Principal Sanction:
Other
Other Sanctions:
FINE AND CENSURE

3. Date Initiated (MM/DD/YYYY):
10/20/2006 ◉ Exact ○ Explanation

If not exact, provide explanation:

4. Docket/Case Number:
06-190

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
Equity Listed (Common & Preferred Stock)
Other Product Types:

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

WITHOUT ADMITTING OR DENYING ANY WRONGDOING, MS&CO. ENTERED INTO A SETTLEMENT AGREEMENT WITH THE NYSE, WHICH IS REFERENCED IN HEARING BOARD DECISION 06-190, IN WHICH IT WAS STIPULATED THAT CERTAIN TRADING ACTIVITY BETWEEN OCTOBER 2000 AND NOVEMBER 2002 VIOLATED NYSE RULES 95(A), 342(A) AND (B), 476(A)(6), AND SECTION 17(A) OF THE SECURITIES EXCHANGE ACT OF 1934 AND RULES 17A-3 AND 17A-4 THEREUNDER.

8. Current status ? ○ Pending ○ On Appeal ◉ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Decision

DECISION

11. Resolution Date (MM/DD/YYYY):
10/20/2006 ◉ Exact ○ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

- ☑ Monetary/Fine Amount:$ 200000
- ☐ Revocation/Expulsion/Denial
- ☑ Censure
- ☐ Bar
- ☐ Disgorgement/Restitution
- ☐ Cease and Desist/Injunction
- ☐ Suspension

B. Other Sanctions *Ordered*:
N/A

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
SEE 12A.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
WITHOUT ADMITTING OR DENYING ANY ALLEGATIONS, THE FIRM CONSENTED TO THE FINDINGS BY THE NYSE AND CONSENTED TO A CENSURE AND A $200,000 FINE.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ◉ INITIAL ***OR*** ○ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action			
☐ 11.C(1)	☐ 11.C(5)	☐ 11.D(4)	☐ 11.E(3)
☐ 11.C(2)	☐ 11.D(1)	☐ 11.D(5)	☐ 11.E(4)
☐ 11.C(3)	☐ 11.D(2)	☐ 11.E(1)	☐ 11.F
☐ 11.C(4)	☐ 11.D(3)	☑ 11.E(2)	☐ 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- ◉ You (the advisory firm)
- ○ You and one or more of your *advisory affiliates*
- ○ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

○ *Yes* ○ *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

○ SEC ○ Other Federal ○ State ◉ *SRO* ○ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
NEW YORK STOCK EXCHANGE (NYSE)

2. Principal Sanction:
Censure
Other Sanctions:
MONETARY FINE, UNDERTAKING

3. Date Initiated (MM/DD/YYYY):
12/18/2006 ◉ Exact ○ Explanation

If not exact, provide explanation:

4. Docket/Case Number:
NYSE HEARING BOARD DECISION 06-220

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
Equity Listed (Common & Preferred Stock)
Other Product Types:

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

WITHOUT ADMITTING OR DENYING ANY WRONGDOING, MS&CO. ENTERED INTO A SETTLEMENT AGREEMENT WITH THE NYSE, IN WHICH IT WAS STIPULATED THAT THE FIRM VIOLATED NYSE RULES 342(A) AND (B) IN THAT, RELEVANT TO CERTAIN TRADING ACTIVITY, THE FIRM FAILED TO PROVIDE FOR, MAINTAIN, AND IMPLEMENT APPROPRIATE BLOCKS AND INHIBITORS WITHIN ITS ELECTRONIC TRADING SYSTEMS AND FAILED TO HAVE ADEQUATE RELEVANT PROCEDURES FOR TRAINING, SUPERVISION AND CONTROL OF ITS TRADERS. THE SETTLEMENT AGREEMENT IS REFERENCED IN HEARING BOARD DECISION 06-220.

8. Current status ? ○ Pending ○ On Appeal ◉ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Decision

DECISION

11. Resolution Date (MM/DD/YYYY):
12/18/2006 ◉ Exact ○ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☑ Monetary/Fine Amount:$ 300000

☐ Revocation/Expulsion/Denial

☑ Censure

☐ Bar

☐ Disgorgement/Restitution

☐ Cease and Desist/Injunction

☐ Suspension

B. Other Sanctions *Ordered*:
UNDERTAKING

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:

SEE 13 FOR DETAILS

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
WITHOUT ADMITTING OR DENYING ANY ALLEGATIONS, THE FIRM CONSENTED TO THE FINDINGS BY THE NYSE AND CONSENTED TO A CENSURE, A $300,000 FINE AND AGREED TO PERFORM A REVIEW, TO ADOPT AND IMPLEMENT ANY RECOMMENDATIONS RESULTING FROM THE REVIEW AND TO PREPARE A WRITTEN REPORT AS DESCRIBED IN THE HEARING BOARD DECISION, AND SUBMIT A COPY OF THE REPORT THE NYSE.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ○ INITIAL ***OR*** ◉ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action			
☐ 11.C(1)	☐ 11.C(5)	☐ 11.D(4)	☐ 11.E(3)
☐ 11.C(2)	☐ 11.D(1)	☐ 11.D(5)	☐ 11.E(4)
☐ 11.C(3)	☐ 11.D(2)	☑ 11.E(1)	☐ 11.F
☐ 11.C(4)	☐ 11.D(3)	☑ 11.E(2)	☐ 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

◉ You (the advisory firm)

○ You and one or more of your *advisory affiliates*

○ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

○ *Yes* ○ *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:
○ SEC ○ Other Federal ○ State ◉ *SRO* ○ Foreign
(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
FINANCIAL INDUSTRY REGULATORY AUTHORITY ("FINRA" (FORMERLY NASD))

2. Principal Sanction:
Civil and Administrative Penalt(ies) /Fine(s)
Other Sanctions:
CENSURE, UNDERTAKINGS

3. Date Initiated (MM/DD/YYYY):
09/27/2007 ◉ Exact ○ Explanation

If not exact, provide explanation:

4. Docket/Case Number:

2005001449202

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):
MORGAN STANLEY DW INC.

6. Principal Product Type:
No Product
Other Product Types:

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

IN ITS DECEMBER 19, 2006 COMPLAINT, NASD ALLEGED, AMONG OTHER THINGS, THAT FROM OCTOBER OF 2001 THROUGH MARCH OF 2005, MORGAN STANLEY DW INC. (WHICH MERGED INTO MORGAN STANLEY & CO. INCORPORATED IN APRIL 2007), PROVIDED INACCURATE INFORMATION TO ARBITRATION CLAIMANTS AND REGULATORS REGARDING THE EXISTENCE OF PRE-SEPTEMBER 11, 2001 EMAILS; FAILED TO PROVIDE SUCH EMAILS IN RESPONSE TO DISCOVERY REQUESTS AND REGULATORY INQUIRIES; FAILED ADEQUATELY TO PRESERVE BOOKS AND RECORDS BY OVERWRITING BACK-UP TAPES THAT CONTAINED PRE-SEPTEMBER 11, 2001 EMAILS AND BY ALLOWING USERS TO DELETE PRE-SEPTEMBER 11, 2001 EMAILS THAT HAD BEEN RESTORED TO ACTIVE EMAIL SERVERS AFTER SEPTEMBER 11, 2001; AND FAILED TO ESTABLISH AND MAINTAIN SYSTEMS AND WRITTEN PROCEDURES REASONABLY DESIGNED TO PRESERVE REQUIRED RECORDS AND TO ENSURE THAT IT CONDUCTED ADEQUATE SEARCHES IN RESPONSE TO REGULATORY INQUIRIES AND DISCOVERY REQUESTS. THE NASD ALLEGED THAT MORGAN STANLEY VIOLATED NASD CONDUCT RULES 2110, 3010(A), 3010(B) AND 3110; PROCEDURAL RULE 8210; THE CODE OF ARBITRATION PROCEDURE; SECTION 17(A) OF THE SECURITIES EXCHANGE ACT OF 1934 (REGARDING RECORD-KEEPING) AND RULE 17A-4 THEREUNDER.

8. Current status ? ○ Pending ○ On Appeal ◉ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Acceptance, Waiver & Consent(AWC)

AWC

11. Resolution Date (MM/DD/YYYY):
09/27/2007 ◉ Exact ○ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☑ Monetary/Fine Amount:$ 3000000

☐ Revocation/Expulsion/Denial

☐ Disgorgement/Restitution

☑ Censure

☐ Cease and Desist/Injunction

☐ Bar

☐ Suspension

B. Other Sanctions *Ordered*:
UNDERTAKINGS: INDEPENDENT CONSULTANT; PLAN ADMINISTRATOR

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
THE FIRM WAS CENSURED BY FINRA. IN ADDITION, PURSUANT TO THE AWC, THE FIRM RETAINED AN INDEPENDENT CONSULTANT TO REVIEW ITS PROCEDURES FOR COMPLYING WITH DISCOVERY REQUIREMENTS IN ARBITRATION PROCEEDINGS RELATING TO ITS RETAIL BROKERAGE OPERATIONS. OF THE $12.5 MILLION ORDERED TO BE PAID, $3 MILLION HAS BEEN PAID AS A FINE TO FINRA; $9.5 MILLION HAS BEEN USED TO ESTABLISH A FUND FOR THE BENEFIT OF POTENTIALLY AFFECTED ARBITRATION CLAIMANTS. PURSUANT TO THE AWC, MORGAN STANLEY ALSO HIRED AN ADMINISTRATOR TO ADMINISTER THIS $9.5 MILLION FUND AS DESCRIBED IN THE RELEVANT PLAN OF DISTRIBUTION. MORGAN STANLEY PAID THE $3 MILLION FINE TO FINRA IN OCTOBER OF 2007. THE $9.5 MILLION WAS DEPOSITED IN AN ESCROW ACCOUNT PURSUANT TO THE AWC ON OCTOBER 24, 2007.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
FINRA ACCEPTED THE AWC ON SEPTEMBER 24, 2007 AND ANNOUNCED ITS ACCEPTANCE ON SEPTEMBER 27, 2007. IN THE AWC, FINRA FOUND THAT, INTER ALIA, FROM OCTOBER 2001 THROUGH MARCH 2005, MORGAN STANLEY PROVIDED INACCURATE INFORMATION TO ARBITRATION CLAIMANTS AND REGULATORS REGARDING THE EXISTENCE OF PRE-SEPTEMBER 11, 2001 EMAILS; FAILED TO PROVIDE SUCH EMAILS IN RESPONSE TO DISCOVERY REQUESTS AND REGULATORY INQUIRIES; FAILED ADEQUATELY TO PRESERVE BOOKS AND RECORDS BY OVERWRITING BACK-UP TAPES THAT CONTAINED PRE-SEPTEMBER 11, 2001 EMAILS AND BY ALLOWING USERS TO DELETE PRE-SEPTEMBER 11, 2001 EMAILS THAT HAD BEEN RESTORED TO ACTIVE EMAIL SERVERS AFTER SEPTEMBER 11, 2001; AND FAILED TO ESTABLISH AND MAINTAIN SYSTEMS AND WRITTEN PROCEDURES REASONABLY DESIGNED TO PRESERVE REQUIRED RECORDS AND TO ENSURE THAT IT CONDUCTED ADEQUATE SEARCHES IN RESPONSE TO REGULATORY INQUIRIES AND DISCOVERY REQUESTS. FINRA ALSO FOUND THAT MORGAN STANLEY FAILED TO PROVIDE ARBITRATION CLAIMANTS WITH UPDATES TO A SUPERVISORY MANUAL WHEN CALLED FOR IN DISCOVERY FROM LATE 1999 THROUGH THE END OF 2005. ON THE BASIS OF THESE FINDINGS, FINRA FOUND THAT MORGAN STANLEY VIOLATED NASD CONDUCT RULES 2110, 3010(A), 3010(B) AND 3110; PROCEDURAL RULE 8210; THE CODE OF ARBITRATION PROCEDURE; SECTION 17(A) OF THE SECURITIES EXCHANGE ACT OF 1934 (REGARDING RECORD-KEEPING) AND RULE 17A-4 THEREUNDER. MORGAN STANLEY AGREED, WITHOUT ADMITTING OR DENYING THESE FINDINGS, TO PAY $12.5 MILLION ($3 MILLION OF WHICH WAS PAID AS A FINE AND $9.5 MILLION OF WHICH WAS USED TO ESTABLISH A FUND FOR THE BENEFIT OF POTENTIALLY AFFECTED ARBITRATION CLAIMANTS). IN ADDITION, MORGAN STANLEY WAS CENSURED AND AGREED TO RETAIN AN INDEPENDENT CONSULTANT TO REVIEW ITS PROCEDURES FOR COMPLYING WITH DISCOVERY REQUIREMENTS IN ARBITRATION PROCEEDINGS RELATING TO ITS RETAIL BROKERAGE OPERATIONS. MORGAN STANLEY ALSO AGREED TO RETAIN AN ADMINISTRATOR TO ADMINISTER THE $9.5 MILLION FUND AS DESCRIBED IN THE RELEVANT PLAN OF DISTRIBUTION.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an (•) INITIAL ***OR*** ( ) AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action			
☐ 11.C(1)	☐ 11.C(5)	☐ 11.D(4)	☐ 11.E(3)
☐ 11.C(2)	☐ 11.D(1)	☐ 11.D(5)	☐ 11.E(4)
☐ 11.C(3)	☐ 11.D(2)	☐ 11.E(1)	☐ 11.F
☐ 11.C(4)	☐ 11.D(3)	☐ 11.E(2)	☑ 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

(•) You (the advisory firm)

( ) You and one or more of your *advisory affiliates*

( ) One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

( ) *Yes* ( ) *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

( ) SEC ( ) Other Federal (•) State ( ) *SRO* ( ) Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)

DELAWARE DIVISION OF SECURITIES

2. Principal Sanction:

Other

Other Sanctions:

N/A

3. Date Initiated (MM/DD/YYYY):

02/18/2005 (•) Exact ( ) Explanation

If not exact, provide explanation:

4. Docket/Case Number:

CASE NO. - 01-6-1

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:

Mutual Fund(s)

Other Product Types:

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

DISHONEST AND UNETHICAL BUSINESS PRACTICE.

8. Current status ? (•) Pending ( ) On Appeal ( ) Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:

11. Resolution Date (MM/DD/YYYY):

( ) Exact ( ) Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

- ☐ Monetary/Fine Amount:$
- ☐ Revocation/Expulsion/Denial
- ☐ Censure
- ☐ Bar
- ☐ Disgorgement/Restitution
- ☐ Cease and Desist/Injunction
- ☐ Suspension

B. Other Sanctions *Ordered*:

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an (•) INITIAL ***OR*** ( ) AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action			
☐ 11.C(1)	☐ 11.C(5)	☐ 11.D(4)	☐ 11.E(3)
☐ 11.C(2)	☐ 11.D(1)	☐ 11.D(5)	☐ 11.E(4)
☐ 11.C(3)	☐ 11.D(2)	☐ 11.E(1)	☐ 11.F
☐ 11.C(4)	☐ 11.D(3)	☑ 11.E(2)	☐ 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

(•) You (the advisory firm)

( ) You and one or more of your *advisory affiliates*

( ) One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*

No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

○ *Yes* ○ *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

○ SEC ○ Other Federal ○ State ◉ *SRO* ○ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)

AMERICAN STOCK EXCHANGE

2. Principal Sanction:

Civil and Administrative Penalt(ies) /Fine(s)

Other Sanctions:

CENSURE; $10,000 FINE

3. Date Initiated (MM/DD/YYYY):

03/23/2007 ◉ Exact ○ Explanation

If not exact, provide explanation:

4. Docket/Case Number:

05-185

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:

Equity Listed (Common & Preferred Stock)

Other Product Types:

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

ALLEGED VIOLATIONS OF: 1) ARTICLE V, SECTION 4(H) OF THE EXCHANGE CONSTITUTION BY FAILING TO COMPLY WITH THE AFFIRMATIVE DETERMINATION REQUIREMENTS ARTICULATED IN AMEX INFORMATION CIRCULARS 90-25 AND 98-1135 PRIOR TO EFFECTING 10 SHORT SALES FOR THE FIRM'S PROPRIETARY OR CUSTOMER ACCOUNTS; AND 2) EXCHANGE RULE 320 BY FAILING TO ENSURE THAT IT DEVELOPED, MAINTAINED AND ENFORCED REASONABLE WRITTEN SUPERVISORY PROCEDURES AND POLICIES REGARDING COMPLIANCE WITH THE REQUIREMENT THAT IT MAKE ARRANGEMENTS TO EITHER BORROW THE NECESSARY STOCK OR OBTAIN OTHER ASSURANCES THAT DELIVERY CAN BE MADE ON SETTLEMENT DATE PRIOR TO EFFECTING SHORT SALES.

8. Current status ? ○ Pending ○ On Appeal ◉ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:

Stipulation and Consent

STIPCONS

11. Resolution Date (MM/DD/YYYY):

03/23/2007 ◉ Exact ○ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☑ Monetary/Fine Amount:$ 10000

☐ Revocation/Expulsion/Denial

☑ Censure

☐ Bar

☐ Disgorgement/Restitution

☐ Cease and Desist/Injunction

☐ Suspension

B. Other Sanctions *Ordered*:

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
SEE QUESTION 13

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
WITHOUT ADMITTING OR DENYING ANY WRONGDOING, THE FIRM CONSENTED TO THE AMEX'S FINDINGS AND CONSENTED TO A CENSURE AND A $10,000 FINE FOR NOT FULLY COMPLYING WITH ITS AFFIRMATIVE DETERMINATION REQUIREMENTS DURING THE RELEVANT TIME PERIOD AND NOT DEVELOPING, MAINTAINING AND ENFORCING REASONABLE WRITTEN SUPERVISORY POLICIES AND PROCEDURES REGARDING ITS AFFIRMATIVE DETERMINATION REQUIREMENTS.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ◉ INITIAL ***OR*** ○ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action			
☐ 11.C(1)	☐ 11.C(5)	☑ 11.D(4)	☐ 11.E(3)
☐ 11.C(2)	☐ 11.D(1)	☐ 11.D(5)	☐ 11.E(4)
☐ 11.C(3)	☐ 11.D(2)	☐ 11.E(1)	☐ 11.F
☐ 11.C(4)	☐ 11.D(3)	☐ 11.E(2)	☐ 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

◉ You (the advisory firm)

○ You and one or more of your *advisory affiliates*

○ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

○ *Yes* ○ *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

○ SEC ○ Other Federal ◉ State ○ *SRO* ○ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
DELAWARE SECURITIES DIVISION

2. Principal Sanction:
Civil and Administrative Penalt(ies) /Fine(s)
Other Sanctions:
MONETARY

3. Date Initiated (MM/DD/YYYY):

12/23/2003 (•) Exact ( ) Explanation

If not exact, provide explanation:

4. Docket/Case Number:
DOCKET NUMBER: 02-2-6

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
Equity - OTC
Other Product Types:

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):
UNAUTHORIZED AND UNSUITABLE TRADING (INCLUDING FAILURE TO SUPERVISE FINANCIAL ADVISOR) IN THE ACCOUNTS OF ROBERT AND CAROL APPLEGATE BETWEEN APPROXIMATELY JULY 1998 TO DECEMBER 2001.

8. Current status ? ( ) Pending ( ) On Appeal (•) Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Settled
SETTLMNT

11. Resolution Date (MM/DD/YYYY):
08/31/2005 (•) Exact ( ) Explanation
If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

- [x] Monetary/Fine Amount:$ 50000
- [ ] Revocation/Expulsion/Denial
- [ ] Censure
- [ ] Bar
- [ ] Disgorgement/Restitution
- [ ] Cease and Desist/Injunction
- [ ] Suspension

B. Other Sanctions *Ordered*:
MONETARY PAYMENT OF $650,000 PAYABLE TO ROBERT AND CAROL APPLEGATE.

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
ON AUGUST 31, 2005 ALL PARTIES AGREED TO SETTLE THE COMPLAINT PURSUANT TO A CONSENT ORDER IN WHICH ALL PARTIES AGREED THAT MORGAN STANLEY WOULD PAY A $50,000 FINE TO THE STATE OF DELAWARE AND PAY $650,000 TO ROBERT AND CAROL APPLEGATE, AND THE COMPLAINT WOULD BE DISMISSED AGAINST ALL RESPONDENTS WITH PREJUDICE. THE PAYMENTS WAS MADE ON SEPTEMBER 30, 2005. MR. ECONOMOU AND MR. COUGHLIN DID NOT CONTRIBUTE TO THESE PAYMENTS.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
ON AUGUST 31, 2005 THE REGULATORY ACTION WAS DISMISSED AGAINST MSDW, MR. ECONOMOU AND MR. COUGHLIN WITH PREJUDICE BASED UPON A SETTLEMENT AGREEMENT, WHICH REQUIRED MSDW TO PAY THE STATE OF DELAWARE $50,000 AND TO PAY ROBERT AND CAROL APPLEGATE $650,000. MSDW SATISFIED THE PAYMENTS ON SEPTEMBER 30, 2005. MESSRS. ECONOMOU AND COUGHLIN DID NOT CONTRIBUTE TO THESE PAYMENTS.

GENERAL INSTRUCTIONS

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Check item(s) being responded to:

Regulatory Action			
[ ] 11.C(1)	[x] 11.C(5)	[ ] 11.D(4)	[ ] 11.E(3)
[x] 11.C(2)	[ ] 11.D(1)	[ ] 11.D(5)	[ ] 11.E(4)
[ ] 11.C(3)	[ ] 11.D(2)	[ ] 11.E(1)	[ ] 11.F
[x] 11.C(4)	[ ] 11.D(3)	[ ] 11.E(2)	[ ] 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution

Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- (•) You (the advisory firm)
- ( ) You and one or more of your *advisory affiliates*
- ( ) One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

( ) *Yes* ( ) *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:
(•) SEC ( ) Other Federal ( ) State ( ) *SRO* ( ) Foreign
(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
SECURITIES AND EXCHANGE COMMISSION

2. Principal Sanction:
Civil and Administrative Penalt(ies) /Fine(s)
Other Sanctions:
CENSURE, CEASE AND DESIST, DISGORGEMENT, UNDERTAKING

3. Date Initiated (MM/DD/YYYY):
05/09/2007 (•) Exact ( ) Explanation
If not exact, provide explanation:

4. Docket/Case Number:
ADMINISTRATIVE PROCEEDING: 3-12631

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
Equity - OTC
Other Product Types:

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):
ON MAY 9, 2007, THE SECURITIES AND EXCHANGE COMMISSION ("SEC") ISSUED AN ORDER SETTLING AN ADMINISTRATIVE ACTION WITH MORGAN STANLEY & CO. INCORPORATED. IN THIS MATTER, THE SEC FOUND THAT MORGAN STANLEY VIOLATED ITS DUTY OF BEST EXECUTION IN VIOLATION OF SECTION 15(C)(1)(A) OF THE SECURITIES EXCHANGE ACT OF 1934 ("EXCHANGE ACT"). IN PARTICULAR, THE ORDER SETS FORTH THE SEC'S FINDINGS THAT, DURING THE PERIOD OF OCTOBER 24, 2001 THROUGH DECEMBER 8, 2004, MORGAN STANLEY'S PROPRIETARY MARKET-MAKING SYSTEM FAILED TO PROVIDE BEST EXECUTION TO CERTAIN RETAIL OTC ORDERS.

8. Current status ? ( ) Pending ( ) On Appeal (•) Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:

Order

ORDER

11. Resolution Date (MM/DD/YYYY):

05/09/2007 (•) Exact ( ) Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

- [x] Monetary/Fine Amount:$ 1500000
- [ ] Revocation/Expulsion/Denial
- [x] Disgorgement/Restitution
- [x] Censure
- [x] Cease and Desist/Injunction
- [ ] Bar
- [ ] Suspension

B. Other Sanctions *Ordered*:

DISGORGEMENT IN THE AMOUNT OF $5,949,222; UNDERTAKING

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:

SEE 13

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)

MORGAN STANLEY CONSENTED, WITHOUT ADMITTING OR DENYING THE FINDINGS, TO A CENSURE, TO CEASE AND DESIST FROM COMMITTING OR CAUSING FUTURE VIOLATIONS OF SECTION 15(C)(1)(A) OF THE EXCHANGE ACT, TO PAY DISGORGEMENT OF $5,949,222 PLUS PREJUDGMENT INTEREST ON THAT AMOUNT, AND TO PAY A CIVIL PENALTY OF $1.5 MILLION. MORGAN STANLEY WILL ALSO RETAIN AN INDEPENDENT COMPLIANCE CONSULTANT TO REVIEW ITS POLICIES AND PROCEDURES IN CONNECTION WITH ITS MARKET-MAKING SYSTEM'S ORDER HANDLING PROCEDURES AND ITS CONTROLS RELATING TO CHANGES TO THOSE PROCEDURES, AND AN INDEPENDENT DISTRIBUTION CONSULTANT TO DEVELOP A PLAN OF DISTRIBUTION.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an (•) INITIAL ***OR*** ( ) AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action			
[ ] 11.C(1)	[ ] 11.C(5)	[ ] 11.D(4)	[ ] 11.E(3)
[ ] 11.C(2)	[ ] 11.D(1)	[ ] 11.D(5)	[ ] 11.E(4)
[ ] 11.C(3)	[ ] 11.D(2)	[ ] 11.E(1)	[ ] 11.F
[ ] 11.C(4)	[ ] 11.D(3)	[x] 11.E(2)	[ ] 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- (•) You (the advisory firm)
- ( ) You and one or more of your *advisory affiliates*
- ( ) One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

[ ] This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

[ ] This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

○ *Yes* ○ *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

○ SEC ○ Other Federal ○ State ◉ *SRO* ○ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
NEW YORK STOCK EXCHANGE (NYSE)

2. Principal Sanction:
Censure
Other Sanctions:
MONETARY FINE, UNDERTAKING

3. Date Initiated (MM/DD/YYYY):
06/04/2007 ◉ Exact ○ Explanation

If not exact, provide explanation:

4. Docket/Case Number:
NYSE HEARING PANEL DECISION 07-66

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
Debt - Government
Other Product Types:
EQUITY LISTED (COMMON AND PREFERRED STOCK)

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

ALLEGATIONS: WITHOUT ADMITTING OR DENYING ANY WRONGDOING, MORGAN STANLEY & CO. INCORPORATED ENTERED INTO A SETTLEMENT AGREEMENT WITH NYSE IN WHICH IT WAS STIPULATED THAT THE FIRM VIOLATED NYSE RULES 342, 405(2), 410, 440, 342.16 AND 351(D) AND SECTION 17(A) OF THE SECURITIES EXCHANGE ACT OF 1934 AND RULES 17A-3 AND 17A-4 THEREUNDER. MORGAN STANLEY DW INC. MERGED WITH MORGAN STANLEY & CO. INCORPORATED ON APRIL 1, 2007. THE REFERENCED ALLEGATIONS RELATE TO THE FORMER MORGAN STANLEY DW INC. BROKER-DEALER ENTITY AND NOT MORGAN STANLEY & CO. INCORPORATED.

8. Current status ? ○ Pending ○ On Appeal ◉ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Decision

DECISION

11. Resolution Date (MM/DD/YYYY):
06/04/2007 ◉ Exact ○ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☑ Monetary/Fine Amount:$ 500000

☐ Revocation/Expulsion/Denial

☑ Censure

☐ Bar

☐ Disgorgement/Restitution

☐ Cease and Desist/Injunction

☐ Suspension

B. Other Sanctions *Ordered*:
UNDERTAKING

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
SEE RESPONSE TO ITEM 13.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space

provided.)
WITHOUT ADMITTING OR DENYING ANY ALLEGATIONS, THE FIRM CONSENTED TO THE FINDINGS BY NYSE AND CONSENTED TO A CENSURE, $500,000 FINE AND AN UNDERTAKING PURSUANT TO WHICH THE FIRM WILL PROVIDE TO NYSE A DESCRIPTION OF SYSTEMS AND PROCEDURES PROPOSED BY THE FIRM RELATING TO ITS SUPERVISION OF GUARDIAN ACCOUNTS.

GENERAL INSTRUCTIONS

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Check item(s) being responded to:

Regulatory Action			
☐ 11.C(1)	☐ 11.C(5)	☑ 11.D(4)	☐ 11.E(3)
☐ 11.C(2)	☐ 11.D(1)	☐ 11.D(5)	☐ 11.E(4)
☐ 11.C(3)	☑ 11.D(2)	☐ 11.E(1)	☐ 11.F
☐ 11.C(4)	☐ 11.D(3)	☐ 11.E(2)	☐ 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

(•) You (the advisory firm)

( ) You and one or more of your *advisory affiliates*

( ) One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

( ) *Yes* ( ) *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

( ) SEC ( ) Other Federal (•) State ( ) *SRO* ( ) Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
RHODE ISLAND DEPARTMENT OF BUSINESS REGULATION, DIVISION OF SECURITIES

2. Principal Sanction:
Civil and Administrative Penalt(ies) /Fine(s)
Other Sanctions:
UNDERTAKING TO REVIEW CERTAIN MUTUAL FUND TRANSACTIONS EFFECTED BY TWO FAS FROM JANUARY 1, 2001 THROUGH DECEMBER 31, 2002 TO DETERMINE WHETHER SUCH INVESTMENTS WERE SUITABLE

3. Date Initiated (MM/DD/YYYY):
06/29/2007 (•) Exact ( ) Explanation

If not exact, provide explanation:

4. Docket/Case Number:
ORDER NO. 07-211

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):
MORGAN STANLEY DW, INC.

6. Principal Product Type:
Mutual Fund(s)
Other Product Types:

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

ALLEGED THAT THE FIRM FAILED TO REASONABLY SUPERVISE TWO FAS IN THE PROVIDENCE BRANCH RELATED TO UNSUITABLE SALES OF B SHARES OF MUTUAL FUNDS AND A VARIABLE ANNUITY CONTRACT, AND FAILURE TO EXCHANGE SECURITIES IN A MANNER TO BENEFIT FROM BREAKPOINTS. MORGAN STANLEY DW INC. MERGED WITH MORGAN STANLEY & CO. INCORPORATED ON APRIL 1, 2007. THE REFERENCED ALLEGATIONS RELATE TO THE FORMER MORGAN STANLEY DW INC. BROKER-DEALER ENTITY AND NOT MORGAN STANLEY & CO. INCORPORATED.

8. Current status ? ○ Pending ○ On Appeal ◉ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Consent

CONSENT

11. Resolution Date (MM/DD/YYYY):
06/29/2007 ◉ Exact ○ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

- ☑ Monetary/Fine Amount:$ 250000
- ☐ Revocation/Expulsion/Denial
- ☐ Censure
- ☐ Bar
- ☐ Disgorgement/Restitution
- ☐ Cease and Desist/Injunction
- ☐ Suspension

B. Other Sanctions *Ordered*:
UNDERTAKING TO REVIEW CERTAIN MUTUAL FUND TRANSACTIONS EFFECTED BY TWO FAS FROM JANUARY 1, 2001 THROUGH DECEMBER 31, 2002 TO DETERMINE WHETHER SUCH INVESTMENTS WERE SUITABLE.

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
$250,000 - PAID ON JUNE 29, 2007

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
WITHOUT ADMITTING OR DENYING THE FINDINGS OF THE DIVISION, THE FIRM CONSENTED TO AN ORDER IN WHICH THE DIVISION 1) FOUND THAT MORGAN STANLEY FAILED TO REASONABLY SUPERVISE TWO FAS IN THE FIRMS PROVIDENCE BRANCH RELATED TO UNSUITABLE SALES OF B SHARES OF MUTUAL FUNDS AND A VARIABLE ANNUITY CONTRACT, AND FAILURE TO EXCHANGE SECURITIES IN A MANNER TO BENEFIT FROM BREAKPOINTS, AND 2) ORDERED THAT THE FIRM: A) COMPLY WITH THE RHODE ISLAND UNIFORM SECURITIES ACT, B) PAY A CIVIL PENALTY OF $250,000, AND C) REVIEW CERTAIN MUTUAL FUND TRANSACTIONS EFFECTED BY TWO FAS FROM JANUARY 1, 2001 THROUGH DECEMBER 31, 2002 TO DETERMINE WHETHER SUCH INVESTMENTS WERE SUITABLE AND REPORT THE CONCLUSIONS TO THE DIVISION WITHIN 120 DAYS OF EXECUTION OF THE ORDER.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ◉ INITIAL ***OR*** ○ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action

☐ 11.C(1)	☐ 11.C(5)	☐ 11.D(4)	☐ 11.E(3)
☐ 11.C(2)	☐ 11.D(1)	☐ 11.D(5)	☐ 11.E(4)
☐ 11.C(3)	☐ 11.D(2)	☑ 11.E(1)	☐ 11.F
☐ 11.C(4)	☐ 11.D(3)	☑ 11.E(2)	☐ 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- (•) You (the advisory firm)
- ( ) You and one or more of your *advisory affiliates*
- ( ) One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

( ) *Yes* ( ) *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

( ) SEC ( ) Other Federal ( ) State (•) *SRO* ( ) Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
FINRA

2. Principal Sanction:
Restitution
Other Sanctions:
IN ADDITION TO MAKING THE AGREED RESTITUTION TO AFFECTED CUSTOMERS, THE FIRM AGREED TO PAY A FINE IN THE AMOUNT OF $1.5 MILLION.

3. Date Initiated (MM/DD/YYYY):
08/01/2007 (•) Exact ( ) Explanation

If not exact, provide explanation:

4. Docket/Case Number:
2005000907401

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):
MORGAN STANLEY DW INC (NOW MORGAN STANLEY & CO. INCORPORATED)

6. Principal Product Type:
Debt - Corporate
Other Product Types:

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

VIOLATIONS OF NASD CONDUCT RULES 2110, 2440 (AND INTERPRETIVE MATERIAL 2440) AND 3010, NASD REGISTRATION RULE 1022 AND SECTIONS 17(A)(2) AND 17 (A)(3) OF THE SECURITIES ACT OF 1933 IN CONNECTION WITH THE PRICES CHARGED TO RETAIL CUSTOMERS FOR CERTAIN SPECIFIC SURPLUS NOTES BETWEEN FEBRUARY AND JUNE 2001.

8. Current status ? ( ) Pending ( ) On Appeal (•) Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Acceptance, Waiver & Consent(AWC)

AWC

11. Resolution Date (MM/DD/YYYY):
08/01/2007 (•) Exact ( ) Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

- [x] Monetary/Fine Amount:$ 1500000
- [ ] Revocation/Expulsion/Denial
- [x] Disgorgement/Restitution
- [ ] Censure
- [ ] Cease and Desist/Injunction
- [ ] Bar
- [ ] Suspension

B. Other Sanctions *Ordered*:
N/A

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
THE FIRM AGREED TO PAY A FINE IN THE AMOUNT OF $1.5 MILLION AND MAKE RESTITUTION TO CUSTOMERS, WITH INTEREST, IN THE AMOUNT OF $4.65 MILLION. THE FINE IS DUE TO BE PAID ON AUGUST 16, 2007 AND RESTITUTION IS TO BE COMPLETED WITHIN 120 DAYS OF THE DATE OF THE AWC.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
THIS ACTION RELATED TO THE MARK-UPS APPLIED TO CERTAIN SPECIFIC SURPLUS NOTES SOLD TO RETAIL CUSTOMERS OVER THE PERIOD FROM FEBRUARY TO JUNE 2001. IN ADDITION TO THE FIRM, AN INDIVIDUAL EMPLOYEE IS ALSO A PARTY TO THE AWC. UNDER THE AWC, HE AGREED TO A FINE (JOINTLY AND SEVERALLY WITH THE FIRM) IN THE AMOUNT OF $40,000 AND A SUSPENSION FROM ASSOCIATION WITH ANY FINRA MEMBER IN ANY CAPACITY FOR 15 BUSINESS DAYS. THE SUSPENSION WILL BE IN EFFECT FROM AUGUST 20. 2007 THROUGH SEPTEMBER 10, 2007. WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM AND THE INDIVIDUAL CONSENTED TO THE ABOVE SANCTIONS AND TO THE ENTRY OF THE FINDINGS.

GENERAL INSTRUCTIONS

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Check item(s) being responded to:

Regulatory Action			
[ ] 11.C(1)	[ ] 11.C(5)	[ ] 11.D(4)	[ ] 11.E(3)
[ ] 11.C(2)	[ ] 11.D(1)	[ ] 11.D(5)	[ ] 11.E(4)
[ ] 11.C(3)	[ ] 11.D(2)	[ ] 11.E(1)	[ ] 11.F
[ ] 11.C(4)	[ ] 11.D(3)	[ ] 11.E(2)	[x] 11.G

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PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- (•) You (the advisory firm)
- ( ) You and one or more of your *advisory affiliates*
- ( ) One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

- [ ] This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.
- [ ] This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

○ Yes ○ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:
○ SEC ○ Other Federal ◉ State ○ *SRO* ○ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
MASSACHUSETTS SECURITIES DIVISION

2. Principal Sanction:

Other Sanctions:

3. Date Initiated (MM/DD/YYYY):
09/12/2007 ◉ Exact ○ Explanation

If not exact, provide explanation:

4. Docket/Case Number:
E-2006-0094

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
No Product
Other Product Types:

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

THE SECURITIES DIVISION ALLEGES, AMONG OTHER THINGS, IMPROPER SOLICITATION PRACTICES AND FAILURE TO ADHERE TO THE RELEVANT DO NOT CALL STATUTES AND REGULATIONS, AS WELL AS FAILURE TO SUPERVISE. THE SECURITIES DIVISION HAS BROUGHT THE ACTION AGAINST THE FIRM AS WELL AS THREE INDIVIDUALS.

8. Current status ? ◉ Pending ○ On Appeal ○ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:

11. Resolution Date (MM/DD/YYYY):
○ Exact ○ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☐ Monetary/Fine Amount:$

☐ Revocation/Expulsion/Denial

☐ Censure

☐ Bar

☐ Disgorgement/Restitution

☐ Cease and Desist/Injunction

☐ Suspension

B. Other Sanctions *Ordered*:

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
THE ACTION WAS FILED ON SEPTEMBER 12, 2007. THE RESPONDENTS FILED THEIR ANSWERS TO THE COMPLAINT ON OCTOBER 3, 2007 AND ARE EACH CONTESTING THE ALLEGATIONS.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ◉ INITIAL ***OR*** ○ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of

Form ADV.

Check item(s) being responded to:

Regulatory Action			
☐ 11.C(1)	☑ 11.C(5)	☐ 11.D(4)	☐ 11.E(3)
☑ 11.C(2)	☐ 11.D(1)	☐ 11.D(5)	☐ 11.E(4)
☐ 11.C(3)	☐ 11.D(2)	☐ 11.E(1)	☐ 11.F
☑ 11.C(4)	☐ 11.D(3)	☐ 11.E(2)	☐ 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- ◉ You (the advisory firm)
- ○ You and one or more of your *advisory affiliates*
- ○ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

○ *Yes* ○ *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:
   ◉ SEC ○ Other Federal ○ State ○ *SRO* ○ Foreign
   (Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
   SECURITIES AND EXCHANGE COMMISSION

2. Principal Sanction:
   Civil and Administrative Penalt(ies) /Fine(s)
   Other Sanctions:
   CEASE AND DESIST; CENSURE; UNDERTAKING

3. Date Initiated (MM/DD/YYYY):
   10/10/2007 ◉ Exact ○ Explanation
   If not exact, provide explanation:

4. Docket/Case Number:
   FILE NO 3-12864

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
   Other
   Other Product Types:
   FIXED INCOME SECURITIES

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

MORGAN STANLEY & CO. INCORPORATED, ON ITS OWN AND AS SUCCESSOR TO MORGAN STANLEY DW INC., IS ALLEGED TO HAVE FAILED TO PROVIDE TO ITS CUSTOMERS ACCURATE AND COMPLETE WRITTEN TRADE CONFIRMATIONS FROM 2000 UNTIL 2006 FOR CERTAIN FIXED INCOME SECURITIES IN VIOLATION OF RULE 10B-10 UNDER THE EXCHANGE ACT, SECTION 15B(C)(1) OF THE EXCHANGE ACT AND RULE G-15 OF THE MUNICIPAL SECURITIES RULEMAKING BOARD. SPECIFICALLY, IT IS ALLEGED THAT CERTAIN RETAIL FIXED INCOME TRADE CONFIRMATIONS WERE INACCURATE BY: MISSING FIRM'S ROLE AS AGENT AND THE COMMISSIONS CHARGED ON THE AGENCY TRADE; FAILED TO DISCLOSE THE PUT DETAILS (PUT DATE; PRICE; YIELD-TO-PUT) OF CORPORATE AND MUNICIPAL BONDS WITH PUT FEATURES; INACCURATE OR OUTDATED CALL OR PUT DATES FOR MUNICIPAL BONDS WITH ROLLING CALL OR PUT FEATURES; SELL-SIDE TRADE CONFIRMATIONS OF CORPORATE, AGENCY AND TREASURY BONDS FAILED TO DISCLOSE YIELD; FAILED TO DISCLOSE THE YIELD INFORMATION INVOLVING PURCHASES OF CORPORATE ZERO COUPON BONDS AS WELL AS ASSET-BACKED AND MORTGAGE-BACKED DEBT SECURITIES; AND PROVIDED INACCURATE YIELD CALCULATIONS FOR STEPPED BONDS AND PREMIUM CALL MUNICIPAL BONDS WITH DECLINING PREMIUMS.

8. Current status ? ○ Pending ○ On Appeal ◉ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Order

ORDER

11. Resolution Date (MM/DD/YYYY):
10/10/2007 ◉ Exact ○ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

- ☑ Monetary/Fine Amount:$ 7500000
- ☐ Revocation/Expulsion/Denial
- ☐ Disgorgement/Restitution
- ☑ Censure
- ☑ Cease and Desist/Injunction
- ☐ Bar
- ☐ Suspension

B. Other Sanctions *Ordered*:
UNDERTAKING: RETAIN AN INDEPENDENT CONSULTANT TO 1) VERIFY THAT THE DEFICIENCIES IN THE FIRM'S POLICIES, PRACTICES AND PROCEDURES RELATING TO FIXED INCOME SECURITIES TRADE CONFIRMATIONS, WHICH WERE IDENTIFIED DURING THE COURSE OF THE FIRM'S INTERNAL INVESTIGATION, HAVE BEEN ELIMINATED AND THAT THESE POLICIES, PRACTICES AND PROCEDURES ARE NOW SUFFICIENT TO PROVIDE FOR ONGOING COMPLIANCE WITH EXCHANGE ACT RULE 10B-10 AND MSRB RULE G-15; AND 2) PREPARE A REPORT CONFIRMING COMPLIANCE AND, WITH RESPECT TO ANY POLICIES, PRACTICES OR PROCEDURES NOT IN COMPLIANCE, MAKING RECOMMENDATIONS FOR HOW THE FIRM SHOULD MODIFY OR SUPPLEMENT ITS POLICIES, PRACTICES AND PROCEDURES TO REMEDY THE DEFICIENCIES IDENTIFIED BY THE CONSULTANT IN THE REPORT.

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
THE PENALTY OF $7.5 MILLION WAS PAID ON OCTOBER 13, 2007.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
THE FIRM CONSENTED TO THE ISSUANCE OF THE ORDER WITHOUT ADMITTING OR DENYING ANY OF THE COMMISSION'S FINDINGS, EXCEPT AS TO THE COMMISSION'S JURISDICTION OVER THE MATTER.

GENERAL INSTRUCTIONS

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Check item(s) being responded to:

Regulatory Action			
☐ 11.C(1)	☐ 11.C(5)	☐ 11.D(4)	☐ 11.E(3)
☐ 11.C(2)	☐ 11.D(1)	☐ 11.D(5)	☐ 11.E(4)
☐ 11.C(3)	☐ 11.D(2)	☐ 11.E(1)	☐ 11.F
☐ 11.C(4)	☐ 11.D(3)	☑ 11.E(2)	☐ 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

(●) You (the advisory firm)

( ) You and one or more of your *advisory affiliates*

( ) One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

( ) *Yes* ( ) *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:
( ) SEC ( ) Other Federal ( ) State (●) *SRO* ( ) Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
FINRA ON BEHALF OF THE ISE

2. Principal Sanction:
Civil and Administrative Penalt(ies) /Fine(s)
Other Sanctions:

3. Date Initiated (MM/DD/YYYY):
12/07/2007 (●) Exact ( ) Explanation

If not exact, provide explanation:

4. Docket/Case Number:
FILE NOS. - 2005-06; 2005-136; ET AL.

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
Options
Other Product Types:
DERIVATIVES

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, MORGAN STANLEY ACCEPTED FINDINGS THAT, DURING THE PERIOD OF JANUARY 2005 THROUGH SEPTEMBER 2006, IT VIOLATED THE PRICE QUOTING REQUIREMENTS CONTAINED IN ISE RULES 804(E)(1), 804(E)(2)(I) AND 804(E)(2)(II).

8. Current status ? ( ) Pending ( ) On Appeal (●) Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Acceptance, Waiver & Consent(AWC)

AWC

11. Resolution Date (MM/DD/YYYY):
12/07/2007 (●) Exact ( ) Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☑ Monetary/Fine Amount:$ 20000

☐ Revocation/Expulsion/Denial

☐ Censure

☐ Bar

☐ Disgorgement/Restitution

☐ Cease and Desist/Injunction

☐ Suspension

B. Other Sanctions *Ordered*:
N/A

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
SEE ITEM 13

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
WITHOUT ADMITTING OR DENYING THE ALLEGATIONS MORGAN STANLEY CONSENTED TO THE FINDINGS BY THE ISE AND A $20,000 FINE.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ○ INITIAL ***OR*** ◉ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action

☐ 11.C(1)	☑ 11.C(5)	☐ 11.D(4)	☐ 11.E(3)
☑ 11.C(2)	☐ 11.D(1)	☐ 11.D(5)	☐ 11.E(4)
☐ 11.C(3)	☐ 11.D(2)	☐ 11.E(1)	☐ 11.F
☑ 11.C(4)	☐ 11.D(3)	☐ 11.E(2)	☐ 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

◉ You (the advisory firm)

○ You and one or more of your *advisory affiliates*

○ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*

No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

○ *Yes* ○ *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

◉ SEC ○ Other Federal ○ State ○ *SRO* ○ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
UNITED STATES SECURITIES AND EXCHANGE COMMISSION

2. Principal Sanction:
Civil and Administrative Penalt(ies) /Fine(s)
Other Sanctions:
CENSURE, DISGORGEMENT AND PREJUDGMENT INTEREST, CEASE AND DESIST ORDER

3. Date Initiated (MM/DD/YYYY):
12/18/2007 (•) Exact ( ) Explanation

If not exact, provide explanation:

4. Docket/Case Number:
3-12907

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):
MORGAN STANLEY DW INC. (NOW MORGAN STANLEY & CO.INCORPORATED)

6. Principal Product Type:
Mutual Fund(s)
Other Product Types:

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

FAILURE TO SUPERVISE CERTAIN FORMER FINANCIAL ADVISORS ("FAS") WITH A VIEW TO PREVENTING THEIR ALLEGED MARKET TIMING ACTIVITY; VIOLATION OF INVESTMENT COMPANY ACT RULE 22C-1(A) WITH RESPECT TO LATE TRADING OF MUTUAL FUNDS; AND FAILURE TO MAKE AND KEEP CERTAIN REQUIRED BOOKS AND RECORDS.

8. Current status ? ( ) Pending ( ) On Appeal (•) Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Settled

SETTLMNT

11. Resolution Date (MM/DD/YYYY):
12/18/2007 (•) Exact ( ) Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

- [x] Monetary/Fine Amount:$ 11880000
- [ ] Revocation/Expulsion/Denial
- [x] Disgorgement/Restitution
- [x] Censure
- [x] Cease and Desist/Injunction
- [ ] Bar
- [ ] Suspension

B. Other Sanctions *Ordered*:
N/A

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
THE FIRM WILL PAY A TOTAL OF $17 MILLION, COMPRISED OF A FINE IN THE AMOUNT OF $11.88 MILLION, DISGORGEMENT IN THE AMOUNT OF $4.4 MILLION AND INTEREST IN THE AMOUNT OF $720,000. THE TOTAL AMOUNT SHALL BE PAID BY JANUARY 3, 2008. THE FIRM WILL ALSO RETAIN AN INDEPENDENT DISTRIBUTION CONSULTANT. IN ADDITION, THE FIRM WAS ORDERED TO CEASE AND DESIST FROM COMMITTING OR CAUSING ANY VIOLATIONS AND ANY FUTURE VIOLATIONS OF SECTION 17(A)(1) OF THE EXCHANGE ACT AND RULE 17A-3, THEREUNDER, AND RULE 22C-1(A) UNDER THE INVESTMENT COMPANY ACT.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
THIS ACTION RELATED TO ALLEGATIONS WITH RESPECT MARKET TIMING AND LATE TRADING OF MUTUAL FUNDS OVER RESPECTIVE PERIODS DURING 2002 AND 2003. THE FIRM CONSENTED TO THE ENTRY OF THE ORDER AND TO THE SANCTIONS, WITHOUT ADMITTING OR DENYING THE SEC'S FINDINGS . IN ADDITION, ONE FORMER FA ENTERED INTO A SEPARATE AGREEMENT WITH THE SEC THAT IS THE SUBJECT OF A SEPARATE ORDER, DATED DECEMBER 18, 2007, RELATED TO THIS MATTER. TWO OTHER FORMER FAS WERE CHARGED IN A CIVIL COMPLAINT, DATED DECEMBER 14, 2007, BROUGHT BY THE SEC IN THE FEDERAL COURT IN THE SOUTHERN DISTRICT OF NEW YORK.

GENERAL INSTRUCTIONS

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Check item(s) being responded to:

Regulatory Action			
☐ 11.C(1)	☐ 11.C(5)	☐ 11.D(4)	☐ 11.E(3)
☐ 11.C(2)	☐ 11.D(1)	☐ 11.D(5)	☐ 11.E(4)
☐ 11.C(3)	☑ 11.D(2)	☐ 11.E(1)	☐ 11.F
☐ 11.C(4)	☐ 11.D(3)	☐ 11.E(2)	☐ 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- ◉ You (the advisory firm)
- ○ You and one or more of your *advisory affiliates*
- ○ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

○ *Yes* ○ *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:
   ○ SEC ○ Other Federal ◉ State ○ *SRO* ○ Foreign
   (Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
   STATE OF GEORGIA – COMMISSIONER OF SECURITIES

2. Principal Sanction:
   Civil and Administrative Penalt(ies) /Fine(s)
   Other Sanctions:
   CENSURE; UNDERTAKING

3. Date Initiated (MM/DD/YYYY):
   01/09/2008 ◉ Exact ○ Explanation

   If not exact, provide explanation:

4. Docket/Case Number:
   EN19318

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):
   MORGAN STANLEY DW INC.

6. Principal Product Type:
   Equity - OTC
   Other Product Types:
   EQUITY LISTED

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):
   THE COMMISSIONER ALLEGED THAT MORGAN STANLEY FAILED TO SUPERVISE ITS BRANCH MANAGER AND FINANCIAL ADVISOR IN VIOLATION OF O.C.G.A.S 10-5-4(A)(11) AND RULE AND REGULATION OF THE STATE OF GEORGIA 590-4-2-07.

8. Current status ? ○ Pending ○ On Appeal ◉ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Acceptance, Waiver & Consent(AWC)

AWC

11. Resolution Date (MM/DD/YYYY):
01/11/2008 (•) Exact ( ) Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

- [x] Monetary/Fine Amount:$ 25000
- [ ] Revocation/Expulsion/Denial
- [ ] Disgorgement/Restitution
- [x] Censure
- [ ] Cease and Desist/Injunction
- [ ] Bar
- [ ] Suspension

B. Other Sanctions *Ordered*:
COSTS OF INVESTIGATION AND UNDERTAKING.

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
$25,000 FINE PAID JANUARY 9, 2008; $214,091.93 INVESTIGATIVE COSTS PAID FEBRUARY 5, 2008

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
WITHOUT ADMITTING OR DENYING THE FINDINGS, AND PRIOR TO A HEARING AND WITHOUT AN ADJUDICATION OF ANY ISSUE OF LAW OR FACT, MORGAN STANLEY CONSENTED TO THE FINDINGS BY THE GEORGIA SECURITIES COMMISSIONER AND CONSENTED TO A CENSURE, A $25,000 FINE, PAID THE COSTS OF THE STATE'S INVESTIGATION AND AGREED TO AN UNDERTAKING TO PROVIDE THE STATE OF GEORGIA WITH CERTAIN REQUESTED INFORMATION REGARDING MATTERS INVOLVING MORGAN STANLEY FINANCIAL ADVISORS LOCATED IN GEORGIA BRANCH OFFICES FOR A PERIOD OF 12 MONTHS.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an (•) INITIAL ***OR*** ( ) AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action			
[ ] 11.C(1)	[ ] 11.C(5)	[x] 11.D(4)	[ ] 11.E(3)
[ ] 11.C(2)	[ ] 11.D(1)	[ ] 11.D(5)	[ ] 11.E(4)
[ ] 11.C(3)	[x] 11.D(2)	[ ] 11.E(1)	[ ] 11.F
[ ] 11.C(4)	[ ] 11.D(3)	[ ] 11.E(2)	[ ] 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- (•) You (the advisory firm)
- ( ) You and one or more of your *advisory affiliates*
- ( ) One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

○ *Yes* ○ *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

○ SEC ○ Other Federal ◉ State ○ *SRO* ○ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)

ALABAMA SECURITIES COMMISSION

2. Principal Sanction:

Civil and Administrative Penalt(ies) /Fine(s)

Other Sanctions:

CEASE & DESIST

3. Date Initiated (MM/DD/YYYY):

03/19/2008 ◉ Exact ○ Explanation

If not exact, provide explanation:

4. Docket/Case Number:

CO-2008-0011

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:

Debt - Corporate

Other Product Types:

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

FROM AT LEAST JANUARY 1997 UNTIL MAY 2005, CERTAIN ORDER ENTRY SYSTEMS AT THE FIRM AND THE FIRM'S PREDECESSOR RETAIL FIRM, MORGAN STANLEY DW, INC., FAILED TO CHECK WHETHER CERTAIN SECONDARY MARKET SECURITIES TRANSACTIONS COMPLIED WITH STATE REGISTRATION REQUIREMENTS (BLUE SKY LAWS) RESULTING IN THE SALE OF UNREGISTERED SECURITIES IN 46 STATE AND TERRITORIAL JURISDICTIONS, INCLUDING ALABAMA. AS PART OF A MULTI-STATE SETTLEMENT WITH 46 STATE AND TERRITORIAL JURISDICTIONS, THE ALABAMA SECURITIES COMMISSION FOUND THAT MORGAN STANLEY'S FAILURE TO MAINTAIN ADEQUATE SYSTEMS TO REASONABLY ENSURE COMPLIANCE WITH THE BLUE SKY LAWS RESULTED IN THE SALE OF UNREGISTERED SECURITIES IN VIOLATION OF SECTION 8-6-4 OF THE CODE OF ALABAMA 1975 AND MORGAN STANLEY FAILED TO REASONABLY SUPERVISE ITS AGENTS OR EMPLOYEES IN VIOLATION OF RULE 830-X-3-.13. ALABAMA FINED THE FIRM $104,988 WHICH WAS ALABAMA'S SHARE OF THE MULTI-STATE SETTLEMENT PENALTY OF $8.5 MILLION, AND ORDERED THE FIRM TO CEASE AND DESIST FROM VIOLATING THE ALABAMA SECURITIES ACT.

8. Current status ? ○ Pending ○ On Appeal ◉ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:

Consent

CONSENT

11. Resolution Date (MM/DD/YYYY):

03/19/2008 ◉ Exact ○ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☑ Monetary/Fine Amount:$ 104988

☐ Revocation/Expulsion/Denial

☐ Censure

☐ Bar

☐ Disgorgement/Restitution

☑ Cease and Desist/Injunction

☐ Suspension

B. Other Sanctions *Ordered*:

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
MONETARY PENALTY PAID AS FOLLOWS: $60,000 TO STATE OF ALABAMA AS CIVIL MONETARY PENALTY; $14,988 TO ALABAMA SECURITIES COMMISSION AS PARTIAL REIMBURSEMENT FOR COST OF INVESTIGATION; $10,000 TO THE ALABAMA DISTRICT ATTORNEY'S ASSOCIATION; AND $20,000 TO THE INVESTOR PROTECTION TRUST

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
IN MAY 2005, MORGAN STANLEY DISCOVERED THAT CERTAIN ORDER ENTRY SYSTEMS AT THE FIRM AND THE FIRM'S PREDECESSOR RETAIL FIRM, MORGAN STANLEY DW, INC., FAILED TO CHECK WHETHER CERTAIN SECONDARY MARKET SECURITIES TRANSACTIONS COMPLIED WITH STATE REGISTRATION REQUIREMENTS (BLUE SKY LAWS). THE FIRM CONDUCTED AN INTERNAL INVESTIGATION, REPAIRED THE DEFICIENT SYSTEMS, SELF-REPORTED THE PROBLEM TO ALL AFFECTED STATE AND FEDERAL REGULATORS, IDENTIFIED TRANSACTIONS WHICH WERE EXECUTED IN VIOLATION OF THE BLUE SKY LAWS, AND OFFERED RESCISSION TO SUCH CUSTOMERS WITH TERMS AND CONDITIONS CONSISTENT WITH THE LAW OF THE STATE OF RESIDENCE OF EACH INVESTOR. THE FIRM ALSO COOPERATED WITH A MULTI-STATE INVESTIGATION OF THIS MATTER AND HAS AGREED TO SETTLE THE STATE REGULATORY ISSUES IN A MULTI-STATE SETTLEMENT WITH THE 46 AFFECTED STATE AND TERRITORIAL JURISDICTIONS. THE FIRM AGREED TO CONSENT TO AN ADMINISTRATIVE ORDER WITH EACH OF THE 46 STATE AND TERRITORIAL JURISDICTIONS AND TO PAY A TOTAL CIVIL MONETARY PENALTY OF $8.5 MILLION TO BE DIVIDED AMONG THE 46 STATE AND TERRITORIAL JURISDICTIONS. WITHOUT ADJUDICATION OF ANY ISSUES OF LAW OR FACT, AND WITHOUT ADMITTING OR DENYING ANY ALLEGATIONS OR FINDINGS, MORGAN STANLEY CONSENTED TO THE FINDINGS OF FACT, CONCLUSIONS OF LAW AND CONSENT ORDER ENTERED BY ALABAMA, AS PART OF THE MULTI-STATE SETTLEMENT, TO RESOLVE ANY REMAINING REGULATORY ISSUES WITH ALABAMA. AS PART OF THE SETTLEMENT, THE FIRM AGREES TO CEASE AND DESIST FROM VIOLATING THE ALABAMA SECURITIES ACT AND TO PAY A $104,988 PENALTY TO ALABAMA, WHICH CONSTITUTES ALABAMA'S SHARE OF THE MULTI-STATE PENALTY OF $8.5 MILLION.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ◉ INITIAL ***OR*** ○ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action			
☐ 11.C(1)	☐ 11.C(5)	☐ 11.D(4)	☐ 11.E(3)
☐ 11.C(2)	☐ 11.D(1)	☐ 11.D(5)	☐ 11.E(4)
☐ 11.C(3)	☐ 11.D(2)	☐ 11.E(1)	☐ 11.F
☐ 11.C(4)	☐ 11.D(3)	☑ 11.E(2)	☐ 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

◉ You (the advisory firm)

○ You and one or more of your *advisory affiliates*

○ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

○ *Yes* ○ *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:
   ○ SEC ○ Other Federal ○ State ◉ *SRO* ○ Foreign

   (Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
   NEW YORK STOCK EXCHANGE, LLC

2. Principal Sanction:
   Civil and Administrative Penalt(ies) /Fine(s)
   Other Sanctions:
   CENSURE

3. Date Initiated (MM/DD/YYYY):
   03/20/2008 ◉ Exact ○ Explanation

   If not exact, provide explanation:

4. Docket/Case Number:
   NYSE HEARING BOARD DECISION 08-18

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
   Equity Listed (Common & Preferred Stock)
   Other Product Types:

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

   THE DIVISION OF ENFORCEMENT FILED A STIPULATION OF FACTS AND CONSENT TO PENALTY WITH THE HEARING BOARD IN WHICH MORGAN STANLEY, WITHOUT ADMITTING OR DENYING ANY ALLEGATIONS OR FINDINGS, STIPULATED TO CERTAIN FACTS, IN THAT THE FIRM 1) VIOLATED NYSE RULES 123(E) AND 123(F) BY FAILING TO PROVIDE CERTAIN REQUIRED DATA NEEDED TO LINK THE ENTRY OF ORDERS WITH REPORTS OF EXECUTION IN THE FRONT END SYSTEMIC CAPTURE SYSTEM; AND 2) VIOLATED NYSE RULE 342 IN THAT THE FIRM FAILED TO IMPLEMENT ADEQUATE CONTROLS REASONABLY DESIGNED TO FULLY REMEDIATE THE FIRM'S ORDER MANAGEMENT SYSTEM TO MEET NYSE TECHNICAL SPECIFICATIONS IN A TIMELY MANNER TO PREVENT VIOLATIONS OF NYSE RULES 123(E) AND 123(F).

8. Current status ? ○ Pending ○ On Appeal ◉ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
    Stipulation and Consent

    STIPCONS

11. Resolution Date (MM/DD/YYYY):
    03/24/2008 ◉ Exact ○ Explanation

    If not exact, provide explanation:

12. Resolution Detail:

    A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

    - ☑ Monetary/Fine Amount:$ 100000
    - ☐ Revocation/Expulsion/Denial
    - ☐ Disgorgement/Restitution
    - ☑ Censure
    - ☐ Cease and Desist/Injunction
    - ☐ Bar
    - ☐ Suspension

    B. Other Sanctions *Ordered*:

    Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
    WITHOUT ADJUDICATION OF ANY ISSUES OF LAW OR FACT, AND WITHOUT ADMITTING OR DENYING ANY ALLEGATIONS OR FINDINGS, MORGAN STANLEY STIPULATED TO CERTAIN FACTS AND CONSENTED TO A FINDING BY A HEARING PANEL OR HEARING OFFICER THAT THE FIRM 1) VIOLATED NYSE RULES 123(E) AND 123(F) BY FAILING TO PROVIDE CERTAIN REQUIRED DATA NEEDED TO LINK THE ENTRY OF ORDERS WITH REPORTS OF EXECUTION IN THE FRONT END SYSTEMIC CAPTURE SYSTEM; AND 2) VIOLATED NYSE RULE 342 IN THAT THE FIRM FAILED TO IMPLEMENT ADEQUATE CONTROLS REASONABLY DESIGNED TO FULLY REMEDIATE THE FIRM'S ORDER MANAGEMENT SYSTEM TO MEET NYSE TECHNICAL SPECIFICATIONS IN A TIMELY MANNER TO PREVENT VIOLATIONS OF NYSE RULES 123(E) AND 123(F). IN ADDITION, THE FIRM CONSENTED TO THE IMPOSITION OF A PENALTY OF A CENSURE AND A FINE IN THE AMOUNT OF $100,000.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
    WITHOUT ADJUDICATION OF ANY ISSUES OF LAW OR FACT, AND WITHOUT ADMITTING OR DENYING ANY ALLEGATIONS OR FINDINGS, MORGAN STANLEY STIPULATED TO CERTAIN FACTS AND CONSENTED TO A FINDING BY A HEARING PANEL OR HEARING OFFICER THAT THE FIRM 1) VIOLATED NYSE RULES 123(E) AND 123(F) BY

FAILING TO PROVIDE CERTAIN REQUIRED DATA NEEDED TO LINK THE ENTRY OF ORDERS WITH REPORTS OF EXECUTION IN THE FRONT END SYSTEMIC CAPTURE SYSTEM; AND 2) VIOLATED NYSE RULE 342 IN THAT THE FIRM FAILED TO IMPLEMENT ADEQUATE CONTROLS REASONABLY DESIGNED TO FULLY REMEDIATE THE FIRM'S ORDER MANAGEMENT SYSTEM TO MEET NYSE TECHNICAL SPECIFICATIONS IN A TIMELY MANNER TO PREVENT VIOLATIONS OF NYSE RULES 123(E) AND 123(F). IN ADDITION, THE FIRM CONSENTED TO THE IMPOSITION OF A PENALTY OF A CENSURE AND A FINE IN THE AMOUNT OF $100,000.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an (•) INITIAL ***OR*** ( ) AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action			
☐ 11.C(1)	☐ 11.C(5)	☑ 11.D(4)	☐ 11.E(3)
☐ 11.C(2)	☐ 11.D(1)	☐ 11.D(5)	☐ 11.E(4)
☐ 11.C(3)	☑ 11.D(2)	☐ 11.E(1)	☐ 11.F
☐ 11.C(4)	☐ 11.D(3)	☐ 11.E(2)	☐ 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

(•) You (the advisory firm)

( ) You and one or more of your *advisory affiliates*

( ) One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

( ) *Yes* ( ) *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

( ) SEC ( ) Other Federal (•) State ( ) *SRO* ( ) Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
VIRGINIA DIVISION OF SECURITIES

2. Principal Sanction:
Civil and Administrative Penalt(ies) /Fine(s)
Other Sanctions:
CEASE & DESIST

3. Date Initiated (MM/DD/YYYY):
04/16/2008 (•) Exact ( ) Explanation

If not exact, provide explanation:

4. Docket/Case Number:
SEC-2008-00034

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
Debt - Corporate
Other Product Types:
EQUITY - OTC; ADR ON FOREIGN SECURITIES; SYNTHETIC

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

FROM AT LEAST JANUARY 1997 UNTIL MAY 2005, CERTAIN ORDER ENTRY SYSTEMS AT THE FIRM AND THE FIRM'S PREDECESSOR RETAIL FIRM, MORGAN STANLEY DW, INC., FAILED TO CHECK WHETHER CERTAIN SECONDARY MARKET SECURITIES TRANSACTIONS COMPLIED WITH STATE REGISTRATION REQUIREMENTS (BLUE SKY LAWS) RESULTING IN THE SALE OF UNREGISTERED SECURITIES IN 46 STATE AND TERRITORIAL JURISDICTIONS, INCLUDING VIRGINIA. AS PART OF A MULTI-STATE SETTLEMENT WITH 46 STATE AND TERRITORIAL JURISDICTIONS, THE VIRGINIA CORPORATION COMMISSION FOUND THAT MORGAN STANLEY'S FAILURE TO MAINTAIN ADEQUATE SYSTEMS TO REASONABLY ENSURE COMPLIANCE WITH THE BLUE SKY LAWS RESULTED IN THE SALE OF UNREGISTERED SECURITIES IN VIOLATION OF SECTION 13.1-507 OF THE VIRGINIA SECURITIES ACT (ACT) AND MORGAN STANLEY FAILED TO REASONABLY SUPERVISE ITS AGENTS OR EMPLOYEES IN VIOLATION OF SECURITIES RULE 21 VAC 5-20-260. THE VIRGINIA CORPORATIONS COMMISSION FINED THE FIRM $103,415 WHICH WAS VIRGINIA'S SHARE OF THE MULTI-STATE SETTLEMENT PENALTY OF $8.5 MILLION, AND ORDERED THE FIRM TO CEASE AND DESIST FROM VIOLATING THE ACT.

8. Current status ? ○ Pending ○ On Appeal ◉ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Consent

CONSENT

11. Resolution Date (MM/DD/YYYY):
04/16/2008 ◉ Exact ○ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☑ Monetary/Fine Amount:$ 103415

☐ Revocation/Expulsion/Denial

☐ Disgorgement/Restitution

☐ Censure

☑ Cease and Desist/Injunction

☐ Bar

☐ Suspension

B. Other Sanctions *Ordered*:

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
IN MAY 2005, MORGAN STANLEY DISCOVERED THAT CERTAIN ORDER ENTRY SYSTEMS AT THE FIRM AND THE FIRM'S PREDECESSOR RETAIL FIRM, MORGAN STANLEY DW, INC., FAILED TO CHECK WHETHER CERTAIN SECONDARY MARKET SECURITIES TRANSACTIONS COMPLIED WITH STATE REGISTRATION REQUIREMENTS (BLUE SKY LAWS). THE FIRM CONDUCTED AN INTERNAL INVESTIGATION, REPAIRED THE DEFICIENT SYSTEMS, SELF-REPORTED THE PROBLEM TO ALL AFFECTED STATE AND FEDERAL REGULATORS, IDENTIFIED TRANSACTIONS WHICH WERE EXECUTED IN VIOLATION OF THE BLUE SKY LAWS, AND OFFERED RESCISSION TO SUCH CUSTOMERS WITH TERMS AND CONDITIONS CONSISTENT WITH THE LAW OF THE STATE OF RESIDENCE OF EACH INVESTOR. THE FIRM ALSO COOPERATED WITH A MULTI-STATE INVESTIGATION OF THIS MATTER AND HAS AGREED TO SETTLE THE STATE REGULATORY ISSUES IN A MULTI-STATE SETTLEMENT WITH THE 46 AFFECTED STATE AND TERRITORIAL JURISDICTIONS. THE FIRM AGREED TO CONSENT TO AN ADMINISTRATIVE ORDER WITH EACH OF THE 46 STATE AND TERRITORIAL JURISDICTIONS AND TO PAY A TOTAL CIVIL MONETARY PENALTY OF $8.5 MILLION TO BE DIVIDED AMONG THE 46 STATE AND TERRITORIAL JURISDICTIONS. WITHOUT ADJUDICATION OF ANY ISSUES OF LAW OR FACT, AND WITHOUT ADMITTING OR DENYING ANY ALLEGATIONS OR FINDINGS, MORGAN STANLEY CONSENTED TO THE CONSENT ORDER ENTERED BY THE VIRGINIA CORPORATIONS COMMISSION, AS PART OF THE MULTI-STATE SETTLEMENT, TO RESOLVE ANY REMAINING REGULATORY ISSUES WITH VIRGINIA. AS PART OF THE SETTLEMENT, THE FIRM AGREES TO CEASE AND DESIST FROM VIOLATING THE VIRGINIA SECURITIES ACT AND TO PAY A $103,415 CIVIL MONETARY PENALTY TO THE COMMONWEALTH OF VIRGINIA, WHICH CONSTITUTES VIRGINIA'S SHARE OF THE MULTI-STATE PENALTY OF $8.5 MILLION.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
IN MAY 2005, MORGAN STANLEY DISCOVERED THAT CERTAIN ORDER ENTRY SYSTEMS AT THE FIRM AND THE FIRM'S PREDECESSOR RETAIL FIRM, MORGAN STANLEY DW, INC., FAILED TO CHECK WHETHER CERTAIN SECONDARY MARKET SECURITIES TRANSACTIONS COMPLIED WITH STATE REGISTRATION REQUIREMENTS (BLUE SKY LAWS). THE FIRM CONDUCTED AN INTERNAL INVESTIGATION, REPAIRED THE DEFICIENT SYSTEMS, SELF-REPORTED THE PROBLEM TO ALL AFFECTED STATE AND FEDERAL REGULATORS, IDENTIFIED TRANSACTIONS WHICH WERE EXECUTED IN VIOLATION OF THE BLUE SKY LAWS, AND OFFERED RESCISSION TO SUCH CUSTOMERS WITH TERMS AND CONDITIONS CONSISTENT WITH THE LAW OF THE STATE OF RESIDENCE OF EACH INVESTOR. THE FIRM ALSO COOPERATED WITH A MULTI-STATE INVESTIGATION OF THIS MATTER AND HAS AGREED TO SETTLE THE STATE REGULATORY ISSUES IN A MULTI-STATE SETTLEMENT WITH THE 46 AFFECTED STATE AND TERRITORIAL JURISDICTIONS. THE FIRM AGREED TO CONSENT TO AN ADMINISTRATIVE ORDER WITH EACH OF THE 46 STATE AND TERRITORIAL JURISDICTIONS AND TO PAY A TOTAL CIVIL MONETARY PENALTY OF $8.5 MILLION TO BE DIVIDED AMONG THE 46 STATE AND TERRITORIAL JURISDICTIONS. WITHOUT ADJUDICATION OF ANY ISSUES OF LAW OR FACT, AND WITHOUT ADMITTING OR DENYING ANY ALLEGATIONS OR FINDINGS, MORGAN STANLEY CONSENTED TO THE CONSENT ORDER ENTERED BY THE VIRGINIA CORPORATIONS COMMISSION, AS PART OF THE MULTI-STATE SETTLEMENT, TO RESOLVE ANY REMAINING REGULATORY ISSUES WITH VIRGINIA. AS PART OF THE SETTLEMENT, THE FIRM AGREES TO CEASE AND DESIST FROM VIOLATING THE VIRGINIA SECURITIES ACT AND TO PAY A $103,415 CIVIL MONETARY PENALTY TO THE COMMONWEALTH OF VIRGINIA, WHICH CONSTITUTES VIRGINIA'S SHARE OF THE

MULTI-STATE PENALTY OF $8.5 MILLION.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an (•) INITIAL ***OR*** ( ) AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action			
☐ 11.C(1)	☐ 11.C(5)	☑ 11.D(4)	☐ 11.E(3)
☐ 11.C(2)	☐ 11.D(1)	☐ 11.D(5)	☐ 11.E(4)
☐ 11.C(3)	☑ 11.D(2)	☐ 11.E(1)	☐ 11.F
☐ 11.C(4)	☐ 11.D(3)	☐ 11.E(2)	☐ 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

(•) You (the advisory firm)

( ) You and one or more of your *advisory affiliates*

( ) One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

( ) *Yes* ( ) *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

( ) SEC ( ) Other Federal (•) State ( ) *SRO* ( ) Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
COLORADO DIVISION OF SECURITIES

2. Principal Sanction:
Civil and Administrative Penalt(ies) /Fine(s)
Other Sanctions:
CEASE & DESIST

3. Date Initiated (MM/DD/YYYY):
04/03/2008 (•) Exact ( ) Explanation

If not exact, provide explanation:

4. Docket/Case Number:
N/A

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:

Debt - Corporate
Other Product Types:
EQUITY - OTC; ADR ON FOREIGN SECURITIES; SYNTHETIC

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

FROM AT LEAST JANUARY 1997 UNTIL MAY 2005, CERTAIN ORDER ENTRY SYSTEMS AT THE FIRM AND THE FIRM'S PREDECESSOR RETAIL FIRM, MORGAN STANLEY DW, INC., FAILED TO CHECK WHETHER CERTAIN SECONDARY MARKET SECURITIES TRANSACTIONS COMPLIED WITH STATE REGISTRATION REQUIREMENTS (BLUE SKY LAWS) RESULTING IN THE SALE OF UNREGISTERED SECURITIES IN 46 STATE AND TERRITORIAL JURISDICTIONS, INCLUDING COLORADO. AS PART OF A MULTI-STATE SETTLEMENT WITH 46 STATE AND TERRITORIAL JURISDICTIONS, THE COLORADO SECURITIES COMMISSIONER FOUND THAT MORGAN STANLEY'S FAILURE TO MAINTAIN ADEQUATE SYSTEMS TO REASONABLY ENSURE COMPLIANCE WITH THE BLUE SKY LAWS RESULTED IN THE SALE OF UNREGISTERED SECURITIES IN VIOLATION OF SECTION 11-51-301 OF THE COLORADO SECURITIES ACT (ACT) AND MORGAN STANLEY FAILED TO REASONABLY SUPERVISE ITS AGENTS OR EMPLOYEES IN VIOLATION OF SECTION 11-51-401(1)(I) OF THE ACT. COLORADO FINED THE FIRM $27,652 WHICH WAS COLORADO'S SHARE OF THE MULTI-STATE SETTLEMENT PENALTY OF $8.5 MILLION, AND ORDERED THE FIRM TO CEASE AND DESIST FROM VIOLATING THE ACT.

8. Current status ? ○ Pending ○ On Appeal ◉ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Consent

CONSENT

11. Resolution Date (MM/DD/YYYY):
04/03/2008 ◉ Exact ○ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☑ Monetary/Fine Amount:$ 27652

☐ Revocation/Expulsion/Denial

☐ Censure

☐ Bar

☐ Disgorgement/Restitution

☑ Cease and Desist/Injunction

☐ Suspension

B. Other Sanctions *Ordered*:

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
IN MAY 2005, MORGAN STANLEY DISCOVERED THAT CERTAIN ORDER ENTRY SYSTEMS AT THE FIRM AND THE FIRM'S PREDECESSOR RETAIL FIRM, MORGAN STANLEY DW, INC., FAILED TO CHECK WHETHER CERTAIN SECONDARY MARKET SECURITIES TRANSACTIONS COMPLIED WITH STATE REGISTRATION REQUIREMENTS (BLUE SKY LAWS). THE FIRM CONDUCTED AN INTERNAL INVESTIGATION, REPAIRED THE DEFICIENT SYSTEMS, SELF-REPORTED THE PROBLEM TO ALL AFFECTED STATE AND FEDERAL REGULATORS, IDENTIFIED TRANSACTIONS WHICH WERE EXECUTED IN VIOLATION OF THE BLUE SKY LAWS, AND OFFERED RESCISSION TO SUCH CUSTOMERS WITH TERMS AND CONDITIONS CONSISTENT WITH THE LAW OF THE STATE OF RESIDENCE OF EACH INVESTOR. THE FIRM ALSO COOPERATED WITH A MULTI-STATE INVESTIGATION OF THIS MATTER AND HAS AGREED TO SETTLE THE STATE REGULATORY ISSUES IN A MULTI-STATE SETTLEMENT WITH THE 46 AFFECTED STATE AND TERRITORIAL JURISDICTIONS. THE FIRM AGREED TO CONSENT TO AN ADMINISTRATIVE ORDER WITH EACH OF THE 46 STATE AND TERRITORIAL JURISDICTIONS AND TO PAY A TOTAL CIVIL MONETARY PENALTY OF $8.5 MILLION TO BE DIVIDED AMONG THE 46 STATE AND TERRITORIAL JURISDICTIONS. WITHOUT ADJUDICATION OF ANY ISSUES OF LAW OR FACT, AND WITHOUT ADMITTING OR DENYING ANY ALLEGATIONS OR FINDINGS, MORGAN STANLEY CONSENTED TO THE CONSENT ORDER ENTERED BY COLORADO SECURITIES COMMISSIONER, AS PART OF THE MULTI-STATE SETTLEMENT, TO RESOLVE ANY REMAINING REGULATORY ISSUES WITH COLORADO. AS PART OF THE SETTLEMENT, THE FIRM AGREES TO CEASE AND DESIST FROM VIOLATING THE COLORADO SECURITIES ACT AND TO PAY A $27,652 PENALTY TO THE STATE OF COLORADO, WHICH CONSTITUTES COLORADO'S SHARE OF THE MULTI-STATE PENALTY OF $8.5 MILLION.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
IN MAY 2005, MORGAN STANLEY DISCOVERED THAT CERTAIN ORDER ENTRY SYSTEMS AT THE FIRM AND THE FIRM'S PREDECESSOR RETAIL FIRM, MORGAN STANLEY DW, INC., FAILED TO CHECK WHETHER CERTAIN SECONDARY MARKET SECURITIES TRANSACTIONS COMPLIED WITH STATE REGISTRATION REQUIREMENTS (BLUE SKY LAWS). THE FIRM CONDUCTED AN INTERNAL INVESTIGATION, REPAIRED THE DEFICIENT SYSTEMS, SELF-REPORTED THE PROBLEM TO ALL AFFECTED STATE AND FEDERAL REGULATORS, IDENTIFIED TRANSACTIONS WHICH WERE EXECUTED IN VIOLATION OF THE BLUE SKY LAWS, AND OFFERED RESCISSION TO SUCH CUSTOMERS WITH TERMS AND CONDITIONS CONSISTENT WITH THE LAW OF THE STATE OF RESIDENCE OF EACH INVESTOR. THE FIRM ALSO COOPERATED WITH A MULTI-STATE INVESTIGATION OF THIS MATTER AND HAS AGREED TO SETTLE THE STATE REGULATORY ISSUES IN A MULTI-STATE SETTLEMENT WITH THE 46 AFFECTED STATE AND TERRITORIAL JURISDICTIONS. THE FIRM AGREED TO CONSENT TO AN ADMINISTRATIVE ORDER WITH EACH OF THE 46 STATE AND TERRITORIAL JURISDICTIONS AND TO PAY A TOTAL CIVIL MONETARY PENALTY OF $8.5 MILLION TO BE DIVIDED AMONG THE 46 STATE AND TERRITORIAL JURISDICTIONS. WITHOUT ADJUDICATION OF ANY ISSUES OF LAW OR FACT, AND WITHOUT ADMITTING OR DENYING ANY ALLEGATIONS OR FINDINGS, MORGAN STANLEY CONSENTED TO THE CONSENT ORDER ENTERED BY COLORADO SECURITIES COMMISSIONER, AS PART OF THE MULTI-STATE SETTLEMENT, TO RESOLVE ANY REMAINING REGULATORY ISSUES WITH COLORADO. AS PART OF THE SETTLEMENT, THE FIRM AGREES TO CEASE AND DESIST FROM VIOLATING THE COLORADO SECURITIES ACT AND TO PAY A $27,652 PENALTY TO THE STATE OF COLORADO, WHICH CONSTITUTES COLORADO'S SHARE OF THE MULTI-STATE PENALTY OF $8.5 MILLION.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ○ INITIAL ***OR*** ◉ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action			
☐ 11.C(1)	☐ 11.C(5)	☑ 11.D(4)	☐ 11.E(3)
☐ 11.C(2)	☐ 11.D(1)	☐ 11.D(5)	☐ 11.E(4)
☐ 11.C(3)	☑ 11.D(2)	☐ 11.E(1)	☐ 11.F
☐ 11.C(4)	☐ 11.D(3)	☐ 11.E(2)	☐ 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

◉ You (the advisory firm)

○ You and one or more of your *advisory affiliates*

○ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

○ *Yes* ○ *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

○ SEC ○ Other Federal ◉ State ○ *SRO* ○ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)

ARIZONA CORPORATION COMMISSION

2. Principal Sanction:

Civil and Administrative Penalt(ies) /Fine(s)

Other Sanctions:

CEASE & DESIST

3. Date Initiated (MM/DD/YYYY):

03/27/2008 ◉ Exact ○ Explanation

If not exact, provide explanation:

4. Docket/Case Number:

S-03536A-08-0123

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:

Debt - Corporate

Other Product Types:

EQUITY-OTC ADR ON FOREIGN SECURITIES SYNTHETIC

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

FROM AT LEAST JANUARY 1997 UNTIL MAY 2005, CERTAIN ORDER ENTRY SYSTEMS AT THE FIRM AND THE FIRM'S PREDECESSOR RETAIL FIRM, MORGAN STANLEY DW, INC., FAILED TO CHECK WHETHER CERTAIN SECONDARY MARKET SECURITIES TRANSACTIONS COMPLIED WITH STATE REGISTRATION REQUIREMENTS (BLUE SKY LAWS) RESULTING IN THE SALE OF UNREGISTERED SECURITIES IN 46 STATE AND TERRITORIAL JURISDICTIONS, INCLUDING ARIZONA. AS PART OF A MULTI-STATE SETTLEMENT WITH 46 STATE AND TERRITORIAL JURISDICTIONS, THE ARIZONA CORPORATION COMMISSION FOUND THAT MORGAN STANLEY'S FAILURE TO MAINTAIN ADEQUATE SYSTEMS TO REASONABLY ENSURE COMPLIANCE WITH THE BLUE SKY LAWS RESULTED IN THE SALE OF UNREGISTERED SECURITIES IN VIOLATION OF SECTION 44-1841 OF THE SECURITIES ACT OF ARIZONA AND MORGAN STANLEY FAILED TO REASONABLY SUPERVISE ITS AGENTS OR EMPLOYEES IN VIOLATION OF 44-1961(A)(12) OF THE SECURITIES ACT OF ARIZONA. ARIZONA FINED THE FIRM $774,709 WHICH WAS ARIZONA'S SHARE OF THE MULTI-STATE SETTLEMENT PENALTY OF $8.5 MILLION, AND ORDERED THE FIRM TO CEASE AND DESIST FROM VIOLATING THE SECURITIES ACT OF ARIZONA.

8. Current status ? ○ Pending ○ On Appeal ◉ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Consent

CONSENT

11. Resolution Date (MM/DD/YYYY):
03/27/2008 ◉ Exact ○ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☑ Monetary/Fine Amount:$ 774709

☐ Revocation/Expulsion/Denial

☐ Censure

☐ Bar

☐ Disgorgement/Restitution

☑ Cease and Desist/Injunction

☐ Suspension

B. Other Sanctions *Ordered*:

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
IN MAY 2005, MORGAN STANLEY DISCOVERED THAT CERTAIN ORDER ENTRY SYSTEMS AT THE FIRM AND THE FIRM'S PREDECESSOR RETAIL FIRM, MORGAN STANLEY DW, INC., FAILED TO CHECK WHETHER CERTAIN SECONDARY MARKET SECURITIES TRANSACTIONS COMPLIED WITH STATE REGISTRATION REQUIREMENTS (BLUE SKY LAWS). THE FIRM CONDUCTED AN INTERNAL INVESTIGATION, REPAIRED THE DEFICIENT SYSTEMS, SELF-REPORTED THE PROBLEM TO ALL AFFECTED STATE AND FEDERAL REGULATORS, IDENTIFIED TRANSACTIONS WHICH WERE EXECUTED IN VIOLATION OF THE BLUE SKY LAWS, AND OFFERED RESCISSION TO SUCH CUSTOMERS WITH TERMS AND CONDITIONS CONSISTENT WITH THE LAW OF THE STATE OF RESIDENCE OF EACH INVESTOR. THE FIRM ALSO COOPERATED WITH A MULTI-STATE INVESTIGATION OF THIS MATTER AND HAS AGREED TO SETTLE THE STATE REGULATORY ISSUES IN A MULTI-STATE SETTLEMENT WITH THE 46 AFFECTED STATE AND TERRITORIAL JURISDICTIONS. THE FIRM AGREED TO CONSENT TO AN ADMINISTRATIVE ORDER WITH EACH OF THE 46 STATE AND TERRITORIAL JURISDICTIONS AND TO PAY A TOTAL CIVIL MONETARY PENALTY OF $8.5 MILLION TO BE DIVIDED AMONG THE 46 STATE AND TERRITORIAL JURISDICTIONS. WITHOUT ADJUDICATION OF ANY ISSUES OF LAW OR FACT, AND WITHOUT ADMITTING OR DENYING ANY ALLEGATIONS OR FINDINGS, MORGAN STANLEY CONSENTED TO THE ORDER TO CEASE AND DESIST, ORDER FOR ADMINISTRATIVE PENALTIES, AND CONSENT TO SAME ENTERED BY THE ARIZONA CORPORATION COMMISSION, AS PART OF THE MULTI-STATE SETTLEMENT, TO RESOLVE ANY REMAINING REGULATORY ISSUES WITH ARIZONA. AS PART OF THE SETTLEMENT, THE FIRM AGREES TO CEASE AND DESIST FROM VIOLATING THE SECURITIES ACT OF ARIZONA AND TO PAY A $774,709 ADMINISTRATIVE PENALTY TO THE ARIZONA CORPORATION COMMISSION, WHICH CONSTITUTES ARIZONA'S SHARE OF THE MULTI-STATE PENALTY OF $8.5 MILLION.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
IN MAY 2005, MORGAN STANLEY DISCOVERED THAT CERTAIN ORDER ENTRY SYSTEMS AT THE FIRM AND THE FIRM'S PREDECESSOR RETAIL FIRM, MORGAN STANLEY DW, INC., FAILED TO CHECK WHETHER CERTAIN SECONDARY MARKET SECURITIES TRANSACTIONS COMPLIED WITH STATE REGISTRATION REQUIREMENTS (BLUE SKY LAWS). THE FIRM CONDUCTED AN INTERNAL INVESTIGATION, REPAIRED THE DEFICIENT SYSTEMS, SELF-REPORTED THE PROBLEM TO ALL AFFECTED STATE AND FEDERAL REGULATORS, IDENTIFIED TRANSACTIONS WHICH WERE EXECUTED IN VIOLATION OF THE BLUE SKY LAWS, AND OFFERED RESCISSION TO SUCH CUSTOMERS WITH TERMS AND CONDITIONS CONSISTENT WITH THE LAW OF THE STATE OF RESIDENCE OF EACH INVESTOR. THE FIRM ALSO COOPERATED WITH A MULTI-STATE INVESTIGATION OF THIS MATTER AND HAS AGREED TO SETTLE THE STATE REGULATORY ISSUES IN A MULTI-STATE SETTLEMENT WITH THE 46 AFFECTED STATE AND TERRITORIAL JURISDICTIONS. THE FIRM AGREED TO CONSENT TO AN ADMINISTRATIVE ORDER WITH EACH OF THE 46 STATE AND TERRITORIAL JURISDICTIONS AND TO PAY A TOTAL CIVIL MONETARY PENALTY OF $8.5 MILLION TO BE DIVIDED AMONG THE 46 STATE AND TERRITORIAL JURISDICTIONS. WITHOUT ADJUDICATION OF ANY ISSUES OF LAW OR FACT, AND WITHOUT ADMITTING OR DENYING ANY ALLEGATIONS OR FINDINGS, MORGAN STANLEY CONSENTED TO THE ORDER TO CEASE AND DESIST, ORDER FOR ADMINISTRATIVE PENALTIES, AND CONSENT TO SAME ENTERED BY THE ARIZONA CORPORATION COMMISSION, AS PART OF THE MULTI-STATE SETTLEMENT, TO RESOLVE ANY REMAINING REGULATORY ISSUES WITH ARIZONA. AS PART OF THE SETTLEMENT, THE FIRM AGREES TO CEASE AND DESIST FROM VIOLATING THE SECURITIES ACT OF ARIZONA AND TO PAY A $774,709 ADMINISTRATIVE PENALTY TO THE ARIZONA CORPORATION COMMISSION, WHICH CONSTITUTES ARIZONA'S SHARE OF THE MULTI-STATE PENALTY OF $8.5 MILLION.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ◉ INITIAL ***OR*** ○ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of

Form ADV.

Check item(s) being responded to:

Regulatory Action			
☐ 11.C(1)	☐ 11.C(5)	☑ 11.D(4)	☐ 11.E(3)
☐ 11.C(2)	☐ 11.D(1)	☐ 11.D(5)	☐ 11.E(4)
☐ 11.C(3)	☑ 11.D(2)	☐ 11.E(1)	☐ 11.F
☐ 11.C(4)	☐ 11.D(3)	☐ 11.E(2)	☐ 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- ◉ You (the advisory firm)
- ○ You and one or more of your *advisory affiliates*
- ○ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

○ *Yes* ○ *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:
   ○ SEC ○ Other Federal ◉ State ○ *SRO* ○ Foreign
   (Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
   NEW HAMPSHIRE BUREAU OF SECURITIES REGULATION

2. Principal Sanction:
   Civil and Administrative Penalt(ies) /Fine(s)
   Other Sanctions:
   CEASE & DESIST

3. Date Initiated (MM/DD/YYYY):
   04/08/2008 ◉ Exact ○ Explanation
   If not exact, provide explanation:

4. Docket/Case Number:
   INV06-046

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
   Debt - Corporate
   Other Product Types:
   EQUITY - OTC; ADR ON FOREIGN SECURITIES; SYNTHETIC

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

FROM AT LEAST JANUARY 1997 UNTIL MAY 2005, CERTAIN ORDER ENTRY SYSTEMS AT THE FIRM AND THE FIRM'S PREDECESSOR RETAIL FIRM, MORGAN STANLEY DW, INC., FAILED TO CHECK WHETHER CERTAIN SECONDARY MARKET SECURITIES TRANSACTIONS COMPLIED WITH STATE REGISTRATION REQUIREMENTS (BLUE SKY LAWS) RESULTING IN THE SALE OF UNREGISTERED SECURITIES IN 46 STATE AND TERRITORIAL JURISDICTIONS, INCLUDING NEW HAMPSHIRE. AS PART OF A MULTI-STATE SETTLEMENT WITH 46 STATE AND TERRITORIAL JURISDICTIONS, THE DIRECTOR OF THE NEW HAMPSHIRE BUREAU OF SECURITIES REGULATION FOUND THAT MORGAN STANLEY'S FAILURE TO MAINTAIN ADEQUATE SYSTEMS TO REASONABLY ENSURE COMPLIANCE WITH THE BLUE SKY LAWS RESULTED IN THE SALE OF UNREGISTERED SECURITIES IN VIOLATION OF NH RSA 421-B:11 AND MORGAN STANLEY FAILED TO REASONABLY SUPERVISE ITS AGENTS OR EMPLOYEES IN VIOLATION OF NH RSA 421-B:10, I(A) AND (B)10. NEW HAMPSHIRE FINED THE FIRM $109,488 WHICH WAS NEW HAMPSHIRE'S SHARE OF THE MULTI-STATE SETTLEMENT PENALTY OF $8.5 MILLION, AND ORDERED THE FIRM TO CEASE AND DESIST FROM VIOLATING NH RSA 421-B.

8. Current status ? ○ Pending ○ On Appeal ◉ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Consent

CONSENT

11. Resolution Date (MM/DD/YYYY):
04/08/2008 ◉ Exact ○ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

- ☑ Monetary/Fine Amount:$ 109488
- ☐ Revocation/Expulsion/Denial
- ☐ Censure
- ☐ Bar
- ☐ Disgorgement/Restitution
- ☑ Cease and Desist/Injunction
- ☐ Suspension

B. Other Sanctions *Ordered*:

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
IN MAY 2005, MORGAN STANLEY DISCOVERED THAT CERTAIN ORDER ENTRY SYSTEMS AT THE FIRM AND THE FIRM'S PREDECESSOR RETAIL FIRM, MORGAN STANLEY DW, INC., FAILED TO CHECK WHETHER CERTAIN SECONDARY MARKET SECURITIES TRANSACTIONS COMPLIED WITH STATE REGISTRATION REQUIREMENTS (BLUE SKY LAWS). THE FIRM CONDUCTED AN INTERNAL INVESTIGATION, REPAIRED THE DEFICIENT SYSTEMS, SELF-REPORTED THE PROBLEM TO ALL AFFECTED STATE AND FEDERAL REGULATORS, IDENTIFIED TRANSACTIONS WHICH WERE EXECUTED IN VIOLATION OF THE BLUE SKY LAWS, AND OFFERED RESCISSION TO SUCH CUSTOMERS WITH TERMS AND CONDITIONS CONSISTENT WITH THE LAW OF THE STATE OF RESIDENCE OF EACH INVESTOR. THE FIRM ALSO COOPERATED WITH A MULTI-STATE INVESTIGATION OF THIS MATTER AND HAS AGREED TO SETTLE THE STATE REGULATORY ISSUES IN A MULTI-STATE SETTLEMENT WITH THE 46 AFFECTED STATE AND TERRITORIAL JURISDICTIONS. THE FIRM AGREED TO CONSENT TO AN ADMINISTRATIVE ORDER WITH EACH OF THE 46 STATE AND TERRITORIAL JURISDICTIONS AND TO PAY A TOTAL CIVIL MONETARY PENALTY OF $8.5 MILLION TO BE DIVIDED AMONG THE 46 STATE AND TERRITORIAL JURISDICTIONS. WITHOUT ADJUDICATION OF ANY ISSUES OF LAW OR FACT, AND WITHOUT ADMITTING OR DENYING ANY ALLEGATIONS OR FINDINGS, MORGAN STANLEY CONSENTED TO THE FINDINGS OF FACT, CONCLUSIONS OF LAW AND CONSENT ORDER ENTERED BY THE NEW HAMPSHIRE BUREAU OF SECURITIES REGULATION, AS PART OF THE MULTI-STATE SETTLEMENT, TO RESOLVE ANY REMAINING REGULATORY ISSUES WITH NEW HAMPSHIRE. AS PART OF THE SETTLEMENT, THE FIRM AGREES TO CEASE AND DESIST FROM VIOLATING NH RSA 421-B AND TO PAY A $109,485 CIVIL MONETARY PENALTY TO NEW HAMPSHIRE, WHICH CONSTITUTES NEW HAMPSHIRE'S SHARE OF THE MULTI-STATE PENALTY OF $8.5 MILLION.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
IN MAY 2005, MORGAN STANLEY DISCOVERED THAT CERTAIN ORDER ENTRY SYSTEMS AT THE FIRM AND THE FIRM'S PREDECESSOR RETAIL FIRM, MORGAN STANLEY DW, INC., FAILED TO CHECK WHETHER CERTAIN SECONDARY MARKET SECURITIES TRANSACTIONS COMPLIED WITH STATE REGISTRATION REQUIREMENTS (BLUE SKY LAWS). THE FIRM CONDUCTED AN INTERNAL INVESTIGATION, REPAIRED THE DEFICIENT SYSTEMS, SELF-REPORTED THE PROBLEM TO ALL AFFECTED STATE AND FEDERAL REGULATORS, IDENTIFIED TRANSACTIONS WHICH WERE EXECUTED IN VIOLATION OF THE BLUE SKY LAWS, AND OFFERED RESCISSION TO SUCH CUSTOMERS WITH TERMS AND CONDITIONS CONSISTENT WITH THE LAW OF THE STATE OF RESIDENCE OF EACH INVESTOR. THE FIRM ALSO COOPERATED WITH A MULTI-STATE INVESTIGATION OF THIS MATTER AND HAS AGREED TO SETTLE THE STATE REGULATORY ISSUES IN A MULTI-STATE SETTLEMENT WITH THE 46 AFFECTED STATE AND TERRITORIAL JURISDICTIONS. THE FIRM AGREED TO CONSENT TO AN ADMINISTRATIVE ORDER WITH EACH OF THE 46 STATE AND TERRITORIAL JURISDICTIONS AND TO PAY A TOTAL CIVIL MONETARY PENALTY OF $8.5 MILLION TO BE DIVIDED AMONG THE 46 STATE AND TERRITORIAL JURISDICTIONS. WITHOUT ADJUDICATION OF ANY ISSUES OF LAW OR FACT, AND WITHOUT ADMITTING OR DENYING ANY ALLEGATIONS OR FINDINGS, MORGAN STANLEY CONSENTED TO THE FINDINGS OF FACT, CONCLUSIONS OF LAW AND CONSENT ORDER ENTERED BY THE NEW HAMPSHIRE BUREAU OF SECURITIES REGULATION, AS PART OF THE MULTI-STATE SETTLEMENT, TO RESOLVE ANY REMAINING REGULATORY ISSUES WITH NEW HAMPSHIRE. AS PART OF THE SETTLEMENT, THE FIRM AGREES TO CEASE AND DESIST FROM VIOLATING NH RSA 421-B AND TO PAY A $109,485 CIVIL MONETARY PENALTY TO NEW HAMPSHIRE, WHICH CONSTITUTES NEW HAMPSHIRE'S SHARE OF THE MULTI-STATE PENALTY OF $8.5 MILLION.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ○ INITIAL ***OR*** ◉ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action			
☐ 11.C(1)	☐ 11.C(5)	☑ 11.D(4)	☐ 11.E(3)
☐ 11.C(2)	☐ 11.D(1)	☐ 11.D(5)	☐ 11.E(4)
☐ 11.C(3)	☑ 11.D(2)	☐ 11.E(1)	☐ 11.F
☐ 11.C(4)	☐ 11.D(3)	☐ 11.E(2)	☐ 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- ◉ You (the advisory firm)
- ○ You and one or more of your *advisory affiliates*
- ○ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

○ *Yes* ○ *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

○ SEC ○ Other Federal ◉ State ○ *SRO* ○ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
CALIFORNIA DEPARTMENT OF CORPORATIONS

2. Principal Sanction:
Civil and Administrative Penalt(ies) /Fine(s)
Other Sanctions:
CEASE & DESIST

3. Date Initiated (MM/DD/YYYY):
03/28/2008 ◉ Exact ○ Explanation

If not exact, provide explanation:

4. Docket/Case Number:
N/A

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
Debt - Corporate
Other Product Types:
EQUITY - OTC; ADR ON FOREIGN SECURITIES; SYNTHETIC

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

FROM AT LEAST JANUARY 1997 UNTIL MAY 2005, CERTAIN ORDER ENTRY SYSTEMS AT THE FIRM AND THE FIRM'S PREDECESSOR RETAIL FIRM, MORGAN STANLEY DW, INC., FAILED TO CHECK WHETHER CERTAIN SECONDARY MARKET SECURITIES TRANSACTIONS COMPLIED WITH STATE REGISTRATION REQUIREMENTS (BLUE

SKY LAWS) RESULTING IN THE SALE OF UNREGISTERED SECURITIES IN 46 STATE AND TERRITORIAL JURISDICTIONS, INCLUDING CALIFORNIA. AS PART OF A MULTI-STATE SETTLEMENT WITH 46 STATE AND TERRITORIAL JURISDICTIONS, THE CALIFORNIA DEPARTMENT OF CORPORATIONS FOUND THAT MORGAN STANLEY'S FAILURE TO MAINTAIN ADEQUATE SYSTEMS TO REASONABLY ENSURE COMPLIANCE WITH THE BLUE SKY LAWS RESULTED IN THE SALE OF UNQUALIFIED SECURITIES IN VIOLATION OF SECTION 25110 OF THE CALIFORNIA CORPORATE SECURITIES LAW AND MORGAN STANLEY FAILED TO REASONABLY SUPERVISE ITS AGENTS OR EMPLOYEES IN VIOLATION OF CALIFORNIA CODE OF REGULATIONS, TITLE 10, SECTION 260.218.4. CALIFORNIA FINED THE FIRM $597,107 WHICH WAS CALIFORNIA'S SHARE OF THE MULTI-STATE SETTLEMENT PENALTY OF $8.5 MILLION, AND ORDERED THE FIRM TO CEASE AND DESIST FROM VIOLATING THE CALIFORNIA CORPORATE SECURITIES LAW

8. Current status ? ○ Pending ○ On Appeal ◉ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Consent

CONSENT

11. Resolution Date (MM/DD/YYYY):
03/28/2008 ◉ Exact ○ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

- ☑ Monetary/Fine Amount:$ 597107
- ☐ Revocation/Expulsion/Denial
- ☐ Disgorgement/Restitution
- ☐ Censure
- ☑ Cease and Desist/Injunction
- ☐ Bar
- ☐ Suspension

B. Other Sanctions *Ordered*:

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
IN MAY 2005, MORGAN STANLEY DISCOVERED THAT CERTAIN ORDER ENTRY SYSTEMS AT THE FIRM AND THE FIRM'S PREDECESSOR RETAIL FIRM, MORGAN STANLEY DW, INC., FAILED TO CHECK WHETHER CERTAIN SECONDARY MARKET SECURITIES TRANSACTIONS COMPLIED WITH STATE REGISTRATION REQUIREMENTS (BLUE SKY LAWS). THE FIRM CONDUCTED AN INTERNAL INVESTIGATION, REPAIRED THE DEFICIENT SYSTEMS, SELF-REPORTED THE PROBLEM TO ALL AFFECTED STATE AND FEDERAL REGULATORS, IDENTIFIED TRANSACTIONS WHICH WERE EXECUTED IN VIOLATION OF THE BLUE SKY LAWS, AND OFFERED RESCISSION TO SUCH CUSTOMERS WITH TERMS AND CONDITIONS CONSISTENT WITH THE LAW OF THE STATE OF RESIDENCE OF EACH INVESTOR. THE FIRM ALSO COOPERATED WITH A MULTI-STATE INVESTIGATION OF THIS MATTER AND HAS AGREED TO SETTLE THE STATE REGULATORY ISSUES IN A MULTI-STATE SETTLEMENT WITH THE 46 AFFECTED STATE AND TERRITORIAL JURISDICTIONS. THE FIRM AGREED TO CONSENT TO AN ADMINISTRATIVE ORDER WITH EACH OF THE 46 STATE AND TERRITORIAL JURISDICTIONS AND TO PAY A TOTAL CIVIL MONETARY PENALTY OF $8.5 MILLION TO BE DIVIDED AMONG THE 46 STATE AND TERRITORIAL JURISDICTIONS. WITHOUT ADJUDICATION OF ANY ISSUES OF LAW OR FACT, AND WITHOUT ADMITTING OR DENYING ANY ALLEGATIONS OR FINDINGS, MORGAN STANLEY CONSENTED TO THE FINDINGS OF FACT, CONCLUSIONS OF LAW AND CONSENT ORDER ENTERED BY THE CALIFORNIA DEPARTMENT OF CORPORATIONS, AS PART OF THE MULTI-STATE SETTLEMENT, TO RESOLVE ANY REMAINING REGULATORY ISSUES WITH CALIFORNIA. AS PART OF THE SETTLEMENT, THE FIRM AGREES TO CEASE AND DESIST FROM VIOLATING THE CALIFORNIA CORPORATE SECURITIES LAW AND TO PAY A $597,107 PENALTY TO CALIFORNIA, WHICH CONSTITUTES CALIFORNIA'S SHARE OF THE MULTI-STATE PENALTY OF $8.5 MILLION.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
IN MAY 2005, MORGAN STANLEY DISCOVERED THAT CERTAIN ORDER ENTRY SYSTEMS AT THE FIRM AND THE FIRM'S PREDECESSOR RETAIL FIRM, MORGAN STANLEY DW, INC., FAILED TO CHECK WHETHER CERTAIN SECONDARY MARKET SECURITIES TRANSACTIONS COMPLIED WITH STATE REGISTRATION REQUIREMENTS (BLUE SKY LAWS). THE FIRM CONDUCTED AN INTERNAL INVESTIGATION, REPAIRED THE DEFICIENT SYSTEMS, SELF-REPORTED THE PROBLEM TO ALL AFFECTED STATE AND FEDERAL REGULATORS, IDENTIFIED TRANSACTIONS WHICH WERE EXECUTED IN VIOLATION OF THE BLUE SKY LAWS, AND OFFERED RESCISSION TO SUCH CUSTOMERS WITH TERMS AND CONDITIONS CONSISTENT WITH THE LAW OF THE STATE OF RESIDENCE OF EACH INVESTOR. THE FIRM ALSO COOPERATED WITH A MULTI-STATE INVESTIGATION OF THIS MATTER AND HAS AGREED TO SETTLE THE STATE REGULATORY ISSUES IN A MULTI-STATE SETTLEMENT WITH THE 46 AFFECTED STATE AND TERRITORIAL JURISDICTIONS. THE FIRM AGREED TO CONSENT TO AN ADMINISTRATIVE ORDER WITH EACH OF THE 46 STATE AND TERRITORIAL JURISDICTIONS AND TO PAY A TOTAL CIVIL MONETARY PENALTY OF $8.5 MILLION TO BE DIVIDED AMONG THE 46 STATE AND TERRITORIAL JURISDICTIONS. WITHOUT ADJUDICATION OF ANY ISSUES OF LAW OR FACT, AND WITHOUT ADMITTING OR DENYING ANY ALLEGATIONS OR FINDINGS, MORGAN STANLEY CONSENTED TO THE FINDINGS OF FACT, CONCLUSIONS OF LAW AND CONSENT ORDER ENTERED BY THE CALIFORNIA DEPARTMENT OF CORPORATIONS, AS PART OF THE MULTI-STATE SETTLEMENT, TO RESOLVE ANY REMAINING REGULATORY ISSUES WITH CALIFORNIA. AS PART OF THE SETTLEMENT, THE FIRM AGREES TO CEASE AND DESIST FROM VIOLATING THE CALIFORNIA CORPORATE SECURITIES LAW AND TO PAY A $597,107 PENALTY TO CALIFORNIA, WHICH CONSTITUTES CALIFORNIA'S SHARE OF THE MULTI-STATE PENALTY OF $8.5 MILLION.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ○ INITIAL ***OR*** ◉ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action			
☐ 11.C(1)	☐ 11.C(5)	☑ 11.D(4)	☐ 11.E(3)
☐ 11.C(2)	☐ 11.D(1)	☐ 11.D(5)	☐ 11.E(4)
☐ 11.C(3)	☑ 11.D(2)	☐ 11.E(1)	☐ 11.F
☐ 11.C(4)	☐ 11.D(3)	☐ 11.E(2)	☐ 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- ◉ You (the advisory firm)
- ○ You and one or more of your *advisory affiliates*
- ○ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

○ *Yes* ○ *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

○ SEC ○ Other Federal ◉ State ○ *SRO* ○ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
NEVADA SECURITIES DIVISION

2. Principal Sanction:
Civil and Administrative Penalt(ies) /Fine(s)
Other Sanctions:
CEASE & DESIST

3. Date Initiated (MM/DD/YYYY):
03/31/2008 ◉ Exact ○ Explanation

If not exact, provide explanation:

4. Docket/Case Number:
N/A

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
Debt - Corporate
Other Product Types:
EQUITY - OTC; ADR ON FOREIGN SECURITIES; SYNTHETIC

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

FROM AT LEAST JANUARY 1997 UNTIL MAY 2005, CERTAIN ORDER ENTRY SYSTEMS AT THE FIRM AND THE FIRM'S PREDECESSOR RETAIL FIRM, MORGAN STANLEY DW, INC., FAILED TO CHECK WHETHER CERTAIN SECONDARY MARKET SECURITIES TRANSACTIONS COMPLIED WITH STATE REGISTRATION REQUIREMENTS (BLUE SKY LAWS) RESULTING IN THE SALE OF UNREGISTERED SECURITIES IN 46 STATE AND TERRITORIAL JURISDICTIONS, INCLUDING NEVADA. AS PART OF A MULTI-

STATE SETTLEMENT WITH 46 STATE AND TERRITORIAL JURISDICTIONS, THE NEVADA SECURITIES DIVISION FOUND THAT MORGAN STANLEY'S FAILURE TO MAINTAIN ADEQUATE SYSTEMS TO REASONABLY ENSURE COMPLIANCE WITH THE BLUE SKY LAWS RESULTED IN THE SALE OF UNREGISTERED SECURITIES IN VIOLATION OF SECTION 90.460 OF THE NEVADA SECURITIES ACT (ACT) AND MORGAN STANLEY FAILED TO REASONABLY SUPERVISE ITS AGENTS OR EMPLOYEES IN VIOLATION OF SECTION 90.420(1)(K) OF THE ACT. NEVADA FINED THE FIRM $76,662 WHICH WAS NEVADA'S SHARE OF THE MULTI-STATE SETTLEMENT PENALTY OF $8.5 MILLION, AND ORDERED THE FIRM TO CEASE AND DESIST FROM VIOLATING THE ACT.

8. Current status ? ○ Pending ○ On Appeal ◉ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Consent

CONSENT

11. Resolution Date (MM/DD/YYYY):
03/31/2008 ◉ Exact ○ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

- ☑ Monetary/Fine Amount:$ 76662
- ☐ Revocation/Expulsion/Denial
- ☐ Censure
- ☐ Bar
- ☐ Disgorgement/Restitution
- ☑ Cease and Desist/Injunction
- ☐ Suspension

B. Other Sanctions *Ordered*:

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
IN MAY 2005, MORGAN STANLEY DISCOVERED THAT CERTAIN ORDER ENTRY SYSTEMS AT THE FIRM AND THE FIRM'S PREDECESSOR RETAIL FIRM, MORGAN STANLEY DW, INC., FAILED TO CHECK WHETHER CERTAIN SECONDARY MARKET SECURITIES TRANSACTIONS COMPLIED WITH STATE REGISTRATION REQUIREMENTS (BLUE SKY LAWS). THE FIRM CONDUCTED AN INTERNAL INVESTIGATION, REPAIRED THE DEFICIENT SYSTEMS, SELF-REPORTED THE PROBLEM TO ALL AFFECTED STATE AND FEDERAL REGULATORS, IDENTIFIED TRANSACTIONS WHICH WERE EXECUTED IN VIOLATION OF THE BLUE SKY LAWS, AND OFFERED RESCISSION TO SUCH CUSTOMERS WITH TERMS AND CONDITIONS CONSISTENT WITH THE LAW OF THE STATE OF RESIDENCE OF EACH INVESTOR. THE FIRM ALSO COOPERATED WITH A MULTI-STATE INVESTIGATION OF THIS MATTER AND HAS AGREED TO SETTLE THE STATE REGULATORY ISSUES IN A MULTI-STATE SETTLEMENT WITH THE 46 AFFECTED STATE AND TERRITORIAL JURISDICTIONS. THE FIRM AGREED TO CONSENT TO AN ADMINISTRATIVE ORDER WITH EACH OF THE 46 STATE AND TERRITORIAL JURISDICTIONS AND TO PAY A TOTAL CIVIL MONETARY PENALTY OF $8.5 MILLION TO BE DIVIDED AMONG THE 46 STATE AND TERRITORIAL JURISDICTIONS. WITHOUT ADJUDICATION OF ANY ISSUES OF LAW OR FACT, AND WITHOUT ADMITTING OR DENYING ANY ALLEGATIONS OR FINDINGS, MORGAN STANLEY CONSENTED TO THE FINDING OF FACT, CONCLUSIONS OF LAW AND CONSENT ORDER ENTERED BY NEVADA SECURITIES DIVISION, AS PART OF THE MULTI-STATE SETTLEMENT, TO RESOLVE ANY REMAINING REGULATORY ISSUES WITH NEVADA. AS PART OF THE SETTLEMENT, THE FIRM AGREES TO CEASE AND DESIST FROM VIOLATING THE NEVADA SECURITIES ACT AND TO PAY A $76,662 CIVIL MONETARY PENALTY TO NEVADA, WHICH CONSTITUTES NEVADA'S SHARE OF THE MULTI-STATE PENALTY OF $8.5 MILLION.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
IN MAY 2005, MORGAN STANLEY DISCOVERED THAT CERTAIN ORDER ENTRY SYSTEMS AT THE FIRM AND THE FIRM'S PREDECESSOR RETAIL FIRM, MORGAN STANLEY DW, INC., FAILED TO CHECK WHETHER CERTAIN SECONDARY MARKET SECURITIES TRANSACTIONS COMPLIED WITH STATE REGISTRATION REQUIREMENTS (BLUE SKY LAWS). THE FIRM CONDUCTED AN INTERNAL INVESTIGATION, REPAIRED THE DEFICIENT SYSTEMS, SELF-REPORTED THE PROBLEM TO ALL AFFECTED STATE AND FEDERAL REGULATORS, IDENTIFIED TRANSACTIONS WHICH WERE EXECUTED IN VIOLATION OF THE BLUE SKY LAWS, AND OFFERED RESCISSION TO SUCH CUSTOMERS WITH TERMS AND CONDITIONS CONSISTENT WITH THE LAW OF THE STATE OF RESIDENCE OF EACH INVESTOR. THE FIRM ALSO COOPERATED WITH A MULTI-STATE INVESTIGATION OF THIS MATTER AND HAS AGREED TO SETTLE THE STATE REGULATORY ISSUES IN A MULTI-STATE SETTLEMENT WITH THE 46 AFFECTED STATE AND TERRITORIAL JURISDICTIONS. THE FIRM AGREED TO CONSENT TO AN ADMINISTRATIVE ORDER WITH EACH OF THE 46 STATE AND TERRITORIAL JURISDICTIONS AND TO PAY A TOTAL CIVIL MONETARY PENALTY OF $8.5 MILLION TO BE DIVIDED AMONG THE 46 STATE AND TERRITORIAL JURISDICTIONS. WITHOUT ADJUDICATION OF ANY ISSUES OF LAW OR FACT, AND WITHOUT ADMITTING OR DENYING ANY ALLEGATIONS OR FINDINGS, MORGAN STANLEY CONSENTED TO THE FINDING OF FACT, CONCLUSIONS OF LAW AND CONSENT ORDER ENTERED BY NEVADA SECURITIES DIVISION, AS PART OF THE MULTI-STATE SETTLEMENT, TO RESOLVE ANY REMAINING REGULATORY ISSUES WITH NEVADA. AS PART OF THE SETTLEMENT, THE FIRM AGREES TO CEASE AND DESIST FROM VIOLATING THE NEVADA SECURITIES ACT AND TO PAY A $76,662 CIVIL MONETARY PENALTY TO NEVADA, WHICH CONSTITUTES NEVADA'S SHARE OF THE MULTI-STATE PENALTY OF $8.5 MILLION.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ◉ INITIAL ***OR*** ○ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action

☐ 11.C(1)	☐ 11.C(5)	☑ 11.D(4)	☐ 11.E(3)

☐ 11.C(2)	☐ 11.D(1)	☐ 11.D(5)	☐ 11.E(4)
☐ 11.C(3)	☑ 11.D(2)	☐ 11.E(1)	☐ 11.F
☐ 11.C(4)	☐ 11.D(3)	☐ 11.E(2)	☐ 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- ◉ You (the advisory firm)
- ○ You and one or more of your *advisory affiliates*
- ○ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

○ *Yes* ○ *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

○ SEC ○ Other Federal ◉ State ○ *SRO* ○ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
SOUTH DAKOTA DIVISION OF SECURITIES

2. Principal Sanction:
Cease and Desist
Other Sanctions:

3. Date Initiated (MM/DD/YYYY):
04/17/2008 ◉ Exact ○ Explanation

If not exact, provide explanation:

4. Docket/Case Number:
N/A

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
Debt - Corporate
Other Product Types:
EQUITY - OTC; ADR ON FOREIGN SECURITIES; SYNTHETIC

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

FROM AT LEAST JANUARY 1997 UNTIL MAY 2005, CERTAIN ORDER ENTRY SYSTEMS AT THE FIRM AND THE FIRM'S PREDECESSOR RETAIL FIRM, MORGAN STANLEY DW, INC., FAILED TO CHECK WHETHER CERTAIN SECONDARY MARKET SECURITIES TRANSACTIONS COMPLIED WITH STATE REGISTRATION REQUIREMENTS (BLUE SKY LAWS) RESULTING IN THE SALE OF UNREGISTERED SECURITIES IN 46 STATE AND TERRITORIAL JURISDICTIONS, INCLUDING SOUTH DAKOTA. AS PART OF A MULTI-STATE SETTLEMENT WITH 46 STATE AND TERRITORIAL JURISDICTIONS, THE SOUTH DAKOTA DIVISION OF SECURITIES FOUND THAT MORGAN STANLEY'S FAILURE TO MAINTAIN ADEQUATE SYSTEMS TO REASONABLY ENSURE COMPLIANCE WITH THE BLUE SKY LAWS RESULTED IN THE SALE OF UNREGISTERED SECURITIES IN VIOLATION OF SECTION SDCL 47-31B-301 AND MORGAN STANLEY FAILED TO REASONABLY SUPERVISE ITS AGENTS OR EMPLOYEES IN VIOLATION OF

ARSD 20:08:03:08. SOUTH DAKOTA ORDERED THE FIRM TO CEASE AND DESIST FROM VIOLATING THE SOUTH DAKOTA SECURITIES LAWS

8. Current status ? ○ Pending ○ On Appeal ◉ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Consent

CONSENT

11. Resolution Date (MM/DD/YYYY):
04/17/2008 ◉ Exact ○ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

- ☐ Monetary/Fine Amount:$
- ☐ Revocation/Expulsion/Denial
- ☐ Censure
- ☐ Bar
- ☐ Disgorgement/Restitution
- ☑ Cease and Desist/Injunction
- ☐ Suspension

B. Other Sanctions *Ordered*:

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
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13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
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GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ◉ INITIAL ***OR*** ○ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action

☐ 11.C(1)	☐ 11.C(5)	☑ 11.D(4)	☐ 11.E(3)
☐ 11.C(2)	☐ 11.D(1)	☐ 11.D(5)	☐ 11.E(4)
☐ 11.C(3)	☑ 11.D(2)	☐ 11.E(1)	☐ 11.F
☐ 11.C(4)	☐ 11.D(3)	☐ 11.E(2)	☐ 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- (•) You (the advisory firm)
- ( ) You and one or more of your *advisory affiliates*
- ( ) One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

( ) *Yes* ( ) *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:
( ) SEC ( ) Other Federal (•) State ( ) *SRO* ( ) Foreign
(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
KENTUCKY DEPARTMENT OF FINANCIAL INSTITUTIONS

2. Principal Sanction:
Civil and Administrative Penalt(ies) /Fine(s)
Other Sanctions:
CEASE & DESIST

3. Date Initiated (MM/DD/YYYY):
04/03/2008 (•) Exact ( ) Explanation
If not exact, provide explanation:

4. Docket/Case Number:
N/A

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
Debt - Corporate
Other Product Types:
EQUITY - OTC; ADR ON FOREIGN SECURITIES; SYNTHETIC

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):
FROM AT LEAST JANUARY 1997 UNTIL MAY 2005, CERTAIN ORDER ENTRY SYSTEMS AT THE FIRM AND THE FIRM'S PREDECESSOR RETAIL FIRM, MORGAN STANLEY DW, INC., FAILED TO CHECK WHETHER CERTAIN SECONDARY MARKET SECURITIES TRANSACTIONS COMPLIED WITH STATE REGISTRATION REQUIREMENTS (BLUE SKY LAWS) RESULTING IN THE SALE OF UNREGISTERED SECURITIES IN 46 STATE AND TERRITORIAL JURISDICTIONS, INCLUDING KENTUCKY. AS PART OF A MULTI-STATE SETTLEMENT WITH 46 STATE AND TERRITORIAL JURISDICTIONS, THE KENTUCKY OFFICE OF FINANCIAL INSTITUTIONS FOUND THAT MORGAN STANLEY'S FAILURE TO MAINTAIN ADEQUATE SYSTEMS TO REASONABLY ENSURE COMPLIANCE WITH THE BLUE SKY LAWS RESULTED IN THE SALE OF UNREGISTERED SECURITIES IN VIOLATION OF KRS 292.340 AND MORGAN STANLEY FAILED TO REASONABLY SUPERVISE ITS AGENTS OR EMPLOYEES IN VIOLATION OF KRS 292.330(13)9.A. KENTUCKY FINED THE FIRM $191,991 WHICH WAS KENTUCKY'S SHARE OF THE MULTI-STATE SETTLEMENT PENALTY OF $8.5 MILLION, AND ORDERED THE FIRM TO CEASE AND DESIST FROM VIOLATING THE KENTUCKY SECURITIES ACT.

8. Current status ? ( ) Pending ( ) On Appeal (•) Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Consent

CONSENT

11. Resolution Date (MM/DD/YYYY):

05/01/2008 (•) Exact ( ) Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

- [x] Monetary/Fine Amount:$ 191991
- [ ] Revocation/Expulsion/Denial
- [ ] Censure
- [ ] Bar
- [ ] Disgorgement/Restitution
- [x] Cease and Desist/Injunction
- [ ] Suspension

B. Other Sanctions *Ordered*:

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
MONETARY PENALTY PAID AS FOLLOWS: 1) $91,991 AS A CIVIL MONETARY PENALTY TO THE STATE OF KENTUCKY; AND 2) $100,000 AS A CONTRIBUTION FOR INVESTOR PROTECTION TO THE KENTUCKY ACCOUNT OF THE INVESTOR PROTECTION TRUST.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
IN MAY 2005, MORGAN STANLEY DISCOVERED THAT CERTAIN ORDER ENTRY SYSTEMS AT THE FIRM AND THE FIRM'S PREDECESSOR RETAIL FIRM, MORGAN STANLEY DW, INC., FAILED TO CHECK WHETHER CERTAIN SECONDARY MARKET SECURITIES TRANSACTIONS COMPLIED WITH STATE REGISTRATION REQUIREMENTS (BLUE SKY LAWS). THE FIRM CONDUCTED AN INTERNAL INVESTIGATION, REPAIRED THE DEFICIENT SYSTEMS, SELF-REPORTED THE PROBLEM TO ALL AFFECTED STATE AND FEDERAL REGULATORS, IDENTIFIED TRANSACTIONS WHICH WERE EXECUTED IN VIOLATION OF THE BLUE SKY LAWS, AND OFFERED RESCISSION TO SUCH CUSTOMERS WITH TERMS AND CONDITIONS CONSISTENT WITH THE LAW OF THE STATE OF RESIDENCE OF EACH INVESTOR. THE FIRM ALSO COOPERATED WITH A MULTI-STATE INVESTIGATION OF THIS MATTER AND HAS AGREED TO SETTLE THE STATE REGULATORY ISSUES IN A MULTI-STATE SETTLEMENT WITH THE 46 AFFECTED STATE AND TERRITORIAL JURISDICTIONS. THE FIRM AGREED TO CONSENT TO AN ADMINISTRATIVE ORDER WITH EACH OF THE 46 STATE AND TERRITORIAL JURISDICTIONS AND TO PAY A TOTAL CIVIL MONETARY PENALTY OF $8.5 MILLION TO BE DIVIDED AMONG THE 46 STATE AND TERRITORIAL JURISDICTIONS. WITHOUT ADJUDICATION OF ANY ISSUES OF LAW OR FACT, AND WITHOUT ADMITTING OR DENYING ANY ALLEGATIONS OR FINDINGS, MORGAN STANLEY CONSENTED TO THE FINDINGS OF FACT, CONCLUSIONS OF LAW AND CONSENT ORDER ENTERED BY THE KENTUCKY OFFICE OF FINANCIAL INSTITUTIONS, AS PART OF THE MULTI-STATE SETTLEMENT, TO RESOLVE ANY REMAINING REGULATORY ISSUES WITH KENTUCKY. AS PART OF THE SETTLEMENT, THE FIRM AGREES TO CEASE AND DESIST FROM VIOLATING THE KENTUCKY SECURITIES ACT, TO PAY A $91,991 CIVIL PENALTY TO THE STATE OF KENTUCKY, AND TO MAKE A $100,000 CONTRIBTION TO KENTUCKY'S ACCOUNT AT THE INVESTOR PROTECTION TRUST, WHICH COLLECTIVELY CONSTITUTES KENTUCKY'S SHARE OF THE MULTI-STATE PENALTY OF $8.5 MILLION.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an (•) INITIAL ***OR*** ( ) AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action			
[ ] 11.C(1)	[ ] 11.C(5)	[x] 11.D(4)	[ ] 11.E(3)
[ ] 11.C(2)	[ ] 11.D(1)	[ ] 11.D(5)	[ ] 11.E(4)
[ ] 11.C(3)	[x] 11.D(2)	[ ] 11.E(1)	[ ] 11.F
[ ] 11.C(4)	[ ] 11.D(3)	[ ] 11.E(2)	[ ] 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- (•) You (the advisory firm)
- ( ) You and one or more of your *advisory affiliates*
- ( ) One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

○ *Yes* ○ *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:
○ SEC ○ Other Federal ◉ State ○ *SRO* ○ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
KANSAS SECURITIES DIVISION

2. Principal Sanction:
Civil and Administrative Penalt(ies) /Fine(s)
Other Sanctions:
CEASE & DESIST

3. Date Initiated (MM/DD/YYYY):
05/06/2008 ◉ Exact ○ Explanation

If not exact, provide explanation:

4. Docket/Case Number:
DOCKET NO. 08E010/CASE NO. 2007-5279

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
Debt - Corporate
Other Product Types:
EQUITY - OTC; ADR ON FOREIGN SECURITIES; SYNTHETIC

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

FROM AT LEAST JANUARY 1997 UNTIL MAY 2005, CERTAIN ORDER ENTRY SYSTEMS AT THE FIRM AND THE FIRM'S PREDECESSOR RETAIL FIRM, MORGAN STANLEY DW, INC., FAILED TO CHECK WHETHER CERTAIN SECONDARY MARKET SECURITIES TRANSACTIONS COMPLIED WITH STATE REGISTRATION REQUIREMENTS (BLUE SKY LAWS) RESULTING IN THE SALE OF UNREGISTERED SECURITIES IN 46 STATE AND TERRITORIAL JURISDICTIONS, INCLUDING KANSAS. AS PART OF A MULTI-STATE SETTLEMENT WITH 46 STATE AND TERRITORIAL JURISDICTIONS, THE KANSAS SECURITIES COMMISSIONER FOUND THAT MORGAN STANLEY'S FAILURE TO MAINTAIN ADEQUATE SYSTEMS TO REASONABLY ENSURE COMPLIANCE WITH THE BLUE SKY LAWS RESULTED IN THE SALE OF UNREGISTERED SECURITIES IN VIOLATION OF K.S.A. 17-1255 AND/OR K.S.A. 17-12A301 AND MORGAN STANLEY FAILED TO REASONABLY SUPERVISE ITS AGENTS OR EMPLOYEES IN VIOLATION OF K.S.A. 17-1254(M)(12) AND/OR K.S.A. 17-12A412(D)(9). KANSAS FINED THE FIRM $17,985 WHICH WAS KANSAS' SHARE OF THE MULTI-STATE SETTLEMENT PENALTY OF $8.5 MILLION, AND ORDERED THE FIRM TO CEASE AND DESIST FROM VIOLATING THE KANSAS UNIFORM SECURITIES ACT.

8. Current status ? ○ Pending ○ On Appeal ◉ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Consent

CONSENT

11. Resolution Date (MM/DD/YYYY):
05/06/2008 ◉ Exact ○ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☑ Monetary/Fine Amount:$ 17985

☐ Revocation/Expulsion/Denial

☐ Censure

☐ Bar

☐ Disgorgement/Restitution

☑ Cease and Desist/Injunction

☐ Suspension

B. Other Sanctions *Ordered*:

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
MONETARY PENALTY PAID AS FOLLOWS: PAID $17,985 BY COMPANY CHECK ON MAY 1, 2008

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
IN MAY 2005, MORGAN STANLEY DISCOVERED THAT CERTAIN ORDER ENTRY SYSTEMS AT THE FIRM AND THE FIRM'S PREDECESSOR RETAIL FIRM, MORGAN STANLEY DW, INC., FAILED TO CHECK WHETHER CERTAIN SECONDARY MARKET SECURITIES TRANSACTIONS COMPLIED WITH STATE REGISTRATION REQUIREMENTS (BLUE SKY LAWS). THE FIRM CONDUCTED AN INTERNAL INVESTIGATION, REPAIRED THE DEFICIENT SYSTEMS, SELF-REPORTED THE PROBLEM TO ALL AFFECTED STATE AND FEDERAL REGULATORS, IDENTIFIED TRANSACTIONS WHICH WERE EXECUTED IN VIOLATION OF THE BLUE SKY LAWS, AND OFFERED RESCISSION TO SUCH CUSTOMERS WITH TERMS AND CONDITIONS CONSISTENT WITH THE LAW OF THE STATE OF RESIDENCE OF EACH INVESTOR. THE FIRM ALSO COOPERATED WITH A MULTI-STATE INVESTIGATION OF THIS MATTER AND HAS AGREED TO SETTLE THE STATE REGULATORY ISSUES IN A MULTI-STATE SETTLEMENT WITH THE 46 AFFECTED STATE AND TERRITORIAL JURISDICTIONS. THE FIRM AGREED TO CONSENT TO AN ADMINISTRATIVE ORDER WITH EACH OF THE 46 STATE AND TERRITORIAL JURISDICTIONS AND TO PAY A TOTAL CIVIL MONETARY PENALTY OF $8.5 MILLION TO BE DIVIDED AMONG THE 46 STATE AND TERRITORIAL JURISDICTIONS. WITHOUT ADJUDICATION OF ANY ISSUES OF LAW OR FACT, AND WITHOUT ADMITTING OR DENYING ANY ALLEGATIONS OR FINDINGS, MORGAN STANLEY CONSENTED TO THE CONSENT ORDER ENTERED BY THE KANSAS SECURITIES COMMISSIONER, AS PART OF THE MULTI-STATE SETTLEMENT, TO RESOLVE ANY REMAINING REGULATORY ISSUES WITH KANSAS. AS PART OF THE SETTLEMENT, THE FIRM AGREES TO CEASE AND DESIST FROM VIOLATING THE KANSAS UNIFORM SECURITIES ACT AND TO PAY A $17,985 PENALTY TO OFFICE OF THE SECURITIES COMMISSIONER, WHICH CONSTITUTES KANSAS' SHARE OF THE MULTI-STATE PENALTY OF $8.5 MILLION.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ◉ INITIAL ***OR*** ○ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action			
☐ 11.C(1)	☐ 11.C(5)	☑ 11.D(4)	☐ 11.E(3)
☐ 11.C(2)	☐ 11.D(1)	☐ 11.D(5)	☐ 11.E(4)
☐ 11.C(3)	☑ 11.D(2)	☐ 11.E(1)	☐ 11.F
☐ 11.C(4)	☐ 11.D(3)	☐ 11.E(2)	☐ 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

◉ You (the advisory firm)

○ You and one or more of your *advisory affiliates*

○ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

○ *Yes* ○ *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:
○ SEC ○ Other Federal ◉ State ○ *SRO* ○ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
VERMONT DEPARTMENT OF BANKING, INSURANCE, SECURITIES AND HEALTH CARE ADMINISTRATION

2. Principal Sanction:
Civil and Administrative Penalt(ies) /Fine(s)
Other Sanctions:
CEASE & DESIST

3. Date Initiated (MM/DD/YYYY):
05/27/2008 ◉ Exact ○ Explanation

If not exact, provide explanation:

4. Docket/Case Number:
08-043-S

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
Debt - Corporate
Other Product Types:
EQUITY - OTC; ADR ON FOREIGN SECURITIES; SYNTHETIC

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

FROM AT LEAST JANUARY 1997 UNTIL MAY 2005, CERTAIN ORDER ENTRY SYSTEMS AT THE FIRM AND THE FIRM'S PREDECESSOR RETAIL FIRM, MORGAN STANLEY DW, INC., FAILED TO CHECK WHETHER CERTAIN SECONDARY MARKET SECURITIES TRANSACTIONS COMPLIED WITH STATE REGISTRATION REQUIREMENTS (BLUE SKY LAWS) RESULTING IN THE SALE OF UNREGISTERED SECURITIES IN 46 STATE AND TERRITORIAL JURISDICTIONS, INCLUDING VERMONT. AS PART OF A MULTI-STATE SETTLEMENT WITH 46 STATE AND TERRITORIAL JURISDICTIONS, THE VERMONT DEPARTMENT OF BANKING, INSURANCE, SECURITIES AND HEALTH CARE ADMINISTRATION (DEPARTMENT) FOUND THAT MORGAN STANLEY'S FAILURE TO MAINTAIN ADEQUATE SYSTEMS TO REASONABLY ENSURE COMPLIANCE WITH THE BLUE SKY LAWS RESULTED IN THE SALE OF UNREGISTERED SECURITIES IN VIOLATION OF SECTION 4205 OF THE VERMONT UNIFORM SECURITIES ACT (ACT) AND MORGAN STANLEY FAILED TO REASONABLY SUPERVISE ITS AGENTS OR EMPLOYEES IN VIOLATION OF THE ACT. THE DEPARTMENT FINED THE FIRM $62,902 AND THE FIRM MADE A DONATION OF $25,000 TO THE VERMONT INVESTOR EDUCATION FUND, WHICH THE AGGREGATED AMOUNT OF $ 87,902, WAS VERMONT'S SHARE OF THE MULTI-STATE SETTLEMENT PENALTY OF $8.5 MILLION, AND ORDERED THE FIRM TO CEASE AND DESIST FROM VIOLATING THE ACT

8. Current status ? ○ Pending ○ On Appeal ◉ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Consent

CONSENT

11. Resolution Date (MM/DD/YYYY):
05/27/2008 ◉ Exact ○ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☑ Monetary/Fine Amount:$ 87902

☐ Revocation/Expulsion/Denial

☐ Censure

☐ Bar

☐ Disgorgement/Restitution

☑ Cease and Desist/Injunction

☐ Suspension

B. Other Sanctions *Ordered*:

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
MONETARY PENALTY PAID AS FOLLOWS: PAID $62,902 AND $25,000 BY COMPANY CHECKS ON MAY 19, 2008.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)

IN MAY 2005, MORGAN STANLEY DISCOVERED THAT CERTAIN ORDER ENTRY SYSTEMS AT THE FIRM AND THE FIRM'S PREDECESSOR RETAIL FIRM, MORGAN STANLEY DW, INC., FAILED TO CHECK WHETHER CERTAIN SECONDARY MARKET SECURITIES TRANSACTIONS COMPLIED WITH STATE REGISTRATION REQUIREMENTS (BLUE SKY LAWS). THE FIRM CONDUCTED AN INTERNAL INVESTIGATION, REPAIRED THE DEFICIENT SYSTEMS, SELF-REPORTED THE PROBLEM TO ALL AFFECTED STATE AND FEDERAL REGULATORS, IDENTIFIED TRANSACTIONS WHICH WERE EXECUTED IN VIOLATION OF THE BLUE SKY LAWS, AND OFFERED RESCISSION TO SUCH CUSTOMERS WITH TERMS AND CONDITIONS CONSISTENT WITH THE LAW OF THE STATE OF RESIDENCE OF EACH INVESTOR. THE FIRM ALSO COOPERATED WITH A MULTI-STATE INVESTIGATION OF THIS MATTER AND HAS AGREED TO SETTLE THE STATE REGULATORY ISSUES IN A MULTI-STATE SETTLEMENT WITH THE 46 AFFECTED STATE AND TERRITORIAL JURISDICTIONS. THE FIRM AGREED TO CONSENT TO AN ADMINISTRATIVE ORDER WITH EACH OF THE 46 STATE AND TERRITORIAL JURISDICTIONS AND TO PAY A TOTAL CIVIL MONETARY PENALTY OF $8.5 MILLION TO BE DIVIDED AMONG THE 46 STATE AND TERRITORIAL JURISDICTIONS. WITHOUT ADJUDICATION OF ANY ISSUES OF LAW OR FACT, AND WITHOUT ADMITTING OR DENYING ANY ALLEGATIONS OR FINDINGS, MORGAN STANLEY CONSENTED TO THE FINDINGS OF FACT, CONCLUSIONS OF LAW AND CONSENT ORDER ENTERED BY THE VERMONT DEPARTMENT OF BANKING, INSURANCE, SECURITIES AND HEALTH CARE ADMINISTRATION (DEPARTMENT), AS PART OF THE MULTI-STATE SETTLEMENT, TO RESOLVE ANY REMAINING REGULATORY ISSUES WITH VERMONT. AS PART OF THE SETTLEMENT, THE FIRM AGREES TO CEASE AND DESIST FROM VIOLATING THE VERMONT UNIFORM SECURITIES ACT AND TO PAY $62,902 AS A PENALTY TO THE DEPARTMENT AND $25,000 AS A DONATION TO THE VERMONT INVESTOR EDUCATION FUND, WHICH AGGREGATED CONSTITUTES VERMONT'S SHARE OF THE MULTI-STATE PENALTY OF $8.5 MILLION.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an (•) INITIAL ***OR*** ( ) AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action			
☐ 11.C(1)	☐ 11.C(5)	☑ 11.D(4)	☐ 11.E(3)
☐ 11.C(2)	☐ 11.D(1)	☐ 11.D(5)	☐ 11.E(4)
☐ 11.C(3)	☑ 11.D(2)	☐ 11.E(1)	☐ 11.F
☐ 11.C(4)	☐ 11.D(3)	☐ 11.E(2)	☐ 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

(•) You (the advisory firm)

( ) You and one or more of your *advisory affiliates*

( ) One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

( ) *Yes* ( ) *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

( ) SEC ( ) Other Federal (•) State ( ) *SRO* ( ) Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)

MONTANA STATE AUDITOR

2. Principal Sanction:

Civil and Administrative Penalt(ies) /Fine(s)
Other Sanctions:
CEASE & DESIST

3. Date Initiated (MM/DD/YYYY):
04/11/2008 (•) Exact ( ) Explanation

If not exact, provide explanation:

4. Docket/Case Number:
I 03-20-08-263

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
Debt - Corporate
Other Product Types:
EQUITY - OTC; ADR ON FOREIGN SECURITIES; SYNTHETIC

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

FROM AT LEAST JANUARY 1997 UNTIL MAY 2005, CERTAIN ORDER ENTRY SYSTEMS AT THE FIRM AND THE FIRM'S PREDECESSOR RETAIL FIRM, MORGAN STANLEY DW, INC., FAILED TO CHECK WHETHER CERTAIN SECONDARY MARKET SECURITIES TRANSACTIONS COMPLIED WITH STATE REGISTRATION REQUIREMENTS (BLUE SKY LAWS) RESULTING IN THE SALE OF UNREGISTERED SECURITIES IN 46 STATE AND TERRITORIAL JURISDICTIONS, INCLUDING MONTANA. AS PART OF A MULTI-STATE SETTLEMENT WITH 46 STATE AND TERRITORIAL JURISDICTIONS, THE MONTANA COMMISSIONER OF SECURITIES FOUND THAT MORGAN STANLEY'S FAILURE TO MAINTAIN ADEQUATE SYSTEMS TO REASONABLY ENSURE COMPLIANCE WITH THE BLUE SKY LAWS RESULTED IN THE SALE OF UNREGISTERED SECURITIES IN VIOLATION OF SECTION 30-10-202 OF THE MONTANA SECURITIES ACT (ACT) AND MORGAN STANLEY FAILED TO REASONABLY SUPERVISE ITS AGENTS OR EMPLOYEES IN VIOLATION OF THE ACT. THE COMMISSIONER FINED THE FIRM $3,147 WHICH WAS MONTANA'S SHARE OF THE MULTI-STATE SETTLEMENT PENALTY OF $8.5 MILLION, AND ORDERED THE FIRM TO CEASE AND DESIST FROM VIOLATING THE ACT.

8. Current status ? ( ) Pending ( ) On Appeal (•) Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Consent

CONSENT

11. Resolution Date (MM/DD/YYYY):
04/11/2008 (•) Exact ( ) Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

- [x] Monetary/Fine Amount:$ 3147
- [ ] Revocation/Expulsion/Denial
- [ ] Disgorgement/Restitution
- [ ] Censure
- [x] Cease and Desist/Injunction
- [ ] Bar
- [ ] Suspension

B. Other Sanctions *Ordered*:

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
MONETARY PENALTY PAID AS FOLLOWS: PAID $3,147 BY COMPANY CHECK ON APRIL 4, 2008.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
IN MAY 2005, MORGAN STANLEY DISCOVERED THAT CERTAIN ORDER ENTRY SYSTEMS AT THE FIRM AND THE FIRM'S PREDECESSOR RETAIL FIRM, MORGAN STANLEY DW, INC., FAILED TO CHECK WHETHER CERTAIN SECONDARY MARKET SECURITIES TRANSACTIONS COMPLIED WITH STATE REGISTRATION REQUIREMENTS (BLUE SKY LAWS). THE FIRM CONDUCTED AN INTERNAL INVESTIGATION, REPAIRED THE DEFICIENT SYSTEMS, SELF-REPORTED THE PROBLEM TO ALL AFFECTED STATE AND FEDERAL REGULATORS, IDENTIFIED TRANSACTIONS WHICH WERE EXECUTED IN VIOLATION OF THE BLUE SKY LAWS, AND OFFERED RESCISSION TO SUCH CUSTOMERS WITH TERMS AND CONDITIONS CONSISTENT WITH THE LAW OF THE STATE OF RESIDENCE OF EACH INVESTOR. THE FIRM ALSO COOPERATED WITH A MULTI-STATE INVESTIGATION OF THIS MATTER AND HAS AGREED TO SETTLE THE STATE REGULATORY ISSUES IN A MULTI-STATE SETTLEMENT WITH THE 46 AFFECTED STATE AND TERRITORIAL JURISDICTIONS. THE FIRM AGREED TO CONSENT TO AN ADMINISTRATIVE ORDER WITH EACH OF THE 46 STATE AND TERRITORIAL JURISDICTIONS AND TO PAY A TOTAL CIVIL MONETARY PENALTY OF $8.5 MILLION TO BE DIVIDED AMONG THE 46 STATE AND TERRITORIAL JURISDICTIONS. WITHOUT ADJUDICATION OF ANY ISSUES OF LAW OR FACT, AND WITHOUT ADMITTING OR DENYING ANY ALLEGATIONS OR FINDINGS, MORGAN STANLEY CONSENTED TO THE FINDINGS OF FACT, CONCLUSIONS OF LAW AND CONSENT ORDER ENTERED BY THE MONTANA SECURITIES COMMISSIONER, AS PART OF THE MULTI-STATE SETTLEMENT, TO RESOLVE ANY REMAINING REGULATORY ISSUES WITH MONTANA. AS PART OF THE SETTLEMENT, THE FIRM AGREES TO CEASE AND DESIST FROM VIOLATING THE MONTANA SECURITIES ACT AND TO PAY A $3,147 PENALTY TO THE STATE OF MONTANA, WHICH CONSTITUTES MONTANA'S SHARE

OF THE MULTI-STATE PENALTY OF $8.5 MILLION.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ◉ INITIAL ***OR*** ○ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action			
☐ 11.C(1)	☐ 11.C(5)	☑ 11.D(4)	☐ 11.E(3)
☐ 11.C(2)	☐ 11.D(1)	☐ 11.D(5)	☐ 11.E(4)
☐ 11.C(3)	☑ 11.D(2)	☐ 11.E(1)	☐ 11.F
☐ 11.C(4)	☐ 11.D(3)	☐ 11.E(2)	☐ 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

◉ You (the advisory firm)

○ You and one or more of your *advisory affiliates*

○ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

○ *Yes* ○ *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

○ SEC ○ Other Federal ◉ State ○ *SRO* ○ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)

IOWA SECURITIES BUREAU

2. Principal Sanction:

Civil and Administrative Penalt(ies) /Fine(s)

Other Sanctions:

CEASE & DESIST

3. Date Initiated (MM/DD/YYYY):

05/06/2008 ◉ Exact ○ Explanation

If not exact, provide explanation:

4. Docket/Case Number:

5067

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:

Debt - Corporate
Other Product Types:
EQUITY - OTC; ADR ON FOREIGN SECURITIES; SYNTHETIC

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

FROM AT LEAST JANUARY 1997 UNTIL MAY 2005, CERTAIN ORDER ENTRY SYSTEMS AT THE FIRM AND THE FIRM'S PREDECESSOR RETAIL FIRM, MORGAN STANLEY DW, INC., FAILED TO CHECK WHETHER CERTAIN SECONDARY MARKET SECURITIES TRANSACTIONS COMPLIED WITH STATE REGISTRATION REQUIREMENTS (BLUE SKY LAWS) RESULTING IN THE SALE OF UNREGISTERED SECURITIES IN 46 STATE AND TERRITORIAL JURISDICTIONS, INCLUDING THE IOWA SECURITIES BUREAU (BUREAU). AS PART OF A MULTI-STATE SETTLEMENT WITH 46 STATE AND TERRITORIAL JURISDICTIONS, THE BUREAU FOUND THAT MORGAN STANLEY'S FAILURE TO MAINTAIN ADEQUATE SYSTEMS TO REASONABLY ENSURE COMPLIANCE WITH THE BLUE SKY LAWS RESULTED IN THE SALE OF UNREGISTERED SECURITIES IN VIOLATION OF SECTION 502.301 OF THE IOWA UNIFORM SECURITIES ACT (ACT) AND MORGAN STANLEY FAILED TO REASONABLY SUPERVISE ITS AGENTS OR EMPLOYEES IN VIOLATION OF SECTION 502.412(4)(I) OF THE ACT. THE BUREAU FINED THE FIRM $1,124 WHICH WAS IOWA'S SHARE OF THE MULTI-STATE SETTLEMENT PENALTY OF $8.5 MILLION, AND ORDERED THE FIRM TO CEASE AND DESIST FROM VIOLATING THE ACT.

8. Current status ? ○ Pending ○ On Appeal ◉ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Consent

CONSENT

11. Resolution Date (MM/DD/YYYY):
05/06/2008 ◉ Exact ○ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

- ☑ Monetary/Fine Amount:$ 1124
- ☐ Revocation/Expulsion/Denial
- ☐ Censure
- ☐ Bar
- ☐ Disgorgement/Restitution
- ☑ Cease and Desist/Injunction
- ☐ Suspension

B. Other Sanctions *Ordered*:

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
MONETARY PENALTY PAID AS FOLLOWS: PAID $1,124 BY COMPANY CHECK ON MAY 5, 2008

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
IN MAY 2005, MORGAN STANLEY DISCOVERED THAT CERTAIN ORDER ENTRY SYSTEMS AT THE FIRM AND THE FIRM'S PREDECESSOR RETAIL FIRM, MORGAN STANLEY DW, INC., FAILED TO CHECK WHETHER CERTAIN SECONDARY MARKET SECURITIES TRANSACTIONS COMPLIED WITH STATE REGISTRATION REQUIREMENTS (BLUE SKY LAWS). THE FIRM CONDUCTED AN INTERNAL INVESTIGATION, REPAIRED THE DEFICIENT SYSTEMS, SELF-REPORTED THE PROBLEM TO ALL AFFECTED STATE AND FEDERAL REGULATORS, IDENTIFIED TRANSACTIONS WHICH WERE EXECUTED IN VIOLATION OF THE BLUE SKY LAWS, AND OFFERED RESCISSION TO SUCH CUSTOMERS WITH TERMS AND CONDITIONS CONSISTENT WITH THE LAW OF THE STATE OF RESIDENCE OF EACH INVESTOR. THE FIRM ALSO COOPERATED WITH A MULTI-STATE INVESTIGATION OF THIS MATTER AND HAS AGREED TO SETTLE THE STATE REGULATORY ISSUES IN A MULTI-STATE SETTLEMENT WITH THE 46 AFFECTED STATE AND TERRITORIAL JURISDICTIONS. THE FIRM AGREED TO CONSENT TO AN ADMINISTRATIVE ORDER WITH EACH OF THE 46 STATE AND TERRITORIAL JURISDICTIONS AND TO PAY A TOTAL CIVIL MONETARY PENALTY OF $8.5 MILLION TO BE DIVIDED AMONG THE 46 STATE AND TERRITORIAL JURISDICTIONS. WITHOUT ADJUDICATION OF ANY ISSUES OF LAW OR FACT, AND WITHOUT ADMITTING OR DENYING ANY ALLEGATIONS OR FINDINGS, MORGAN STANLEY CONSENTED TO THE FINDINGS OF FACT, CONCLUSIONS OF LAW AND CONSENT ORDER ENTERED BY THE IOWA SECURITIES BUREAU, AS PART OF THE MULTI-STATE SETTLEMENT, TO RESOLVE ANY REMAINING REGULATORY ISSUES WITH IOWA. AS PART OF THE SETTLEMENT, THE FIRM AGREES TO CEASE AND DESIST FROM VIOLATING THE IOWA UNIFORM SECURITIES ACT AND TO PAY A $1,124 PENALTY TO THE STATE OF IOWA, WHICH CONSTITUTES IOWA'S SHARE OF THE MULTI-STATE PENALTY OF $8.5 MILLION.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ◉ INITIAL ***OR*** ○ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action

☐ 11.C(1)	☐ 11.C(5)	☑ 11.D(4)	☐ 11.E(3)
☐ 11.C(2)	☐ 11.D(1)	☐ 11.D(5)	☐ 11.E(4)
☐ 11.C(3)	☑ 11.D(2)	☐ 11.E(1)	☐ 11.F

☐ 11.C(4) ☐ 11.D(3) ☐ 11.E(2) ☐ 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- ◉ You (the advisory firm)
- ○ You and one or more of your *advisory affiliates*
- ○ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

○ *Yes* ○ *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:
   ○ SEC ○ Other Federal ◉ State ○ *SRO* ○ Foreign
   (Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
   WYOMING SECURITIES DIVISION

2. Principal Sanction:
   Civil and Administrative Penalt(ies) /Fine(s)
   Other Sanctions:
   CEASE & DESIST

3. Date Initiated (MM/DD/YYYY):
   05/15/2008 ◉ Exact ○ Explanation
   If not exact, provide explanation:

4. Docket/Case Number:
   N/A

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
   Debt - Corporate
   Other Product Types:
   EQUITY - OTC; ADR ON FOREIGN SECURITIES; SYNTHETIC

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):
   FROM AT LEAST JANUARY 1997 UNTIL MAY 2005, CERTAIN ORDER ENTRY SYSTEMS AT THE FIRM AND THE FIRM'S PREDECESSOR RETAIL FIRM, MORGAN STANLEY DW, INC., FAILED TO CHECK WHETHER CERTAIN SECONDARY MARKET SECURITIES TRANSACTIONS COMPLIED WITH STATE REGISTRATION REQUIREMENTS (BLUE SKY LAWS) RESULTING IN THE SALE OF UNREGISTERED SECURITIES IN 46 STATE AND TERRITORIAL JURISDICTIONS, INCLUDING WYOMING. AS PART OF A MULTI-STATE SETTLEMENT WITH 46 STATE AND TERRITORIAL JURISDICTIONS, THE WYOMING SECURITIES DIVISION FOUND THAT MORGAN STANLEY'S FAILURE TO MAINTAIN ADEQUATE SYSTEMS TO REASONABLY ENSURE COMPLIANCE WITH THE BLUE SKY LAWS RESULTED IN THE SALE OF UNREGISTERED SECURITIES IN VIOLATION OF SECTIONS 17-4-106(A)(II)(B) AND 17-4-107 OF THE WYOMING SECURITIES ACT (ACT) AND MORGAN STANLEY FAILED TO REASONABLY SUPERVISE ITS AGENTS OR EMPLOYEES IN VIOLATION OF THE ACT. THE WYOMING SECURITIES DIVISION FINED THE FIRM $5,171 WHICH WAS WYOMING'S SHARE OF THE MULTI-STATE SETTLEMENT PENALTY OF $8.5 MILLION, AND ORDERED THE FIRM TO CEASE AND DESIST FROM VIOLATING THE ACT.

8. Current status ? ○ Pending ○ On Appeal ◉ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Consent

CONSENT

11. Resolution Date (MM/DD/YYYY):
05/15/2008 (•) Exact ( ) Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

- [x] Monetary/Fine Amount:$ 5171
- [ ] Revocation/Expulsion/Denial
- [ ] Censure
- [ ] Bar
- [ ] Disgorgement/Restitution
- [x] Cease and Desist/Injunction
- [ ] Suspension

B. Other Sanctions *Ordered*:

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
MONETARY PENALTY PAID AS FOLLOWS: PAID $5,171 BY COMPANY CHECK ON MAY 12, 2008

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
IN MAY 2005, MORGAN STANLEY DISCOVERED THAT CERTAIN ORDER ENTRY SYSTEMS AT THE FIRM AND THE FIRM'S PREDECESSOR RETAIL FIRM, MORGAN STANLEY DW, INC., FAILED TO CHECK WHETHER CERTAIN SECONDARY MARKET SECURITIES TRANSACTIONS COMPLIED WITH STATE REGISTRATION REQUIREMENTS (BLUE SKY LAWS). THE FIRM CONDUCTED AN INTERNAL INVESTIGATION, REPAIRED THE DEFICIENT SYSTEMS, SELF-REPORTED THE PROBLEM TO ALL AFFECTED STATE AND FEDERAL REGULATORS, IDENTIFIED TRANSACTIONS WHICH WERE EXECUTED IN VIOLATION OF THE BLUE SKY LAWS, AND OFFERED RESCISSION TO SUCH CUSTOMERS WITH TERMS AND CONDITIONS CONSISTENT WITH THE LAW OF THE STATE OF RESIDENCE OF EACH INVESTOR. THE FIRM ALSO COOPERATED WITH A MULTI-STATE INVESTIGATION OF THIS MATTER AND HAS AGREED TO SETTLE THE STATE REGULATORY ISSUES IN A MULTI-STATE SETTLEMENT WITH THE 46 AFFECTED STATE AND TERRITORIAL JURISDICTIONS. THE FIRM AGREED TO CONSENT TO AN ADMINISTRATIVE ORDER WITH EACH OF THE 46 STATE AND TERRITORIAL JURISDICTIONS AND TO PAY A TOTAL CIVIL MONETARY PENALTY OF $8.5 MILLION TO BE DIVIDED AMONG THE 46 STATE AND TERRITORIAL JURISDICTIONS. WITHOUT ADJUDICATION OF ANY ISSUES OF LAW OR FACT, AND WITHOUT ADMITTING OR DENYING ANY ALLEGATIONS OR FINDINGS, MORGAN STANLEY CONSENTED TO THE FINDINGS OF FACT, CONCLUSIONS OF LAW AND CONSENT ORDER ENTERED BY THE WYOMING SECURITIES DIVISION, AS PART OF THE MULTI-STATE SETTLEMENT, TO RESOLVE ANY REMAINING REGULATORY ISSUES WITH WYOMING. AS PART OF THE SETTLEMENT, THE FIRM AGREES TO CEASE AND DESIST FROM VIOLATING THE WYOMING SECURITIES ACT AND TO PAY A $5,171 PENALTY TO THE WYOMING SECURITIES DIVISION, WHICH CONSTITUTES WYOMING'S SHARE OF THE MULTI-STATE PENALTY OF $8.5 MILLION.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an (•) INITIAL ***OR*** ( ) AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action

[ ] 11.C(1)	[ ] 11.C(5)	[x] 11.D(4)	[ ] 11.E(3)
[ ] 11.C(2)	[ ] 11.D(1)	[ ] 11.D(5)	[ ] 11.E(4)
[ ] 11.C(3)	[x] 11.D(2)	[ ] 11.E(1)	[ ] 11.F
[ ] 11.C(4)	[ ] 11.D(3)	[ ] 11.E(2)	[ ] 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- (•) You (the advisory firm)
- ( ) You and one or more of your *advisory affiliates*
- ( ) One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

○ *Yes* ○ *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:
○ SEC ○ Other Federal ◉ State ○ *SRO* ○ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
MISSISSIPPI OFFICE OF THE SECRETARY OF STATE BUSINESS REGULATION & ENFORCEMENT DIVISION

2. Principal Sanction:
Civil and Administrative Penalt(ies) /Fine(s)
Other Sanctions:
CEASE AND DESIST

3. Date Initiated (MM/DD/YYYY):
04/29/2008 ◉ Exact ○ Explanation

If not exact, provide explanation:

4. Docket/Case Number:
S-05-0463

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
Debt - Corporate
Other Product Types:
EQUIT OTC; ADR ON FOREIGN SECURITIES; SYNTHETIC

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

FROM AT LEAST JANUARY 1997 UNTIL MAY 2005, CERTAIN ORDER ENTRY SYSTEMS AT THE FIRM AND THE FIRM'S PREDECESSOR RETAIL FIRM, MORGAN STANLEY DW, INC., FAILED TO CHECK WHETHER CERTAIN SECONDARY MARKET SECURITIES TRANSACTIONS COMPLIED WITH STATE REGISTRATION REQUIREMENTS (BLUE SKY LAWS) RESULTING IN THE SALE OF UNREGISTERED SECURITIES IN 46 STATE AND TERRITORIAL JURISDICTIONS, INCLUDING MISSISSIPPI. AS PART OF A MULTI-STATE SETTLEMENT WITH 46 STATE AND TERRITORIAL JURISDICTIONS, THE MISSISSIPPI SECRETARY OF STATE AS ADMINISTRATOR OF THE MISSISSIPPI SECURITIES ACT FOUND THAT MORGAN STANLEY'S FAILURE TO MAINTAIN ADEQUATE SYSTEMS TO REASONABLY ENSURE COMPLIANCE WITH THE BLUE SKY LAWS RESULTED IN THE SALE OF UNREGISTERED SECURITIES IN VIOLATION OF SECTION 75-71-401 OF THE MISSISSIPPI SECURITIES ACT ("ACT") AND MORGAN STANLEY FAILED TO REASONABLY SUPERVISE ITS AGENTS OR EMPLOYEES IN VIOLATION OF THE ACT. MISSISSIPPI FINED THE FIRM $11,016 WHICH WAS MISSISSIPPI'S SHARE OF THE MULTI-STATE SETTLEMENT PENALTY OF $8.5 MILLION, AND ORDERED THE FIRM TO CEASE AND DESIST FROM VIOLATING THE ACT.

8. Current status ? ○ Pending ○ On Appeal ◉ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Consent

CONSENT

11. Resolution Date (MM/DD/YYYY):
05/05/2008 ◉ Exact ○ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

- [x] Monetary/Fine Amount:$ 11016
- [ ] Revocation/Expulsion/Denial
- [ ] Disgorgement/Restitution
- [ ] Censure
- [x] Cease and Desist/Injunction
- [ ] Bar
- [ ] Suspension

B. Other Sanctions *Ordered*:

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
MONETARY PENALTY PAID AS FOLLOWS: PAID $11,016 BY COMPANY CHECK ON MAY 5, 2008

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
IN MAY 2005, MORGAN STANLEY DISCOVERED THAT CERTAIN ORDER ENTRY SYSTEMS AT THE FIRM AND THE FIRM'S PREDECESSOR RETAIL FIRM, MORGAN STANLEY DW, INC., FAILED TO CHECK WHETHER CERTAIN SECONDARY MARKET SECURITIES TRANSACTIONS COMPLIED WITH STATE REGISTRATION REQUIREMENTS (BLUE SKY LAWS). THE FIRM CONDUCTED AN INTERNAL INVESTIGATION, REPAIRED THE DEFICIENT SYSTEMS, SELF-REPORTED THE PROBLEM TO ALL AFFECTED STATE AND FEDERAL REGULATORS, IDENTIFIED TRANSACTIONS WHICH WERE EXECUTED IN VIOLATION OF THE BLUE SKY LAWS, AND OFFERED RESCISSION TO SUCH CUSTOMERS WITH TERMS AND CONDITIONS CONSISTENT WITH THE LAW OF THE STATE OF RESIDENCE OF EACH INVESTOR. THE FIRM ALSO COOPERATED WITH A MULTI-STATE INVESTIGATION OF THIS MATTER AND HAS AGREED TO SETTLE THE STATE REGULATORY ISSUES IN A MULTI-STATE SETTLEMENT WITH THE 46 AFFECTED STATE AND TERRITORIAL JURISDICTIONS. THE FIRM AGREED TO CONSENT TO AN ADMINISTRATIVE ORDER WITH EACH OF THE 46 STATE AND TERRITORIAL JURISDICTIONS AND TO PAY A TOTAL CIVIL MONETARY PENALTY OF $8.5 MILLION TO BE DIVIDED AMONG THE 46 STATE AND TERRITORIAL JURISDICTIONS. WITHOUT ADJUDICATION OF ANY ISSUES OF LAW OR FACT, AND WITHOUT ADMITTING OR DENYING ANY ALLEGATIONS OR FINDINGS, MORGAN STANLEY CONSENTED TO THE CONSENT ORDER ENTERED BY THE MISSISSIPPI SECRETARY OF STATE, AS PART OF THE MULTI-STATE SETTLEMENT, TO RESOLVE ANY REMAINING REGULATORY ISSUES WITH MISSISSIPPI. AS PART OF THE SETTLEMENT, THE FIRM AGREES TO CEASE AND DESIST FROM VIOLATING THE MISSISSIPPI SECURITIES ACT AND TO PAY AN $11,016 PENALTY TO THE STATE OF MISSISSIPPI, WHICH CONSTITUTES MISSISSIPPI'S SHARE OF THE MULTI-STATE PENALTY OF $8.5 MILLION.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an (•) INITIAL ***OR*** ( ) AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action

[ ] 11.C(1)	[ ] 11.C(5)	[x] 11.D(4)	[ ] 11.E(3)
[ ] 11.C(2)	[ ] 11.D(1)	[ ] 11.D(5)	[ ] 11.E(4)
[ ] 11.C(3)	[x] 11.D(2)	[ ] 11.E(1)	[ ] 11.F
[ ] 11.C(4)	[ ] 11.D(3)	[ ] 11.E(2)	[ ] 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- (•) You (the advisory firm)
- ( ) You and one or more of your *advisory affiliates*
- ( ) One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

[ ] This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

[ ] This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

○ *Yes* ○ *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

○ SEC ○ Other Federal ◉ State ○ *SRO* ○ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
UTAH DIVISION OF SECURITIES

2. Principal Sanction:
Civil and Administrative Penalt(ies) /Fine(s)
Other Sanctions:
CEASE & DESIST

3. Date Initiated (MM/DD/YYYY):
05/07/2008 ◉ Exact ○ Explanation

If not exact, provide explanation:

4. Docket/Case Number:
SD-08-0041

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
Debt - Corporate
Other Product Types:
EQUITY - OTC; ADR ON FOREIGN SECURITIES; SYNTHETIC

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

FROM AT LEAST JANUARY 1997 UNTIL MAY 2005, CERTAIN ORDER ENTRY SYSTEMS AT THE FIRM AND THE FIRM'S PREDECESSOR RETAIL FIRM, MORGAN STANLEY DW, INC., FAILED TO CHECK WHETHER CERTAIN SECONDARY MARKET SECURITIES TRANSACTIONS COMPLIED WITH STATE REGISTRATION REQUIREMENTS (BLUE SKY LAWS) RESULTING IN THE SALE OF UNREGISTERED SECURITIES IN 46 STATE AND TERRITORIAL JURISDICTIONS, INCLUDING UTAH. AS PART OF A MULTI-STATE SETTLEMENT WITH 46 STATE AND TERRITORIAL JURISDICTIONS, THE UTAH DIVISION OF SECURITIES (DIVISION) FOUND THAT MORGAN STANLEY'S FAILURE TO MAINTAIN ADEQUATE SYSTEMS TO REASONABLY ENSURE COMPLIANCE WITH THE BLUE SKY LAWS RESULTED IN THE SALE OF UNREGISTERED SECURITIES IN VIOLATION OF SECTION 61-1-7 OF THE UTAH UNIFORM SECURITIES ACT (ACT) AND MORGAN STANLEY FAILED TO REASONABLY SUPERVISE ITS AGENTS OR EMPLOYEES IN VIOLATION OF THE ACT. THE DIVISION FINED THE FIRM $17,985 WHICH WAS UTAH'S SHARE OF THE MULTI-STATE SETTLEMENT PENALTY OF $8.5 MILLION, AND ORDERED THE FIRM TO CEASE AND DESIST FROM VIOLATING THE ACT

8. Current status ? ○ Pending ○ On Appeal ◉ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Consent

CONSENT

11. Resolution Date (MM/DD/YYYY):
05/07/2008 ◉ Exact ○ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☑ Monetary/Fine Amount:$ 17985

☐ Revocation/Expulsion/Denial

☐ Censure

☐ Bar

☐ Disgorgement/Restitution

☑ Cease and Desist/Injunction

☐ Suspension

B. Other Sanctions *Ordered*:

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
MONETARY PENALTY PAID AS FOLLOWS: PAYMENT OF $17,985 DUE ON JULY 15, 2008 AND WILL BE PAID BY COMPANY CHECK AT THAT TIME.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)

IN MAY 2005, MORGAN STANLEY DISCOVERED THAT CERTAIN ORDER ENTRY SYSTEMS AT THE FIRM AND THE FIRM'S PREDECESSOR RETAIL FIRM, MORGAN STANLEY DW, INC., FAILED TO CHECK WHETHER CERTAIN SECONDARY MARKET SECURITIES TRANSACTIONS COMPLIED WITH STATE REGISTRATION REQUIREMENTS (BLUE SKY LAWS). THE FIRM CONDUCTED AN INTERNAL INVESTIGATION, REPAIRED THE DEFICIENT SYSTEMS, SELF-REPORTED THE PROBLEM TO ALL AFFECTED STATE AND FEDERAL REGULATORS, IDENTIFIED TRANSACTIONS WHICH WERE EXECUTED IN VIOLATION OF THE BLUE SKY LAWS, AND OFFERED RESCISSION TO SUCH CUSTOMERS WITH TERMS AND CONDITIONS CONSISTENT WITH THE LAW OF THE STATE OF RESIDENCE OF EACH INVESTOR. THE FIRM ALSO COOPERATED WITH A MULTI-STATE INVESTIGATION OF THIS MATTER AND HAS AGREED TO SETTLE THE STATE REGULATORY ISSUES IN A MULTI-STATE SETTLEMENT WITH THE 46 AFFECTED STATE AND TERRITORIAL JURISDICTIONS. THE FIRM AGREED TO CONSENT TO AN ADMINISTRATIVE ORDER WITH EACH OF THE 46 STATE AND TERRITORIAL JURISDICTIONS AND TO PAY A TOTAL CIVIL MONETARY PENALTY OF $8.5 MILLION TO BE DIVIDED AMONG THE 46 STATE AND TERRITORIAL JURISDICTIONS. WITHOUT ADJUDICATION OF ANY ISSUES OF LAW OR FACT, AND WITHOUT ADMITTING OR DENYING ANY ALLEGATIONS OR FINDINGS, MORGAN STANLEY CONSENTED TO THE STIPULATION AND CONSENT ORDER ENTERED BY THE UTAH DIVISION OF SECURITIES, AS PART OF THE MULTI-STATE SETTLEMENT, TO RESOLVE ANY REMAINING REGULATORY ISSUES WITH UTAH. AS PART OF THE SETTLEMENT, THE FIRM AGREES TO CEASE AND DESIST FROM VIOLATING THE UTAH UNIFORM SECURITIES ACT AND TO PAY A $17,985 PENALTY TO THE UTAH DIVISION OF SECURITIES, WHICH CONSTITUTES UTAH'S SHARE OF THE MULTI-STATE PENALTY OF $8.5 MILLION.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an (•) INITIAL ***OR*** ( ) AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action			
☐ 11.C(1)	☐ 11.C(5)	☑ 11.D(4)	☐ 11.E(3)
☐ 11.C(2)	☐ 11.D(1)	☐ 11.D(5)	☐ 11.E(4)
☐ 11.C(3)	☑ 11.D(2)	☐ 11.E(1)	☐ 11.F
☐ 11.C(4)	☐ 11.D(3)	☐ 11.E(2)	☐ 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

(•) You (the advisory firm)

( ) You and one or more of your

( ) One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*

No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

( ) *Yes* ( ) *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

( ) SEC ( ) Other Federal (•) State ( ) *SRO* ( ) Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
WASHINGTON SECURITIES DIVISION

2. Principal Sanction:
Civil and Administrative Penalt(ies) /Fine(s)

Other Sanctions:
CEASE & DESIST

3. Date Initiated (MM/DD/YYYY):
04/30/2008 (•) Exact ( ) Explanation

If not exact, provide explanation:

4. Docket/Case Number:
S-08-103-08-CO01

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
Debt - Corporate
Other Product Types:
EQUITY - OTC; ADR ON FOREIGN SECURITIES; SYNTHETIC

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

FROM AT LEAST JANUARY 1997 UNTIL MAY 2005, CERTAIN ORDER ENTRY SYSTEMS AT THE FIRM AND THE FIRM'S PREDECESSOR RETAIL FIRM, MORGAN STANLEY DW, INC., FAILED TO CHECK WHETHER CERTAIN SECONDARY MARKET SECURITIES TRANSACTIONS COMPLIED WITH STATE REGISTRATION REQUIREMENTS (BLUE SKY LAWS) RESULTING IN THE SALE OF UNREGISTERED SECURITIES IN 46 STATE AND TERRITORIAL JURISDICTIONS, INCLUDING WASHINGTON. AS PART OF A MULTI-STATE SETTLEMENT WITH 46 STATE AND TERRITORIAL JURISDICTIONS, THE WASHINGTON SECURITIES ADMINISTRATOR FOUND THAT MORGAN STANLEY'S FAILURE TO MAINTAIN ADEQUATE SYSTEMS TO REASONABLY ENSURE COMPLIANCE WITH THE BLUE SKY LAWS RESULTED IN THE SALE OF UNREGISTERED SECURITIES IN VIOLATION OF RCW 21.20.140 AND MORGAN STANLEY FAILED TO REASONABLY SUPERVISE ITS AGENTS OR EMPLOYEES AS REQUIRED BY RCW 21.20.110(1)(J). WASHINGTON FINED THE FIRM $207,953 WHICH WAS WASHINGTON'S SHARE OF THE MULTI-STATE SETTLEMENT PENALTY OF $8.5 MILLION, AND ORDERED THE FIRM TO CEASE AND DESIST FROM VIOLATING THE SECURITIES ACT OF WASHINGTON

8. Current status ? ( ) Pending ( ) On Appeal (•) Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Consent

CONSENT

11. Resolution Date (MM/DD/YYYY):
04/30/2008 (•) Exact ( ) Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

- [x] Monetary/Fine Amount:$ 207953
- [ ] Revocation/Expulsion/Denial
- [ ] Disgorgement/Restitution
- [ ] Censure
- [x] Cease and Desist/Injunction
- [ ] Bar
- [ ] Suspension

B. Other Sanctions *Ordered*:

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
IN MAY 2005, MORGAN STANLEY DISCOVERED THAT CERTAIN ORDER ENTRY SYSTEMS AT THE FIRM AND THE FIRM'S PREDECESSOR RETAIL FIRM, MORGAN STANLEY DW, INC., FAILED TO CHECK WHETHER CERTAIN SECONDARY MARKET SECURITIES TRANSACTIONS COMPLIED WITH STATE REGISTRATION REQUIREMENTS (BLUE SKY LAWS). THE FIRM CONDUCTED AN INTERNAL INVESTIGATION, REPAIRED THE DEFICIENT SYSTEMS, SELF-REPORTED THE PROBLEM TO ALL AFFECTED STATE AND FEDERAL REGULATORS, IDENTIFIED TRANSACTIONS WHICH WERE EXECUTED IN VIOLATION OF THE BLUE SKY LAWS, AND OFFERED RESCISSION TO SUCH CUSTOMERS WITH TERMS AND CONDITIONS CONSISTENT WITH THE LAW OF THE STATE OF RESIDENCE OF EACH INVESTOR. THE FIRM ALSO COOPERATED WITH A MULTI-STATE INVESTIGATION OF THIS MATTER AND HAS AGREED TO SETTLE THE STATE REGULATORY ISSUES IN A MULTI-STATE SETTLEMENT WITH THE 46 AFFECTED STATE AND TERRITORIAL JURISDICTIONS. THE FIRM AGREED TO CONSENT TO AN ADMINISTRATIVE ORDER WITH EACH OF THE 46 STATE AND TERRITORIAL JURISDICTIONS AND TO PAY A TOTAL CIVIL MONETARY PENALTY OF $8.5 MILLION TO BE DIVIDED AMONG THE 46 STATE AND TERRITORIAL JURISDICTIONS. WITHOUT ADJUDICATION OF ANY ISSUES OF LAW OR FACT, AND WITHOUT ADMITTING OR DENYING ANY ALLEGATIONS OR FINDINGS, MORGAN STANLEY CONSENTED TO THE CONSENT ORDER ENTERED BY THE WASHINGTON SECURITIES DIVISION, AS PART OF THE MULTI-STATE SETTLEMENT, TO RESOLVE ANY REMAINING REGULATORY ISSUES WITH WASHINGTON. AS PART OF THE SETTLEMENT, THE FIRM AGREES TO CEASE AND DESIST FROM VIOLATING THE SECURITIES ACT OF WASHINGTON AND TO PAY A $207,953 PENALTY TO THE STATE OF WASHINGTON, WHICH CONSTITUTES WASHINGTON'S SHARE OF THE MULTI-STATE PENALTY OF $8.5 MILLION.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
IN MAY 2005, MORGAN STANLEY DISCOVERED THAT CERTAIN ORDER ENTRY SYSTEMS AT THE FIRM AND THE FIRM'S PREDECESSOR RETAIL FIRM, MORGAN STANLEY

DW, INC., FAILED TO CHECK WHETHER CERTAIN SECONDARY MARKET SECURITIES TRANSACTIONS COMPLIED WITH STATE REGISTRATION REQUIREMENTS (BLUE SKY LAWS). THE FIRM CONDUCTED AN INTERNAL INVESTIGATION, REPAIRED THE DEFICIENT SYSTEMS, SELF-REPORTED THE PROBLEM TO ALL AFFECTED STATE AND FEDERAL REGULATORS, IDENTIFIED TRANSACTIONS WHICH WERE EXECUTED IN VIOLATION OF THE BLUE SKY LAWS, AND OFFERED RESCISSION TO SUCH CUSTOMERS WITH TERMS AND CONDITIONS CONSISTENT WITH THE LAW OF THE STATE OF RESIDENCE OF EACH INVESTOR. THE FIRM ALSO COOPERATED WITH A MULTI-STATE INVESTIGATION OF THIS MATTER AND HAS AGREED TO SETTLE THE STATE REGULATORY ISSUES IN A MULTI-STATE SETTLEMENT WITH THE 46 AFFECTED STATE AND TERRITORIAL JURISDICTIONS. THE FIRM AGREED TO CONSENT TO AN ADMINISTRATIVE ORDER WITH EACH OF THE 46 STATE AND TERRITORIAL JURISDICTIONS AND TO PAY A TOTAL CIVIL MONETARY PENALTY OF $8.5 MILLION TO BE DIVIDED AMONG THE 46 STATE AND TERRITORIAL JURISDICTIONS. WITHOUT ADJUDICATION OF ANY ISSUES OF LAW OR FACT, AND WITHOUT ADMITTING OR DENYING ANY ALLEGATIONS OR FINDINGS, MORGAN STANLEY CONSENTED TO THE CONSENT ORDER ENTERED BY THE WASHINGTON SECURITIES DIVISION, AS PART OF THE MULTI-STATE SETTLEMENT, TO RESOLVE ANY REMAINING REGULATORY ISSUES WITH WASHINGTON. AS PART OF THE SETTLEMENT, THE FIRM AGREES TO CEASE AND DESIST FROM VIOLATING THE SECURITIES ACT OF WASHINGTON AND TO PAY A $207,953 PENALTY TO THE STATE OF WASHINGTON, WHICH CONSTITUTES WASHINGTON'S SHARE OF THE MULTI-STATE PENALTY OF $8.5 MILLION.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an (•) INITIAL ***OR*** ( ) AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action			
☐ 11.C(1)	☐ 11.C(5)	☑ 11.D(4)	☐ 11.E(3)
☐ 11.C(2)	☐ 11.D(1)	☐ 11.D(5)	☐ 11.E(4)
☐ 11.C(3)	☑ 11.D(2)	☐ 11.E(1)	☐ 11.F
☐ 11.C(4)	☐ 11.D(3)	☐ 11.E(2)	☐ 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

(•) You (the advisory firm)

( ) You and one or more of your *advisory affiliates*

( ) One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

( ) *Yes* ( ) *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

( ) SEC ( ) Other Federal (•) State ( ) *SRO* ( ) Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
NEW MEXICO SECURITIES DIVISION

2. Principal Sanction:
Civil and Administrative Penalt(ies) /Fine(s)
Other Sanctions:
CEASE & DESIST

3. Date Initiated (MM/DD/YYYY):
04/30/2008 (•) Exact ( ) Explanation

If not exact, provide explanation:

4. Docket/Case Number:
08-06-018-015(CO)

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
Debt - Corporate
Other Product Types:
EQUITY - OTC; ADR ON FOREIGN SECURITIES; SYNTHETIC

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

FROM AT LEAST JANUARY 1997 UNTIL MAY 2005, CERTAIN ORDER ENTRY SYSTEMS AT THE FIRM AND THE FIRM'S PREDECESSOR RETAIL FIRM, MORGAN STANLEY DW, INC., FAILED TO CHECK WHETHER CERTAIN SECONDARY MARKET SECURITIES TRANSACTIONS COMPLIED WITH STATE REGISTRATION REQUIREMENTS (BLUE SKY LAWS) RESULTING IN THE SALE OF UNREGISTERED SECURITIES IN 46 STATE AND TERRITORIAL JURISDICTIONS, INCLUDING NEW MEXICO. AS PART OF A MULTI-STATE SETTLEMENT WITH 46 STATE AND TERRITORIAL JURISDICTIONS, THE NEW MEXICO SECURITIES DIVISION (DIVISION) FOUND THAT MORGAN STANLEY'S FAILURE TO MAINTAIN ADEQUATE SYSTEMS TO REASONABLY ENSURE COMPLIANCE WITH THE BLUE SKY LAWS RESULTED IN THE SALE OF UNREGISTERED SECURITIES IN VIOLATION OF SECTION 58-13B-20 OF THE NEW MEXICO SECURITIES ACT OF 1986 (ACT) AND MORGAN STANLEY FAILED TO REASONABLY SUPERVISE ITS AGENTS OR EMPLOYEES IN VIOLATION OF THE ACT. THE DIVISION FINED THE FIRM $13,714 WHICH WAS NEW MEXICO'S SHARE OF THE MULTI-STATE SETTLEMENT PENALTY OF $8.5 MILLION, AND ORDERED THE FIRM TO CEASE AND DESIST FROM VIOLATING THE ACT.

8. Current status ? ( ) Pending ( ) On Appeal (•) Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Consent

CONSENT

11. Resolution Date (MM/DD/YYYY):
04/30/2008 (•) Exact ( ) Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

- [x] Monetary/Fine Amount:$ 13714
- [ ] Revocation/Expulsion/Denial
- [ ] Disgorgement/Restitution
- [ ] Censure
- [x] Cease and Desist/Injunction
- [ ] Bar
- [ ] Suspension

B. Other Sanctions *Ordered*:

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
MONETARY PENALTY PAID AS FOLLOWS: PAID $13,714 BY COMPANY CHECK ON APRIL 29, 2008

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
IN MAY 2005, MORGAN STANLEY DISCOVERED THAT CERTAIN ORDER ENTRY SYSTEMS AT THE FIRM AND THE FIRM'S PREDECESSOR RETAIL FIRM, MORGAN STANLEY DW, INC., FAILED TO CHECK WHETHER CERTAIN SECONDARY MARKET SECURITIES TRANSACTIONS COMPLIED WITH STATE REGISTRATION REQUIREMENTS (BLUE SKY LAWS). THE FIRM CONDUCTED AN INTERNAL INVESTIGATION, REPAIRED THE DEFICIENT SYSTEMS, SELF-REPORTED THE PROBLEM TO ALL AFFECTED STATE AND FEDERAL REGULATORS, IDENTIFIED TRANSACTIONS WHICH WERE EXECUTED IN VIOLATION OF THE BLUE SKY LAWS, AND OFFERED RESCISSION TO SUCH CUSTOMERS WITH TERMS AND CONDITIONS CONSISTENT WITH THE LAW OF THE STATE OF RESIDENCE OF EACH INVESTOR. THE FIRM ALSO COOPERATED WITH A MULTI-STATE INVESTIGATION OF THIS MATTER AND HAS AGREED TO SETTLE THE STATE REGULATORY ISSUES IN A MULTI-STATE SETTLEMENT WITH THE 46 AFFECTED STATE AND TERRITORIAL JURISDICTIONS. THE FIRM AGREED TO CONSENT TO AN ADMINISTRATIVE ORDER WITH EACH OF THE 46 STATE AND TERRITORIAL JURISDICTIONS AND TO PAY A TOTAL CIVIL MONETARY PENALTY OF $8.5 MILLION TO BE DIVIDED AMONG THE 46 STATE AND TERRITORIAL JURISDICTIONS. WITHOUT ADJUDICATION OF ANY ISSUES OF LAW OR FACT, AND WITHOUT ADMITTING OR DENYING ANY ALLEGATIONS OR FINDINGS, MORGAN STANLEY CONSENTED TO THE FINDINGS OF FACT, CONCLUSIONS OF LAW AND CONSENT ORDER ENTERED BY THE NEW MEXICO SECURITIES DIVISION (DIVISION), AS PART OF THE MULTI-STATE SETTLEMENT, TO RESOLVE ANY REMAINING REGULATORY ISSUES WITH NEW MEXICO. AS PART OF THE SETTLEMENT, THE FIRM AGREES TO CEASE AND DESIST FROM VIOLATING THE NEW MEXICO SECURITIES ACT OF 1986 AND TO PAY A $13,714 PENALTY TO THE DIVISION, WHICH CONSTITUTES NEW MEXICO'S SHARE OF THE MULTI-STATE PENALTY OF $8.5 MILLION.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ◉ INITIAL ***OR*** ○ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action			
☐ 11.C(1)	☐ 11.C(5)	☑ 11.D(4)	☐ 11.E(3)
☐ 11.C(2)	☐ 11.D(1)	☐ 11.D(5)	☐ 11.E(4)
☐ 11.C(3)	☑ 11.D(2)	☐ 11.E(1)	☐ 11.F
☐ 11.C(4)	☐ 11.D(3)	☐ 11.E(2)	☐ 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

◉ You (the advisory firm)

○ You and one or more of your *advisory affiliates*

○ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

○ *Yes* ○ *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

○ SEC ○ Other Federal ◉ State ○ *SRO* ○ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
ARKANSAS SECURITIES COMMISSIONER

2. Principal Sanction:
Civil and Administrative Penalt(ies) /Fine(s)
Other Sanctions:
CEASE & DESIST

3. Date Initiated (MM/DD/YYYY):
06/04/2008 ◉ Exact ○ Explanation

If not exact, provide explanation:

4. Docket/Case Number:
S-08-044-08-CO01

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
Debt - Corporate
Other Product Types:
EQUITY - OTC; ADR ON FOREIGN SECURITIES; SYNTHETIC

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

FROM AT LEAST JANUARY 1997 UNTIL MAY 2005, CERTAIN ORDER ENTRY SYSTEMS AT THE FIRM AND THE FIRM'S PREDECESSOR RETAIL FIRM, MORGAN STANLEY DW, INC., FAILED TO CHECK WHETHER CERTAIN SECONDARY MARKET SECURITIES TRANSACTIONS COMPLIED WITH STATE REGISTRATION REQUIREMENTS (BLUE SKY LAWS) RESULTING IN THE SALE OF UNREGISTERED SECURITIES IN 46 STATE AND TERRITORIAL JURISDICTIONS, INCLUDING ARKANSAS. AS PART OF A MULTI-STATE SETTLEMENT WITH 46 STATE AND TERRITORIAL JURISDICTIONS, THE ARKANSAS SECURITIES COMMISSIONER FOUND THAT MORGAN STANLEY'S FAILURE TO MAINTAIN ADEQUATE SYSTEMS TO REASONABLY ENSURE COMPLIANCE WITH THE BLUE SKY LAWS RESULTED IN THE SALE OF UNREGISTERED SECURITIES IN VIOLATION OF SECTION 23-42-501 OF THE ARKANSAS SECURITIES ACT (ACT) AND MORGAN STANLEY FAILED TO REASONABLY SUPERVISE ITS AGENTS OR EMPLOYEES IN VIOLATION OF THE ACT. THE COMMISSIONER FINED THE FIRM $54,405 WHICH WAS ARKANSAS' SHARE OF THE MULTI-STATE SETTLEMENT PENALTY OF $8.5 MILLION, AND ORDERED THE FIRM TO CEASE AND DESIST FROM VIOLATING THE ACT.

8. Current status ? ○ Pending ○ On Appeal ◉ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Consent

CONSENT

11. Resolution Date (MM/DD/YYYY):
06/04/2008 ◉ Exact ○ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

- ☑ Monetary/Fine Amount:$ 54405
- ☐ Revocation/Expulsion/Denial
- ☐ Censure
- ☐ Bar
- ☐ Disgorgement/Restitution
- ☑ Cease and Desist/Injunction
- ☐ Suspension

B. Other Sanctions *Ordered*:

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
MONETARY PENALTY PAID AS FOLLOWS: PAID $54,405 BY COMPANY CHECK ON MAY 27, 2008

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
IN MAY 2005, MORGAN STANLEY DISCOVERED THAT CERTAIN ORDER ENTRY SYSTEMS AT THE FIRM AND THE FIRM'S PREDECESSOR RETAIL FIRM, MORGAN STANLEY DW, INC., FAILED TO CHECK WHETHER CERTAIN SECONDARY MARKET SECURITIES TRANSACTIONS COMPLIED WITH STATE REGISTRATION REQUIREMENTS (BLUE SKY LAWS). THE FIRM CONDUCTED AN INTERNAL INVESTIGATION, REPAIRED THE DEFICIENT SYSTEMS, SELF-REPORTED THE PROBLEM TO ALL AFFECTED STATE AND FEDERAL REGULATORS, IDENTIFIED TRANSACTIONS WHICH WERE EXECUTED IN VIOLATION OF THE BLUE SKY LAWS, AND OFFERED RESCISSION TO SUCH CUSTOMERS WITH TERMS AND CONDITIONS CONSISTENT WITH THE LAW OF THE STATE OF RESIDENCE OF EACH INVESTOR. THE FIRM ALSO COOPERATED WITH A MULTI-STATE INVESTIGATION OF THIS MATTER AND HAS AGREED TO SETTLE THE STATE REGULATORY ISSUES IN A MULTI-STATE SETTLEMENT WITH THE 46 AFFECTED STATE AND TERRITORIAL JURISDICTIONS. THE FIRM AGREED TO CONSENT TO AN ADMINISTRATIVE ORDER WITH EACH OF THE 46 STATE AND TERRITORIAL JURISDICTIONS AND TO PAY A TOTAL CIVIL MONETARY PENALTY OF $8.5 MILLION TO BE DIVIDED AMONG THE 46 STATE AND TERRITORIAL JURISDICTIONS. WITHOUT ADJUDICATION OF ANY ISSUES OF LAW OR FACT, AND WITHOUT ADMITTING OR DENYING ANY ALLEGATIONS OR FINDINGS, MORGAN STANLEY CONSENTED TO THE CONSENT ORDER ENTERED BY THE ARKANSAS SECURITIES COMMISSIONER, AS PART OF THE MULTI-STATE SETTLEMENT, TO RESOLVE ANY REMAINING REGULATORY ISSUES WITH ARKANSAS. AS PART OF THE SETTLEMENT, THE FIRM AGREES TO CEASE AND DESIST FROM VIOLATING THE ARKANSAS SECURITIES ACT AND TO PAY A $54,405 PENALTY TO THE STATE OF ARKANSAS, WHICH CONSTITUTES ARKANSAS' SHARE OF THE MULTI-STATE PENALTY OF $8.5 MILLION.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ◉ INITIAL ***OR*** ○ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action

☐ 11.C(1)	☐ 11.C(5)	☐ 11.D(4)	☐ 11.E(3)
☐ 11.C(2)	☐ 11.D(1)	☐ 11.D(5)	☐ 11.E(4)
☐ 11.C(3)	☐ 11.D(2)	☐ 11.E(1)	☐ 11.F
☐ 11.C(4)	☐ 11.D(3)	☑ 11.E(2)	☐ 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- (•) You (the advisory firm)
- ( ) You and one or more of your *advisory affiliates*
- ( ) One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

( ) *Yes* ( ) *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

( ) SEC ( ) Other Federal ( ) State (•) *SRO* ( ) Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
FINRA

2. Principal Sanction:

Other Sanctions:

3. Date Initiated (MM/DD/YYYY):
05/20/2008 (•) Exact ( ) Explanation

If not exact, provide explanation:

4. Docket/Case Number:
20070094283

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
No Product
Other Product Types:

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

SECTION 17(A) AND 17(F) OF THE SECURITIES EXCHANGE ACT OF 1934 AND 17A-3(A)(12)(I) AND 17F-2 THEREUNDER, ARTICLE III, SECTION 4 OF NASD (N/KA FINRA) BY-LAWS, NASD RULE 3010(B): THE FIRM FAILED TO SUBMIT OR CAUSE TO BE SUBMITTED THE FINGERPRINTS OF CERTAIN PERMANENT EMPLOYEES, TEMPORARY WORKERS, INTERNS AND CONSULTANTS AND FAILED TO INVESTIGATE THE PREVIOUS RECORDS OF THOSE INDIVIDUALS. THE FIRM FAILED TO PROVIDE FOR, ESTABLISH, AND MAINTAIN ADEQUATE PROCEDURES TO ENSURE COMPLIANCE WITH NASD RULES AND FEDERAL SECURITIES LAWS RELATING TO THE EMPLOYMENT OF CERTAIN PERMANENT EMPLOYEES, TEMPORARY WORKERS, INTERNS AND CONSULTANTS WHO MANY HAVE BEEN SUBJECT TO STATUTORY DISQUALIFICATION.

8. Current status ? ( ) Pending ( ) On Appeal (•) Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Acceptance, Waiver & Consent(AWC)

AWC

11. Resolution Date (MM/DD/YYYY):

05/20/2008 (•) Exact ( ) Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

- [x] Monetary/Fine Amount:$ 425000
- [ ] Revocation/Expulsion/Denial
- [ ] Disgorgement/Restitution
- [x] Censure
- [ ] Cease and Desist/Injunction
- [ ] Bar
- [ ] Suspension

B. Other Sanctions *Ordered*:

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE IT IS CENSURED AND FINED $425,000.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE IT IS CENSURED AND FINED $425,000.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an (•) INITIAL ***OR*** ( ) AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action

[ ] 11.C(1)	[ ] 11.C(5)	[x] 11.D(4)	[ ] 11.E(3)
[ ] 11.C(2)	[ ] 11.D(1)	[ ] 11.D(5)	[ ] 11.E(4)
[ ] 11.C(3)	[x] 11.D(2)	[ ] 11.E(1)	[ ] 11.F
[ ] 11.C(4)	[ ] 11.D(3)	[ ] 11.E(2)	[ ] 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

(•) You (the advisory firm)

( ) You and one or more of your *advisory affiliates*

( ) One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

[ ] This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

[ ] This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

○ *Yes* ○ *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

○ SEC ○ Other Federal ◉ State ○ *SRO* ○ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
NEBRASKA DEPARTMENT OF BANKING AND FINANCE

2. Principal Sanction:
Civil and Administrative Penalt(ies) /Fine(s)
Other Sanctions:
CEASE & DESIST

3. Date Initiated (MM/DD/YYYY):
06/13/2008 ◉ Exact ○ Explanation

If not exact, provide explanation:

4. Docket/Case Number:
N/A

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
Debt - Corporate
Other Product Types:
EQUITY - OTC; ADR ON FOREIGN SECURITIES; SYNTHETIC

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

FROM AT LEAST JANUARY 1997 UNTIL MAY 2005, CERTAIN ORDER ENTRY SYSTEMS AT THE FIRM AND THE FIRM'S PREDECESSOR RETAIL FIRM, MORGAN STANLEY DW, INC., FAILED TO CHECK WHETHER CERTAIN SECONDARY MARKET SECURITIES TRANSACTIONS COMPLIED WITH STATE REGISTRATION REQUIREMENTS (BLUE SKY LAWS) RESULTING IN THE SALE OF UNREGISTERED SECURITIES IN 46 STATE AND TERRITORIAL JURISDICTIONS, INCLUDING NEBRASKA. AS PART OF A MULTI-STATE SETTLEMENT WITH 46 STATE AND TERRITORIAL JURISDICTIONS, THE NEBRASKA DEPARTMENT OF BANKING & FINANCE (DEPARTMENT) FOUND THAT MORGAN STANLEY'S FAILURE TO MAINTAIN ADEQUATE SYSTEMS TO REASONABLY ENSURE COMPLIANCE WITH THE BLUE SKY LAWS RESULTED IN THE SALE OF UNREGISTERED SECURITIES IN VIOLATION OF SECTION 8-1104 OF THE SECURITIES ACT OF NEBRASKA (ACT) AND MORGAN STANLEY FAILED TO REASONABLY SUPERVISE ITS AGENTS OR EMPLOYEES IN VIOLATION OF ACT. THE DEPARTMENT FINED THE FIRM $26,753 WHICH WAS NEBRASKA'S SHARE OF THE MULTI-STATE SETTLEMENT PENALTY OF $8.5 MILLION, AND ORDERED THE FIRM TO CEASE AND DESIST FROM VIOLATING THE ACT.

8. Current status ? ○ Pending ○ On Appeal ◉ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Consent

CONSENT

11. Resolution Date (MM/DD/YYYY):
06/13/2008 ◉ Exact ○ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☑ Monetary/Fine Amount:$ 26753

☐ Revocation/Expulsion/Denial

☐ Censure

☐ Bar

☐ Disgorgement/Restitution

☑ Cease and Desist/Injunction

☐ Suspension

B. Other Sanctions *Ordered*:

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
PAID $26,753 BY COMPANY CHECK ON JUNE 10, 2008

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space

provided.)
IN MAY 2005, MORGAN STANLEY DISCOVERED THAT CERTAIN ORDER ENTRY SYSTEMS AT THE FIRM AND THE FIRM'S PREDECESSOR RETAIL FIRM, MORGAN STANLEY DW, INC., FAILED TO CHECK WHETHER CERTAIN SECONDARY MARKET SECURITIES TRANSACTIONS COMPLIED WITH STATE REGISTRATION REQUIREMENTS (BLUE SKY LAWS). THE FIRM CONDUCTED AN INTERNAL INVESTIGATION, REPAIRED THE DEFICIENT SYSTEMS, SELF-REPORTED THE PROBLEM TO ALL AFFECTED STATE AND FEDERAL REGULATORS, IDENTIFIED TRANSACTIONS WHICH WERE EXECUTED IN VIOLATION OF THE BLUE SKY LAWS, AND OFFERED RESCISSION TO SUCH CUSTOMERS WITH TERMS AND CONDITIONS CONSISTENT WITH THE LAW OF THE STATE OF RESIDENCE OF EACH INVESTOR. THE FIRM ALSO COOPERATED WITH A MULTI-STATE INVESTIGATION OF THIS MATTER AND HAS AGREED TO SETTLE THE STATE REGULATORY ISSUES IN A MULTI-STATE SETTLEMENT WITH THE 46 AFFECTED STATE AND TERRITORIAL JURISDICTIONS. THE FIRM AGREED TO CONSENT TO AN ADMINISTRATIVE ORDER WITH EACH OF THE 46 STATE AND TERRITORIAL JURISDICTIONS AND TO PAY A TOTAL CIVIL MONETARY PENALTY OF $8.5 MILLION TO BE DIVIDED AMONG THE 46 STATE AND TERRITORIAL JURISDICTIONS. WITHOUT ADJUDICATION OF ANY ISSUES OF LAW OR FACT, AND WITHOUT ADMITTING OR DENYING ANY ALLEGATIONS OR FINDINGS, MORGAN STANLEY CONSENTED TO THE FINDINGS OF FACT, CONCLUSIONS OF LAW AND CONSENT ORDER ENTERED BY THE NEBRASKA DEPARTMENT OF BANKING & FINANCE (DEPARTMENT), AS PART OF THE MULTI-STATE SETTLEMENT, TO RESOLVE ANY REMAINING REGULATORY ISSUES WITH NEBRASKA. AS PART OF THE SETTLEMENT, THE FIRM AGREES TO CEASE AND DESIST FROM VIOLATING THE SECURITIES ACT OF NEBRASKA AND TO PAY A $26,753 PENALTY TO THE DEPARTMENT, WHICH CONSTITUTES NEBRASKA'S SHARE OF THE MULTI-STATE PENALTY OF $8.5 MILLION

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an (•) INITIAL ***OR*** ( ) AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action			
☐ 11.C(1)	☐ 11.C(5)	☑ 11.D(4)	☐ 11.E(3)
☐ 11.C(2)	☐ 11.D(1)	☐ 11.D(5)	☐ 11.E(4)
☐ 11.C(3)	☑ 11.D(2)	☐ 11.E(1)	☐ 11.F
☐ 11.C(4)	☐ 11.D(3)	☐ 11.E(2)	☐ 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

(•) You (the advisory firm)

( ) You and one or more of your *advisory affiliates*

( ) One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

( ) *Yes* ( ) *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

( ) SEC ( ) Other Federal (•) State ( ) *SRO* ( ) Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
RHODE ISLAND DEPARTMENT OF BUSINESS REGULATION

2. Principal Sanction:
Civil and Administrative Penalt(ies) /Fine(s)
Other Sanctions:

CEASE & DESIST

3. Date Initiated (MM/DD/YYYY):
06/18/2008 (•) Exact ( ) Explanation

If not exact, provide explanation:

4. Docket/Case Number:
N/A

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
Debt - Corporate
Other Product Types:

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

FROM AT LEAST JANUARY 1997 UNTIL MAY 2005, CERTAIN ORDER ENTRY SYSTEMS AT THE FIRM AND THE FIRM'S PREDECESSOR RETAIL FIRM, MORGAN STANLEY DW, INC., FAILED TO CHECK WHETHER CERTAIN SECONDARY MARKET SECURITIES TRANSACTIONS COMPLIED WITH STATE REGISTRATION REQUIREMENTS (BLUE SKY LAWS) RESULTING IN THE SALE OF UNREGISTERED SECURITIES IN 46 STATE AND TERRITORIAL JURISDICTIONS, INCLUDING RHODE ISLAND. AS PART OF A MULTI-STATE SETTLEMENT WITH 46 STATE AND TERRITORIAL JURISDICTIONS, THE RHODE ISLAND DEPARTMENT OF BUSINESS REGULATION (DEPARTMENT) FOUND THAT MORGAN STANLEY'S FAILURE TO MAINTAIN ADEQUATE SYSTEMS TO REASONABLY ENSURE COMPLIANCE WITH THE BLUE SKY LAWS RESULTED IN THE SALE OF UNREGISTERED SECURITIES IN VIOLATION OF SECTION 7-11-301 OF THE RHODE ISLAND UNIFORM SECURITIES ACT OF 1990 (ACT) AND MORGAN STANLEY FAILED TO REASONABLY SUPERVISE ITS AGENTS OR EMPLOYEES IN VIOLATION OF THE ACT. THE DEPARTMENT FINED THE FIRM $13,264 WHICH WAS RHODE ISLAND'S SHARE OF THE MULTI-STATE SETTLEMENT PENALTY OF $8.5 MILLION, AND ORDERED THE FIRM TO CEASE AND DESIST FROM VIOLATING THE ACT

8. Current status ? ( ) Pending ( ) On Appeal (•) Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Consent

CONSENT

11. Resolution Date (MM/DD/YYYY):
06/18/2008 (•) Exact ( ) Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

- [x] Monetary/Fine Amount:$ 13264
- [ ] Revocation/Expulsion/Denial
- [ ] Disgorgement/Restitution
- [ ] Censure
- [x] Cease and Desist/Injunction
- [ ] Bar
- [ ] Suspension

B. Other Sanctions *Ordered*:

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
PAID $13,264 BY COMPANY CHECK ON JUNE 3, 2008

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
IN MAY 2005, MORGAN STANLEY DISCOVERED THAT CERTAIN ORDER ENTRY SYSTEMS AT THE FIRM AND THE FIRM'S PREDECESSOR RETAIL FIRM, MORGAN STANLEY DW, INC., FAILED TO CHECK WHETHER CERTAIN SECONDARY MARKET SECURITIES TRANSACTIONS COMPLIED WITH STATE REGISTRATION REQUIREMENTS (BLUE SKY LAWS). THE FIRM CONDUCTED AN INTERNAL INVESTIGATION, REPAIRED THE DEFICIENT SYSTEMS, SELF-REPORTED THE PROBLEM TO ALL AFFECTED STATE AND FEDERAL REGULATORS, IDENTIFIED TRANSACTIONS WHICH WERE EXECUTED IN VIOLATION OF THE BLUE SKY LAWS, AND OFFERED RESCISSION TO SUCH CUSTOMERS WITH TERMS AND CONDITIONS CONSISTENT WITH THE LAW OF THE STATE OF RESIDENCE OF EACH INVESTOR. THE FIRM ALSO COOPERATED WITH A MULTI-STATE INVESTIGATION OF THIS MATTER AND HAS AGREED TO SETTLE THE STATE REGULATORY ISSUES IN A MULTI-STATE SETTLEMENT WITH THE 46 AFFECTED STATE AND TERRITORIAL JURISDICTIONS. THE FIRM AGREED TO CONSENT TO AN ADMINISTRATIVE ORDER WITH EACH OF THE 46 STATE AND TERRITORIAL JURISDICTIONS AND TO PAY A TOTAL CIVIL MONETARY PENALTY OF $8.5 MILLION TO BE DIVIDED AMONG THE 46 STATE AND TERRITORIAL JURISDICTIONS. WITHOUT ADJUDICATION OF ANY ISSUES OF LAW OR FACT, AND WITHOUT ADMITTING OR DENYING ANY ALLEGATIONS OR FINDINGS, MORGAN STANLEY CONSENTED TO THE FINDINGS OF FACT, CONCLUSIONS OF LAW AND CONSENT ORDER ENTERED BY THE RHODE ISLAND DEPARTMENT OF BUSINESS REGULATION, AS PART OF THE MULTI-STATE SETTLEMENT, TO RESOLVE ANY REMAINING REGULATORY ISSUES WITH RHODE ISLAND. AS PART OF THE SETTLEMENT, THE FIRM AGREES TO CEASE AND DESIST FROM VIOLATING THE RHODE ISLAND UNIFORM SECURITIES ACT OF 1990 AND TO PAY A $13,264 CIVIL PENALTY TO THE STATE OF RHODE ISLAND, WHICH CONSTITUTES RHODE ISLAND'S SHARE OF THE MULTI-STATE PENALTY OF $8.5 MILLION

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an (•) INITIAL ***OR*** ( ) AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action			
☐ 11.C(1)	☐ 11.C(5)	☑ 11.D(4)	☐ 11.E(3)
☐ 11.C(2)	☐ 11.D(1)	☐ 11.D(5)	☐ 11.E(4)
☐ 11.C(3)	☑ 11.D(2)	☐ 11.E(1)	☐ 11.F
☐ 11.C(4)	☐ 11.D(3)	☐ 11.E(2)	☐ 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

(•) You (the advisory firm)

( ) You and one or more of your *advisory affiliates*

( ) One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

( ) *Yes* ( ) *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

( ) SEC ( ) Other Federal (•) State ( ) *SRO* ( ) Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)

MISSOURI OFFICE OF SECRETARY OF STATE

2. Principal Sanction:

Civil and Administrative Penalt(ies) /Fine(s)

Other Sanctions:

CEASE & DESIST

3. Date Initiated (MM/DD/YYYY):

07/15/2008 (•) Exact ( ) Explanation

If not exact, provide explanation:

4. Docket/Case Number:

AP-08-12

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:

Debt - Corporate

Other Product Types:

EQUITY - OTC; ADR ON FOREIGN SECURITIES; SYNTHETIC

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

FROM AT LEAST JANUARY 1997 UNTIL MAY 2005, CERTAIN ORDER ENTRY SYSTEMS AT THE FIRM AND THE FIRM'S PREDECESSOR RETAIL FIRM, MORGAN STANLEY DW, INC., FAILED TO CHECK WHETHER CERTAIN SECONDARY MARKET SECURITIES TRANSACTIONS COMPLIED WITH STATE REGISTRATION REQUIREMENTS (BLUE SKY LAWS) RESULTING IN THE SALE OF UNREGISTERED SECURITIES IN 46 STATE AND TERRITORIAL JURISDICTIONS, INCLUDING MISSOURI. AS PART OF A MULTI-STATE SETTLEMENT WITH 46 STATE AND TERRITORIAL JURISDICTIONS, THE MISSOURI COMMISSIONER OF SECURITIES (COMMISSIONER) FOUND THAT MORGAN STANLEY'S FAILURE TO MAINTAIN ADEQUATE SYSTEMS TO REASONABLY ENSURE COMPLIANCE WITH THE BLUE SKY LAWS RESULTED IN THE SALE OF UNREGISTERED SECURITIES IN VIOLATION OF SECTION 409.3-301 OF THE MISSOURI SECURITIES ACT OF 2003 (ACT) AND MORGAN STANLEY FAILED TO REASONABLY SUPERVISE ITS AGENTS OR EMPLOYEES IN VIOLATION OF ACT. THE COMMISSIONER FINED THE FIRM $8,993 WHICH WAS MISSOURI'S SHARE OF THE MULTI-STATE SETTLEMENT PENALTY OF $8.5 MILLION, AND ORDERED THE FIRM TO CEASE AND DESIST FROM VIOLATING THE ACT.

8. Current status ? ○ Pending ○ On Appeal ◉ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Consent

CONSENT

11. Resolution Date (MM/DD/YYYY):
07/15/2008 ◉ Exact ○ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

- ☑ Monetary/Fine Amount:$ 8993
- ☐ Revocation/Expulsion/Denial
- ☐ Censure
- ☐ Bar
- ☐ Disgorgement/Restitution
- ☑ Cease and Desist/Injunction
- ☐ Suspension

B. Other Sanctions *Ordered*:

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
PAID $8,993 BY COMPANY CHECK ON JULY 7, 2008

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
IN MAY 2005, MORGAN STANLEY DISCOVERED THAT CERTAIN ORDER ENTRY SYSTEMS AT THE FIRM AND THE FIRM'S PREDECESSOR RETAIL FIRM, MORGAN STANLEY DW, INC., FAILED TO CHECK WHETHER CERTAIN SECONDARY MARKET SECURITIES TRANSACTIONS COMPLIED WITH STATE REGISTRATION REQUIREMENTS (BLUE SKY LAWS). THE FIRM CONDUCTED AN INTERNAL INVESTIGATION, REPAIRED THE DEFICIENT SYSTEMS, SELF-REPORTED THE PROBLEM TO ALL AFFECTED STATE AND FEDERAL REGULATORS, IDENTIFIED TRANSACTIONS WHICH WERE EXECUTED IN VIOLATION OF THE BLUE SKY LAWS, AND OFFERED RESCISSION TO SUCH CUSTOMERS WITH TERMS AND CONDITIONS CONSISTENT WITH THE LAW OF THE STATE OF RESIDENCE OF EACH INVESTOR. THE FIRM ALSO COOPERATED WITH A MULTI-STATE INVESTIGATION OF THIS MATTER AND HAS AGREED TO SETTLE THE STATE REGULATORY ISSUES IN A MULTI-STATE SETTLEMENT WITH THE 46 AFFECTED STATE AND TERRITORIAL JURISDICTIONS. THE FIRM AGREED TO CONSENT TO AN ADMINISTRATIVE ORDER WITH EACH OF THE 46 STATE AND TERRITORIAL JURISDICTIONS AND TO PAY A TOTAL CIVIL MONETARY PENALTY OF $8.5 MILLION TO BE DIVIDED AMONG THE 46 STATE AND TERRITORIAL JURISDICTIONS. WITHOUT ADJUDICATION OF ANY ISSUES OF LAW OR FACT, AND WITHOUT ADMITTING OR DENYING ANY ALLEGATIONS OR FINDINGS, MORGAN STANLEY CONSENTED TO THE CONSENT ORDER ENTERED BY THE MISSOURI COMMISSIONER OF SECURITIES, AS PART OF THE MULTI-STATE SETTLEMENT, TO RESOLVE ANY REMAINING REGULATORY ISSUES WITH MISSOURI. AS PART OF THE SETTLEMENT, THE FIRM AGREES TO CEASE AND DESIST FROM VIOLATING THE MISSOURI SECURITIES ACT OF 2003 AND TO PAY A $8,993 CIVIL PENALTY TO THE STATE OF MISSOURI, WHICH CONSTITUTES MISSOURI'S SHARE OF THE MULTI-STATE PENALTY OF $8.5 MILLION.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ◉ INITIAL ***OR*** ○ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action

☐ 11.C(1)	☐ 11.C(5)	☑ 11.D(4)	☐ 11.E(3)
☐ 11.C(2)	☐ 11.D(1)	☐ 11.D(5)	☐ 11.E(4)
☐ 11.C(3)	☑ 11.D(2)	☐ 11.E(1)	☐ 11.F
☐ 11.C(4)	☐ 11.D(3)	☐ 11.E(2)	☐ 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution

Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- (•) You (the advisory firm)
- ( ) You and one or more of your *advisory affiliates*
- ( ) One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

( ) *Yes* ( ) *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:
( ) SEC ( ) Other Federal (•) State ( ) *SRO* ( ) Foreign
(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
NORTH DAKOTA SECURITIES DEPARTMENT

2. Principal Sanction:
Civil and Administrative Penalt(ies) /Fine(s)
Other Sanctions:
CEASE & DESIST

3. Date Initiated (MM/DD/YYYY):
08/20/2008 (•) Exact ( ) Explanation
If not exact, provide explanation:

4. Docket/Case Number:
N/A

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
Debt - Corporate
Other Product Types:
EQUITY - OTC; ADR ON FOREIGN SECURITIES; SYNTHETIC

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):
FROM AT LEAST JANUARY 1997 UNTIL MAY 2005, CERTAIN ORDER ENTRY SYSTEMS AT THE FIRM AND THE FIRM'S PREDECESSOR RETAIL FIRM, MORGAN STANLEY DW, INC., FAILED TO CHECK WHETHER CERTAIN SECONDARY MARKET SECURITIES TRANSACTIONS COMPLIED WITH STATE REGISTRATION REQUIREMENTS (BLUE SKY LAWS) RESULTING IN THE SALE OF UNREGISTERED SECURITIES IN 46 STATE AND TERRITORIAL JURISDICTIONS, INCLUDING NORTH DAKOTA. AS PART OF A MULTI-STATE SETTLEMENT WITH 46 STATE AND TERRITORIAL JURISDICTIONS, THE NORTH DAKOTA SECURITIES DEPARTMENT (DEPARTMENT) FOUND THAT MORGAN STANLEY'S FAILURE TO MAINTAIN ADEQUATE SYSTEMS TO REASONABLY ENSURE COMPLIANCE WITH THE BLUE SKY LAWS RESULTED IN THE SALE OF UNREGISTERED SECURITIES IN VIOLATION OF SECTION 10-04-04 OF THE NORTH DAKOTA CENTURY CODE (CODE) AND MORGAN STANLEY FAILED TO REASONABLY SUPERVISE ITS AGENTS OR EMPLOYEES IN VIOLATION OF THE CODE. THE DEPARTMENT FINED THE FIRM $11,016 WHICH WAS NORTH DAKOTA'S SHARE OF THE MULTI-STATE SETTLEMENT PENALTY OF $8.5 MILLION, AND ORDERED THE FIRM TO CEASE AND DESIST FROM VIOLATING THE CODE.

8. Current status ? ( ) Pending ( ) On Appeal (•) Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Consent

CONSENT

11. Resolution Date (MM/DD/YYYY):
08/20/2008 (•) Exact ( ) Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

- [x] Monetary/Fine Amount:$ 11016
- [ ] Revocation/Expulsion/Denial
- [ ] Disgorgement/Restitution
- [ ] Censure
- [x] Cease and Desist/Injunction
- [ ] Bar
- [ ] Suspension

B. Other Sanctions *Ordered*:

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
PAID $11,016 BY COMPANY CHECK ON AUGUST 20, 2008

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
IN MAY 2005, MORGAN STANLEY DISCOVERED THAT CERTAIN ORDER ENTRY SYSTEMS AT THE FIRM AND THE FIRM'S PREDECESSOR RETAIL FIRM, MORGAN STANLEY DW, INC., FAILED TO CHECK WHETHER CERTAIN SECONDARY MARKET SECURITIES TRANSACTIONS COMPLIED WITH STATE REGISTRATION REQUIREMENTS (BLUE SKY LAWS). THE FIRM CONDUCTED AN INTERNAL INVESTIGATION, REPAIRED THE DEFICIENT SYSTEMS, SELF-REPORTED THE PROBLEM TO ALL AFFECTED STATE AND FEDERAL REGULATORS, IDENTIFIED TRANSACTIONS WHICH WERE EXECUTED IN VIOLATION OF THE BLUE SKY LAWS, AND OFFERED RESCISSION TO SUCH CUSTOMERS WITH TERMS AND CONDITIONS CONSISTENT WITH THE LAW OF THE STATE OF RESIDENCE OF EACH INVESTOR. THE FIRM ALSO COOPERATED WITH A MULTI-STATE INVESTIGATION OF THIS MATTER AND HAS AGREED TO SETTLE THE STATE REGULATORY ISSUES IN A MULTI-STATE SETTLEMENT WITH THE 46 AFFECTED STATE AND TERRITORIAL JURISDICTIONS. THE FIRM AGREED TO CONSENT TO AN ADMINISTRATIVE ORDER WITH EACH OF THE 46 STATE AND TERRITORIAL JURISDICTIONS AND TO PAY A TOTAL CIVIL MONETARY PENALTY OF $8.5 MILLION TO BE DIVIDED AMONG THE 46 STATE AND TERRITORIAL JURISDICTIONS. WITHOUT ADJUDICATION OF ANY ISSUES OF LAW OR FACT, AND WITHOUT ADMITTING OR DENYING ANY ALLEGATIONS OR FINDINGS, MORGAN STANLEY CONSENTED TO THE FINDINGS OF FACT, CONCLUSIONS OF LAW AND CONSENT ORDER ENTERED BY THE NORTH DAKOTA SECURITIES DEPARTMENT (DEPARTMENT), AS PART OF THE MULTI-STATE SETTLEMENT, TO RESOLVE ANY REMAINING REGULATORY ISSUES WITH NORTH DAKOTA. AS PART OF THE SETTLEMENT, THE FIRM AGREES TO CEASE AND DESIST FROM VIOLATING THE NORTH DAKOTA CENTURY CODE AND TO PAY AN $11,016 PENALTY TO THE DEPARTMENT, WHICH CONSTITUTES NORTH DAKOTA'S SHARE OF THE MULTI-STATE PENALTY OF $8.5 MILLION.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an (•) INITIAL ***OR*** ( ) AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action			
[ ] 11.C(1)	[ ] 11.C(5)	[x] 11.D(4)	[ ] 11.E(3)
[ ] 11.C(2)	[ ] 11.D(1)	[ ] 11.D(5)	[ ] 11.E(4)
[ ] 11.C(3)	[x] 11.D(2)	[ ] 11.E(1)	[ ] 11.F
[ ] 11.C(4)	[ ] 11.D(3)	[ ] 11.E(2)	[ ] 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- (•) You (the advisory firm)
- ( ) You and one or more of your *advisory affiliates*
- ( ) One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

○ *Yes* ○ *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:
○ SEC ○ Other Federal ◉ State ○ *SRO* ○ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
TENNESSEE SECURITIES DIVISION

2. Principal Sanction:
Civil and Administrative Penalt(ies) /Fine(s)
Other Sanctions:
CEASE 7 DESIST

3. Date Initiated (MM/DD/YYYY):
07/18/2008 ◉ Exact ○ Explanation

If not exact, provide explanation:

4. Docket/Case Number:
08-002

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
Debt - Corporate
Other Product Types:
EQUITY - OTC; ADR ON FOREIGN SECURITIES; SYNTHETIC

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

FROM AT LEAST JANUARY 1997 UNTIL MAY 2005, CERTAIN ORDER ENTRY SYSTEMS AT THE FIRM AND THE FIRM'S PREDECESSOR RETAIL FIRM, MORGAN STANLEY DW, INC., FAILED TO CHECK WHETHER CERTAIN SECONDARY MARKET SECURITIES TRANSACTIONS COMPLIED WITH STATE REGISTRATION REQUIREMENTS (BLUE SKY LAWS) RESULTING IN THE SALE OF UNREGISTERED SECURITIES IN 46 STATE AND TERRITORIAL JURISDICTIONS, INCLUDING TENNESSEE. AS PART OF A MULTI-STATE SETTLEMENT WITH 46 STATE AND TERRITORIAL JURISDICTIONS, THE TENNESSEE SECURITIES DIVISION (DIVISION) FOUND THAT MORGAN STANLEY'S FAILURE TO MAINTAIN ADEQUATE SYSTEMS TO REASONABLY ENSURE COMPLIANCE WITH THE BLUE SKY LAWS RESULTED IN THE SALE OF UNREGISTERED SECURITIES IN VIOLATION OF SECTION 48-2-104 OF THE TENNESSEE SECURITIES ACT OF 1980 (ACT) AND MORGAN STANLEY FAILED TO REASONABLY SUPERVISE ITS AGENTS OR EMPLOYEES IN VIOLATION OF THE ACT. THE DIVISION FINED THE FIRM $372,742 WHICH WAS TENNESSEE'S SHARE OF THE MULTI-STATE SETTLEMENT PENALTY OF $8.5 MILLION, AND ORDERED THE FIRM TO CEASE AND DESIST FROM VIOLATING THE ACT.

8. Current status ? ○ Pending ○ On Appeal ◉ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Consent

CONSENT

11. Resolution Date (MM/DD/YYYY):
07/18/2008 ◉ Exact ○ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☑ Monetary/Fine Amount:$ 372742

- ☐ Revocation/Expulsion/Denial
- ☐ Censure
- ☐ Bar
- ☐ Disgorgement/Restitution
- ☑ Cease and Desist/Injunction
- ☐ Suspension

B. Other Sanctions *Ordered*:

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
MONETARY PENALTY PAID AS FOLLOWS: PAID $372,742 BY COMPANY CHECK ON JULY 9, 2008

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
IN MAY 2005, MORGAN STANLEY DISCOVERED THAT CERTAIN ORDER ENTRY SYSTEMS AT THE FIRM AND THE FIRM'S PREDECESSOR RETAIL FIRM, MORGAN STANLEY DW, INC., FAILED TO CHECK WHETHER CERTAIN SECONDARY MARKET SECURITIES TRANSACTIONS COMPLIED WITH STATE REGISTRATION REQUIREMENTS (BLUE SKY LAWS). THE FIRM CONDUCTED AN INTERNAL INVESTIGATION, REPAIRED THE DEFICIENT SYSTEMS, SELF-REPORTED THE PROBLEM TO ALL AFFECTED STATE AND FEDERAL REGULATORS, IDENTIFIED TRANSACTIONS WHICH WERE EXECUTED IN VIOLATION OF THE BLUE SKY LAWS, AND OFFERED RESCISSION TO SUCH CUSTOMERS WITH TERMS AND CONDITIONS CONSISTENT WITH THE LAW OF THE STATE OF RESIDENCE OF EACH INVESTOR. THE FIRM ALSO COOPERATED WITH A MULTI-STATE INVESTIGATION OF THIS MATTER AND HAS AGREED TO SETTLE THE STATE REGULATORY ISSUES IN A MULTI-STATE SETTLEMENT WITH THE 46 AFFECTED STATE AND TERRITORIAL JURISDICTIONS. THE FIRM AGREED TO CONSENT TO AN ADMINISTRATIVE ORDER WITH EACH OF THE 46 STATE AND TERRITORIAL JURISDICTIONS AND TO PAY A TOTAL CIVIL MONETARY PENALTY OF $8.5 MILLION TO BE DIVIDED AMONG THE 46 STATE AND TERRITORIAL JURISDICTIONS. WITHOUT ADJUDICATION OF ANY ISSUES OF LAW OR FACT, AND WITHOUT ADMITTING OR DENYING ANY ALLEGATIONS OR FINDINGS, MORGAN STANLEY CONSENTED TO THE FINDINGS OF FACT, CONCLUSIONS OF LAW AND CONSENT ORDER ENTERED BY THE TENNESSEE SECURITIES DIVISION, AS PART OF THE MULTI-STATE SETTLEMENT, TO RESOLVE ANY REMAINING REGULATORY ISSUES WITH TENNESSEE. AS PART OF THE SETTLEMENT, THE FIRM AGREES TO CEASE AND DESIST FROM VIOLATING THE TENNESSEE SECURITIES ACT OF 1980 AND TO PAY A $372,742 CIVIL MONETARY PENALTY TO THE STATE OF TENNESSEE, WHICH CONSTITUTES TENNESSEE'S SHARE OF THE MULTI-STATE PENALTY OF $8.5 MILLION.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ◉ INITIAL ***OR*** ○ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action

☐ 11.C(1)	☐ 11.C(5)	☑ 11.D(4)	☐ 11.E(3)
☐ 11.C(2)	☐ 11.D(1)	☐ 11.D(5)	☐ 11.E(4)
☐ 11.C(3)	☑ 11.D(2)	☐ 11.E(1)	☐ 11.F
☐ 11.C(4)	☐ 11.D(3)	☐ 11.E(2)	☐ 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- ◉ You (the advisory firm)
- ○ You and one or more of your *advisory affiliates*
- ○ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

- ☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.
- ☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the

event? If the answer is "Yes," no other information on this DRP must be provided.

○ *Yes* ○ *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:
   ○ SEC ○ Other Federal ◉ State ○ *SRO* ○ Foreign

   (Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
   FLORIDA OFFICE OF FINANCIAL REGULATION

2. Principal Sanction:
   Civil and Administrative Penalt(ies) /Fine(s)
   Other Sanctions:
   CEASE & DESIST

3. Date Initiated (MM/DD/YYYY):
   09/08/2008 ◉ Exact ○ Explanation

   If not exact, provide explanation:

4. Docket/Case Number:
   0376-S-3/08

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
   Debt - Corporate
   Other Product Types:
   EQUITY - OTC; ADR ON FOREIGN SECURITIES; SYNTHETIC

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

   FROM AT LEAST JANUARY 1997 UNTIL MAY 2005, CERTAIN ORDER ENTRY SYSTEMS AT THE FIRM AND THE FIRM'S PREDECESSOR RETAIL FIRM, MORGAN STANLEY DW, INC., FAILED TO CHECK WHETHER CERTAIN SECONDARY MARKET SECURITIES TRANSACTIONS COMPLIED WITH STATE REGISTRATION REQUIREMENTS (BLUE SKY LAWS) RESULTING IN THE SALE OF UNREGISTERED SECURITIES IN 46 STATE AND TERRITORIAL JURISDICTIONS, INCLUDING FLORIDA. AS PART OF A MULTI-STATE SETTLEMENT WITH 46 STATE AND TERRITORIAL JURISDICTIONS, THE FLORIDA OFFICE OF FINANCIAL REGULATION (OFFICE) FOUND THAT MORGAN STANLEY'S FAILURE TO MAINTAIN ADEQUATE SYSTEMS TO REASONABLY ENSURE COMPLIANCE WITH THE BLUE SKY LAWS RESULTED IN THE SALE OF UNREGISTERED SECURITIES IN VIOLATION OF SECTION 517.07 OF THE FLORIDA SECURITIES AND INVESTOR PROTECTION ACT (ACT) AND MORGAN STANLEY FAILED TO REASONABLY SUPERVISE ITS AGENTS OR EMPLOYEES IN VIOLATION OF THE ACT. THE OFFICE FINED THE FIRM $1,230,857 WHICH WAS FLORIDA'S SHARE OF THE MULTI-STATE SETTLEMENT PENALTY OF $8.5 MILLION, AND ORDERED THE FIRM TO CEASE AND DESIST FROM VIOLATING THE ACT.

8. Current status ? ○ Pending ○ On Appeal ◉ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
    Consent

    CONSENT

11. Resolution Date (MM/DD/YYYY):
    09/08/2008 ◉ Exact ○ Explanation

    If not exact, provide explanation:

12. Resolution Detail:

    A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

    - ☑ Monetary/Fine Amount:$ 1230857
    - ☐ Revocation/Expulsion/Denial
    - ☐ Disgorgement/Restitution
    - ☐ Censure
    - ☑ Cease and Desist/Injunction
    - ☐ Bar
    - ☐ Suspension

    B. Other Sanctions *Ordered*:

    Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
    PAID $1,230,857 BY COMPANY CHECK ON SEPTEMBER 9, 2008

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)

IN MAY 2005, MORGAN STANLEY DISCOVERED THAT CERTAIN ORDER ENTRY SYSTEMS AT THE FIRM AND THE FIRM'S PREDECESSOR RETAIL FIRM, MORGAN STANLEY DW, INC., FAILED TO CHECK WHETHER CERTAIN SECONDARY MARKET SECURITIES TRANSACTIONS COMPLIED WITH STATE REGISTRATION REQUIREMENTS (BLUE SKY LAWS). THE FIRM CONDUCTED AN INTERNAL INVESTIGATION, REPAIRED THE DEFICIENT SYSTEMS, SELF-REPORTED THE PROBLEM TO ALL AFFECTED STATE AND FEDERAL REGULATORS, IDENTIFIED TRANSACTIONS WHICH WERE EXECUTED IN VIOLATION OF THE BLUE SKY LAWS, AND OFFERED RESCISSION TO SUCH CUSTOMERS WITH TERMS AND CONDITIONS CONSISTENT WITH THE LAW OF THE STATE OF RESIDENCE OF EACH INVESTOR. THE FIRM ALSO COOPERATED WITH A MULTI-STATE INVESTIGATION OF THIS MATTER AND HAS AGREED TO SETTLE THE STATE REGULATORY ISSUES IN A MULTI-STATE SETTLEMENT WITH THE 46 AFFECTED STATE AND TERRITORIAL JURISDICTIONS. THE FIRM AGREED TO CONSENT TO AN ADMINISTRATIVE ORDER WITH EACH OF THE 46 STATE AND TERRITORIAL JURISDICTIONS AND TO PAY A TOTAL CIVIL MONETARY PENALTY OF $8.5 MILLION TO BE DIVIDED AMONG THE 46 STATE AND TERRITORIAL JURISDICTIONS. WITHOUT ADJUDICATION OF ANY ISSUES OF LAW OR FACT, AND WITHOUT ADMITTING OR DENYING ANY ALLEGATIONS OR FINDINGS, MORGAN STANLEY CONSENTED TO THE FINAL ORDER ENTERED BY THE FLORIDA OFFICE OF FINANCIAL REGULATION, AS PART OF THE MULTI-STATE SETTLEMENT, TO RESOLVE ANY REMAINING REGULATORY ISSUES WITH FLORIDA. AS PART OF THE SETTLEMENT, THE FIRM AGREES TO CEASE AND DESIST FROM VIOLATING THE FLORIDA SECURITIES AND INVESTOR PROTECTION ACT AND TO PAY A $1,230,857 PENALTY TO THE STATE OF FLORIDA, WHICH CONSTITUTES FLORIDA'S SHARE OF THE MULTI-STATE PENALTY OF $8.5 MILLION.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an (•) INITIAL ***OR*** ( ) AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action			
☐ 11.C(1)	☐ 11.C(5)	☑ 11.D(4)	☐ 11.E(3)
☐ 11.C(2)	☐ 11.D(1)	☐ 11.D(5)	☐ 11.E(4)
☐ 11.C(3)	☑ 11.D(2)	☐ 11.E(1)	☐ 11.F
☐ 11.C(4)	☐ 11.D(3)	☐ 11.E(2)	☐ 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

(•) You (the advisory firm)

( ) You and one or more of your *advisory affiliates*

( ) One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

( ) *Yes* ( ) *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

( ) SEC ( ) Other Federal (•) State ( ) *SRO* ( ) Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
TEXAS STATE SECURITIES BOARD

2. Principal Sanction:
Reprimand
Other Sanctions:
ADMINISTRATIVE FINE

3. Date Initiated (MM/DD/YYYY):
07/21/2008 (•) Exact ( ) Explanation

If not exact, provide explanation:

4. Docket/Case Number:
ORDER NO. IC08-CAF-07

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
Other
Other Product Types:
OUTSIDE HEDGE FUND NOT MARKETED OR SOLD THROUGH APPLICANT.

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

STATE FOUND FAILURE TO ENFORCE APPLICANT'S WRITTEN SUPERVISORY PROCEDURES IN CONNECTION WITH SUPERVISION OF ONE REGISTERED REPRESENTATIVE IN TEXAS IN 2001. THE REGISTERED REPRESENTATIVE HAD MARKETED AN OUTSIDE HEDGE FUND TO CERTAIN OF APPLICANT'S CUSTOMERS WITHOUT THE KNOWLEDGE OR APPROVAL OF APPLICANT.

8. Current status ? ( ) Pending ( ) On Appeal (•) Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Acceptance, Waiver & Consent(AWC)

AWC

11. Resolution Date (MM/DD/YYYY):
07/21/2008 (•) Exact ( ) Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

- [x] Monetary/Fine Amount:$ 400000
- [ ] Revocation/Expulsion/Denial
- [ ] Disgorgement/Restitution
- [ ] Censure
- [ ] Cease and Desist/Injunction
- [ ] Bar
- [ ] Suspension

B. Other Sanctions *Ordered*:
REPRIMAND

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
APPLICANT WAS REPRIMANDED AND PAID A $400,000 ADMINISTRATIVE FINE ON JULY 21, 2008. NO PORTION OF THE ADMINISTRATIVE FINE WAS WAIVED.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
THE MATTER IS FINAL. APPLICANT WAS REPRIMANDED AND PAID A $400,000 ADMINISTRATIVE FINE ON JULY 21, 2008

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an (•) INITIAL ***OR*** ( ) AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action			
[ ] 11.C(1)	[ ] 11.C(5)	[x] 11.D(4)	[ ] 11.E(3)
[ ] 11.C(2)	[ ] 11.D(1)	[ ] 11.D(5)	[ ] 11.E(4)
[ ] 11.C(3)	[x] 11.D(2)	[ ] 11.E(1)	[ ] 11.F
[ ] 11.C(4)	[ ] 11.D(3)	[ ] 11.E(2)	[ ] 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to

actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- (•) You (the advisory firm)
- ( ) You and one or more of your *advisory affiliates*
- ( ) One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

( ) *Yes* ( ) *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

( ) SEC ( ) Other Federal (•) State ( ) *SRO* ( ) Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
TEXAS STATE SECURITIES BOARD

2. Principal Sanction:
Civil and Administrative Penalt(ies) /Fine(s)
Other Sanctions:
CEASE & DESIST

3. Date Initiated (MM/DD/YYYY):
10/02/2008 (•) Exact ( ) Explanation

If not exact, provide explanation:

4. Docket/Case Number:
1C08-CDO-15

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
Debt - Corporate
Other Product Types:
EQUITY - OTC; ADR ON FOREIGN SECURITIES; SYNTHETIC

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

FROM AT LEAST JANUARY 1997 UNTIL MAY 2005, CERTAIN ORDER ENTRY SYSTEMS AT THE FIRM AND THE FIRM'S PREDECESSOR RETAIL FIRM, MORGAN STANLEY DW, INC., FAILED TO CHECK WHETHER CERTAIN SECONDARY MARKET SECURITIES TRANSACTIONS COMPLIED WITH STATE REGISTRATION REQUIREMENTS (BLUE SKY LAWS) RESULTING IN THE SALE OF UNREGISTERED SECURITIES IN 46 STATE AND TERRITORIAL JURISDICTIONS, INCLUDING TEXAS. AS PART OF A MULTI-STATE SETTLEMENT WITH 46 STATE AND TERRITORIAL JURISDICTIONS, THE TEXAS STATE SECURITIES BOARD (BOARD) FOUND THAT MORGAN STANLEY'S FAILURE TO MAINTAIN ADEQUATE SYSTEMS TO REASONABLY ENSURE COMPLIANCE WITH THE BLUE SKY LAWS RESULTED IN THE SALE OF UNREGISTERED SECURITIES IN VIOLATION OF SECTION 7 OF THE TEXAS SECURITIES ACT (ACT) AND MORGAN STANLEY FAILED TO REASONABLY SUPERVISE ITS AGENTS OR EMPLOYEES IN VIOLATION OF THE ACT. THE BOARD FINED THE FIRM $448,055 WHICH WAS TEXAS' SHARE OF THE MULTI-STATE SETTLEMENT PENALTY OF $8.5 MILLION, AND ORDERED THE FIRM TO CEASE AND DESIST FROM VIOLATING THE ACT.

8. Current status ? ( ) Pending ( ) On Appeal (•) Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:

Consent

CONSENT

11. Resolution Date (MM/DD/YYYY):

10/02/2008 (•) Exact ( ) Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

- [x] Monetary/Fine Amount:$ 448055
- [ ] Revocation/Expulsion/Denial
- [ ] Disgorgement/Restitution
- [ ] Censure
- [x] Cease and Desist/Injunction
- [ ] Bar
- [ ] Suspension

B. Other Sanctions *Ordered*:

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
MONETARY PENALTY PAID AS FOLLOWS: PAID $448,055 BY COMPANY CHECK ON OCTOBER 2, 2008

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
IN MAY 2005, MORGAN STANLEY DISCOVERED THAT CERTAIN ORDER ENTRY SYSTEMS AT THE FIRM AND THE FIRM'S PREDECESSOR RETAIL FIRM, MORGAN STANLEY DW, INC., FAILED TO CHECK WHETHER CERTAIN SECONDARY MARKET SECURITIES TRANSACTIONS COMPLIED WITH STATE REGISTRATION REQUIREMENTS (BLUE SKY LAWS). THE FIRM CONDUCTED AN INTERNAL INVESTIGATION, REPAIRED THE DEFICIENT SYSTEMS, SELF-REPORTED THE PROBLEM TO ALL AFFECTED STATE AND FEDERAL REGULATORS, IDENTIFIED TRANSACTIONS WHICH WERE EXECUTED IN VIOLATION OF THE BLUE SKY LAWS, AND OFFERED RESCISSION TO SUCH CUSTOMERS WITH TERMS AND CONDITIONS CONSISTENT WITH THE LAW OF THE STATE OF RESIDENCE OF EACH INVESTOR. THE FIRM ALSO COOPERATED WITH A MULTI-STATE INVESTIGATION OF THIS MATTER AND HAS AGREED TO SETTLE THE STATE REGULATORY ISSUES IN A MULTI-STATE SETTLEMENT WITH THE 46 AFFECTED STATE AND TERRITORIAL JURISDICTIONS. THE FIRM AGREED TO CONSENT TO AN ADMINISTRATIVE ORDER WITH EACH OF THE 46 STATE AND TERRITORIAL JURISDICTIONS AND TO PAY A TOTAL CIVIL MONETARY PENALTY OF $8.5 MILLION TO BE DIVIDED AMONG THE 46 STATE AND TERRITORIAL JURISDICTIONS. WITHOUT ADJUDICATION OF ANY ISSUES OF LAW OR FACT, AND WITHOUT ADMITTING OR DENYING ANY ALLEGATIONS OR FINDINGS, MORGAN STANLEY CONSENTED TO THE CONSENT ORDER ENTERED BY THE TEXAS STATE SECURITIES BOARD, AS PART OF THE MULTI-STATE SETTLEMENT, TO RESOLVE ANY REMAINING REGULATORY ISSUES WITH TEXAS. AS PART OF THE SETTLEMENT, THE FIRM AGREES TO CEASE AND DESIST FROM VIOLATING THE TEXAS SECURITIES ACT AND TO PAY A $448,055 PENALTY TO THE STATE OF TEXAS, WHICH CONSTITUTES TEXAS' SHARE OF THE MULTI-STATE PENALTY OF $8.5 MILLION.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an (•) INITIAL ***OR*** ( ) AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action			
[ ] 11.C(1)	[ ] 11.C(5)	[x] 11.D(4)	[ ] 11.E(3)
[ ] 11.C(2)	[ ] 11.D(1)	[ ] 11.D(5)	[ ] 11.E(4)
[ ] 11.C(3)	[x] 11.D(2)	[ ] 11.E(1)	[ ] 11.F
[ ] 11.C(4)	[ ] 11.D(3)	[ ] 11.E(2)	[ ] 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- (•) You (the advisory firm)
- ( ) You and one or more of your *advisory affiliates*
- ( ) One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*

No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

○ *Yes* ○ *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

○ SEC ○ Other Federal ◉ State ○ *SRO* ○ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)

NORTH CAROLINA SECRETARY OF STATE

2. Principal Sanction:

Civil and Administrative Penalt(ies) /Fine(s)

Other Sanctions:

CEASE & DESIST

3. Date Initiated (MM/DD/YYYY):

10/24/2008 ◉ Exact ○ Explanation

If not exact, provide explanation:

4. Docket/Case Number:

08SEC025

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:

Debt - Corporate

Other Product Types:

EQUITY - OTC; ADR ON FOREIGN SECURITIES; SYNTHETIC

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

FROM AT LEAST JANUARY 1997 UNTIL MAY 2005, CERTAIN ORDER ENTRY SYSTEMS AT THE FIRM AND THE FIRM'S PREDECESSOR RETAIL FIRM, MORGAN STANLEY DW, INC., FAILED TO CHECK WHETHER CERTAIN SECONDARY MARKET SECURITIES TRANSACTIONS COMPLIED WITH STATE REGISTRATION REQUIREMENTS (BLUE SKY LAWS) RESULTING IN THE SALE OF UNREGISTERED SECURITIES IN 46 STATE AND TERRITORIAL JURISDICTIONS, INCLUDING NORTH CAROLINA. AS PART OF A MULTI-STATE SETTLEMENT WITH 46 STATE AND TERRITORIAL JURISDICTIONS, THE FOUND THAT MORGAN STANLEY'S FAILURE TO MAINTAIN ADEQUATE SYSTEMS TO REASONABLY ENSURE COMPLIANCE WITH THE BLUE SKY LAWS RESULTED IN THE SALE OF UNREGISTERED SECURITIES IN VIOLATION OF SECTION 78A-24 OF THE NORTH CAROLINA SECURITIES ACT (ACT) AND MORGAN STANLEY FAILED TO REASONABLY SUPERVISE ITS AGENTS OR EMPLOYEES IN VIOLATION OF ACT. THE NORTH CAROLINA SECRETARY OF STATE FINED THE FIRM $79,584 WHICH WAS NORTH CAROLINA'S SHARE OF THE MULTI-STATE SETTLEMENT PENALTY OF $8.5 MILLION, AND ORDERED THE FIRM TO CEASE AND DESIST FROM VIOLATING THE ACT.

8. Current status ? ○ Pending ○ On Appeal ◉ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:

Consent

CONSENT

11. Resolution Date (MM/DD/YYYY):

10/24/2008 ◉ Exact ○ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☑ Monetary/Fine Amount:$ 79584

☐ Revocation/Expulsion/Denial

☐ Censure

☐ Disgorgement/Restitution

☑ Cease and Desist/Injunction

☐ Bar ☐ Suspension

B. Other Sanctions *Ordered*:

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
MONETARY PENALTY PAID AS FOLLOWS: PAID $79,584 BY COMPANY CHECK ON OCTOBER 22, 2008

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
IN MAY 2005, MORGAN STANLEY DISCOVERED THAT CERTAIN ORDER ENTRY SYSTEMS AT THE FIRM AND THE FIRM'S PREDECESSOR RETAIL FIRM, MORGAN STANLEY DW, INC., FAILED TO CHECK WHETHER CERTAIN SECONDARY MARKET SECURITIES TRANSACTIONS COMPLIED WITH STATE REGISTRATION REQUIREMENTS (BLUE SKY LAWS). THE FIRM CONDUCTED AN INTERNAL INVESTIGATION, REPAIRED THE DEFICIENT SYSTEMS, SELF-REPORTED THE PROBLEM TO ALL AFFECTED STATE AND FEDERAL REGULATORS, IDENTIFIED TRANSACTIONS WHICH WERE EXECUTED IN VIOLATION OF THE BLUE SKY LAWS, AND OFFERED RESCISSION TO SUCH CUSTOMERS WITH TERMS AND CONDITIONS CONSISTENT WITH THE LAW OF THE STATE OF RESIDENCE OF EACH INVESTOR. THE FIRM ALSO COOPERATED WITH A MULTI-STATE INVESTIGATION OF THIS MATTER AND HAS AGREED TO SETTLE THE STATE REGULATORY ISSUES IN A MULTI-STATE SETTLEMENT WITH THE 46 AFFECTED STATE AND TERRITORIAL JURISDICTIONS. THE FIRM AGREED TO CONSENT TO AN ADMINISTRATIVE ORDER WITH EACH OF THE 46 STATE AND TERRITORIAL JURISDICTIONS AND TO PAY A TOTAL CIVIL MONETARY PENALTY OF $8.5 MILLION TO BE DIVIDED AMONG THE 46 STATE AND TERRITORIAL JURISDICTIONS. WITHOUT ADJUDICATION OF ANY ISSUES OF LAW OR FACT, AND WITHOUT ADMITTING OR DENYING ANY ALLEGATIONS OR FINDINGS, MORGAN STANLEY CONSENTED TO THE CONSENT ORDER ENTERED BY THE NORTH CAROLINA SECRETARY OF STATE (SECRETARY), AS PART OF THE MULTI-STATE SETTLEMENT, TO RESOLVE ANY REMAINING REGULATORY ISSUES WITH NORTH CAROLINA. AS PART OF THE SETTLEMENT, THE FIRM AGREES TO CEASE AND DESIST FROM VIOLATING THE NORTH CAROLINA SECURITIES ACT AND TO PAY A $79,584 PENALTY TO THE SECRETARY, WHICH CONSTITUTES NORTH CAROLINA'S SHARE OF THE MULTI-STATE PENALTY OF $8.5 MILLION.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ◉ INITIAL ***OR*** ○ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action			
☐ 11.C(1)	☐ 11.C(5)	☑ 11.D(4)	☐ 11.E(3)
☐ 11.C(2)	☐ 11.D(1)	☐ 11.D(5)	☐ 11.E(4)
☐ 11.C(3)	☑ 11.D(2)	☐ 11.E(1)	☐ 11.F
☐ 11.C(4)	☐ 11.D(3)	☐ 11.E(2)	☐ 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

◉ You (the advisory firm)

○ You and one or more of your *advisory affiliates*

○ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

○ *Yes* ○ *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:
   ○ SEC ○ Other Federal ◉ State ○ *SRO* ○ Foreign

   (Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
   OHIO DIVISION OF SECURITIES

2. Principal Sanction:
   Civil and Administrative Penalt(ies) /Fine(s)
   Other Sanctions:
   CEASE & DESIST

3. Date Initiated (MM/DD/YYYY):
   01/12/2009 ◉ Exact ○ Explanation

   If not exact, provide explanation:

4. Docket/Case Number:
   09-007

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
   Debt - Corporate
   Other Product Types:
   EQUITY - OTC; ADR ON FOREIGN SECURITIES; SYNTHETIC

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

   FROM AT LEAST JANUARY 1997 UNTIL MAY 2005, CERTAIN ORDER ENTRY SYSTEMS AT THE FIRM AND THE FIRM'S PREDECESSOR RETAIL FIRM, MORGAN STANLEY DW, INC., FAILED TO CHECK WHETHER CERTAIN SECONDARY MARKET SECURITIES TRANSACTIONS COMPLIED WITH STATE REGISTRATION REQUIREMENTS (BLUE SKY LAWS) RESULTING IN THE SALE OF UNREGISTERED SECURITIES IN 46 STATE AND TERRITORIAL JURISDICTIONS, INCLUDING OHIO. AS PART OF A MULTI-STATE SETTLEMENT WITH 46 STATE AND TERRITORIAL JURISDICTIONS, THE OHIO DIVISION OF SECURITIES (DIVISION) FOUND THAT MORGAN STANLEY'S FAILURE TO MAINTAIN ADEQUATE SYSTEMS TO REASONABLY ENSURE COMPLIANCE WITH THE BLUE SKY LAWS RESULTED IN THE SALE OF UNREGISTERED SECURITIES IN VIOLATION OF SECTION 1707.44(C)(1) OF THE OHIO SECURITIES ACT (ACT) AND MORGAN STANLEY FAILED TO REASONABLY SUPERVISE ITS AGENTS OR EMPLOYEES IN VIOLATION OF OHIO ADMINISTRATIVE CODE. THE DIVISION FINED THE FIRM $210,426 WHICH WAS OHIO'S SHARE OF THE MULTI-STATE SETTLEMENT PENALTY OF $8.5 MILLION, AND ORDERED THE FIRM TO CEASE AND DESIST FROM VIOLATING THE ACT.

8. Current status ? ○ Pending ○ On Appeal ◉ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
    Consent

    CONSENT

11. Resolution Date (MM/DD/YYYY):
    01/12/2009 ◉ Exact ○ Explanation

    If not exact, provide explanation:

12. Resolution Detail:

    A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

    - ☑ Monetary/Fine Amount:$ 210426
    - ☐ Revocation/Expulsion/Denial
    - ☐ Disgorgement/Restitution
    - ☐ Censure
    - ☑ Cease and Desist/Injunction
    - ☐ Bar
    - ☐ Suspension

    B. Other Sanctions *Ordered*:

    Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
    MONETARY PENALTY PAID AS FOLLOWS: PAID $210,426 BY COMPANY CHECK ON JANUARY 8, 2009

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
    IN MAY 2005, MORGAN STANLEY DISCOVERED THAT CERTAIN ORDER ENTRY SYSTEMS AT THE FIRM AND THE FIRM'S PREDECESSOR RETAIL FIRM, MORGAN STANLEY DW, INC., FAILED TO CHECK WHETHER CERTAIN SECONDARY MARKET SECURITIES TRANSACTIONS COMPLIED WITH STATE REGISTRATION REQUIREMENTS (BLUE SKY LAWS). THE FIRM CONDUCTED AN INTERNAL INVESTIGATION, REPAIRED THE DEFICIENT SYSTEMS, SELF-REPORTED THE PROBLEM TO ALL AFFECTED STATE

AND FEDERAL REGULATORS, IDENTIFIED TRANSACTIONS WHICH WERE EXECUTED IN VIOLATION OF THE BLUE SKY LAWS, AND OFFERED RESCISSION TO SUCH CUSTOMERS WITH TERMS AND CONDITIONS CONSISTENT WITH THE LAW OF THE STATE OF RESIDENCE OF EACH INVESTOR. THE FIRM ALSO COOPERATED WITH A MULTI-STATE INVESTIGATION OF THIS MATTER AND HAS AGREED TO SETTLE THE STATE REGULATORY ISSUES IN A MULTI-STATE SETTLEMENT WITH THE 46 AFFECTED STATE AND TERRITORIAL JURISDICTIONS. THE FIRM AGREED TO CONSENT TO AN ADMINISTRATIVE ORDER WITH EACH OF THE 46 STATE AND TERRITORIAL JURISDICTIONS AND TO PAY A TOTAL CIVIL MONETARY PENALTY OF $8.5 MILLION TO BE DIVIDED AMONG THE 46 STATE AND TERRITORIAL JURISDICTIONS. WITHOUT ADJUDICATION OF ANY ISSUES OF LAW OR FACT, AND WITHOUT ADMITTING OR DENYING ANY ALLEGATIONS OR FINDINGS, MORGAN STANLEY CONSENTED TO THE FINDINGS OF FACT, CONCLUSIONS OF LAW AND CONSENT ORDER ENTERED BY THE OHIO DIVISION OF SECURITIES, AS PART OF THE MULTI-STATE SETTLEMENT, TO RESOLVE ANY REMAINING REGULATORY ISSUES WITH OHIO. AS PART OF THE SETTLEMENT, THE FIRM AGREES TO CEASE AND DESIST FROM VIOLATING THE OHIO SECURITIES ACT AND TO PAY A $210,426 PENALTY TO THE STATE OF OHIO, WHICH CONSTITUTES OHIO'S SHARE OF THE MULTI-STATE PENALTY OF $8.5 MILLION.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an (•) INITIAL ***OR*** ( ) AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action			
☐ 11.C(1)	☐ 11.C(5)	☑ 11.D(4)	☐ 11.E(3)
☐ 11.C(2)	☐ 11.D(1)	☐ 11.D(5)	☐ 11.E(4)
☐ 11.C(3)	☑ 11.D(2)	☐ 11.E(1)	☐ 11.F
☐ 11.C(4)	☐ 11.D(3)	☐ 11.E(2)	☐ 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

(•) You (the advisory firm)

( ) You and one or more of your *advisory affiliates*

( ) One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

( ) *Yes* ( ) *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

( ) SEC ( ) Other Federal (•) State ( ) *SRO* ( ) Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
INDIANA SECURITIES DIVISION

2. Principal Sanction:
Civil and Administrative Penalt(ies) /Fine(s)
Other Sanctions:
CEASE & DESIST

3. Date Initiated (MM/DD/YYYY):
12/11/2008 (•) Exact ( ) Explanation

If not exact, provide explanation:

4. Docket/Case Number:
08-0976 CA

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
Debt - Corporate
Other Product Types:
EQUITY - OTC; ADR ON FOREIGN SECURITIES; SYNTHETIC

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

FROM AT LEAST JANUARY 1997 UNTIL MAY 2005, CERTAIN ORDER ENTRY SYSTEMS AT THE FIRM AND THE FIRM'S PREDECESSOR RETAIL FIRM, MORGAN STANLEY DW, INC., FAILED TO CHECK WHETHER CERTAIN SECONDARY MARKET SECURITIES TRANSACTIONS COMPLIED WITH STATE REGISTRATION REQUIREMENTS (BLUE SKY LAWS) RESULTING IN THE SALE OF UNREGISTERED SECURITIES IN 46 STATE AND TERRITORIAL JURISDICTIONS, INCLUDING INDIANA. AS PART OF A MULTI-STATE SETTLEMENT WITH 46 STATE AND TERRITORIAL JURISDICTIONS, THE INDIANA SECURITIES DIVISION (DIVISION) FOUND THAT MORGAN STANLEY'S FAILURE TO MAINTAIN ADEQUATE SYSTEMS TO REASONABLY ENSURE COMPLIANCE WITH THE BLUE SKY LAWS RESULTED IN THE SALE OF UNREGISTERED SECURITIES IN VIOLATION OF SECTION 23-2-1-3 OF THE INDIANA SECURITIES ACT (ACT) AND MORGAN STANLEY FAILED TO REASONABLY SUPERVISE ITS AGENTS OR EMPLOYEES IN VIOLATION OF THE ACT. THE DIVISION FINED THE FIRM $232,908 WHICH WAS INDIANA'S SHARE OF THE MULTI-STATE SETTLEMENT PENALTY OF $8.5 MILLION, AND ORDERED THE FIRM TO CEASE AND DESIST FROM VIOLATING THE ACT

8. Current status ? ○ Pending ○ On Appeal ◉ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Consent

CONSENT

11. Resolution Date (MM/DD/YYYY):
12/11/2008 ◉ Exact ○ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

- ☑ Monetary/Fine Amount:$ 232908
- ☐ Revocation/Expulsion/Denial
- ☐ Disgorgement/Restitution
- ☐ Censure
- ☑ Cease and Desist/Injunction
- ☐ Bar
- ☐ Suspension

B. Other Sanctions *Ordered*:

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
PAID $232,908 BY COMPANY CHECK ON DECEMBER 10, 2008

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
IN MAY 2005, MORGAN STANLEY DISCOVERED THAT CERTAIN ORDER ENTRY SYSTEMS AT THE FIRM AND THE FIRM'S PREDECESSOR RETAIL FIRM, MORGAN STANLEY DW, INC., FAILED TO CHECK WHETHER CERTAIN SECONDARY MARKET SECURITIES TRANSACTIONS COMPLIED WITH STATE REGISTRATION REQUIREMENTS (BLUE SKY LAWS). THE FIRM CONDUCTED AN INTERNAL INVESTIGATION, REPAIRED THE DEFICIENT SYSTEMS, SELF-REPORTED THE PROBLEM TO ALL AFFECTED STATE AND FEDERAL REGULATORS, IDENTIFIED TRANSACTIONS WHICH WERE EXECUTED IN VIOLATION OF THE BLUE SKY LAWS, AND OFFERED RESCISSION TO SUCH CUSTOMERS WITH TERMS AND CONDITIONS CONSISTENT WITH THE LAW OF THE STATE OF RESIDENCE OF EACH INVESTOR. THE FIRM ALSO COOPERATED WITH A MULTI-STATE INVESTIGATION OF THIS MATTER AND HAS AGREED TO SETTLE THE STATE REGULATORY ISSUES IN A MULTI-STATE SETTLEMENT WITH THE 46 AFFECTED STATE AND TERRITORIAL JURISDICTIONS. THE FIRM AGREED TO CONSENT TO AN ADMINISTRATIVE ORDER WITH EACH OF THE 46 STATE AND TERRITORIAL JURISDICTIONS AND TO PAY A TOTAL CIVIL MONETARY PENALTY OF $8.5 MILLION TO BE DIVIDED AMONG THE 46 STATE AND TERRITORIAL JURISDICTIONS. WITHOUT ADJUDICATION OF ANY ISSUES OF LAW OR FACT, AND WITHOUT ADMITTING OR DENYING ANY ALLEGATIONS OR FINDINGS, MORGAN STANLEY CONSENTED TO THE FINDINGS OF FACT, CONCLUSIONS OF LAW, AND CONSENT ORDER ENTERED BY THE INDIANA SECURITIES DIVISION, AS PART OF THE MULTI-STATE SETTLEMENT, TO RESOLVE ANY REMAINING REGULATORY ISSUES WITH INDIANA. AS PART OF THE SETTLEMENT, THE FIRM AGREES TO CEASE AND DESIST FROM VIOLATING THE INDIANA SECURITIES ACT AND TO PAY A $232,908 PENALTY TO THE STATE OF INDIANA, WHICH CONSTITUTES INDIANA'S SHARE OF THE MULTI-STATE PENALTY OF $8.5 MILLION.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ◉ INITIAL ***OR*** ○ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action			
☐ 11.C(1)	☐ 11.C(5)	☑ 11.D(4)	☐ 11.E(3)
☐ 11.C(2)	☐ 11.D(1)	☐ 11.D(5)	☐ 11.E(4)
☐ 11.C(3)	☑ 11.D(2)	☐ 11.E(1)	☐ 11.F
☐ 11.C(4)	☐ 11.D(3)	☐ 11.E(2)	☐ 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- ◉ You (the advisory firm)
- ○ You and one or more of your *advisory affiliates*
- ○ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

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B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

○ *Yes* ○ *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

○ SEC ○ Other Federal ◉ State ○ *SRO* ○ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
SOUTH CAROLINA OFFICE OF ATTORNEY GENERAL

2. Principal Sanction:
Civil and Administrative Penalt(ies) /Fine(s)
Other Sanctions:
CEASE & DESIST

3. Date Initiated (MM/DD/YYYY):
09/09/2008 ◉ Exact ○ Explanation

If not exact, provide explanation:

4. Docket/Case Number:
08013

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
Debt - Corporate
Other Product Types:
EQUITY - OTC; ADR ON FOREIGN SECURITIES; SYNTHETIC

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

FROM AT LEAST JANUARY 1997 UNTIL MAY 2005, CERTAIN ORDER ENTRY SYSTEMS AT THE FIRM AND THE FIRM'S PREDECESSOR RETAIL FIRM, MORGAN STANLEY DW, INC., FAILED TO CHECK WHETHER CERTAIN SECONDARY MARKET SECURITIES TRANSACTIONS COMPLIED WITH STATE REGISTRATION REQUIREMENTS (BLUE

SKY LAWS) RESULTING IN THE SALE OF UNREGISTERED SECURITIES IN 46 STATE AND TERRITORIAL JURISDICTIONS, INCLUDING SOUTH CAROLINA. AS PART OF A MULTI-STATE SETTLEMENT WITH 46 STATE AND TERRITORIAL JURISDICTIONS, THE SOUTH CAROLINA SECURITIES COMMISSIONER (COMMISSIONER) FOUND THAT MORGAN STANLEY'S FAILURE TO MAINTAIN ADEQUATE SYSTEMS TO REASONABLY ENSURE COMPLIANCE WITH THE BLUE SKY LAWS RESULTED IN THE SALE OF UNREGISTERED SECURITIES IN VIOLATION OF SECTION 35-1-810 OF THE SOUTH CAROLINA UNIFORM SECURITIES ACT (ACT) AND MORGAN STANLEY FAILED TO REASONABLY SUPERVISE ITS AGENTS OR EMPLOYEES IN VIOLATION OF ACT. THE COMMISSIONER FINED THE FIRM $24,730 WHICH WAS SOUTH CAROLINA'S SHARE OF THE MULTI-STATE SETTLEMENT PENALTY OF $8.5 MILLION, AND ORDERED THE FIRM TO CEASE AND DESIST FROM VIOLATING THE ACT.

8. Current status ? ○ Pending ○ On Appeal ◉ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Consent

CONSENT

11. Resolution Date (MM/DD/YYYY):
09/09/2008 ◉ Exact ○ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

- ☑ Monetary/Fine Amount:$ 24730
- ☐ Revocation/Expulsion/Denial
- ☐ Censure
- ☐ Bar
- ☐ Disgorgement/Restitution
- ☑ Cease and Desist/Injunction
- ☐ Suspension

B. Other Sanctions *Ordered*:

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
MONETARY PENALTY PAID AS FOLLOWS: PAID $24,730 BY COMPANY CHECK ON AUGUST 22, 2008

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
IN MAY 2005, MORGAN STANLEY DISCOVERED THAT CERTAIN ORDER ENTRY SYSTEMS AT THE FIRM AND THE FIRM'S PREDECESSOR RETAIL FIRM, MORGAN STANLEY DW, INC., FAILED TO CHECK WHETHER CERTAIN SECONDARY MARKET SECURITIES TRANSACTIONS COMPLIED WITH STATE REGISTRATION REQUIREMENTS (BLUE SKY LAWS). THE FIRM CONDUCTED AN INTERNAL INVESTIGATION, REPAIRED THE DEFICIENT SYSTEMS, SELF-REPORTED THE PROBLEM TO ALL AFFECTED STATE AND FEDERAL REGULATORS, IDENTIFIED TRANSACTIONS WHICH WERE EXECUTED IN VIOLATION OF THE BLUE SKY LAWS, AND OFFERED RESCISSION TO SUCH CUSTOMERS WITH TERMS AND CONDITIONS CONSISTENT WITH THE LAW OF THE STATE OF RESIDENCE OF EACH INVESTOR. THE FIRM ALSO COOPERATED WITH A MULTI-STATE INVESTIGATION OF THIS MATTER AND HAS AGREED TO SETTLE THE STATE REGULATORY ISSUES IN A MULTI-STATE SETTLEMENT WITH THE 46 AFFECTED STATE AND TERRITORIAL JURISDICTIONS. THE FIRM AGREED TO CONSENT TO AN ADMINISTRATIVE ORDER WITH EACH OF THE 46 STATE AND TERRITORIAL JURISDICTIONS AND TO PAY A TOTAL CIVIL MONETARY PENALTY OF $8.5 MILLION TO BE DIVIDED AMONG THE 46 STATE AND TERRITORIAL JURISDICTIONS. WITHOUT ADJUDICATION OF ANY ISSUES OF LAW OR FACT, AND WITHOUT ADMITTING OR DENYING ANY ALLEGATIONS OR FINDINGS, MORGAN STANLEY CONSENTED TO THE CONSENT ORDER ENTERED BY THE SOUTH CAROLINA SECURITIES COMMISSIONER, AS PART OF THE MULTI-STATE SETTLEMENT, TO RESOLVE ANY REMAINING REGULATORY ISSUES WITH SOUTH CAROLINA. AS PART OF THE SETTLEMENT, THE FIRM AGREES TO CEASE AND DESIST FROM VIOLATING THE SOUTH CAROLINA UNIFORM SECURITIES ACT AND TO PAY A $24,730 PENALTY TO THE STATE OF SOUTH CAROLINA, WHICH CONSTITUTES SOUTH CAROLINA'S SHARE OF THE MULTI-STATE PENALTY OF $8.5 MILLION.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ◉ INITIAL ***OR*** ○ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action			
☐ 11.C(1)	☐ 11.C(5)	☑ 11.D(4)	☐ 11.E(3)
☐ 11.C(2)	☐ 11.D(1)	☐ 11.D(5)	☐ 11.E(4)
☐ 11.C(3)	☑ 11.D(2)	☐ 11.E(1)	☐ 11.F
☐ 11.C(4)	☐ 11.D(3)	☐ 11.E(2)	☐ 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

(•) You (the advisory firm)

( ) You and one or more of your *advisory affiliates*

( ) One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

( ) *Yes* ( ) *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

( ) SEC ( ) Other Federal (•) State ( ) *SRO* ( ) Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
MASSACHUSETTS SECURITIES DIVISION

2. Principal Sanction:
Civil and Administrative Penalt(ies) /Fine(s)
Other Sanctions:
CEASE & DESIST

3. Date Initiated (MM/DD/YYYY):
10/31/2008 (•) Exact ( ) Explanation

If not exact, provide explanation:

4. Docket/Case Number:
E-2005-0197

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
Debt - Corporate
Other Product Types:
EQUITY - OTC; ADR ON FOREIGN SECURITIES; SYNTHETIC

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

FROM AT LEAST JANUARY 1997 UNTIL MAY 2005, CERTAIN ORDER ENTRY SYSTEMS AT THE FIRM AND THE FIRM'S PREDECESSOR RETAIL FIRM, MORGAN STANLEY DW, INC., FAILED TO CHECK WHETHER CERTAIN SECONDARY MARKET SECURITIES TRANSACTIONS COMPLIED WITH STATE REGISTRATION REQUIREMENTS (BLUE SKY LAWS) RESULTING IN THE SALE OF UNREGISTERED SECURITIES IN 46 STATE AND TERRITORIAL JURISDICTIONS, INCLUDING MASSACHUSETTS. AS PART OF A MULTI-STATE SETTLEMENT WITH 46 STATE AND TERRITORIAL JURISDICTIONS, THE MASSACHUSETTS SECURITIES DIVISION (DIVISION) FOUND THAT MORGAN STANLEY'S FAILURE TO MAINTAIN ADEQUATE SYSTEMS TO REASONABLY ENSURE COMPLIANCE WITH THE BLUE SKY LAWS RESULTED IN THE SALE OF UNREGISTERED SECURITIES IN VIOLATION OF SECTION 301 OF THE MASSACHUSETTS UNIFORM SECURITIES ACT (ACT) AND MORGAN STANLEY FAILED TO REASONABLY SUPERVISE ITS AGENTS OR EMPLOYEES IN VIOLATION OF ACT. THE DIVISION FINED THE FIRM $376,114 WHICH WAS MASSACHUSETTS' SHARE OF THE MULTI-STATE SETTLEMENT PENALTY OF $8.5 MILLION, AND ORDERED THE FIRM TO CEASE AND DESIST FROM VIOLATING THE ACT.

8. Current status ? ( ) Pending ( ) On Appeal (•) Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Consent

CONSENT

11. Resolution Date (MM/DD/YYYY):

10/31/2008 (•) Exact ( ) Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

- [x] Monetary/Fine Amount:$ 376114
- [ ] Revocation/Expulsion/Denial
- [ ] Disgorgement/Restitution
- [ ] Censure
- [x] Cease and Desist/Injunction
- [ ] Bar
- [ ] Suspension

B. Other Sanctions *Ordered*:

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
MONETARY PENALTY PAID AS FOLLOWS: PAID $376,114 BY COMPANY CHECK ON OCTOBER 30, 2008

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
IN MAY 2005, MORGAN STANLEY DISCOVERED THAT CERTAIN ORDER ENTRY SYSTEMS AT THE FIRM AND THE FIRM'S PREDECESSOR RETAIL FIRM, MORGAN STANLEY DW, INC., FAILED TO CHECK WHETHER CERTAIN SECONDARY MARKET SECURITIES TRANSACTIONS COMPLIED WITH STATE REGISTRATION REQUIREMENTS (BLUE SKY LAWS). THE FIRM CONDUCTED AN INTERNAL INVESTIGATION, REPAIRED THE DEFICIENT SYSTEMS, SELF-REPORTED THE PROBLEM TO ALL AFFECTED STATE AND FEDERAL REGULATORS, IDENTIFIED TRANSACTIONS WHICH WERE EXECUTED IN VIOLATION OF THE BLUE SKY LAWS, AND OFFERED RESCISSION TO SUCH CUSTOMERS WITH TERMS AND CONDITIONS CONSISTENT WITH THE LAW OF THE STATE OF RESIDENCE OF EACH INVESTOR. THE FIRM ALSO COOPERATED WITH A MULTI-STATE INVESTIGATION OF THIS MATTER AND HAS AGREED TO SETTLE THE STATE REGULATORY ISSUES IN A MULTI-STATE SETTLEMENT WITH THE 46 AFFECTED STATE AND TERRITORIAL JURISDICTIONS. THE FIRM AGREED TO CONSENT TO AN ADMINISTRATIVE ORDER WITH EACH OF THE 46 STATE AND TERRITORIAL JURISDICTIONS AND TO PAY A TOTAL CIVIL MONETARY PENALTY OF $8.5 MILLION TO BE DIVIDED AMONG THE 46 STATE AND TERRITORIAL JURISDICTIONS. WITHOUT ADJUDICATION OF ANY ISSUES OF LAW OR FACT, AND WITHOUT ADMITTING OR DENYING ANY ALLEGATIONS OR FINDINGS, MORGAN STANLEY CONSENTED TO THE FINDINGS OF FACT, CONCLUSIONS OF LAW AND CONSENT ORDER ENTERED BY THE MASSACHUSETTS SECURITIES DIVISION, AS PART OF THE MULTI-STATE SETTLEMENT, TO RESOLVE ANY REMAINING REGULATORY ISSUES WITH MASSACHUSETTS. AS PART OF THE SETTLEMENT, THE FIRM AGREES TO CEASE AND DESIST FROM VIOLATING THE MASSACHUSETTS UNIFORM SECURITIES ACT AND TO PAY A $376,114 PENALTY TO THE COMMONWEALTH OF MASSACHUSETTS, WHICH CONSTITUTES MASSACHUSETTS' SHARE OF THE MULTI-STATE PENALTY OF $8.5 MILLION.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an (•) INITIAL ***OR*** ( ) AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action			
[ ] 11.C(1)	[ ] 11.C(5)	[x] 11.D(4)	[ ] 11.E(3)
[ ] 11.C(2)	[ ] 11.D(1)	[ ] 11.D(5)	[ ] 11.E(4)
[ ] 11.C(3)	[x] 11.D(2)	[ ] 11.E(1)	[ ] 11.F
[ ] 11.C(4)	[ ] 11.D(3)	[ ] 11.E(2)	[ ] 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- (•) You (the advisory firm)
- ( ) You and one or more of your *advisory affiliates*
- ( ) One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*

No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

○ *Yes* ○ *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

○ SEC ○ Other Federal ◉ State ○ *SRO* ○ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)

MAINE OFFICE OF SECURITIES

2. Principal Sanction:

Civil and Administrative Penalt(ies) /Fine(s)

Other Sanctions:

CEASE & DESIST

3. Date Initiated (MM/DD/YYYY):

11/14/2008 ◉ Exact ○ Explanation

If not exact, provide explanation:

4. Docket/Case Number:

09-001-COR

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:

Debt - Corporate

Other Product Types:

EQUITY - OTC; ADR ON FOREIGN SECURITIES; SYNTHETIC

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

FROM AT LEAST JANUARY 1997 UNTIL MAY 2005, CERTAIN ORDER ENTRY SYSTEMS AT THE FIRM AND THE FIRM'S PREDECESSOR RETAIL FIRM, MORGAN STANLEY DW, INC., FAILED TO CHECK WHETHER CERTAIN SECONDARY MARKET SECURITIES TRANSACTIONS COMPLIED WITH STATE REGISTRATION REQUIREMENTS (BLUE SKY LAWS) RESULTING IN THE SALE OF UNREGISTERED SECURITIES IN 46 STATE AND TERRITORIAL JURISDICTIONS, INCLUDING MAINE. AS PART OF A MULTI-STATE SETTLEMENT WITH 46 STATE AND TERRITORIAL JURISDICTIONS, THE MAINE OFFICE OF SECURITIES (OFFICE) FOUND THAT MORGAN STANLEY'S FAILURE TO MAINTAIN ADEQUATE SYSTEMS TO REASONABLY ENSURE COMPLIANCE WITH THE BLUE SKY LAWS RESULTED IN THE SALE OF UNREGISTERED SECURITIES IN VIOLATION OF SECTIONS 10401 OF THE REVISED MAINE SECURITIES ACT (ACT) AND MORGAN STANLEY FAILED TO REASONABLY SUPERVISE ITS AGENTS OR EMPLOYEES IN VIOLATION OF THE ACT. THE OFFICE FINED THE FIRM $36,420 WHICH WAS MAINE'S SHARE OF THE MULTI-STATE SETTLEMENT PENALTY OF $8.5 MILLION, AND ORDERED THE FIRM TO CEASE AND DESIST FROM VIOLATING THE ACT.

8. Current status ? ○ Pending ○ On Appeal ◉ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:

Consent

CONSENT

11. Resolution Date (MM/DD/YYYY):

11/14/2008 ◉ Exact ○ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☑ Monetary/Fine Amount:$ 36420

☐ Revocation/Expulsion/Denial

☐ Censure

☐ Bar

☐ Disgorgement/Restitution

☑ Cease and Desist/Injunction

☐ Suspension

B. Other Sanctions *Ordered*:

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
MONETARY PENALTY PAID AS FOLLOWS: PAID $36,420 BY COMPANY CHECK ON NOVEMBER 11, 2008

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
IN MAY 2005, MORGAN STANLEY DISCOVERED THAT CERTAIN ORDER ENTRY SYSTEMS AT THE FIRM AND THE FIRM'S PREDECESSOR RETAIL FIRM, MORGAN STANLEY DW, INC., FAILED TO CHECK WHETHER CERTAIN SECONDARY MARKET SECURITIES TRANSACTIONS COMPLIED WITH STATE REGISTRATION REQUIREMENTS (BLUE SKY LAWS). THE FIRM CONDUCTED AN INTERNAL INVESTIGATION, REPAIRED THE DEFICIENT SYSTEMS, SELF-REPORTED THE PROBLEM TO ALL AFFECTED STATE AND FEDERAL REGULATORS, IDENTIFIED TRANSACTIONS WHICH WERE EXECUTED IN VIOLATION OF THE BLUE SKY LAWS, AND OFFERED RESCISSION TO SUCH CUSTOMERS WITH TERMS AND CONDITIONS CONSISTENT WITH THE LAW OF THE STATE OF RESIDENCE OF EACH INVESTOR. THE FIRM ALSO COOPERATED WITH A MULTI-STATE INVESTIGATION OF THIS MATTER AND HAS AGREED TO SETTLE THE STATE REGULATORY ISSUES IN A MULTI-STATE SETTLEMENT WITH THE 46 AFFECTED STATE AND TERRITORIAL JURISDICTIONS. THE FIRM AGREED TO CONSENT TO AN ADMINISTRATIVE ORDER WITH EACH OF THE 46 STATE AND TERRITORIAL JURISDICTIONS AND TO PAY A TOTAL CIVIL MONETARY PENALTY OF $8.5 MILLION TO BE DIVIDED AMONG THE 46 STATE AND TERRITORIAL JURISDICTIONS. WITHOUT ADJUDICATION OF ANY ISSUES OF LAW OR FACT, AND WITHOUT ADMITTING OR DENYING ANY ALLEGATIONS OR FINDINGS, MORGAN STANLEY CONSENTED TO THE CONSENT ORDER ENTERED BY THE MAINE OFFICE OF SECURITIES, AS PART OF THE MULTI-STATE SETTLEMENT, TO RESOLVE ANY REMAINING REGULATORY ISSUES WITH MAINE. AS PART OF THE SETTLEMENT, THE FIRM AGREES TO CEASE AND DESIST FROM VIOLATING THE REVISED MAINE SECURITIES ACT AND TO PAY A $36,420 PENALTY TO THE STATE OF MAINE, WHICH CONSTITUTES MAINE'S SHARE OF THE MULTI-STATE PENALTY OF $8.5 MILLION.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an (•) INITIAL ***OR*** ( ) AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action			
☐ 11.C(1)	☐ 11.C(5)	☑ 11.D(4)	☐ 11.E(3)
☐ 11.C(2)	☐ 11.D(1)	☐ 11.D(5)	☐ 11.E(4)
☐ 11.C(3)	☑ 11.D(2)	☐ 11.E(1)	☐ 11.F
☐ 11.C(4)	☐ 11.D(3)	☐ 11.E(2)	☐ 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

(•) You (the advisory firm)

( ) You and one or more of your *advisory affiliates*

( ) One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

( ) *Yes* ( ) *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:
○ SEC ○ Other Federal ◉ State ○ *SRO* ○ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
NEW JERSEY BUREAU OF SECURITIES

2. Principal Sanction:
Civil and Administrative Penalt(ies) /Fine(s)
Other Sanctions:
CEASE & DESIST

3. Date Initiated (MM/DD/YYYY):
09/29/2008 ◉ Exact ○ Explanation

If not exact, provide explanation:

4. Docket/Case Number:
2007-002

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
Debt - Corporate
Other Product Types:
EQUITY - OTC; ADR ON FOREIGN SECURITIES; SYNTHETIC

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

FROM AT LEAST JANUARY 1997 UNTIL MAY 2005, CERTAIN ORDER ENTRY SYSTEMS AT THE FIRM AND THE FIRM'S PREDECESSOR RETAIL FIRM, MORGAN STANLEY DW, INC., FAILED TO CHECK WHETHER CERTAIN SECONDARY MARKET SECURITIES TRANSACTIONS COMPLIED WITH STATE REGISTRATION REQUIREMENTS (BLUE SKY LAWS) RESULTING IN THE SALE OF UNREGISTERED SECURITIES IN 46 STATE AND TERRITORIAL JURISDICTIONS, INCLUDING NEW JERSEY. AS PART OF A MULTI-STATE SETTLEMENT WITH 46 STATE AND TERRITORIAL JURISDICTIONS, THE NEW JERSEY BUREAU OF SECURITIES (BUREAU) FOUND THAT MORGAN STANLEY'S FAILURE TO MAINTAIN ADEQUATE SYSTEMS TO REASONABLY ENSURE COMPLIANCE WITH THE BLUE SKY LAWS RESULTED IN THE SALE OF UNREGISTERED SECURITIES IN VIOLATION OF SECTION 49:3-60 OF THE UNIFORM SECURITES LAW (1997) (LAW) AND MORGAN STANLEY FAILED TO REASONABLY SUPERVISE ITS AGENTS OR EMPLOYEES IN VIOLATION OF THE LAW. THE BUREAU FINED THE FIRM $1,541,550 WHICH WAS NEW JERSEY'S SHARE OF THE MULTI-STATE SETTLEMENT PENALTY OF $8.5 MILLION, AND ORDERED THE FIRM TO CEASE AND DESIST FROM VIOLATING THE LAW.

8. Current status ? ○ Pending ○ On Appeal ◉ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Consent

CONSENT

11. Resolution Date (MM/DD/YYYY):
09/29/2008 ◉ Exact ○ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☑ Monetary/Fine Amount:$ 1541550

☐ Revocation/Expulsion/Denial

☐ Disgorgement/Restitution

☐ Censure

☑ Cease and Desist/Injunction

☐ Bar

☐ Suspension

B. Other Sanctions *Ordered*:

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
MONETARY PENALTY PAID AS FOLLOWS: PAID $1,541,550 BY COMPANY CHECK ON SEPTEMBER 26, 2008

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
IN MAY 2005, MORGAN STANLEY DISCOVERED THAT CERTAIN ORDER ENTRY SYSTEMS AT THE FIRM AND THE FIRM'S PREDECESSOR RETAIL FIRM, MORGAN STANLEY DW, INC., FAILED TO CHECK WHETHER CERTAIN SECONDARY MARKET SECURITIES TRANSACTIONS COMPLIED WITH STATE REGISTRATION REQUIREMENTS (BLUE SKY LAWS). THE FIRM CONDUCTED AN INTERNAL INVESTIGATION, REPAIRED THE DEFICIENT SYSTEMS, SELF-REPORTED THE PROBLEM TO ALL AFFECTED STATE AND FEDERAL REGULATORS, IDENTIFIED TRANSACTIONS WHICH WERE EXECUTED IN VIOLATION OF THE BLUE SKY LAWS, AND OFFERED RESCISSION TO SUCH CUSTOMERS WITH TERMS AND CONDITIONS CONSISTENT WITH THE LAW OF THE STATE OF RESIDENCE OF EACH INVESTOR. THE FIRM ALSO COOPERATED WITH A MULTI-STATE INVESTIGATION OF THIS MATTER AND HAS AGREED TO SETTLE THE STATE REGULATORY ISSUES IN A MULTI-STATE SETTLEMENT WITH THE 46

AFFECTED STATE AND TERRITORIAL JURISDICTIONS. THE FIRM AGREED TO CONSENT TO AN ADMINISTRATIVE ORDER WITH EACH OF THE 46 STATE AND TERRITORIAL JURISDICTIONS AND TO PAY A TOTAL CIVIL MONETARY PENALTY OF $8.5 MILLION TO BE DIVIDED AMONG THE 46 STATE AND TERRITORIAL JURISDICTIONS. WITHOUT ADJUDICATION OF ANY ISSUES OF LAW OR FACT, AND WITHOUT ADMITTING OR DENYING ANY ALLEGATIONS OR FINDINGS, MORGAN STANLEY CONSENTED TO THE CONSENT ORDER ENTERED BY THE NEW JERSEY BUREAU OF SECURITIES, AS PART OF THE MULTI-STATE SETTLEMENT, TO RESOLVE ANY REMAINING REGULATORY ISSUES WITH NEW JERSEY. AS PART OF THE SETTLEMENT, THE FIRM AGREES TO CEASE AND DESIST FROM VIOLATING THE UNIFORM SECURITIES LAW (1997) AND TO PAY A $1,541,550 PENALTY TO THE NEW JERSERY BUREAU OF SECURITIES, WHICH CONSTITUTES NEW JERSEY'S SHARE OF THE MULTI-STATE PENALTY OF $8.5 MILLION.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an (•) INITIAL ***OR*** ( ) AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action			
☐ 11.C(1)	☐ 11.C(5)	☑ 11.D(4)	☐ 11.E(3)
☐ 11.C(2)	☐ 11.D(1)	☐ 11.D(5)	☐ 11.E(4)
☐ 11.C(3)	☑ 11.D(2)	☐ 11.E(1)	☐ 11.F
☐ 11.C(4)	☐ 11.D(3)	☐ 11.E(2)	☐ 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

(•) You (the advisory firm)

( ) You and one or more of your *advisory affiliates*

( ) One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

( ) *Yes* ( ) *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

( ) SEC ( ) Other Federal (•) State ( ) *SRO* ( ) Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
ILLINOIS SECURITIES DEPARTMENT

2. Principal Sanction:
Civil and Administrative Penalt(ies) /Fine(s)
Other Sanctions:
CEASE & DESIST

3. Date Initiated (MM/DD/YYYY):
12/04/2008 (•) Exact ( ) Explanation

If not exact, provide explanation:

4. Docket/Case Number:
08-00572

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
Debt - Corporate
Other Product Types:
EQUITY - OTC; ADR ON FOREIGN SECURITIES; SYNTHETIC

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

FROM AT LEAST JANUARY 1997 UNTIL MAY 2005, CERTAIN ORDER ENTRY SYSTEMS AT THE FIRM AND THE FIRM'S PREDECESSOR RETAIL FIRM, MORGAN STANLEY DW, INC., FAILED TO CHECK WHETHER CERTAIN SECONDARY MARKET SECURITIES TRANSACTIONS COMPLIED WITH STATE REGISTRATION REQUIREMENTS (BLUE SKY LAWS) RESULTING IN THE SALE OF UNREGISTERED SECURITIES IN 46 STATE AND TERRITORIAL JURISDICTIONS, INCLUDING ILLINOIS. AS PART OF A MULTI-STATE SETTLEMENT WITH 46 STATE AND TERRITORIAL JURISDICTIONS, THE ILLINOIS SECURITIES DEPARTMENT (DEPARTMENT) FOUND THAT MORGAN STANLEY'S FAILURE TO MAINTAIN ADEQUATE SYSTEMS TO REASONABLY ENSURE COMPLIANCE WITH THE BLUE SKY LAWS RESULTED IN THE SALE OF UNREGISTERED SECURITIES IN VIOLATION OF SECTIONS 12.A AND 12.D OF THE ILLINOIS SECURITIES ACT (ACT) AND MORGAN STANLEY FAILED TO REASONABLY SUPERVISE ITS AGENTS OR EMPLOYEES IN VIOLATION OF THE ACT. THE DEPARTMENT FINED THE FIRM $621,161 WHICH WAS ILLINOIS' SHARE OF THE MULTI-STATE SETTLEMENT PENALTY OF $8.5 MILLION, AND ORDERED THE FIRM TO CEASE AND DESIST FROM VIOLATING THE ACT.

8. Current status ? ○ Pending ○ On Appeal ◉ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Consent

CONSENT

11. Resolution Date (MM/DD/YYYY):
12/04/2008 ◉ Exact ○ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

- ☑ Monetary/Fine Amount:$ 621161
- ☐ Revocation/Expulsion/Denial
- ☐ Censure
- ☐ Bar
- ☐ Disgorgement/Restitution
- ☑ Cease and Desist/Injunction
- ☐ Suspension

B. Other Sanctions *Ordered*:

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
PAID $621,161 BY COMPANY CHECK ON DECEMBER 4, 2008

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
IN MAY 2005, MORGAN STANLEY DISCOVERED THAT CERTAIN ORDER ENTRY SYSTEMS AT THE FIRM AND THE FIRM'S PREDECESSOR RETAIL FIRM, MORGAN STANLEY DW, INC., FAILED TO CHECK WHETHER CERTAIN SECONDARY MARKET SECURITIES TRANSACTIONS COMPLIED WITH STATE REGISTRATION REQUIREMENTS (BLUE SKY LAWS). THE FIRM CONDUCTED AN INTERNAL INVESTIGATION, REPAIRED THE DEFICIENT SYSTEMS, SELF-REPORTED THE PROBLEM TO ALL AFFECTED STATE AND FEDERAL REGULATORS, IDENTIFIED TRANSACTIONS WHICH WERE EXECUTED IN VIOLATION OF THE BLUE SKY LAWS, AND OFFERED RESCISSION TO SUCH CUSTOMERS WITH TERMS AND CONDITIONS CONSISTENT WITH THE LAW OF THE STATE OF RESIDENCE OF EACH INVESTOR. THE FIRM ALSO COOPERATED WITH A MULTI-STATE INVESTIGATION OF THIS MATTER AND HAS AGREED TO SETTLE THE STATE REGULATORY ISSUES IN A MULTI-STATE SETTLEMENT WITH THE 46 AFFECTED STATE AND TERRITORIAL JURISDICTIONS. THE FIRM AGREED TO CONSENT TO AN ADMINISTRATIVE ORDER WITH EACH OF THE 46 STATE AND TERRITORIAL JURISDICTIONS AND TO PAY A TOTAL CIVIL MONETARY PENALTY OF $8.5 MILLION TO BE DIVIDED AMONG THE 46 STATE AND TERRITORIAL JURISDICTIONS. WITHOUT ADJUDICATION OF ANY ISSUES OF LAW OR FACT, AND WITHOUT ADMITTING OR DENYING ANY ALLEGATIONS OR FINDINGS, MORGAN STANLEY CONSENTED TO THE CONSENT ORDER ENTERED BY THE ILLINOIS SECURITIES DEPARTMENT (DEPARTMENT), AS PART OF THE MULTI-STATE SETTLEMENT, TO RESOLVE ANY REMAINING REGULATORY ISSUES WITH ILLINOIS. AS PART OF THE SETTLEMENT, THE FIRM AGREES TO CEASE AND DESIST FROM VIOLATING THE ILLINOIS SECURITIES ACT AND TO PAY A $621,161 PENALTY TO THE DEPARTMENT, WHICH CONSTITUTES ILLINOIS' SHARE OF THE MULTI-STATE PENALTY OF $8.5 MILLION.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ◉ INITIAL ***OR*** ○ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action

☐ 11.C(1)	☐ 11.C(5)	☑ 11.D(4)	☐ 11.E(3)
☐ 11.C(2)	☐ 11.D(1)	☐ 11.D(5)	☐ 11.E(4)
☐ 11.C(3)	☑ 11.D(2)	☐ 11.E(1)	☐ 11.F
☐ 11.C(4)	☐ 11.D(3)	☐ 11.E(2)	☐ 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- ◉ You (the advisory firm)
- ○ You and one or more of your *advisory affiliates*
- ○ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

○ *Yes* ○ *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

○ SEC ○ Other Federal ◉ State ○ *SRO* ○ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
MINNESOTA DEPARTMENT OF COMMERCE

2. Principal Sanction:
Civil and Administrative Penalt(ies) /Fine(s)
Other Sanctions:
CEASE & DESIST

3. Date Initiated (MM/DD/YYYY):
10/24/2008 ◉ Exact ○ Explanation

If not exact, provide explanation:

4. Docket/Case Number:
N/A

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
Debt - Corporate
Other Product Types:
EQUITY - OTC; ADR ON FOREIGN SECURITIES; SYNTHETIC

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

FROM AT LEAST JANUARY 1997 UNTIL MAY 2005, CERTAIN ORDER ENTRY SYSTEMS AT THE FIRM AND THE FIRM'S PREDECESSOR RETAIL FIRM, MORGAN STANLEY DW, INC., FAILED TO CHECK WHETHER CERTAIN SECONDARY MARKET SECURITIES TRANSACTIONS COMPLIED WITH STATE REGISTRATION REQUIREMENTS (BLUE SKY LAWS) RESULTING IN THE SALE OF UNREGISTERED SECURITIES IN 46 STATE AND TERRITORIAL JURISDICTIONS, INCLUDING MINNESOTA. AS PART OF A MULTI-STATE SETTLEMENT WITH 46 STATE AND TERRITORIAL JURISDICTIONS, THE MINNESOTA COMMISSIONER OF COMMERCE ("COMMISSIONER") FOUND THAT MORGAN

STANLEY'S FAILURE TO MAINTAIN ADEQUATE SYSTEMS TO REASONABLY ENSURE COMPLIANCE WITH THE BLUE SKY LAWS RESULTED IN THE SALE OF UNREGISTERED SECURITIES IN VIOLATION OF SECTION 80A.08 OF THE MINNESOTA STATUTES ("STATUTES") AND MORGAN STANLEY FAILED TO REASONABLY SUPERVISE ITS AGENTS OR EMPLOYEES IN VIOLATION OF STATUTES. THE COMMISSIONER FINED THE FIRM $151,300 WHICH WAS MINNESOTA'S SHARE OF THE MULTI-STATE SETTLEMENT PENALTY OF $8.5 MILLION, AND ORDERED THE FIRM TO CEASE AND DESIST FROM VIOLATING THE STATUTES

8. Current status ? ○ Pending ○ On Appeal ◉ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
    Consent

    CONSENT

11. Resolution Date (MM/DD/YYYY):
    10/24/2008 ◉ Exact ○ Explanation

    If not exact, provide explanation:

12. Resolution Detail:

    A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

    - ☑ Monetary/Fine Amount:$ 151300
    - ☐ Revocation/Expulsion/Denial
    - ☐ Censure
    - ☐ Bar
    - ☐ Disgorgement/Restitution
    - ☑ Cease and Desist/Injunction
    - ☐ Suspension

    B. Other Sanctions *Ordered*:

    Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
    MONETARY PENALTY PAID AS FOLLOWS: PAID $151,300 BY COMPANY CHECK ON OCTOBER 15, 2008

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
    IN MAY 2005, MORGAN STANLEY DISCOVERED THAT CERTAIN ORDER ENTRY SYSTEMS AT THE FIRM AND THE FIRM'S PREDECESSOR RETAIL FIRM, MORGAN STANLEY DW, INC., FAILED TO CHECK WHETHER CERTAIN SECONDARY MARKET SECURITIES TRANSACTIONS COMPLIED WITH STATE REGISTRATION REQUIREMENTS (BLUE SKY LAWS). THE FIRM CONDUCTED AN INTERNAL INVESTIGATION, REPAIRED THE DEFICIENT SYSTEMS, SELF-REPORTED THE PROBLEM TO ALL AFFECTED STATE AND FEDERAL REGULATORS, IDENTIFIED TRANSACTIONS WHICH WERE EXECUTED IN VIOLATION OF THE BLUE SKY LAWS, AND OFFERED RESCISSION TO SUCH CUSTOMERS WITH TERMS AND CONDITIONS CONSISTENT WITH THE LAW OF THE STATE OF RESIDENCE OF EACH INVESTOR. THE FIRM ALSO COOPERATED WITH A MULTI-STATE INVESTIGATION OF THIS MATTER AND HAS AGREED TO SETTLE THE STATE REGULATORY ISSUES IN A MULTI-STATE SETTLEMENT WITH THE 46 AFFECTED STATE AND TERRITORIAL JURISDICTIONS. THE FIRM AGREED TO CONSENT TO AN ADMINISTRATIVE ORDER WITH EACH OF THE 46 STATE AND TERRITORIAL JURISDICTIONS AND TO PAY A TOTAL CIVIL MONETARY PENALTY OF $8.5 MILLION TO BE DIVIDED AMONG THE 46 STATE AND TERRITORIAL JURISDICTIONS. WITHOUT ADJUDICATION OF ANY ISSUES OF LAW OR FACT, AND WITHOUT ADMITTING OR DENYING ANY ALLEGATIONS OR FINDINGS, MORGAN STANLEY CONSENTED TO THE CONSENT ORDER ENTERED BY THE MINNESOTA COMMISSIONER OF COMMERCE, AS PART OF THE MULTI-STATE SETTLEMENT, TO RESOLVE ANY REMAINING REGULATORY ISSUES WITH MINNESOTA. AS PART OF THE SETTLEMENT, THE FIRM AGREES TO CEASE AND DESIST FROM VIOLATING THE MINNESOTA STATUTES AND TO PAY A $151,300 PENALTY TO THE MINNESOTA DEPARTMENT OF COMMERCE, WHICH CONSTITUTES MINNESOTA'S SHARE OF THE MULTI-STATE PENALTY OF $8.5 MILLION.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ◉ INITIAL ***OR*** ○ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action			
☐ 11.C(1)	☐ 11.C(5)	☑ 11.D(4)	☐ 11.E(3)
☐ 11.C(2)	☐ 11.D(1)	☐ 11.D(5)	☐ 11.E(4)
☐ 11.C(3)	☑ 11.D(2)	☐ 11.E(1)	☐ 11.F
☐ 11.C(4)	☐ 11.D(3)	☐ 11.E(2)	☐ 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- (•) You (the advisory firm)
- ( ) You and one or more of your *advisory affiliates*
- ( ) One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

( ) *Yes* ( ) *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:
   ( ) SEC ( ) Other Federal (•) State ( ) *SRO* ( ) Foreign
   (Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
   HAWAII DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS

2. Principal Sanction:
   Civil and Administrative Penalt(ies) /Fine(s)
   Other Sanctions:
   CEASE & DESIST

3. Date Initiated (MM/DD/YYYY):
   09/19/2008 (•) Exact ( ) Explanation
   If not exact, provide explanation:

4. Docket/Case Number:
   SEU-2006-035

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
   Debt - Corporate
   Other Product Types:
   EQUITY - OTC; ADR ON FOREIGN SECURITIES; SYNTHETIC

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):
   FROM AT LEAST JANUARY 1997 UNTIL MAY 2005, CERTAIN ORDER ENTRY SYSTEMS AT THE FIRM AND THE FIRM'S PREDECESSOR RETAIL FIRM, MORGAN STANLEY DW, INC., FAILED TO CHECK WHETHER CERTAIN SECONDARY MARKET SECURITIES TRANSACTIONS COMPLIED WITH STATE REGISTRATION REQUIREMENTS (BLUE SKY LAWS) RESULTING IN THE SALE OF UNREGISTERED SECURITIES IN 46 STATE AND TERRITORIAL JURISDICTIONS, INCLUDING HAWAII. AS PART OF A MULTI-STATE SETTLEMENT WITH 46 STATE AND TERRITORIAL JURISDICTIONS, THE HAWAII DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS (DEPARTMENT) FOUND THAT MORGAN STANLEY'S FAILURE TO MAINTAIN ADEQUATE SYSTEMS TO REASONABLY ENSURE COMPLIANCE WITH THE BLUE SKY LAWS RESULTED IN THE SALE OF UNREGISTERED SECURITIES IN VIOLATION OF SECTION 485-8 OF THE HAWAII UNIFORM SECURITIES ACT (ACT) AND MORGAN STANLEY FAILED TO REASONABLY SUPERVISE ITS AGENTS OR EMPLOYEES IN VIOLATION OF ACT. THE DEPARTMENT FINED THE FIRM $67,440 WHICH WAS HAWAII'S SHARE OF THE MULTI-STATE SETTLEMENT PENALTY OF $8.5 MILLION, AND ORDERED THE FIRM TO CEASE AND DESIST FROM VIOLATING THE ACT.

8. Current status ? ( ) Pending ( ) On Appeal (•) Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
    Consent
    CONSENT

11. Resolution Date (MM/DD/YYYY):

09/19/2008 (•) Exact ( ) Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

- [x] Monetary/Fine Amount:$ 67440
- [ ] Revocation/Expulsion/Denial
- [ ] Censure
- [ ] Bar
- [ ] Disgorgement/Restitution
- [x] Cease and Desist/Injunction
- [ ] Suspension

B. Other Sanctions *Ordered*:

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
MONETARY PENALTY PAID AS FOLLOWS: PAID $67,440 BY COMPANY CHECK ON SEPTEMBER 15, 2008

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
IN MAY 2005, MORGAN STANLEY DISCOVERED THAT CERTAIN ORDER ENTRY SYSTEMS AT THE FIRM AND THE FIRM'S PREDECESSOR RETAIL FIRM, MORGAN STANLEY DW, INC., FAILED TO CHECK WHETHER CERTAIN SECONDARY MARKET SECURITIES TRANSACTIONS COMPLIED WITH STATE REGISTRATION REQUIREMENTS (BLUE SKY LAWS). THE FIRM CONDUCTED AN INTERNAL INVESTIGATION, REPAIRED THE DEFICIENT SYSTEMS, SELF-REPORTED THE PROBLEM TO ALL AFFECTED STATE AND FEDERAL REGULATORS, IDENTIFIED TRANSACTIONS WHICH WERE EXECUTED IN VIOLATION OF THE BLUE SKY LAWS, AND OFFERED RESCISSION TO SUCH CUSTOMERS WITH TERMS AND CONDITIONS CONSISTENT WITH THE LAW OF THE STATE OF RESIDENCE OF EACH INVESTOR. THE FIRM ALSO COOPERATED WITH A MULTI-STATE INVESTIGATION OF THIS MATTER AND HAS AGREED TO SETTLE THE STATE REGULATORY ISSUES IN A MULTI-STATE SETTLEMENT WITH THE 46 AFFECTED STATE AND TERRITORIAL JURISDICTIONS. THE FIRM AGREED TO CONSENT TO AN ADMINISTRATIVE ORDER WITH EACH OF THE 46 STATE AND TERRITORIAL JURISDICTIONS AND TO PAY A TOTAL CIVIL MONETARY PENALTY OF $8.5 MILLION TO BE DIVIDED AMONG THE 46 STATE AND TERRITORIAL JURISDICTIONS. WITHOUT ADJUDICATION OF ANY ISSUES OF LAW OR FACT, AND WITHOUT ADMITTING OR DENYING ANY ALLEGATIONS OR FINDINGS, MORGAN STANLEY CONSENTED TO THE FINDINGS OF FACT, CONCLUSIONS OF LAW AND CONSENT ORDER ENTERED BY THE HAWAII DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS, AS PART OF THE MULTI-STATE SETTLEMENT, TO RESOLVE ANY REMAINING REGULATORY ISSUES WITH HAWAII. AS PART OF THE SETTLEMENT, THE FIRM AGREES TO CEASE AND DESIST FROM VIOLATING THE HAWAII UNIFORM SECURITIES ACT AND TO PAY A $67,440 ADMINISTRATIVE PENALTY TO THE STATE OF HAWAII, WHICH CONSTITUTES HAWAII'S SHARE OF THE MULTI-STATE PENALTY OF $8.5 MILLION.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an (•) INITIAL ***OR*** ( ) AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action			
[ ] 11.C(1)	[ ] 11.C(5)	[x] 11.D(4)	[ ] 11.E(3)
[ ] 11.C(2)	[ ] 11.D(1)	[ ] 11.D(5)	[ ] 11.E(4)
[ ] 11.C(3)	[x] 11.D(2)	[ ] 11.E(1)	[ ] 11.F
[ ] 11.C(4)	[ ] 11.D(3)	[ ] 11.E(2)	[ ] 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- (•) You (the advisory firm)
- ( ) You and one or more of your *advisory affiliates*
- ( ) One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

○ *Yes* ○ *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:
○ SEC ○ Other Federal ◉ State ○ *SRO* ○ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
WISCONSIN DEPARTMENT OF FINANCIAL INSTITUTIONS

2. Principal Sanction:
Civil and Administrative Penalt(ies) /Fine(s)
Other Sanctions:
CEASE & DESIST

3. Date Initiated (MM/DD/YYYY):
08/22/2008 ◉ Exact ○ Explanation

If not exact, provide explanation:

4. Docket/Case Number:
S-06111(LX)

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
Debt - Corporate
Other Product Types:
EQUITY - OTC; ADR ON FOREIGN SECURITIES; SYNTHETIC

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

FROM AT LEAST JANUARY 1997 UNTIL MAY 2005, CERTAIN ORDER ENTRY SYSTEMS AT THE FIRM AND THE FIRM'S PREDECESSOR RETAIL FIRM, MORGAN STANLEY DW, INC., FAILED TO CHECK WHETHER CERTAIN SECONDARY MARKET SECURITIES TRANSACTIONS COMPLIED WITH STATE REGISTRATION REQUIREMENTS (BLUE SKY LAWS) RESULTING IN THE SALE OF UNREGISTERED SECURITIES IN 46 STATE AND TERRITORIAL JURISDICTIONS, INCLUDING WISCONSIN. AS PART OF A MULTI-STATE SETTLEMENT WITH 46 STATE AND TERRITORIAL JURISDICTIONS, THE WISCONSIN DEPARTMENT OF FINANCIAL INSTITUTIONS (DEPARTMENT) FOUND THAT MORGAN STANLEY'S FAILURE TO MAINTAIN ADEQUATE SYSTEMS TO REASONABLY ENSURE COMPLIANCE WITH THE BLUE SKY LAWS RESULTED IN THE SALE OF UNREGISTERED SECURITIES IN VIOLATION OF SECTION 551.21(1) OF THE WISCONSIN UNIFORM SECURITIES LAW (LAW) AND MORGAN STANLEY FAILED TO REASONABLY SUPERVISE ITS AGENTS OR EMPLOYEES IN VIOLATION OF LAW. THE DEPARTMENT FINED THE FIRM $222,116 WHICH WAS WISCONSIN'S SHARE OF THE MULTI-STATE SETTLEMENT PENALTY OF $8.5 MILLION, AND ORDERED THE FIRM TO CEASE AND DESIST FROM VIOLATING THE LAW.

8. Current status ? ○ Pending ○ On Appeal ◉ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Consent

CONSENT

11. Resolution Date (MM/DD/YYYY):
08/22/2008 ◉ Exact ○ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☑ Monetary/Fine Amount:$ 222116

☐ Revocation/Expulsion/Denial

☐ Censure

☐ Bar

☐ Disgorgement/Restitution

☑ Cease and Desist/Injunction

☐ Suspension

B. Other Sanctions *Ordered*:

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
MONETARY PENALTY PAID AS FOLLOWS: PAID $222,116 BY COMPANY CHECK ON AUGUST 20, 2008

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
IN MAY 2005, MORGAN STANLEY DISCOVERED THAT CERTAIN ORDER ENTRY SYSTEMS AT THE FIRM AND THE FIRM'S PREDECESSOR RETAIL FIRM, MORGAN STANLEY DW, INC., FAILED TO CHECK WHETHER CERTAIN SECONDARY MARKET SECURITIES TRANSACTIONS COMPLIED WITH STATE REGISTRATION REQUIREMENTS (BLUE SKY LAWS). THE FIRM CONDUCTED AN INTERNAL INVESTIGATION, REPAIRED THE DEFICIENT SYSTEMS, SELF-REPORTED THE PROBLEM TO ALL AFFECTED STATE AND FEDERAL REGULATORS, IDENTIFIED TRANSACTIONS WHICH WERE EXECUTED IN VIOLATION OF THE BLUE SKY LAWS, AND OFFERED RESCISSION TO SUCH CUSTOMERS WITH TERMS AND CONDITIONS CONSISTENT WITH THE LAW OF THE STATE OF RESIDENCE OF EACH INVESTOR. THE FIRM ALSO COOPERATED WITH A MULTI-STATE INVESTIGATION OF THIS MATTER AND HAS AGREED TO SETTLE THE STATE REGULATORY ISSUES IN A MULTI-STATE SETTLEMENT WITH THE 46 AFFECTED STATE AND TERRITORIAL JURISDICTIONS. THE FIRM AGREED TO CONSENT TO AN ADMINISTRATIVE ORDER WITH EACH OF THE 46 STATE AND TERRITORIAL JURISDICTIONS AND TO PAY A TOTAL CIVIL MONETARY PENALTY OF $8.5 MILLION TO BE DIVIDED AMONG THE 46 STATE AND TERRITORIAL JURISDICTIONS. WITHOUT ADJUDICATION OF ANY ISSUES OF LAW OR FACT, AND WITHOUT ADMITTING OR DENYING ANY ALLEGATIONS OR FINDINGS, MORGAN STANLEY CONSENTED TO THE FINDINGS OF FACT, CONCLUSIONS OF LAW, AND CONSENT ORDER ENTERED BY THE WISCONSIN DEPARTMENT OF FINANCIAL INSTITUTIONS, AS PART OF THE MULTI-STATE SETTLEMENT, TO RESOLVE ANY REMAINING REGULATORY ISSUES WITH WISCONSIN. AS PART OF THE SETTLEMENT, THE FIRM AGREES TO CEASE AND DESIST FROM VIOLATING THE WISCONSIN UNIFORM SECURITIES LAW AND TO PAY A $222,116 PENALTY TO THE STATE OF WISCONSIN, WHICH CONSTITUTES WISCONSIN'S SHARE OF THE MULTI-STATE PENALTY OF $8.5 MILLION.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an (•) INITIAL ***OR*** ( ) AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action			
☐ 11.C(1)	☐ 11.C(5)	☑ 11.D(4)	☐ 11.E(3)
☐ 11.C(2)	☐ 11.D(1)	☐ 11.D(5)	☐ 11.E(4)
☐ 11.C(3)	☑ 11.D(2)	☐ 11.E(1)	☐ 11.F
☐ 11.C(4)	☐ 11.D(3)	☐ 11.E(2)	☐ 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

(•) You (the advisory firm)

( ) You and one or more of your *advisory affiliates*

( ) One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

( ) *Yes* ( ) *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

○ SEC ○ Other Federal ◉ State ○ *SRO* ○ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
DISTRICT OF COLUMBIA DEPARTMENT OF INSURANCE, SECURITIES AND BANKING

2. Principal Sanction:
Civil and Administrative Penalt(ies) /Fine(s)
Other Sanctions:
CEASE & DESIST

3. Date Initiated (MM/DD/YYYY):
10/11/2008 ◉ Exact ○ Explanation

If not exact, provide explanation:

4. Docket/Case Number:
SB-08-006

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
Debt - Corporate
Other Product Types:
EQUITY - OTC; ADR ON FOREIGN SECURITIES; SYNTHETIC

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

FROM AT LEAST JANUARY 1997 UNTIL MAY 2005, CERTAIN ORDER ENTRY SYSTEMS AT THE FIRM AND THE FIRM'S PREDECESSOR RETAIL FIRM, MORGAN STANLEY DW, INC., FAILED TO CHECK WHETHER CERTAIN SECONDARY MARKET SECURITIES TRANSACTIONS COMPLIED WITH STATE REGISTRATION REQUIREMENTS (BLUE SKY LAWS) RESULTING IN THE SALE OF UNREGISTERED SECURITIES IN 46 STATE AND TERRITORIAL JURISDICTIONS, INCLUDING THE DISTRICT OF COLUMBIA. AS PART OF A MULTI-STATE SETTLEMENT WITH 46 STATE AND TERRITORIAL JURISDICTIONS, THE DISTRICT OF COLUMBIA DEPARTMENT OF INSURANCE, SECURITIES AND BANKING (DEPARTMENT) FOUND THAT MORGAN STANLEY'S FAILURE TO MAINTAIN ADEQUATE SYSTEMS TO REASONABLY ENSURE COMPLIANCE WITH THE BLUE SKY LAWS RESULTED IN THE SALE OF UNREGISTERED SECURITIES IN VIOLATION OF SECTION 31-5603.01 OF THE DC SECURITIES ACT OF 2000 (ACT) AND MORGAN STANLEY FAILED TO REASONABLY SUPERVISE ITS AGENTS OR EMPLOYEES IN VIOLATION OF THE ACT. THE DEPARTMENT FINED THE FIRM $18,210 WHICH WAS THE DISTRICT OF COLUMBIA'S SHARE OF THE MULTI-STATE SETTLEMENT PENALTY OF $8.5 MILLION, AND ORDERED THE FIRM TO CEASE AND DESIST FROM VIOLATING THE ACT

8. Current status ? ○ Pending ○ On Appeal ◉ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Consent

CONSENT

11. Resolution Date (MM/DD/YYYY):
10/11/2008 ◉ Exact ○ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☑ Monetary/Fine Amount:$ 18210

☐ Revocation/Expulsion/Denial

☐ Censure

☐ Bar

☐ Disgorgement/Restitution

☑ Cease and Desist/Injunction

☐ Suspension

B. Other Sanctions *Ordered*:

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
MONETARY PENALTY PAID AS FOLLOWS: PAID $18,210 BY COMPANY CHECK ON SEPTEMBER 29, 2008

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
IN MAY 2005, MORGAN STANLEY DISCOVERED THAT CERTAIN ORDER ENTRY SYSTEMS AT THE FIRM AND THE FIRM'S PREDECESSOR RETAIL FIRM, MORGAN STANLEY DW, INC., FAILED TO CHECK WHETHER CERTAIN SECONDARY MARKET SECURITIES TRANSACTIONS COMPLIED WITH STATE REGISTRATION REQUIREMENTS (BLUE SKY LAWS). THE FIRM CONDUCTED AN INTERNAL INVESTIGATION, REPAIRED THE DEFICIENT SYSTEMS, SELF-REPORTED THE PROBLEM TO ALL AFFECTED STATE AND FEDERAL REGULATORS, IDENTIFIED TRANSACTIONS WHICH WERE EXECUTED IN VIOLATION OF THE BLUE SKY LAWS, AND OFFERED RESCISSION TO SUCH CUSTOMERS WITH TERMS AND CONDITIONS CONSISTENT WITH THE LAW OF THE STATE OF RESIDENCE OF EACH INVESTOR. THE FIRM ALSO COOPERATED WITH A MULTI-STATE INVESTIGATION OF THIS MATTER AND HAS AGREED TO SETTLE THE STATE REGULATORY ISSUES IN A MULTI-STATE SETTLEMENT WITH THE 46

AFFECTED STATE AND TERRITORIAL JURISDICTIONS. THE FIRM AGREED TO CONSENT TO AN ADMINISTRATIVE ORDER WITH EACH OF THE 46 STATE AND TERRITORIAL JURISDICTIONS AND TO PAY A TOTAL CIVIL MONETARY PENALTY OF $8.5 MILLION TO BE DIVIDED AMONG THE 46 STATE AND TERRITORIAL JURISDICTIONS. WITHOUT ADJUDICATION OF ANY ISSUES OF LAW OR FACT, AND WITHOUT ADMITTING OR DENYING ANY ALLEGATIONS OR FINDINGS, MORGAN STANLEY CONSENTED TO THE ADMINISTRATIVE CONSENT ORDER ENTERED BY THE DISTRICT OF COLUMBIA DEPARTMENT OF INSURANCE, SECURITIES AND BANKING, AS PART OF THE MULTI-STATE SETTLEMENT, TO RESOLVE ANY REMAINING REGULATORY ISSUES WITH THE DISTRICT OF COLUMBIA. AS PART OF THE SETTLEMENT, THE FIRM AGREES TO CEASE AND DESIST FROM VIOLATING THE DC SECURITIES ACT OF 2000 AND TO PAY A $18,210 PENALTY TO THE DISTRICT OF COLUMBIA, WHICH CONSTITUTES DISTRICT OF COLUMBIA'S SHARE OF THE MULTI-STATE PENALTY OF $8.5 MILLION.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an (•) INITIAL ***OR*** ( ) AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action			
☐ 11.C(1)	☐ 11.C(5)	☑ 11.D(4)	☐ 11.E(3)
☐ 11.C(2)	☐ 11.D(1)	☐ 11.D(5)	☐ 11.E(4)
☐ 11.C(3)	☑ 11.D(2)	☐ 11.E(1)	☐ 11.F
☐ 11.C(4)	☐ 11.D(3)	☐ 11.E(2)	☐ 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

(•) You (the advisory firm)

( ) You and one or more of your *advisory affiliates*

( ) One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*

No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

( ) *Yes* ( ) *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

( ) SEC ( ) Other Federal (•) State ( ) *SRO* ( ) Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
CONNECTICUT DEPARTMENT OF BANKING

2. Principal Sanction:
Civil and Administrative Penalt(ies) /Fine(s)
Other Sanctions:
CEASE & DESIST

3. Date Initiated (MM/DD/YYYY):
03/09/2009 (•) Exact ( ) Explanation

If not exact, provide explanation:

4. Docket/Case Number:
CO-09-7319-S

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
Debt - Corporate
Other Product Types:
EQUITY - OTC; ADR ON FOREIGN SECURITIES; SYNTHETIC

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

FROM AT LEAST JANUARY 1997 UNTIL MAY 2005, CERTAIN ORDER ENTRY SYSTEMS AT THE FIRM AND THE FIRM'S PREDECESSOR RETAIL FIRM, MORGAN STANLEY DW, INC., FAILED TO CHECK WHETHER CERTAIN SECONDARY MARKET SECURITIES TRANSACTIONS COMPLIED WITH STATE REGISTRATION REQUIREMENTS (BLUE SKY LAWS) RESULTING IN THE SALE OF UNREGISTERED SECURITIES IN 46 STATE AND TERRITORIAL JURISDICTIONS, INCLUDING CONNECTICUT. AS PART OF A MULTI-STATE SETTLEMENT WITH 46 STATE AND TERRITORIAL JURISDICTIONS, THE CONNECTICUT DEPARTMENT OF BANKING (DEPARTMENT) FOUND THAT MORGAN STANLEY'S FAILURE TO MAINTAIN ADEQUATE SYSTEMS TO REASONABLY ENSURE COMPLIANCE WITH THE BLUE SKY LAWS RESULTED IN THE SALE OF UNREGISTERED SECURITIES IN VIOLATION OF SECTION 36B-16 OF THE CONNECTICUT UNIFORM SECURITIES ACT (ACT) AND MORGAN STANLEY FAILED TO REASONABLY SUPERVISE ITS AGENTS OR EMPLOYEES IN VIOLATION OF THE ACT. THE DEPARTMENT FINED THE FIRM $85,879 WHICH WAS CONNECTICUT'S SHARE OF THE MULTI-STATE SETTLEMENT PENALTY OF $8.5 MILLION, AND ORDERED THE FIRM TO CEASE AND DESIST FROM VIOLATING THE ACT.

8. Current status ? ○ Pending ○ On Appeal ◉ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Consent

CONSENT

11. Resolution Date (MM/DD/YYYY):
03/09/2009 ◉ Exact ○ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

- ☑ Monetary/Fine Amount:$ 85879
- ☐ Revocation/Expulsion/Denial
- ☐ Censure
- ☐ Bar
- ☐ Disgorgement/Restitution
- ☑ Cease and Desist/Injunction
- ☐ Suspension

B. Other Sanctions *Ordered*:

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
MONETARY PENALTY PAID AS FOLLOWS: PAID $35,879 AND $50,000 BY COMPANY CHECKS ON MARCH 6, 2009

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
IN MAY 2005, MORGAN STANLEY DISCOVERED THAT CERTAIN ORDER ENTRY SYSTEMS AT THE FIRM AND THE FIRM'S PREDECESSOR RETAIL FIRM, MORGAN STANLEY DW, INC., FAILED TO CHECK WHETHER CERTAIN SECONDARY MARKET SECURITIES TRANSACTIONS COMPLIED WITH STATE REGISTRATION REQUIREMENTS (BLUE SKY LAWS). THE FIRM CONDUCTED AN INTERNAL INVESTIGATION, REPAIRED THE DEFICIENT SYSTEMS, SELF-REPORTED THE PROBLEM TO ALL AFFECTED STATE AND FEDERAL REGULATORS, IDENTIFIED TRANSACTIONS WHICH WERE EXECUTED IN VIOLATION OF THE BLUE SKY LAWS, AND OFFERED RESCISSION TO SUCH CUSTOMERS WITH TERMS AND CONDITIONS CONSISTENT WITH THE LAW OF THE STATE OF RESIDENCE OF EACH INVESTOR. THE FIRM ALSO COOPERATED WITH A MULTI-STATE INVESTIGATION OF THIS MATTER AND HAS AGREED TO SETTLE THE STATE REGULATORY ISSUES IN A MULTI-STATE SETTLEMENT WITH THE 46 AFFECTED STATE AND TERRITORIAL JURISDICTIONS. THE FIRM AGREED TO CONSENT TO AN ADMINISTRATIVE ORDER WITH EACH OF THE 46 STATE AND TERRITORIAL JURISDICTIONS AND TO PAY A TOTAL CIVIL MONETARY PENALTY OF $8.5 MILLION TO BE DIVIDED AMONG THE 46 STATE AND TERRITORIAL JURISDICTIONS. WITHOUT ADJUDICATION OF ANY ISSUES OF LAW OR FACT, AND WITHOUT ADMITTING OR DENYING ANY ALLEGATIONS OR FINDINGS, MORGAN STANLEY CONSENTED TO THE CONSENT ORDER ENTERED BY THE CONNECTICUT DEPARTMENT OF BANKING, AS PART OF THE MULTI-STATE SETTLEMENT, TO RESOLVE ANY REMAINING REGULATORY ISSUES WITH CONNECTICUT. AS PART OF THE SETTLEMENT, THE FIRM AGREES TO CEASE AND DESIST FROM VIOLATING THE CONNECTICUT UNIFORM SECURITIES ACT AND TO PAY $85,879 PENALTY WITH $50,000 PAID TO THE DEPT OF SOCIAL SERVICES FOR INVESTOR EDUCATION AND $35,879 TO THE STATE, WHICH CONSTITUTES CONNECTICUT'S SHARE OF THE MULTI-STATE PENALTY OF $8.5 MILLION.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ◉ INITIAL ***OR*** ○ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action

☐ 11.C(1)	☐ 11.C(5)	☑ 11.D(4)	☐ 11.E(3)
☐ 11.C(2)	☐ 11.D(1)	☐ 11.D(5)	☐ 11.E(4)
☐ 11.C(3)	☑ 11.D(2)	☐ 11.E(1)	☐ 11.F
☐ 11.C(4)	☐ 11.D(3)	☐ 11.E(2)	☐ 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- ◉ You (the advisory firm)
- ○ You and one or more of your *advisory affiliates*
- ○ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

○ *Yes* ○ *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

○ SEC ○ Other Federal ◉ State ○ *SRO* ○ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
OREGON DEPARTMENT OF CONSUMER AND BUSINESS SERVICES

2. Principal Sanction:
Civil and Administrative Penalt(ies) /Fine(s)
Other Sanctions:
CEASE & DESIST

3. Date Initiated (MM/DD/YYYY):
02/20/2009 ◉ Exact ○ Explanation

If not exact, provide explanation:

4. Docket/Case Number:
S-08-0017

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
Debt - Corporate
Other Product Types:
EQUITY - OTC; ADR ON FOREIGN SECURITIES; SYNTHETIC

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

FROM AT LEAST JANUARY 1997 UNTIL MAY 2005, CERTAIN ORDER ENTRY SYSTEMS AT THE FIRM AND THE FIRM'S PREDECESSOR RETAIL FIRM, MORGAN STANLEY DW, INC., FAILED TO CHECK WHETHER CERTAIN SECONDARY MARKET SECURITIES TRANSACTIONS COMPLIED WITH STATE REGISTRATION REQUIREMENTS (BLUE SKY LAWS) RESULTING IN THE SALE OF UNREGISTERED SECURITIES IN 46 STATE AND TERRITORIAL JURISDICTIONS, INCLUDING OREGON. AS PART OF A MULTI-STATE SETTLEMENT WITH 46 STATE AND TERRITORIAL JURISDICTIONS, THE OREGON DEPARTMENT OF CONSUMER AND BUSINESS SERVICES (DEPARTMENT)

FOUND THAT MORGAN STANLEY'S FAILURE TO MAINTAIN ADEQUATE SYSTEMS TO REASONABLY ENSURE COMPLIANCE WITH THE BLUE SKY LAWS RESULTED IN THE SALE OF UNREGISTERED SECURITIES IN VIOLATION OF ORS 59.055 AND MORGAN STANLEY FAILED TO REASONABLY SUPERVISE ITS AGENTS OR EMPLOYEES IN VIOLATION OF ORS 59.205(13). THE DEPARTMENT FINED THE FIRM $138,036 WHICH WAS OREGON'S SHARE OF THE MULTI-STATE SETTLEMENT PENALTY OF $8.5 MILLION, AND ORDERED THE FIRM TO CEASE AND DESIST FROM VIOLATING THE OREGON SECURITIES LAW.

8. Current status ? ○ Pending ○ On Appeal ◉ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Consent

CONSENT

11. Resolution Date (MM/DD/YYYY):
02/20/2009 ◉ Exact ○ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

- ☑ Monetary/Fine Amount:$ 138036
- ☐ Revocation/Expulsion/Denial
- ☐ Censure
- ☐ Bar
- ☐ Disgorgement/Restitution
- ☑ Cease and Desist/Injunction
- ☐ Suspension

B. Other Sanctions *Ordered*:

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
MONETARY PENALTY PAID AS FOLLOWS: PAID $138,036 BY COMPANY CHECK ON FEBRUARY 2, 2009

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
IN MAY 2005, MORGAN STANLEY DISCOVERED THAT CERTAIN ORDER ENTRY SYSTEMS AT THE FIRM AND THE FIRM'S PREDECESSOR RETAIL FIRM, MORGAN STANLEY DW, INC., FAILED TO CHECK WHETHER CERTAIN SECONDARY MARKET SECURITIES TRANSACTIONS COMPLIED WITH STATE REGISTRATION REQUIREMENTS (BLUE SKY LAWS). THE FIRM CONDUCTED AN INTERNAL INVESTIGATION, REPAIRED THE DEFICIENT SYSTEMS, SELF-REPORTED THE PROBLEM TO ALL AFFECTED STATE AND FEDERAL REGULATORS, IDENTIFIED TRANSACTIONS WHICH WERE EXECUTED IN VIOLATION OF THE BLUE SKY LAWS, AND OFFERED RESCISSION TO SUCH CUSTOMERS WITH TERMS AND CONDITIONS CONSISTENT WITH THE LAW OF THE STATE OF RESIDENCE OF EACH INVESTOR. THE FIRM ALSO COOPERATED WITH A MULTI-STATE INVESTIGATION OF THIS MATTER AND HAS AGREED TO SETTLE THE STATE REGULATORY ISSUES IN A MULTI-STATE SETTLEMENT WITH THE 46 AFFECTED STATE AND TERRITORIAL JURISDICTIONS. THE FIRM AGREED TO CONSENT TO AN ADMINISTRATIVE ORDER WITH EACH OF THE 46 STATE AND TERRITORIAL JURISDICTIONS AND TO PAY A TOTAL CIVIL MONETARY PENALTY OF $8.5 MILLION TO BE DIVIDED AMONG THE 46 STATE AND TERRITORIAL JURISDICTIONS. WITHOUT ADJUDICATION OF ANY ISSUES OF LAW OR FACT, AND WITHOUT ADMITTING OR DENYING ANY ALLEGATIONS OR FINDINGS, MORGAN STANLEY CONSENTED TO THE FINDINGS OF FACT, CONCLUSIONS OF LAW AND CONSENT ORDER ENTERED BY THE DEPARTMENT OF CONSUMER AND BUSINESS SERVICES (DEPARTMENT), AS PART OF THE MULTI-STATE SETTLEMENT, TO RESOLVE ANY REMAINING REGULATORY ISSUES WITH OREGON. AS PART OF THE SETTLEMENT, THE FIRM AGREES TO CEASE AND DESIST FROM VIOLATING THE OREGON SECURITIES LAW AND TO PAY A $138,036 PENALTY TO THE DEPARTMENT, WHICH CONSTITUTES OREGON'S SHARE OF THE MULTI-STATE PENALTY OF $8.5 MILLION.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ◉ INITIAL ***OR*** ○ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action

☐ 11.C(1)	☐ 11.C(5)	☑ 11.D(4)	☐ 11.E(3)
☐ 11.C(2)	☑ 11.D(1)	☐ 11.D(5)	☐ 11.E(4)
☐ 11.C(3)	☑ 11.D(2)	☐ 11.E(1)	☐ 11.F
☐ 11.C(4)	☐ 11.D(3)	☐ 11.E(2)	☐ 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- (•) You (the advisory firm)
- ( ) You and one or more of your *advisory affiliates*
- ( ) One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

( ) *Yes* ( ) *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:
   ( ) SEC ( ) Other Federal (•) State ( ) *SRO* ( ) Foreign
   (Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
   MARYLAND SECURITIES COMMISSIONER

2. Principal Sanction:
   Civil and Administrative Penalt(ies) /Fine(s)
   Other Sanctions:
   ORDER TO COMPLY WITH MARYLAND SECURITIES ACT AND COMPLY WITH FIRM PROCEDURES

3. Date Initiated (MM/DD/YYYY):
   07/22/2009 (•) Exact ( ) Explanation
   If not exact, provide explanation:

4. Docket/Case Number:
   2004-0282

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
   No Product
   Other Product Types:

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):
   IN 2003, A PREDECESSOR FIRM, MORGAN STANLEY DW INC. ("MSDW") SETTLED A MATTER WITH MARYLAND INVOLVING THE LATE FILING OF FOUR U4 AMENDMENTS AND PAID A $1,000 FINE. THE ATTORNEY THAT WORKED ON THAT MATTER REPRESENTED THAT MSDW ONLY HAD FOUR UNTIMELY U4 AMENDMENTS DURING THE RELEVANT TIME PERIOD. THE REPRESENTATION WAS WRONG BECAUSE THERE WERE ACTUALLY MORE THAN FIFTY U4 AMENDMENTS THAT WERE FILED LATE DURING THAT TIME PERIOD. MARYLAND DISCOVERED THIS IN 2004 AND COMMENCED AN INVESTIGATION. MARYLAND ALLEGED THAT 1) MSDW VIOLATED A 2003 ORDER ISSUED BY THE MARLYLAND SECURITIES COMMISSIONER, 2) MSDW VIOLATED THE MARYLAND SECURITIES ACT BY FILING UNTIMELY U4 AMENDMENTS, AND 3) MSDW VIOLATED THE MARYLAND SECURITIES ACT BY MAKING A FALSE FILING.

8. Current status ? ( ) Pending ( ) On Appeal (•) Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
    Consent
    CONSENT

11. Resolution Date (MM/DD/YYYY):
    07/22/2009 (•) Exact ( ) Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

- [x] Monetary/Fine Amount:$ 100000
- [ ] Revocation/Expulsion/Denial
- [ ] Disgorgement/Restitution
- [ ] Censure
- [ ] Cease and Desist/Injunction
- [ ] Bar
- [ ] Suspension

B. Other Sanctions *Ordered*:
ORDER TO COMPLY WITH MARYLAND SECURITIES ACT AND COMPLY WITH FIRM PROCEDURES

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
PAID $100,000 BY COMPANY CHECK ON JULY 7, 2009

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
IN 2003, A PREDECESSOR FIRM, MORGAN STANLEY DW INC. ("MSDW") SETTLED A MATTER WITH MARYLAND INVOLVING THE LATE FILING OF FOUR U4 AMENDMENTS AND PAID A $1,000 FINE. THE ATTORNEY THAT WORKED ON THAT MATTER REPRESENTED THAT MSDW ONLY HAD FOUR UNTIMELY U4 AMENDMENTS DURING THE RELEVANT TIME PERIOD. THE REPRESENTATION WAS WRONG BECAUSE THERE WERE ACTUALLY MORE THAN FIFTY U4 AMENDMENTS THAT WERE FILED LATE DURING THAT TIME PERIOD. MARYLAND DISCOVERED THIS IN 2004 AND COMMENCED AN INVESTIGATION. THE FINAL CONSENT ORDER INCLUDES FINDINGS OF FACTS SIMILAR TO ABOVE, CONCLUSIONS OF LAW THAT 1) MSDW VIOLATED A 2003 ORDER ISSUED BY THE MARLYLAND SECURITIES COMMISSIONER, 2) MSDW VIOLATED THE MARYLAND SECURITIES ACT BY FILING UNTIMELY U4 AMENDMENTS, AND 3) MSDW VIOLATED THE MARYLAND SECURITIES ACT BY MAKING A FALSE FILING. THE ORDER SANCTIONS MORGAN STANLEY & CO. INCORPORATED ("MS&CO"), AS SUCCESSOR TO MSDW, BY ORDERING MS&CO TO 1) COMPLY WITH THE MARYLAND SECURITIES ACT, 2) COMPLY WITH MS&CO'S PROCEDURES DESIGNED TO PREVENT UNTIMELY U4 AMENDMENTS, AND 3) PAY A $100,000 FINE.

GENERAL INSTRUCTIONS

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Check item(s) being responded to:

Regulatory Action

[ ] 11.C(1)	[ ] 11.C(5)	[ ] 11.D(4)	[ ] 11.E(3)
[ ] 11.C(2)	[ ] 11.D(1)	[ ] 11.D(5)	[ ] 11.E(4)
[ ] 11.C(3)	[ ] 11.D(2)	[ ] 11.E(1)	[ ] 11.F
[ ] 11.C(4)	[ ] 11.D(3)	[x] 11.E(2)	[ ] 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- (•) You (the advisory firm)
- ( ) You and one or more of your *advisory affiliates*
- ( ) One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

- [ ] This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.
- [ ] This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

○ *Yes* ○ *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

○ SEC ○ Other Federal ○ State ◉ *SRO* ○ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)

FINRA

2. Principal Sanction:

Censure

Other Sanctions:

MONETARY FINE, DISGORGEMENT/RESTITUTION

3. Date Initiated (MM/DD/YYYY):

03/25/2009 ◉ Exact ○ Explanation

If not exact, provide explanation:

4. Docket/Case Number:

2006005132302

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:

Mutual Fund(s)

Other Product Types:

VARIABLE ANNUITIES AND MANAGED ACCOUNTS

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

VIOLATIONS OF SPECIFIED PROVISIONS OF NASD CONDUCT RULES 3010, 2210 AND 2110 IN CONNECTION WITH THE FIRM'S SUPERVISION OF THE ACTIVITIES OF TWO REGISTERED REPRESENTATIVES WITH RESPECT TO THE SOLICITATION AND HANDLING OF CERTAIN IRA ROLLOVER/RETIREMENT ACCOUNTS BETWEEN 1998 AND 2003. MORGAN STANLEY DW INC. MERGED WITH MORGAN STANLEY & CO. INCORPORATED ON APRIL 1, 2007. THE REFERENCED ALLEGATIONS RELATE TO THE FORMER MORGAN STANLEY DW INC. BROKER-DEALER ENTITY AND NOT MORGAN STANLEY & CO. INCORPORATED.

8. Current status ? ○ Pending ○ On Appeal ◉ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:

Acceptance, Waiver & Consent(AWC)

AWC

11. Resolution Date (MM/DD/YYYY):

03/25/2009 ◉ Exact ○ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

- ☑ Monetary/Fine Amount:$ 3000000
- ☐ Revocation/Expulsion/Denial
- ☑ Censure
- ☐ Bar
- ☑ Disgorgement/Restitution
- ☐ Cease and Desist/Injunction
- ☐ Suspension

B. Other Sanctions *Ordered*:

UNDERTAKINGS

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:

A FINE IN THE AMOUNT OF $3 MILLION IS PAYABLE BY MORGAN STANLEY & CO. INCORPORATED ON OR BEFORE APRIL 10, 2009. THE FIRM IS ORDERED TO PAY RESTITUTION TO CERTAIN FORMER CUSTOMERS IN THE TOTAL AMOUNT OF $2,397,402.28, PLUS INTEREST FROM THE INCEPTION DATE OF EACH CUSTOMER'S ACCOUNT UNTIL THE DATE OF ISSUANCE OF THE AWC, NO LATER THAN 120 DAYS AFTER ISSUANCE OF THE AWC. THE FIRM IS ALSO REQUIRED WITHIN THIRTY (30) DAYS OF ISSUANCE OF THE AWC TO (1) CERTIFY THAT DILIGENT AND REASONABLE EFFORTS WERE UNDERTAKEN BY THE FIRM TO OBTAIN THE INFORMATION SET FORTH IN ATTACHMENT A TO THE AWC AND (2) PROVIDE FINRA WITH A COPY OF THE LETTER IT INTENDS TO SEND TO THE CUSTOMERS LISTED ON ATTACHMENT A ALONG WITH THE RESTITUTION PAYMENT.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
WITHOUT ADMITTING OR DENYING THE FINDINGS, MORGAN STANLEY & CO. INCORPORATED SUBMITTED A LETTER OF ACCEPTANCE, WAIVER AND CONSENT (AWC) IN WHICH IT CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS. FINRA ACCEPTED THE AWC ON MARCH 25, 2009.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ◉ INITIAL ***OR*** ○ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action			
☐ 11.C(1)	☐ 11.C(5)	☐ 11.D(4)	☐ 11.E(3)
☐ 11.C(2)	☑ 11.D(1)	☐ 11.D(5)	☐ 11.E(4)
☐ 11.C(3)	☑ 11.D(2)	☐ 11.E(1)	☐ 11.F
☐ 11.C(4)	☐ 11.D(3)	☐ 11.E(2)	☐ 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

◉ You (the advisory firm)

○ You and one or more of your *advisory affiliates*

○ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

○ *Yes* ○ *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

○ SEC ○ Other Federal ◉ State ○ *SRO* ○ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
OFFICE OF THE ATTORNEY GENERAL OF THE STATE OF NEW YORK

2. Principal Sanction:
Restitution
Other Sanctions:
IN ADDITION TO THE AGREEMENT TO REPURCHASE ILLIQUID AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLED FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, REFUNDING OF CERTAIN LOAN EXPENSES INCURRED BY ELIGIBLE INVESTORS, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUES OF ARS, AND A CIVIL PENALTY.

3. Date Initiated (MM/DD/YYYY):
06/02/2009 ◉ Exact ○ Explanation

If not exact, provide explanation:

4. Docket/Case Number:
N/A

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
Other
Other Product Types:
AUCTION RATE SECURITIES

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):
THE INVESTIGATION CONCERNED ALLEGED MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES, SPECIFICALLY WITH RESPECT TO THE LIQUIDITY OF SUCH SECURITIES.

8. Current status ? ○ Pending ○ On Appeal ◉ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Settled
SETTLMNT

11. Resolution Date (MM/DD/YYYY):
06/02/2009 ◉ Exact ○ Explanation
If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

- ☑ Monetary/Fine Amount:$ 4867949.38
- ☐ Revocation/Expulsion/Denial
- ☐ Censure
- ☐ Bar
- ☐ Disgorgement/Restitution
- ☑ Cease and Desist/Injunction
- ☐ Suspension

B. Other Sanctions *Ordered*:
IN ADDITION TO THE AGREEMENT TO REPURCHASE ILLIQUID AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLED FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, REFUNDING OF CERTAIN LOAN EXPENSES INCURRED BY ELIGIBLE INVESTORS, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUES OF ARS, AND A CIVIL PENALTY.

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
THE FINE SHALL BE PAID BY JUNE 15, 2009. THE FINE IS THE NY PORTION OF A TOTAL FINE FOR THIS MATTER OF $35 MILLION NEGOTIATED WITH THE NYAG AND THE IL SECRETARY OF STATE, SECURITIES DEPARTMENT ON BEHALF OF A NASAA TASK FORCE. THE REMAINING AMOUNT WILL PAID TO SEPARATELY HEREAFTER TO OTHER STATES. THE FIRM COMPLETED IT'S OBLIGATION TO REPURCHASE ARS FROM ELIGIBLE INVESTORS ON OR ABOUT JANUARY 11, 2009.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
THIS ACTION RELATED TO ALLEGATIONS WITH RESPECT TO MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES, SPECIFICALLY WITH RESPECT TO THE LIQUIDITY OF SUCH SECURITIES. AS NOTED ABOVE, THE PRINCIPAL TERMS OF THIS SETTLEMENT WERE NEGOTIATED WITH THE NYAG AND THE NASAA TASK FORCE WHICH CONTEMPLATES SEPARATE SIMILAR AGREEMENTS WITH OTHER STATES.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ◉ INITIAL ***OR*** ○ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action

☐ 11.C(1)	☐ 11.C(5)	☐ 11.D(4)	☐ 11.E(3)
☐ 11.C(2)	☐ 11.D(1)	☐ 11.D(5)	☐ 11.E(4)
☐ 11.C(3)	☐ 11.D(2)	☐ 11.E(1)	☐ 11.F
☐ 11.C(4)	☐ 11.D(3)	☑ 11.E(2)	☐ 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- (•) You (the advisory firm)
- ( ) You and one or more of your *advisory affiliates*
- ( ) One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

( ) *Yes* ( ) *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:
( ) SEC ( ) Other Federal ( ) State (•) *SRO* ( ) Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
FINRA

2. Principal Sanction:
Civil and Administrative Penalt(ies) /Fine(s)
Other Sanctions:
CENSURE

3. Date Initiated (MM/DD/YYYY):
08/25/2009 (•) Exact ( ) Explanation

If not exact, provide explanation:

4. Docket/Case Number:
2007011945701

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
Debt - Corporate
Other Product Types:
DEBT - MUNICIPAL

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

ON JULY 24, 2009, MORGAN STANLEY & CO. INCORPORATED (THE "FIRM") AGREED TO AN AWC WITH FINRA, DEPARTMENT OF MARKET REGULATION, BASED ON ALLEGATIONS THAT IN 11 TRANSACTIONS THE FIRM BOUGHT OR SOLD CORPORATE BONDS TO OR FROM CUSTOMERS AND FAILED TO BUY OR SELL SUCH BONDS AT A PRICE THAT WAS FAIR. FINRA ALSO ALLEGED THAT IN 3 TRANSACTIONS, THE FIRM PURCHASED MUNICIPAL SECURITIES FOR ITS OWN ACCOUNT FROM A CUSTOMER AND/OR SOLD MUNICIPAL SECURITIES FOR ITS OWN ACCOUNT TO A CUSTOMER AT AN AGGREGATE PRICE THAT WAS NOT FAIR AND REASONABLE. THE FIRM AGREED TO A CENSURE, A FINE OF $90,000 AND RESTITUTION TO INVESTORS IN THE AMOUNT OF $40,604.81, PLUS INTEREST. FINRA ADOPTED THE AWC ON AUGUST 25, 2009.

8. Current status ? ( ) Pending ( ) On Appeal (•) Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Acceptance, Waiver & Consent(AWC)

AWC

11. Resolution Date (MM/DD/YYYY):

08/25/2009 (•) Exact ( ) Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

- [x] Monetary/Fine Amount:$ 90000
- [ ] Revocation/Expulsion/Denial
- [x] Disgorgement/Restitution
- [x] Censure
- [ ] Cease and Desist/Injunction
- [ ] Bar
- [ ] Suspension

B. Other Sanctions *Ordered*:
CENSURE DISGORGEMENT/RESTITUTION $40,604.81

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
MONETARY FINE OF $90,000 PAID BY COMPANY CHECK ON SEPTEMBER 4, 2009.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
ON JULY 24, 2009, MORGAN STANLEY & CO. INCORPORATED (THE "FIRM") AGREED TO AN AWC WITH FINRA, DEPARTMENT OF MARKET REGULATION, BASED ON ALLEGATIONS THAT IN 11 TRANSACTIONS THE FIRM BOUGHT OR SOLD CORPORATE BONDS TO OR FROM CUSTOMERS AND FAILED TO BUY OR SELL SUCH BONDS AT A PRICE THAT WAS FAIR. FINRA ALSO ALLEGED THAT IN 3 TRANSACTIONS, THE FIRM PURCHASED MUNICIPAL SECURITIES FOR ITS OWN ACCOUNT FROM A CUSTOMER AND/OR SOLD MUNICIPAL SECURITIES FOR ITS OWN ACCOUNT TO A CUSTOMER AT AN AGGREGATE PRICE THAT WAS NOT FAIR AND REASONABLE. THE FIRM AGREED TO A CENSURE, A FINE OF $90,000 AND RESTITUTION TO INVESTORS IN THE AMOUNT OF $40,604.81, PLUS INTEREST. FINRA ADOPTED THE AWC ON AUGUST 25, 2009.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ( ) INITIAL ***OR*** (•) AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action			
[ ] 11.C(1)	[ ] 11.C(5)	[ ] 11.D(4)	[ ] 11.E(3)
[ ] 11.C(2)	[ ] 11.D(1)	[ ] 11.D(5)	[ ] 11.E(4)
[ ] 11.C(3)	[ ] 11.D(2)	[ ] 11.E(1)	[ ] 11.F
[ ] 11.C(4)	[ ] 11.D(3)	[x] 11.E(2)	[ ] 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- (•) You (the advisory firm)
- ( ) You and one or more of your *advisory affiliates*
- ( ) One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

[ ] This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

[ ] This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

○ *Yes* ○ *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

○ SEC ○ Other Federal ○ State ◉ *SRO* ○ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)

FINRA

2. Principal Sanction:

Other Sanctions:

3. Date Initiated (MM/DD/YYYY):

08/25/2009 ◉ Exact ○ Explanation

If not exact, provide explanation:

4. Docket/Case Number:

2007008266401

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:

Other

Other Product Types:

NASDAQ SECURITIES, NEW YORK STOCK EXCHANGE (NYSE) SECURITIES

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

NASD RULES 2110, 3360, NYSE RULE 421.10 - MORGAN STANLEY & CO., INCORPORATED SUBMITTED INACCURATE SHORT INTEREST POSITION REPORTS IN NASDAQ SECURITIES TO NASD AND SUBMITTED INACCURATE SHORT INTEREST POSITION REPORTS IN NYSE-LISTED SECURITIES TO THE NEW YORK STOCK EXCHANGE.

8. Current status ? ○ Pending ○ On Appeal ◉ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:

Acceptance, Waiver & Consent(AWC)

AWC

11. Resolution Date (MM/DD/YYYY):

08/25/2009 ◉ Exact ○ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☑ Monetary/Fine Amount:$ 20000

☐ Revocation/Expulsion/Denial

☑ Censure

☐ Bar

☐ Disgorgement/Restitution

☐ Cease and Desist/Injunction

☐ Suspension

B. Other Sanctions *Ordered*:

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:

WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE, THE FIRM IS CENSURED AND FINED $20,000.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)

THE FIRM SELF-REPORTED ITS SHORT INTEREST REPORTING ERROR TO THE STAFF. THE SANCTION REFLECTS A LOWER FINE AS A RESULT OF THE FIRM'S SELF-

REPORTING.

GENERAL INSTRUCTIONS

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Check item(s) being responded to:

Regulatory Action			
☐ 11.C(1)	☐ 11.C(5)	☐ 11.D(4)	☐ 11.E(3)
☐ 11.C(2)	☑ 11.D(1)	☐ 11.D(5)	☐ 11.E(4)
☐ 11.C(3)	☑ 11.D(2)	☐ 11.E(1)	☐ 11.F
☐ 11.C(4)	☐ 11.D(3)	☐ 11.E(2)	☐ 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

◉ You (the advisory firm)

○ You and one or more of your *advisory affiliates*

○ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

○ *Yes* ○ *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

○ SEC ○ Other Federal ◉ State ○ *SRO* ○ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
STATE OF ILLINOIS, SECRETARY OF STATE, SECURITIES DEPARTMENT

2. Principal Sanction:
Restitution
Other Sanctions:
IN ADDITION TO THE AGREEMENT TO REPURCHASE ILLIQUID AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLED FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUES OF ARS, AND A CIVIL PENALTY.

3. Date Initiated (MM/DD/YYYY):
09/17/2009 ◉ Exact ○ Explanation

If not exact, provide explanation:

4. Docket/Case Number:
08-00237

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
Other
Other Product Types:
AUCTION RATE SECURITIES

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

THE INVESTIGATION CONCERNED ALLEGED MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES, SPECIFICALLY WITH RESPECT TO THE LIQUIDITY OF SUCH SECURITIES.

8. Current status ? ○ Pending ○ On Appeal ◉ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Settled

SETTLMNT

11. Resolution Date (MM/DD/YYYY):

09/17/2009 ◉ Exact ○ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☑ Monetary/Fine Amount:$ 1463420.97

☐ Revocation/Expulsion/Denial

☐ Censure

☐ Bar

☑ Disgorgement/Restitution

☑ Cease and Desist/Injunction

☐ Suspension

B. Other Sanctions *Ordered*:
IN ADDITION TO THE AGREEMENT TO REPURCHASE ILLIQUID AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLED FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUES OF ARS, AND A CIVIL PENALTY.

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
THE FINE SHALL BE PAID BY SEPTEMBER 27, 2009. THE FINE IS THE ILLINOIS PORTION OF A TOTAL FINE FOR THIS MATTER OF $35 MILLION NEGOTIATED WITH ILLINOIS, ON BEHALF OF A NASAA TASK FORCE,.AND THE NYAG. THE REMAINING AMOUNT WILL PAID SEPARATELY HEREAFTER TO OTHER NASAA MEMBER JURISDICTIONS. THE FIRM COMPLETED IT'S OBLIGATION TO REPURCHASE ARS FROM ELIGIBLE INVESTORS ON OR ABOUT JANUARY 11, 2009.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
THIS ACTION RELATED TO ALLEGATIONS WITH RESPECT TO MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES, SPECIFICALLY WITH RESPECT TO THE LIQUIDITY OF SUCH SECURITIES. AS NOTED ABOVE, THE PRINCIPAL TERMS OF THIS SETTLEMENT WERE PREVIOUSLY NEGOTIATED WITH THE NYAG AND ILLINOIS, ON BEHALF OF THE NASAA TASK FORCE, AND THIS SETTLEMENT SHALL SERVE AS A TEMPLATE SEPARATE SIMILAR AGREEMENTS WITH OTHER STATES.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ◉ INITIAL ***OR*** ○ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action			
☐ 11.C(1)	☐ 11.C(5)	☐ 11.D(4)	☐ 11.E(3)
☐ 11.C(2)	☐ 11.D(1)	☐ 11.D(5)	☐ 11.E(4)
☐ 11.C(3)	☐ 11.D(2)	☐ 11.E(1)	☐ 11.F
☐ 11.C(4)	☐ 11.D(3)	☑ 11.E(2)	☐ 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

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PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- (•) You (the advisory firm)
- ( ) You and one or more of your *advisory affiliates*
- ( ) One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

( ) *Yes* ( ) *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:
( ) SEC ( ) Other Federal ( ) State (•) *SRO* ( ) Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
NEW YORK STOCK EXCHANGE

2. Principal Sanction:
Censure
Other Sanctions:
FINE

3. Date Initiated (MM/DD/YYYY):
08/11/2009 (•) Exact ( ) Explanation

If not exact, provide explanation:

4. Docket/Case Number:
09-NYSE-16

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
Equity Listed (Common & Preferred Stock)
Other Product Types:

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

STIPULATION OF FACTS AND CONSENT TO PENALTY FILED BY NYSE REGULATION'S DIVISION OF ENFORCEMENT AND PENDING.CONSENTED TO FINDINGS: FOR THE SOLE PURPOSE OF SETTLING THIS DISCIPLINARY PROCEEDING, WITHOUT ADJUDICATION OF ANY ISSUES OF LAW OR FACT, AND WITHOUT ADMITTING OR DENYING ANY ALLEGATIONS OR FINDINGS REFERRED TO HEREIN, MORGAN STANLEY & CO. INCORPORATED ("THE FIRM")STIPULATED THAT DURING THE PERIOD OF JANUARY 7, 2005 THROUGH DECEMBER 31, 2008, THE FIRM 1.VIOLATED NYSE RULE 92(A) ON TWENTY-SIX OCCASIONS, BY ENTERING A PROPRIETARY ORDER TO BUY/SELL AN NYSE-LISTED SECURITY WHILE KNOWINGLY IN POSSESSION OF A CUSTOMER ORDER TO BUY/SELL SUCH SECURITY, WHICH COULD BE EXECUTED AT THE SAME PRICE. 2.VIOLATED NYSE RULE 401 ON FIVE OCCASIONS, IN THAT IT FAILED TO CONDUCT ITS BUSINESS AFFAIRS IN ACCORDANCE WITH PRINCIPLES OF GOOD BUSINESS PRACTICE BY NOT DOCUMENTING WHETHER IT HAD OBTAINED A CUSTOMER'S CONSENT TO TRADE ALONG WITH, OR AHEAD OF, ITS ORDERS, OR WHETHER A CUSTOMER HAD INSTRUCTED THE FIRM TO TEMPORARILY STOP TRADING ITS ORDER. STIPULATED SANCTION: CENSURE AND FINE IN THE AMOUNT OF $200,000.

8. Current status ? ( ) Pending ( ) On Appeal (•) Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Order

ORDER

11. Resolution Date (MM/DD/YYYY):

08/11/2009 (•) Exact ( ) Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

- [x] Monetary/Fine Amount:$ 200000
- [ ] Revocation/Expulsion/Denial
- [ ] Disgorgement/Restitution
- [x] Censure
- [ ] Cease and Desist/Injunction
- [ ] Bar
- [ ] Suspension

B. Other Sanctions *Ordered*:

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
THE DISPOSITION RESULTED IN CENSURE AND A $200,000 FINE. IN ADDITION, MORGAN STANLEY OFFERED REMUNERATION, TOTALING $7,420, TO THE TWO CUSTOMERS THAT SUFFERED THE MOST SIGNIFICANT LOSSES ASSOCIATED WITH THE FIRM'S VIOLATIONS OF NYSE RULE 92(A).

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
IN DETERMINING TO RESOLVE THIS MATTER ON THE BASIS SET FORTH IN ITS ORDER, ENFORCEMENT TOOK INTO CONSIDERATION THE FOLLOWING, AMONG OTHER THINGS: (I) DURING THE COURSE OF ENFORCEMENT'S INVESTIGATION, MORGAN STANLEY SELF-REPORTED SEVERAL VIOLATIONS OF NYSE RULE 92(A); (II) MORGAN STANLEY IMPLEMENTED A NUMBER OF ENHANCEMENTS AND CONTROLS DESIGNED TO PREVENT AND DETECT THE TYPES OF VIOLATIONS OF NYSE RULES 92(A) AND 401 DESCRIBED HEREIN; AND (III) MORGAN STANLEY OFFERED REMUNERATION TO CUSTOMERS THAT WERE SIGNIFICANTLY DISADVANTAGED BY SOME OF THE FIRM'S VIOLATIONS OF NYSE RULE 92(A).

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an (•) INITIAL ***OR*** ( ) AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action

[ ] 11.C(1)	[x] 11.C(5)	[ ] 11.D(4)	[ ] 11.E(3)
[x] 11.C(2)	[ ] 11.D(1)	[ ] 11.D(5)	[ ] 11.E(4)
[ ] 11.C(3)	[ ] 11.D(2)	[ ] 11.E(1)	[ ] 11.F
[x] 11.C(4)	[ ] 11.D(3)	[ ] 11.E(2)	[ ] 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

(•) You (the advisory firm)

( ) You and one or more of your *advisory affiliates*

( ) One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

[ ] This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

[ ] This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event

occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

○ *Yes* ○ *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

◉ SEC ○ Other Federal ○ State ○ *SRO* ○ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
UNITED STATES SECURITIES AND EXCHANGE COMMISSION

2. Principal Sanction:
Cease and Desist
Other Sanctions:
CENSURE, MONETARY PENALTY

3. Date Initiated (MM/DD/YYYY):
07/20/2009 ◉ Exact ○ Explanation

If not exact, provide explanation:

4. Docket/Case Number:
3-13558

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
Other
Other Product Types:
UNSPECIFIED SECURITIES

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

SEC ADMIN RELEASE 34-60342,INVESTMENT ADVISERS ACT RELEASE 40-2904, JULY 20, 2009: THE SECURITIES AND EXCHANGE COMMISSION ("COMMISSION") DEEMS IT NECESSARY AND APPROPRIATE IN THE PUBLIC INTEREST THAT PUBLIC ADMINISTRATIVE AND CEASE-AND-DESIST PROCEEDINGS BE, AND HEREBY ARE, INSTITUTED PURSUANT TO SECTION 15(B)(4) OF THE SECURITIES EXCHANGE ACT OF 1934 ("EXCHANGE ACT") AND SECTIONS 203(E) AND 203(K) OF THE INVESTMENT ADVISERS ACT OF 1940 ("ADVISERS ACT") AGAINST MORGAN STANLEY & CO. INCORPORATED ("MORGAN STANLEY" OR "RESPONDENT") - VIOLATED SECTIONS 203(E)(6), 206(2) OF THE INVESTMENT ADVISERS ACT OF 1940; WILLFULLY VIOLATED SECTION 204 OF THE ADVISERS ACT AND RULES 204-2(A)(7), 204-2(A)(10)THEREUNDER - FROM 2000 THROUGH AT LEAST APRIL 2006, MORGAN STANLEY (F/K/A MORGAN STANLEY DW INC.) BREACHED ITS FIDUCIARY DUTY TO CERTAIN OF THE FIRM'S ADVISORY CLIENTS AND PROSPECTIVE ADVISORY CLIENTS OF ITS NASHVILLE, TENNESSEE BRANCH OFFICE ("NASHVILLE ADVISORY CLIENTS") BY MAKING MATERIAL MISSTATEMENTS. MORGAN STANLEY'S DISCLOSURE MATERIALS DESCRIBED THE ADVISORY SERVICES IT PROVIDED WHICH INCLUDED ASSISTING CLIENTS IN IDENTIFYING MONEY MANAGERS TO MANAGE CLIENTS' ASSETS. MORGAN STANLEY DISCLOSED THE DETAILED DUE DILIGENCE PROCESS IT FOLLOWED TO SELECT AND APPROVE MONEY MANAGERS FOR PARTICIPATION IN THE FIRM'S MANAGED ACCOUNT PROGRAM. ACCORDING TO ITS DISCLOSURE MATERIALS, MORGAN STANLEY FINANCIAL ADVISERS SELECTED MONEY MANAGERS FROM THIS APPROVED LIST OF MANAGERS TO RECOMMEND TO CLIENTS BASED ON THE CLIENT'S INVESTMENT PROFILE AND OBJECTIVES. CONTRARY TO ITS DISCLOSURES, MORGAN STANLEY RECOMMENDED TO NASHVILLE ADVISORY CLIENTS CERTAIN MONEY MANAGERS WHO WERE NOT APPROVED FOR PARTICIPATION IN MORGAN STANLEY'S ADVISORY PROGRAMS AND HAD NOT BEEN SUBJECT TO THE FIRM'S DUE DILIGENCE REVIEW. THE FACT THAT MORGAN STANLEY AND THE FORMER MORGAN STANLEY FINANCIAL ADVISER IN ITS NASHVILLE OFFICE WHO SERVICED THESE CLIENTS ("NASHVILLE FA") RECEIVED OR HAD THE POSSIBILITY OF RECEIVING SUBSTANTIAL BROKERAGE COMMISSIONS AND/OR FEES FROM THOSE MONEY MANAGERS CREATED AN INCENTIVE FOR THEM TO RECOMMEND THESE NON-APPROVED MONEY MANAGERS. THESE FACTS REPRESENTED AN ACTUAL OR POTENTIAL CONFLICT OF INTEREST WHICH WAS NOT DISCLOSED TO THE NASHVILLE ADVISORY CLIENTS.

8. Current status ? ○ Pending ○ On Appeal ◉ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Order

ORDER

11. Resolution Date (MM/DD/YYYY):
07/20/2009 ◉ Exact ○ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☑ Monetary/Fine Amount:$ 500000

☐ Revocation/Expulsion/Denial

☐ Disgorgement/Restitution

☑ Censure

☑ Cease and Desist/Injunction

☐ Bar ☐ Suspension

B. Other Sanctions *Ordered*:

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
THE COMMISSION ORDERED MORGAN STANLEY & CO TO PAY $500,000 IN A PENALTY WITHIN 90 DAYS OF THE ENTRY OF THE ORDER.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
THE SEC ISSUED ITS ORDER ON 07/20/09 AND MORGAN STANLEY AGREED TO SETTLE THE MATTER ON THE SAME DATE.

GENERAL INSTRUCTIONS

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Check item(s) being responded to:

Regulatory Action			
☐ 11.C(1)	☐ 11.C(5)	☐ 11.D(4)	☐ 11.E(3)
☐ 11.C(2)	☐ 11.D(1)	☐ 11.D(5)	☐ 11.E(4)
☐ 11.C(3)	☐ 11.D(2)	☐ 11.E(1)	☐ 11.F
☐ 11.C(4)	☐ 11.D(3)	☑ 11.E(2)	☐ 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

◉ You (the advisory firm)

○ You and one or more of your *advisory affiliates*

○ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

○ *Yes* ○ *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

○ SEC ○ Other Federal ○ State ◉ *SRO* ○ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
FINRA

2. Principal Sanction:
Civil and Administrative Penalt(ies) /Fine(s)
Other Sanctions:
CESURE

3. Date Initiated (MM/DD/YYYY):
09/28/2009 (•) Exact ( ) Explanation

If not exact, provide explanation:

4. Docket/Case Number:
20070107197-01

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
Debt - Municipal
Other Product Types:
DEBT - CORPORATE

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

THE FIRM FAILED TO REPORT INFORMATION REGARDING PURCHASE AND SALE OF SOME TRANSACTIONS IN MUNICIPAL SECURITIES TO THE REAL-TIME TRANSACTION REPORTING SYSTEM (RTRS) WITHIN 15 MINUTES OF THE TIME OF TRADE IN THE MANNER PRESCRIBED BY MSRB RULE G-14, RTRS PROCEDURES AND THE RTRS USERS MANUAL. THE FIRM FAILED TO REPORT TO THE TRADE REPORTING AND COMPLIANCE ENGINE (TRACE) SOME TRANSACTIONS IN TRACE-ELIGIBLE SECURITIES WITHIN 15 MINUTES OF THE TIME OF EXECUTION IN VIOLATION OF NASD RULE 6230(A) AND NASD RULE 2110 AS A PATTERN OR PRACTICE OF LATE REPORTING WITHOUT EXCEPTIONAL CIRCUMSTANCES. THE FIRM FAILED TO REPORT TO TRACE THE CORRECT TIME OF TRADE EXECUTION FOR SOME TRANSACTIONS IN TRACE-ELIGIBLE SECURITIES IN VIOLATION OF NASD RULE 6230(C)(8). THE FIRM FAILED TO SHOW THE CORRECT TIME OF ENTRY ON THE MEMORANDUM OF SOME BROKERAGE ORDERS IN VIOLATION OF SEC RULE 17A-3 AND NASD RULE 3110.

8. Current status ? ( ) Pending ( ) On Appeal (•) Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Acceptance, Waiver & Consent(AWC)

AWC

11. Resolution Date (MM/DD/YYYY):
09/28/2009 (•) Exact ( ) Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

- [x] Monetary/Fine Amount:$ 55000
- [ ] Revocation/Expulsion/Denial
- [x] Censure
- [ ] Bar
- [ ] Disgorgement/Restitution
- [ ] Cease and Desist/Injunction
- [ ] Suspension

B. Other Sanctions *Ordered*:

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
THE FIRM WAS FINED $55,000.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
WITHOUT ADJUDICATION OF ANY ISSUES OF LAW OR FACT, AND WITHOUT ADMITTING OR DENYING ANY ALLEGATIONS OR FINDINGS, MORGAN STANLEY ACCEPTED AND CONSENTED TO THE ENTRY OF THE FINDINGS AND TO THE DESCRIBED SANCTIONS.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an (•) INITIAL ***OR*** ( ) AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action

[ ] 11.C(1)	[ ] 11.C(5)	[ ] 11.D(4)	[ ] 11.E(3)
[ ] 11.C(2)	[ ] 11.D(1)	[ ] 11.D(5)	[ ] 11.E(4)
[ ] 11.C(3)	[ ] 11.D(2)	[ ] 11.E(1)	[ ] 11.F
[ ] 11.C(4)	[ ] 11.D(3)	[x] 11.E(2)	[ ] 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- (•) You (the advisory firm)
- ( ) You and one or more of your *advisory affiliates*
- ( ) One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

( ) *Yes* ( ) *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:
( ) SEC ( ) Other Federal ( ) State (•) *SRO* ( ) Foreign
(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
FINRA

2. Principal Sanction:
Civil and Administrative Penalt(ies) /Fine(s)
Other Sanctions:
CENSURE

3. Date Initiated (MM/DD/YYYY):
10/13/2009 (•) Exact ( ) Explanation
If not exact, provide explanation:

4. Docket/Case Number:
2007011134001

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
No Product
Other Product Types:

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):
WITHOUT ADMITTING OR DENYING THE FINDINGS, MORGAN STANLEY & CO. INCORPORATED SUBMITTED A LETTER OF ACCEPTANCE, WAIVER AND CONSENT (AWC) IN WHICH THE FIRM CONSENTED TO FINDINGS THAT IT VIOLATED NASD CONDUCT RULES 2210 AND 2110 WITH RESPECT TO CERTAIN SEMINAR-RELATED COMMUNICATIONS WITH THE PUBLIC USED BY THREE BRANCH OFFICES DURING 2005 AND 2006. MORGAN STANLEY DW INC. MERGED WITH MORGAN STANLEY & CO. INCORPORATED ON APRIL 1, 2007. THE REFERENCED ALLEGATIONS RELATE TO THE FORMER MORGAN STANLEY DW INC. BROKER-DEALER ENTITY AND NOT MORGAN STANLEY & CO. INCORPORATED.

8. Current status ? ( ) Pending ( ) On Appeal (•) Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Acceptance, Waiver & Consent(AWC)

AWC

11. Resolution Date (MM/DD/YYYY):
10/13/2009 (•) Exact ( ) Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

- [x] Monetary/Fine Amount:$ 120000
- [ ] Revocation/Expulsion/Denial
- [ ] Disgorgement/Restitution
- [x] Censure
- [ ] Cease and Desist/Injunction
- [ ] Bar
- [ ] Suspension

B. Other Sanctions *Ordered*:
N/A

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
$120,000 FINE PAYABLE BY MORGAN STANLEY & CO. INCORPORATED ON OR BEFORE OCTOBER 28, 2009.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
WITHOUT ADMITTING OR DENYING THE FINDINGS, MORGAN STANLEY & CO. INCORPORATED CONSENTED TO A CENSURE AND PAYMENT OF A $120,000 FINE.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an (•) INITIAL ***OR*** ( ) AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action

[ ] 11.C(1)	[ ] 11.C(5)	[x] 11.D(4)	[ ] 11.E(3)
[ ] 11.C(2)	[ ] 11.D(1)	[ ] 11.D(5)	[ ] 11.E(4)
[ ] 11.C(3)	[x] 11.D(2)	[ ] 11.E(1)	[ ] 11.F
[ ] 11.C(4)	[ ] 11.D(3)	[ ] 11.E(2)	[ ] 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- (•) You (the advisory firm)
- ( ) You and one or more of your *advisory affiliates*
- ( ) One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

- [ ] This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.
- [ ] This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

○ *Yes* ○ *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:
○ SEC ○ Other Federal ○ State ○ *SRO* ◉ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
BRITISH COLUMBIA SECURITIES COMMISSION

2. Principal Sanction:
Civil and Administrative Penalt(ies) /Fine(s)
Other Sanctions:

3. Date Initiated (MM/DD/YYYY):
10/20/2009 ◉ Exact ○ Explanation

If not exact, provide explanation:

4. Docket/Case Number:
N/A

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
Futures - Financial
Other Product Types:

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

BETWEEN 1997 AND 2009 MORGAN STANLEY & CO. INCORPORATED ("MS&CO.") TRADED IN EXCHANGE-TRADED FUTURES CONTRACTS FOR TWO INSTITUTIONAL CLIENTS IN BRITISH COLUMBIA ("BC"), DURING WHICH PERIOD MS&CO. WAS NOT REGISTERED IN BC AS A FUTURES DEALER AND HAD NOT OTHERWISE OBTAINED AN EXEMPTION FROM REGISTRATION FROM THE BRITISH COLUMBIA SECURITIES COMMISSION ("BCSC"). MS&CO. VOLUNTARILY BROUGHT THIS MATTER TO THE ATTENTION OF BCSC STAFF AND ON JUNE 9, 2009, MS&CO. OBTAINED EXEMPTIVE RELIEF FROM BCSC PERMITTING IT TO TRADE IN EXCHANGE-TRADED FUTURES CONTRACTS FOR INSTITUTIONAL CLIENTS IN BC.

8. Current status ? ○ Pending ○ On Appeal ◉ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Settled

SETTLMNT

11. Resolution Date (MM/DD/YYYY):
10/20/2009 ◉ Exact ○ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☑ Monetary/Fine Amount:$ 54515

☐ Revocation/Expulsion/Denial

☐ Censure

☐ Bar

☐ Disgorgement/Restitution

☐ Cease and Desist/Injunction

☐ Suspension

B. Other Sanctions *Ordered*:

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
IN OCTOBER 2009 MS&CO. AGREED WITH THE BCSC TO SETTLE A CLAIM OF THE BCSC THAT IT HAD TRADED WITHOUT REGISTRATION IN BCSC, THUS BREACHING SECTION 34 OF THE BC SECURITIES ACT, RSBS 1996, C. 418, IN CONSIDERATION OF A PAYMENT OF CAD 54,515 TO THE BCSC. THE EXECUTIVE DIRECTOR OF THE BCSC SUBSEQUENTLY ISSUED AN ORDER UNDER SECTION 16(1)(A) OF THE BC SECURITIES ACT ORDERING MS&CO. TO COMPLY WITH THE ACT AND APPLICABLE REGULATION.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space

provided.)
IN OCTOBER 2009 MS&CO. AGREED WITH THE BCSC TO SETTLE A CLAIM OF THE BCSC THAT IT HAD TRADED WITHOUT REGISTRATION IN BCSC, THUS BREACHING SECTION 34 OF THE BC SECURITIES ACT, RSBS 1996, C. 418, IN CONSIDERATION OF A PAYMENT OF CAD 54,515 TO THE BCSC. THE EXECUTIVE DIRECTOR OF THE BCSC SUBSEQUENTLY ISSUED AN ORDER UNDER SECTION 16(1)(A) OF THE BC SECURITIES ACT ORDERING MS&CO. TO COMPLY WITH THE ACT AND APPLICABLE REGULATION.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ◉ INITIAL ***OR*** ○ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action			
☐ 11.C(1)	☐ 11.C(5)	☐ 11.D(4)	☐ 11.E(3)
☐ 11.C(2)	☑ 11.D(1)	☐ 11.D(5)	☐ 11.E(4)
☐ 11.C(3)	☑ 11.D(2)	☐ 11.E(1)	☐ 11.F
☐ 11.C(4)	☐ 11.D(3)	☐ 11.E(2)	☐ 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

◉ You (the advisory firm)

○ You and one or more of your *advisory affiliates*

○ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

○ *Yes* ○ *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

○ SEC ○ Other Federal ◉ State ○ *SRO* ○ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
RHODE ISLAND DEPARTMENT OF BUSINESS REGULATION

2. Principal Sanction:
Restitution
Other Sanctions:
IN ADDITION TO THE AGREEMENT TO REPURCHASE ILLIQUID AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLED FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUES OF ARS, AND A CIVIL PENALTY.

3. Date Initiated (MM/DD/YYYY):
11/30/2009 ◉ Exact ○ Explanation

If not exact, provide explanation:

4. Docket/Case Number:
N/A

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
Other
Other Product Types:
AUCTION RATE SECURITIES

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):
THE INVESTIGATION CONCERNED ALLEGED MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES, SPECIFICALLY WITH RESPECT TO THE LIQUIDITY OF SUCH SECURITIES.

8. Current status ? ○ Pending ○ On Appeal ◉ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Settled
SETTLMNT

11. Resolution Date (MM/DD/YYYY):
11/30/2009 ◉ Exact ○ Explanation
If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

- ☑ Monetary/Fine Amount:$ 113622.82
- ☐ Revocation/Expulsion/Denial
- ☐ Censure
- ☐ Bar
- ☑ Disgorgement/Restitution
- ☑ Cease and Desist/Injunction
- ☐ Suspension

B. Other Sanctions *Ordered*:
IN ADDITION TO THE AGREEMENT TO REPURCHASE ILLIQUID AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLED FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUES OF ARS, AND A CIVIL PENALTY.

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
THE FINE OF $113,622.82, WAS PAID ON NOVEMBER 20, 2009. THE FINE IS RHODE ISLAND'S PORTION OF A TOTAL FINE FOR THE MATTER OF $35 MILLION NEGOTIATED WITH THE NYAG AND ILLINOIS ON BEHALF OF A NASAA TASK FORCE. THE REMAINING AMOUNT WILL BE PAID SEPARATELY HEREAFTER TO OTHER NASAA MEMBER JURISDICTIONS. THE FIRM COMPLETED IT'S OBLIGATION TO REPURCHASE ARS FROM ELIGIBLE INVESTORS ON OR ABOUT JANUARY 11, 2009

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
THIS ACTION RELATED TO ALLEGATIONS WITH RESPECT TO MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES, SPECIFICALLY WITH RESPECT TO THE LIQUIDITY OF SUCH SECURITIES. AS NOTED ABOVE, THE PRINCIPAL TERMS OF THIS SETTLEMENT WERE PREVIOUSLY NEGOTIATED WITH THE NYAG AND ILLINOIS, ON BEHALF OF THE NASAA TASK FORCE, AND THIS SETTLEMENT IS SIMILAR TO AGREEMENTS WITH OTHER STATES.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ◉ INITIAL ***OR*** ○ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action

☐ 11.C(1)	☐ 11.C(5)	☐ 11.D(4)	☐ 11.E(3)
☐ 11.C(2)	☑ 11.D(1)	☐ 11.D(5)	☐ 11.E(4)
☐ 11.C(3)	☑ 11.D(2)	☐ 11.E(1)	☐ 11.F
☐ 11.C(4)	☐ 11.D(3)	☐ 11.E(2)	☐ 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- (•) You (the advisory firm)
- ( ) You and one or more of your *advisory affiliates*
- ( ) One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

( ) *Yes* ( ) *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

( ) SEC ( ) Other Federal (•) State ( ) *SRO* ( ) Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
SOUTH DAKOTA DIVISION OF SECURITIES

2. Principal Sanction:
Restitution
Other Sanctions:
IN ADDITION TO THE AGREEMENT TO REPURCHASE ILLIQUID AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLED FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUES OF ARS, AND A CIVIL PENALTY.

3. Date Initiated (MM/DD/YYYY):
12/02/2009 (•) Exact ( ) Explanation

If not exact, provide explanation:

4. Docket/Case Number:
N/A

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
Other
Other Product Types:
AUCTION RATE SECURITIES

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

THE INVESTIGATION CONCERNED ALLEGED MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES, SPECIFICALLY WITH RESPECT TO THE LIQUIDITY OF SUCH SECURITIES.

8. Current status ? ( ) Pending ( ) On Appeal (•) Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Settled

SETTLMNT

11. Resolution Date (MM/DD/YYYY):

12/02/2009 (•) Exact ( ) Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

- [x] Monetary/Fine Amount:$ 86009.67
- [ ] Revocation/Expulsion/Denial
- [x] Disgorgement/Restitution
- [ ] Censure
- [x] Cease and Desist/Injunction
- [ ] Bar
- [ ] Suspension

B. Other Sanctions *Ordered*:

IN ADDITION TO THE AGREEMENT TO REPURCHASE ILLIQUID AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLED FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUES OF ARS, AND A CIVIL PENALTY.

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:

THE FINE OF $86,009.67, WAS PAID ON NOVEMBER 20, 2009. THE FINE IS SOUTH DAKOTA'S PORTION OF A TOTAL FINE FOR THE MATTER OF $35 MILLION NEGOTIATED WITH THE NYAG AND ILLINOIS ON BEHALF OF A NASAA TASK FORCE. THE REMAINING AMOUNT WILL BE PAID SEPARATELY HEREAFTER TO OTHER NASAA MEMBER JURISDICTIONS. THE FIRM COMPLETED IT'S OBLIGATION TO REPURCHASE ARS FROM ELIGIBLE INVESTORS ON OR ABOUT JANUARY 11, 2009.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)

THIS ACTION RELATED TO ALLEGATIONS WITH RESPECT TO MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES, SPECIFICALLY WITH RESPECT TO THE LIQUIDITY OF SUCH SECURITIES. AS NOTED ABOVE, THE PRINCIPAL TERMS OF THIS SETTLEMENT WERE PREVIOUSLY NEGOTIATED WITH THE NYAG AND ILLINOIS, ON BEHALF OF THE NASAA TASK FORCE, AND THIS SETTLEMENT IS SIMILAR TO AGREEMENTS WITH OTHER STATES.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an (•) INITIAL ***OR*** ( ) AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action			
[ ] 11.C(1)	[ ] 11.C(5)	[ ] 11.D(4)	[ ] 11.E(3)
[ ] 11.C(2)	[x] 11.D(1)	[ ] 11.D(5)	[ ] 11.E(4)
[ ] 11.C(3)	[x] 11.D(2)	[ ] 11.E(1)	[ ] 11.F
[ ] 11.C(4)	[ ] 11.D(3)	[ ] 11.E(2)	[ ] 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- (•) You (the advisory firm)
- ( ) You and one or more of your *advisory affiliates*
- ( ) One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

[ ] This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

○ *Yes* ○ *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

○ SEC ○ Other Federal ◉ State ○ *SRO* ○ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
MONTANA SECURITIES DEPARTMENT

2. Principal Sanction:
Restitution
Other Sanctions:
IN ADDITION TO THE AGREEMENT TO REPURCHASE ILLIQUID AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLED FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUES OF ARS, AND A CIVIL PENALTY.

3. Date Initiated (MM/DD/YYYY):
12/11/2009 ◉ Exact ○ Explanation

If not exact, provide explanation:

4. Docket/Case Number:
N/A

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
Other
Other Product Types:
AUCTION RATE SECURITIES

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

THE INVESTIGATION CONCERNED ALLEGED MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES, SPECIFICALLY WITH RESPECT TO THE LIQUIDITY OF SUCH SECURITIES.

8. Current status ? ○ Pending ○ On Appeal ◉ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Settled

SETTLMNT

11. Resolution Date (MM/DD/YYYY):
12/11/2009 ◉ Exact ○ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☑ Monetary/Fine Amount:$ 132147.28

☐ Revocation/Expulsion/Denial

☐ Censure

☐ Bar

☑ Disgorgement/Restitution

☑ Cease and Desist/Injunction

☐ Suspension

B. Other Sanctions *Ordered*:
IN ADDITION TO THE AGREEMENT TO REPURCHASE ILLIQUID AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLED FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUES OF ARS, AND A CIVIL PENALTY.

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether

condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
THE FINE OF $132,147.28, WAS PAID ON DECEMBER 17, 2009. THE FINE IS MONTANA'S PORTION OF A TOTAL FINE FOR THE MATTER OF $35 MILLION NEGOTIATED WITH THE NYAG AND ILLINOIS ON BEHALF OF A NASAA TASK FORCE. THE REMAINING AMOUNT WILL BE PAID SEPARATELY HEREAFTER TO OTHER NASAA MEMBER JURISDICTIONS. THE FIRM COMPLETED IT'S OBLIGATION TO REPURCHASE ARS FROM ELIGIBLE INVESTORS ON OR ABOUT JANUARY 11, 2009.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
THIS ACTION RELATED TO ALLEGATIONS WITH RESPECT TO MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES, SPECIFICALLY WITH RESPECT TO THE LIQUIDITY OF SUCH SECURITIES. AS NOTED ABOVE, THE PRINCIPAL TERMS OF THIS SETTLEMENT WERE PREVIOUSLY NEGOTIATED WITH THE NYAG AND ILLINOIS, ON BEHALF OF THE NASAA TASK FORCE, AND THIS SETTLEMENT IS SIMILAR TO AGREEMENTS WITH OTHER STATES.

GENERAL INSTRUCTIONS

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Check item(s) being responded to:

Regulatory Action			
☐ 11.C(1)	☐ 11.C(5)	☐ 11.D(4)	☐ 11.E(3)
☐ 11.C(2)	☑ 11.D(1)	☐ 11.D(5)	☐ 11.E(4)
☐ 11.C(3)	☑ 11.D(2)	☐ 11.E(1)	☐ 11.F
☐ 11.C(4)	☐ 11.D(3)	☐ 11.E(2)	☐ 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

(•) You (the advisory firm)

( ) You and one or more of your *advisory affiliates*

( ) One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

( ) *Yes* ( ) *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:
( ) SEC ( ) Other Federal (•) State ( ) *SRO* ( ) Foreign
(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
NORTH DAKOTA SECURITIES DEPARTMENT

2. Principal Sanction:
Restitution
Other Sanctions:

3. Date Initiated (MM/DD/YYYY):

11/23/2009 (•) Exact ( ) Explanation

If not exact, provide explanation:

4. Docket/Case Number:
N/A

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
Other
Other Product Types:
AUCTION RATE SECURITIES

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):
THE INVESTIGATION CONCERNED ALLEGED MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES, SPECIFICALLY WITH RESPECT TO THE LIQUIDITY OF SUCH SECURITIES

8. Current status ? ( ) Pending ( ) On Appeal (•) Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Settled
SETTLMNT

11. Resolution Date (MM/DD/YYYY):
11/23/2009 (•) Exact ( ) Explanation
If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

- [x] Monetary/Fine Amount:$ 76552.63
- [ ] Revocation/Expulsion/Denial
- [ ] Censure
- [ ] Bar
- [x] Disgorgement/Restitution
- [x] Cease and Desist/Injunction
- [ ] Suspension

B. Other Sanctions *Ordered*:
IN ADDITION TO THE AGREEMENT TO REPURCHASE ILLIQUID AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLED FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUES OF ARS, AND A CIVIL PENALTY.

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
THE FINE OF $76,552.63, WAS PAID ON NOVEMBER 20, 2009. THE FINE IS NORTH DAKOTA'S PORTION OF A TOTAL FINE FOR THE MATTER OF $35 MILLION NEGOTIATED WITH THE NYAG AND ILLINOIS ON BEHALF OF A NASAA TASK FORCE. THE REMAINING AMOUNT WILL BE PAID SEPARATELY HEREAFTER TO OTHER NASAA MEMBER JURISDICTIONS. THE FIRM COMPLETED IT'S OBLIGATION TO REPURCHASE ARS FROM ELIGIBLE INVESTORS ON OR ABOUT JANUARY 11, 2009.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
THIS ACTION RELATED TO ALLEGATIONS WITH RESPECT TO MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES, SPECIFICALLY WITH RESPECT TO THE LIQUIDITY OF SUCH SECURITIES. AS NOTED ABOVE, THE PRINCIPAL TERMS OF THIS SETTLEMENT WERE PREVIOUSLY NEGOTIATED WITH THE NYAG AND ILLINOIS, ON BEHALF OF THE NASAA TASK FORCE, AND THIS SETTLEMENT IS SIMILAR TO AGREEMENTS WITH OTHER STATES

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an (•) INITIAL ***OR*** ( ) AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action

[ ] 11.C(1)	[ ] 11.C(5)	[ ] 11.D(4)	[ ] 11.E(3)
[ ] 11.C(2)	[x] 11.D(1)	[ ] 11.D(5)	[ ] 11.E(4)
[ ] 11.C(3)	[x] 11.D(2)	[ ] 11.E(1)	[ ] 11.F

☐ 11.C(4) ☐ 11.D(3) ☐ 11.E(2) ☐ 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- (•) You (the advisory firm)
- ( ) You and one or more of your *advisory affiliates*
- ( ) One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

( ) *Yes* ( ) *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:
   ( ) SEC ( ) Other Federal (•) State ( ) *SRO* ( ) Foreign
   (Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
   NEW HAMPSHIRE BUREAU OF SECURITIES REGULATION

2. Principal Sanction:
   Restitution
   Other Sanctions:
   IN ADDITION TO THE AGREEMENT TO REPURCHASE ILLIQUID AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLED FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUES OF ARS, AND A CIVIL PENALTY.

3. Date Initiated (MM/DD/YYYY):
   11/25/2009 (•) Exact ( ) Explanation
   If not exact, provide explanation:

4. Docket/Case Number:
   N/A

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
   Other
   Other Product Types:
   AUCTION RATE SECURITIES

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):
   THE INVESTIGATION CONCERNED ALLEGED MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES, SPECIFICALLY WITH RESPECT TO THE LIQUIDITY OF SUCH SECURITIES.

8. Current status ? ( ) Pending ( ) On Appeal (•) Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Settled

SETTLMNT

11. Resolution Date (MM/DD/YYYY):
11/25/2009 (•) Exact ( ) Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

- [x] Monetary/Fine Amount:$ 153909.1
- [ ] Revocation/Expulsion/Denial
- [ ] Censure
- [ ] Bar
- [x] Disgorgement/Restitution
- [x] Cease and Desist/Injunction
- [ ] Suspension

B. Other Sanctions *Ordered*:
IN ADDITION TO THE AGREEMENT TO REPURCHASE ILLIQUID AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLED FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUES OF ARS, AND A CIVIL PENALTY.

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
THE FINE OF $153,909.10, WAS PAID ON NOVEMBER 20, 2009. THE FINE IS NEW HAMPSHIRE'S PORTION OF A TOTAL FINE FOR THE MATTER OF $35 MILLION NEGOTIATED WITH THE NYAG AND ILLINOIS ON BEHALF OF A NASAA TASK FORCE. THE REMAINING AMOUNT WILL BE PAID SEPARATELY HEREAFTER TO OTHER NASAA MEMBER JURISDICTIONS. THE FIRM COMPLETED IT'S OBLIGATION TO REPURCHASE ARS FROM ELIGIBLE INVESTORS ON OR ABOUT JANUARY 11, 2009.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
THIS ACTION RELATED TO ALLEGATIONS WITH RESPECT TO MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES, SPECIFICALLY WITH RESPECT TO THE LIQUIDITY OF SUCH SECURITIES. AS NOTED ABOVE, THE PRINCIPAL TERMS OF THIS SETTLEMENT WERE PREVIOUSLY NEGOTIATED WITH THE NYAG AND ILLINOIS, ON BEHALF OF THE NASAA TASK FORCE, AND THIS SETTLEMENT IS SIMILAR TO AGREEMENTS WITH OTHER STATES.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ( ) INITIAL ***OR*** (•) AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action			
[ ] 11.C(1)	[ ] 11.C(5)	[ ] 11.D(4)	[ ] 11.E(3)
[ ] 11.C(2)	[x] 11.D(1)	[ ] 11.D(5)	[ ] 11.E(4)
[ ] 11.C(3)	[x] 11.D(2)	[ ] 11.E(1)	[ ] 11.F
[ ] 11.C(4)	[ ] 11.D(3)	[ ] 11.E(2)	[ ] 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- (•) You (the advisory firm)
- ( ) You and one or more of your *advisory affiliates*
- ( ) One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*

No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

○ *Yes* ○ *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:
○ SEC ○ Other Federal ◉ State ○ *SRO* ○ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
MISSOURI OFFICE OF THE SECRETARY OF STATE

2. Principal Sanction:
Restitution
Other Sanctions:
IN ADDITION TO THE AGREEMENT TO REPURCHASE ILLIQUID AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLED FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUES OF ARS, AND A CIVIL PENALTY.

3. Date Initiated (MM/DD/YYYY):
11/24/2009 ◉ Exact ○ Explanation

If not exact, provide explanation:

4. Docket/Case Number:
AP-09-45

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
Other
Other Product Types:
AUCTION RATE SECURITIES

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

THE INVESTIGATION CONCERNED ALLEGED MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES, SPECIFICALLY WITH RESPECT TO THE LIQUIDITY OF SUCH SECURITIES.

8. Current status ? ○ Pending ○ On Appeal ◉ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Settled

SETTLMNT

11. Resolution Date (MM/DD/YYYY):
11/24/2009 ◉ Exact ○ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☑ Monetary/Fine Amount:$ 216552.26

☐ Revocation/Expulsion/Denial

☐ Censure

☐ Bar

☑ Disgorgement/Restitution

☑ Cease and Desist/Injunction

☐ Suspension

B. Other Sanctions *Ordered*:
IN ADDITION TO THE AGREEMENT TO REPURCHASE ILLIQUID AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLED FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUES OF ARS, AND

A CIVIL PENALTY.

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
THE FINE OF $216,552.26, WAS PAID ON NOVEMBER 20, 2009. THE FINE IS MISSOURI'S PORTION OF A TOTAL FINE FOR THE MATTER OF $35 MILLION NEGOTIATED WITH THE NYAG AND ILLINOIS ON BEHALF OF A NASAA TASK FORCE. THE REMAINING AMOUNT WILL BE PAID SEPARATELY HEREAFTER TO OTHER NASAA MEMBER JURISDICTIONS. THE FIRM COMPLETED IT'S OBLIGATION TO REPURCHASE ARS FROM ELIGIBLE INVESTORS ON OR ABOUT JANUARY 11, 2009.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
THIS ACTION RELATED TO ALLEGATIONS WITH RESPECT TO MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES, SPECIFICALLY WITH RESPECT TO THE LIQUIDITY OF SUCH SECURITIES. AS NOTED ABOVE, THE PRINCIPAL TERMS OF THIS SETTLEMENT WERE PREVIOUSLY NEGOTIATED WITH THE NYAG AND ILLINOIS, ON BEHALF OF THE NASAA TASK FORCE, AND THIS SETTLEMENT IS SIMILAR TO AGREEMENTS WITH OTHER STATES.

GENERAL INSTRUCTIONS

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Check item(s) being responded to:

Regulatory Action			
☐ 11.C(1)	☐ 11.C(5)	☐ 11.D(4)	☐ 11.E(3)
☐ 11.C(2)	☑ 11.D(1)	☐ 11.D(5)	☐ 11.E(4)
☐ 11.C(3)	☑ 11.D(2)	☐ 11.E(1)	☐ 11.F
☐ 11.C(4)	☐ 11.D(3)	☐ 11.E(2)	☐ 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

◉ You (the advisory firm)

○ You and one or more of your *advisory affiliates*

○ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

○ *Yes* ○ *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

○ SEC ○ Other Federal ◉ State ○ *SRO* ○ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
VERMONT DEPARTMENT OF BANKING, INSURANCE, SECURITIES AND HEALTH CARE ADMINISTRATION

2. Principal Sanction:
Restitution

Other Sanctions:
IN ADDITION TO THE AGREEMENT TO REPURCHASE ILLIQUID AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLED FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUES OF ARS, AND A CIVIL PENALTY.

3. Date Initiated (MM/DD/YYYY):
11/24/2009 (•) Exact ( ) Explanation

If not exact, provide explanation:

4. Docket/Case Number:
N/A

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
Other
Other Product Types:
AUCTION RATE SECURITIES

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

THE INVESTIGATION CONCERNED ALLEGED MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES, SPECIFICALLY WITH RESPECT TO THE LIQUIDITY OF SUCH SECURITIES.

8. Current status ? ( ) Pending ( ) On Appeal (•) Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Settled

SETTLMNT

11. Resolution Date (MM/DD/YYYY):
11/24/2009 (•) Exact ( ) Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

- [x] Monetary/Fine Amount:$ 120983.01
- [ ] Revocation/Expulsion/Denial
- [ ] Censure
- [ ] Bar
- [x] Disgorgement/Restitution
- [x] Cease and Desist/Injunction
- [ ] Suspension

B. Other Sanctions *Ordered*:
IN ADDITION TO THE AGREEMENT TO REPURCHASE ILLIQUID AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLED FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUES OF ARS, AND A CIVIL PENALTY.

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
THE FINE OF $120,983.01, WAS PAID ON NOVEMBER 20, 2009. THE FINE IS VERMONT'S PORTION OF A TOTAL FINE FOR THE MATTER OF $35 MILLION NEGOTIATED WITH THE NYAG AND ILLINOIS ON BEHALF OF A NASAA TASK FORCE. THE REMAINING AMOUNT WILL BE PAID SEPARATELY HEREAFTER TO OTHER NASAA MEMBER JURISDICTIONS. THE FIRM COMPLETED IT'S OBLIGATION TO REPURCHASE ARS FROM ELIGIBLE INVESTORS ON OR ABOUT JANUARY 11, 2009

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
THIS ACTION RELATED TO ALLEGATIONS WITH RESPECT TO MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES, SPECIFICALLY WITH RESPECT TO THE LIQUIDITY OF SUCH SECURITIES. AS NOTED ABOVE, THE PRINCIPAL TERMS OF THIS SETTLEMENT WERE PREVIOUSLY NEGOTIATED WITH THE NYAG AND ILLINOIS, ON BEHALF OF THE NASAA TASK FORCE, AND THIS SETTLEMENT IS SIMILAR TO AGREEMENTS WITH OTHER STATES.

GENERAL INSTRUCTIONS

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Check item(s) being responded to:

Regulatory Action

☐ 11.C(1)	☐ 11.C(5)	☐ 11.D(4)	☐ 11.E(3)
☐ 11.C(2)	☑ 11.D(1)	☐ 11.D(5)	☐ 11.E(4)
☐ 11.C(3)	☑ 11.D(2)	☐ 11.E(1)	☐ 11.F
☐ 11.C(4)	☐ 11.D(3)	☐ 11.E(2)	☐ 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

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PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- ◉ You (the advisory firm)
- ○ You and one or more of your *advisory affiliates*
- ○ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

○ *Yes* ○ *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

○ SEC ○ Other Federal ◉ State ○ *SRO* ○ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
ARIZONA CORPORATION COMMISSION

2. Principal Sanction:
Restitution
Other Sanctions:
IN ADDITION TO THE AGREEMENT TO REPURCHASE ILLIQUID AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLED FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUES OF ARS, AND A CIVIL PENALTY.

3. Date Initiated (MM/DD/YYYY):
12/08/2009 ◉ Exact ○ Explanation

If not exact, provide explanation:

4. Docket/Case Number:
N/A

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
Other
Other Product Types:
AUCTION RATE SECURITIES

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

THE INVESTIGATION CONCERNED ALLEGED MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES, SPECIFICALLY WITH RESPECT TO THE LIQUIDITY OF SUCH SECURITIES.

8. Current status ? ○ Pending ○ On Appeal ◉ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Settled

SETTLMNT

11. Resolution Date (MM/DD/YYYY):
12/08/2009 ◉ Exact ○ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

- ☑ Monetary/Fine Amount:$ 496120.81
- ☐ Revocation/Expulsion/Denial
- ☐ Censure
- ☐ Bar
- ☑ Disgorgement/Restitution
- ☑ Cease and Desist/Injunction
- ☐ Suspension

B. Other Sanctions *Ordered*:
IN ADDITION TO THE AGREEMENT TO REPURCHASE ILLIQUID AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLED FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUES OF ARS, AND A CIVIL PENALTY.

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
THE FINE OF $496,120.81, WAS PAID ON DECEMBER 10, 2009. THE FINE IS ARIZONA'S PORTION OF A TOTAL FINE FOR THE MATTER OF $35 MILLION NEGOTIATED WITH THE NYAG AND ILLINOIS ON BEHALF OF A NASAA TASK FORCE. THE REMAINING AMOUNT WILL BE PAID SEPARATELY HEREAFTER TO OTHER NASAA MEMBER JURISDICTIONS. THE FIRM COMPLETED IT'S OBLIGATION TO REPURCHASE ARS FROM ELIGIBLE INVESTORS ON OR ABOUT JANUARY 11, 2009.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
THIS ACTION RELATED TO ALLEGATIONS WITH RESPECT TO MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES, SPECIFICALLY WITH RESPECT TO THE LIQUIDITY OF SUCH SECURITIES. AS NOTED ABOVE, THE PRINCIPAL TERMS OF THIS SETTLEMENT WERE PREVIOUSLY NEGOTIATED WITH THE NYAG AND ILLINOIS, ON BEHALF OF THE NASAA TASK FORCE, AND THIS SETTLEMENT IS SIMILAR TO AGREEMENTS WITH OTHER STATES.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ◉ INITIAL ***OR*** ○ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action

☐ 11.C(1)	☐ 11.C(5)	☐ 11.D(4)	☐ 11.E(3)
☐ 11.C(2)	☑ 11.D(1)	☐ 11.D(5)	☐ 11.E(4)
☐ 11.C(3)	☑ 11.D(2)	☐ 11.E(1)	☐ 11.F
☐ 11.C(4)	☐ 11.D(3)	☐ 11.E(2)	☐ 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- ◉ You (the advisory firm)
- ○ You and one or more of your *advisory affiliates*
- ○ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

○ *Yes* ○ *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:
○ SEC ○ Other Federal ◉ State ○ *SRO* ○ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
CALIFORNIA DEPARTMENT OF CORPORATIONS

2. Principal Sanction:
Restitution
Other Sanctions:
: IN ADDITION TO THE AGREEMENT TO REPURCHASE ILLIQUID AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLED FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUES OF ARS, AND A CIVIL PENALTY.

3. Date Initiated (MM/DD/YYYY):
11/18/2009 ◉ Exact ○ Explanation

If not exact, provide explanation:

4. Docket/Case Number:
N/A

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
Other
Other Product Types:
AUCTION RATE SECURITIES

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

THE INVESTIGATION CONCERNED ALLEGED MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES, SPECIFICALLY WITH RESPECT TO THE LIQUIDITY OF SUCH SECURITIES

8. Current status ? ○ Pending ○ On Appeal ◉ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Settled

SETTLMNT

11. Resolution Date (MM/DD/YYYY):
11/18/2009 ◉ Exact ○ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☑ Monetary/Fine Amount:$ 7369290.47

☐ Revocation/Expulsion/Denial

☐ Censure

☐ Bar

☑ Disgorgement/Restitution

☑ Cease and Desist/Injunction

☐ Suspension

B. Other Sanctions *Ordered*:
IN ADDITION TO THE AGREEMENT TO REPURCHASE ILLIQUID AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLED FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUES OF ARS, AND A CIVIL PENALTY

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
THE FINE OF $7,369,290.47 WAS PAID ON NOVEMBER 24, 2009. THE FINE IS CALIFORNIA'S PORTION OF A TOTAL FINE FOR THE MATTER OF $35 MILLION NEGOTIATED WITH THE NYAG AND ILLINOIS ON BEHALF OF A NASAA TASK FORCE. THE REMAINING AMOUNT WILL BE PAID SEPARATELY HEREAFTER TO OTHER NASAA MEMBER JURISDICTIONS. THE FIRM COMPLETED IT'S OBLIGATION TO REPURCHASE ARS FROM ELIGIBLE INVESTORS ON OR ABOUT JANUARY 11, 2009.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
THIS ACTION RELATED TO ALLEGATIONS WITH RESPECT TO MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES, SPECIFICALLY WITH RESPECT TO THE LIQUIDITY OF SUCH SECURITIES. AS NOTED ABOVE, THE PRINCIPAL TERMS OF THIS SETTLEMENT WERE PREVIOUSLY NEGOTIATED WITH THE NYAG AND ILLINOIS, ON BEHALF OF THE NASAA TASK FORCE, AND THIS SETTLEMENT IS SIMILAR TO AGREEMENTS WITH OTHER STATES

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ◉ INITIAL ***OR*** ○ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action			
☐ 11.C(1)	☐ 11.C(5)	☐ 11.D(4)	☐ 11.E(3)
☐ 11.C(2)	☑ 11.D(1)	☐ 11.D(5)	☐ 11.E(4)
☐ 11.C(3)	☑ 11.D(2)	☐ 11.E(1)	☐ 11.F
☐ 11.C(4)	☐ 11.D(3)	☐ 11.E(2)	☐ 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):
◉ You (the advisory firm)
○ You and one or more of your *advisory affiliates*
○ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.
○ *Yes* ○ *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:
○ SEC ○ Other Federal ◉ State ○ *SRO* ○ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
DELAWARE SECURITIES COMMISSIONER

2. Principal Sanction:
Restitution
Other Sanctions:
IN ADDITION TO THE AGREEMENT TO REPURCHASE ILLIQUID AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLED FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUES OF ARS, AND A CIVIL PENALTY.

3. Date Initiated (MM/DD/YYYY):
11/23/2009 (•) Exact ( ) Explanation

If not exact, provide explanation:

4. Docket/Case Number:
N/A

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
Other
Other Product Types:
AUCTION RATE SECURITIES

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

THE INVESTIGATION CONCERNED ALLEGED MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES, SPECIFICALLY WITH RESPECT TO THE LIQUIDITY OF SUCH SECURITIES

8. Current status ? ( ) Pending ( ) On Appeal (•) Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Settled

SETTLMNT

11. Resolution Date (MM/DD/YYYY):
11/23/2009 (•) Exact ( ) Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

- [x] Monetary/Fine Amount:$ 163359.06
- [ ] Revocation/Expulsion/Denial
- [ ] Censure
- [ ] Bar
- [x] Disgorgement/Restitution
- [x] Cease and Desist/Injunction
- [ ] Suspension

B. Other Sanctions *Ordered*:
IN ADDITION TO THE AGREEMENT TO REPURCHASE ILLIQUID AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLED FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUES OF ARS, AND A CIVIL PENALTY.

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
THE FINE OF $163,359.06, WAS PAID ON NOVEMBER 20, 2009. THE FINE IS DELAWARE'S PORTION OF A TOTAL FINE FOR THE MATTER OF $35 MILLION NEGOTIATED WITH THE NYAG AND ILLINOIS ON BEHALF OF A NASAA TASK FORCE. THE REMAINING AMOUNT WILL BE PAID SEPARATELY HEREAFTER TO OTHER NASAA MEMBER JURISDICTIONS. THE FIRM COMPLETED IT'S OBLIGATION TO REPURCHASE ARS FROM ELIGIBLE INVESTORS ON OR ABOUT JANUARY 11, 2009.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
THIS ACTION RELATED TO ALLEGATIONS WITH RESPECT TO MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES, SPECIFICALLY WITH RESPECT TO THE LIQUIDITY OF SUCH SECURITIES. AS NOTED ABOVE, THE PRINCIPAL TERMS OF THIS SETTLEMENT WERE PREVIOUSLY NEGOTIATED WITH THE NYAG AND ILLINOIS, ON BEHALF OF THE NASAA TASK FORCE, AND THIS SETTLEMENT IS SIMILAR TO AGREEMENTS WITH OTHER STATES.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an (•) INITIAL ***OR*** ( ) AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of

Form ADV.

Check item(s) being responded to:

Regulatory Action			
☐ 11.C(1)	☐ 11.C(5)	☐ 11.D(4)	☐ 11.E(3)
☐ 11.C(2)	☑ 11.D(1)	☐ 11.D(5)	☐ 11.E(4)
☐ 11.C(3)	☑ 11.D(2)	☐ 11.E(1)	☐ 11.F
☐ 11.C(4)	☐ 11.D(3)	☐ 11.E(2)	☐ 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- ◉ You (the advisory firm)
- ○ You and one or more of your *advisory affiliates*
- ○ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

○ *Yes* ○ *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:
○ SEC ○ Other Federal ◉ State ○ *SRO* ○ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
KENTUCKY DEPARTMENT OF FINANCIAL INSTITUTIONS

2. Principal Sanction:
Restitution
Other Sanctions:
IN ADDITION TO THE AGREEMENT TO REPURCHASE ILLIQUID AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLED FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUES OF ARS, AND A CIVIL PENALTY.

3. Date Initiated (MM/DD/YYYY):
11/23/2009 ◉ Exact ○ Explanation

If not exact, provide explanation:

4. Docket/Case Number:
N/A

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
Other
Other Product Types:
AUCTION RATE SECURITIES

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

THE INVESTIGATION CONCERNED ALLEGED MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES, SPECIFICALLY WITH RESPECT TO THE LIQUIDITY OF SUCH SECURITIES.

8. Current status ? ○ Pending ○ On Appeal ◉ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Settled

SETTLMNT

11. Resolution Date (MM/DD/YYYY):

11/23/2009 ◉ Exact ○ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

- ☑ Monetary/Fine Amount:$ 124142.45
- ☐ Revocation/Expulsion/Denial
- ☐ Censure
- ☐ Bar
- ☑ Disgorgement/Restitution
- ☑ Cease and Desist/Injunction
- ☐ Suspension

B. Other Sanctions *Ordered*:
IN ADDITION TO THE AGREEMENT TO REPURCHASE ILLIQUID AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLED FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUES OF ARS, AND A CIVIL PENALTY

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
THE FINE OF $124,142.45, WAS PAID ON NOVEMBER 20, 2009. THE FINE IS KENTUCKY'S PORTION OF A TOTAL FINE FOR THE MATTER OF $35 MILLION NEGOTIATED WITH THE NYAG AND ILLINOIS ON BEHALF OF A NASAA TASK FORCE. THE REMAINING AMOUNT WILL BE PAID SEPARATELY HEREAFTER TO OTHER NASAA MEMBER JURISDICTIONS. THE FIRM COMPLETED IT'S OBLIGATION TO REPURCHASE ARS FROM ELIGIBLE INVESTORS ON OR ABOUT JANUARY 11, 2009.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
THIS ACTION RELATED TO ALLEGATIONS WITH RESPECT TO MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES, SPECIFICALLY WITH RESPECT TO THE LIQUIDITY OF SUCH SECURITIES. AS NOTED ABOVE, THE PRINCIPAL TERMS OF THIS SETTLEMENT WERE PREVIOUSLY NEGOTIATED WITH THE NYAG AND ILLINOIS, ON BEHALF OF THE NASAA TASK FORCE, AND THIS SETTLEMENT IS SIMILAR TO AGREEMENTS WITH OTHER STATES.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ◉ INITIAL ***OR*** ○ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action

☐ 11.C(1)	☐ 11.C(5)	☐ 11.D(4)	☐ 11.E(3)
☐ 11.C(2)	☑ 11.D(1)	☐ 11.D(5)	☐ 11.E(4)
☐ 11.C(3)	☑ 11.D(2)	☐ 11.E(1)	☐ 11.F
☐ 11.C(4)	☐ 11.D(3)	☐ 11.E(2)	☐ 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

◉ You (the advisory firm)

○ You and one or more of your *advisory affiliates*

○ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

○ *Yes* ○ *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:
○ SEC ○ Other Federal ◉ State ○ *SRO* ○ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
NEVADA SECURITIES DIVISION

2. Principal Sanction:
Restitution
Other Sanctions:
IN ADDITION TO THE AGREEMENT TO REPURCHASE ILLIQUID AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLED FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUES OF ARS, AND A CIVIL PENALTY.

3. Date Initiated (MM/DD/YYYY):
12/11/2009 ◉ Exact ○ Explanation

If not exact, provide explanation:

4. Docket/Case Number:
N/A

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
Other
Other Product Types:
AUCTION RATE SECURITIES

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

THE INVESTIGATION CONCERNED ALLEGED MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES, SPECIFICALLY WITH RESPECT TO THE LIQUIDITY OF SUCH SECURITIES.

8. Current status ? ○ Pending ○ On Appeal ◉ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Settled

SETTLMNT

11. Resolution Date (MM/DD/YYYY):
12/11/2009 ◉ Exact ○ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☑ Monetary/Fine Amount:$ 908552.64

- ☐ Revocation/Expulsion/Denial
- ☑ Disgorgement/Restitution
- ☐ Censure
- ☑ Cease and Desist/Injunction
- ☐ Bar
- ☐ Suspension

B. Other Sanctions *Ordered*:
IN ADDITION TO THE AGREEMENT TO REPURCHASE ILLIQUID AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLED FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUES OF ARS, AND A CIVIL PENALTY.

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
THE FINE OF $908,552.64, WAS PAID ON NOVEMBER 14, 2009. THE FINE IS NEVADA'S PORTION OF A TOTAL FINE FOR THE MATTER OF $35 MILLION NEGOTIATED WITH THE NYAG AND ILLINOIS ON BEHALF OF A NASAA TASK FORCE. THE REMAINING AMOUNT WILL BE PAID SEPARATELY HEREAFTER TO OTHER NASAA MEMBER JURISDICTIONS. THE FIRM COMPLETED IT'S OBLIGATION TO REPURCHASE ARS FROM ELIGIBLE INVESTORS ON OR ABOUT JANUARY 11, 2009.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
THIS ACTION RELATED TO ALLEGATIONS WITH RESPECT TO MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES, SPECIFICALLY WITH RESPECT TO THE LIQUIDITY OF SUCH SECURITIES. AS NOTED ABOVE, THE PRINCIPAL TERMS OF THIS SETTLEMENT WERE PREVIOUSLY NEGOTIATED WITH THE NYAG AND ILLINOIS, ON BEHALF OF THE NASAA TASK FORCE, AND THIS SETTLEMENT IS SIMILAR TO AGREEMENTS WITH OTHER STATES.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ◉ INITIAL ***OR*** ○ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action			
☐ 11.C(1)	☐ 11.C(5)	☐ 11.D(4)	☐ 11.E(3)
☐ 11.C(2)	☐ 11.D(1)	☐ 11.D(5)	☐ 11.E(4)
☐ 11.C(3)	☐ 11.D(2)	☐ 11.E(1)	☐ 11.F
☐ 11.C(4)	☐ 11.D(3)	☑ 11.E(2)	☐ 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- ◉ You (the advisory firm)
- ○ You and one or more of your *advisory affiliates*
- ○ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

○ *Yes* ○ *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:
   ○ SEC ○ Other Federal ○ State ◉ *SRO* ○ Foreign

   (Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
   THE NASDAQ OPTIONS MARKET LLC

2. Principal Sanction:
   Civil and Administrative Penalt(ies) /Fine(s)
   Other Sanctions:
   CENSURE

3. Date Initiated (MM/DD/YYYY):
   12/07/2009 ◉ Exact ○ Explanation

   If not exact, provide explanation:

4. Docket/Case Number:
   20080135938-01

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
   Options
   Other Product Types:

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

   THE FIRM CUSTODIED STOCK OPTION POSITIONS FOR TRADES EXECUTED AT OTHER BROKER-DEALERS ON VARIOUS OCCASIONS THAT RESULTED IN THE FIRM'S CUSTOMERS HOLDING OR CONTROLLING AN AGGREGATE EQUITY OPTIONS POSITION THAT EXCEEDED OPTIONS POSITIONS LIMITS IN VIOLATION OF CHAPTER III, SECTION 7 OF THE NASDAQ OPTIONS MARKET RULES.

8. Current status ? ○ Pending ○ On Appeal ◉ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
    Acceptance, Waiver & Consent(AWC)

    AWC

11. Resolution Date (MM/DD/YYYY):
    12/07/2009 ◉ Exact ○ Explanation

    If not exact, provide explanation:

12. Resolution Detail:

    A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

    - ☑ Monetary/Fine Amount:$ 15000
    - ☐ Revocation/Expulsion/Denial
    - ☐ Disgorgement/Restitution
    - ☑ Censure
    - ☐ Cease and Desist/Injunction
    - ☐ Bar
    - ☐ Suspension

    B. Other Sanctions *Ordered*:

    Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
    SEE BELOW

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
    WITHOUT ADMITTING OR DENYING THE UNDERLYING ALLEGATIONS AND WITHOUT ADJUDICATION OF ANY ISSUE OF LAW OR FACT, THE FIRM ACCEPTED AND CONSENTED TO ENTRY OF FINDINGS AND THE IMPOSITION OF A CENSURE AND A FINE OF $15,000.

GENERAL INSTRUCTIONS

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Check item(s) being responded to:

Regulatory Action

☐ 11.C(1)	☐ 11.C(5)	☐ 11.D(4)	☐ 11.E(3)
☐ 11.C(2)	☑ 11.D(1)	☐ 11.D(5)	☐ 11.E(4)
☐ 11.C(3)	☑ 11.D(2)	☐ 11.E(1)	☐ 11.F
☐ 11.C(4)	☐ 11.D(3)	☐ 11.E(2)	☐ 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- ◉ You (the advisory firm)
- ○ You and one or more of your *advisory affiliates*
- ○ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

○ *Yes* ○ *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

○ SEC ○ Other Federal ◉ State ○ *SRO* ○ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
PUERTO RICO OFFICE OF THE COMMISSIONER OF FINANCIAL INSTITUTIONS

2. Principal Sanction:
Restitution
Other Sanctions:
IN ADDITION TO THE AGREEMENT TO REPURCHASE ILLIQUID AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLED FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUES OF ARS, AND A CIVIL PENALTY.

3. Date Initiated (MM/DD/YYYY):
12/29/2009 ◉ Exact ○ Explanation

If not exact, provide explanation:

4. Docket/Case Number:
C09-V-014

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
Other
Other Product Types:
AUCTION RATE SECURITIES

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

THE INVESTIGATION CONCERNED ALLEGED MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES, SPECIFICALLY WITH RESPECT TO THE LIQUIDITY OF SUCH SECURITIES.

8. Current status ? ○ Pending ○ On Appeal ◉ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Settled

SETTLMNT

11. Resolution Date (MM/DD/YYYY):
12/29/2009 ◉ Exact ○ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

- ☑ Monetary/Fine Amount:$ 70920.91
- ☐ Revocation/Expulsion/Denial
- ☐ Censure
- ☐ Bar
- ☑ Disgorgement/Restitution
- ☑ Cease and Desist/Injunction
- ☐ Suspension

B. Other Sanctions *Ordered*:
IN ADDITION TO THE AGREEMENT TO REPURCHASE ILLIQUID AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLED FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUES OF ARS, AND A CIVIL PENALTY.

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
THE FINE OF $70,920.91 WAS PAID ON DECEMBER 17, 2009. THE FINE IS PUERTO RICO'S PORTION OF A TOTAL FINE FOR THE MATTER OF $35 MILLION NEGOTIATED WITH THE NYAG AND ILLINOIS ON BEHALF OF A NASAA TASK FORCE. THE REMAINING AMOUNT WILL BE PAID SEPARATELY TO OTHER NASAA MEMBER JURISDICTIONS. THE FIRM COMPLETED IT'S OBLIGATION TO REPURCHASE ARS FROM ELIGIBLE INVESTORS ON OR ABOUT JANUARY 11, 2009.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
THIS ACTION RELATED TO ALLEGATIONS WITH RESPECT TO MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES, SPECIFICALLY WITH RESPECT TO THE LIQUIDITY OF SUCH SECURITIES. AS NOTED ABOVE, THE PRINCIPAL TERMS OF THIS SETTLEMENT WERE PREVIOUSLY NEGOTIATED WITH THE NYAG AND ILLINOIS, ON BEHALF OF THE NASAA TASK FORCE, AND THIS SETTLEMENT IS SIMILAR TO AGREEMENTS WITH OTHER STATES.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ◉ INITIAL ***OR*** ○ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action			
☐ 11.C(1)	☐ 11.C(5)	☐ 11.D(4)	☐ 11.E(3)
☐ 11.C(2)	☑ 11.D(1)	☐ 11.D(5)	☐ 11.E(4)
☐ 11.C(3)	☑ 11.D(2)	☐ 11.E(1)	☐ 11.F
☐ 11.C(4)	☐ 11.D(3)	☐ 11.E(2)	☐ 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- ◉ You (the advisory firm)
- ○ You and one or more of your *advisory affiliates*
- ○ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

○ *Yes* ○ *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

○ SEC ○ Other Federal ◉ State ○ *SRO* ○ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
MICHIGAN OFFICE OF FINANCIAL AND INSURANCE REGULATION

2. Principal Sanction:
Restitution
Other Sanctions:
IN ADDITION TO THE AGREEMENT TO REPURCHASE ILLIQUID AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLED FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUES OF ARS, AND A CIVIL PENALTY.

3. Date Initiated (MM/DD/YYYY):
11/23/2009 ◉ Exact ○ Explanation

If not exact, provide explanation:

4. Docket/Case Number:
N/A

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
Other
Other Product Types:
AUCTION RATE SECURITIES

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

THE INVESTIGATION CONCERNED ALLEGED MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES, SPECIFICALLY WITH RESPECT TO THE LIQUIDITY OF SUCH SECURITIES.

8. Current status ? ○ Pending ○ On Appeal ◉ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Settled

SETTLMNT

11. Resolution Date (MM/DD/YYYY):
11/23/2009 ◉ Exact ○ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☑ Monetary/Fine Amount:$ 408324.47

☐ Revocation/Expulsion/Denial

☐ Censure

☑ Disgorgement/Restitution

☑ Cease and Desist/Injunction

☐ Bar ☐ Suspension

B. Other Sanctions *Ordered*:
IN ADDITION TO THE AGREEMENT TO REPURCHASE ILLIQUID AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLED FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUES OF ARS, AND A CIVIL PENALTY.

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
THE FINE OF $408,342.47 WAS PAID ON DECEMBER 24, 2009. THE FINE IS MICHIGAN'S PORTION OF A TOTAL FINE FOR THE MATTER OF $35 MILLION NEGOTIATED WITH THE NYAG AND ILLINOIS ON BEHALF OF A NASAA TASK FORCE. THE REMAINING AMOUNT WILL BE PAID SEPARATELY TO OTHER NASAA MEMBER JURISDICTIONS. THE FIRM COMPLETED IT'S OBLIGATION TO REPURCHASE ARS FROM ELIGIBLE INVESTORS ON OR ABOUT JANUARY 11, 2009.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
THIS ACTION RELATED TO ALLEGATIONS WITH RESPECT TO MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES, SPECIFICALLY WITH RESPECT TO THE LIQUIDITY OF SUCH SECURITIES. AS NOTED ABOVE, THE PRINCIPAL TERMS OF THIS SETTLEMENT WERE PREVIOUSLY NEGOTIATED WITH THE NYAG AND ILLINOIS, ON BEHALF OF THE NASAA TASK FORCE, AND THIS SETTLEMENT IS SIMILAR TO AGREEMENTS WITH OTHER STATES.

GENERAL INSTRUCTIONS

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Check item(s) being responded to:

Regulatory Action			
☐ 11.C(1)	☐ 11.C(5)	☐ 11.D(4)	☐ 11.E(3)
☐ 11.C(2)	☑ 11.D(1)	☐ 11.D(5)	☐ 11.E(4)
☐ 11.C(3)	☑ 11.D(2)	☐ 11.E(1)	☐ 11.F
☐ 11.C(4)	☐ 11.D(3)	☐ 11.E(2)	☐ 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

◉ You (the advisory firm)

○ You and one or more of your *advisory affiliates*

○ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

○ *Yes* ○ *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

○ SEC ○ Other Federal ◉ State ○ *SRO* ○ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
OKLAHOMA DEPARTMENT OF SECURITIES

2. Principal Sanction:
Restitution
Other Sanctions:
IN ADDITION TO THE AGREEMENT TO REPURCHASE ILLIQUID AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLED FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUES OF ARS, AND A CIVIL PENALTY.

3. Date Initiated (MM/DD/YYYY):
01/11/2010 ◉ Exact ○ Explanation

If not exact, provide explanation:

4. Docket/Case Number:
10-048

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
Other
Other Product Types:
AUCTION RATE SECURITIES

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

THE INVESTIGATION CONCERNED ALLEGED MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES, SPECIFICALLY WITH RESPECT TO THE LIQUIDITY OF SUCH SECURITIES.

8. Current status ? ○ Pending ○ On Appeal ◉ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Settled

SETTLMNT

11. Resolution Date (MM/DD/YYYY):
01/11/2010 ◉ Exact ○ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☑ Monetary/Fine Amount:$ 149041.03

☐ Revocation/Expulsion/Denial

☐ Censure

☐ Bar

☑ Disgorgement/Restitution

☑ Cease and Desist/Injunction

☐ Suspension

B. Other Sanctions *Ordered*:
IN ADDITION TO THE AGREEMENT TO REPURCHASE ILLIQUID AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLED FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUES OF ARS, AND A CIVIL PENALTY.

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
THE FINE OF $149,041.03 WAS PAID ON JANUARY 7, 2010. THE FINE IS OKLAHOMA'S PORTION OF A TOTAL FINE FOR THE MATTER OF $35 MILLION NEGOTIATED WITH THE NYAG AND ILLINOIS ON BEHALF OF A NASAA TASK FORCE. THE REMAINING AMOUNT WILL BE PAID SEPARATELY TO OTHER NASAA MEMBER JURISDICTIONS. THE FIRM COMPLETED IT'S OBLIGATION TO REPURCHASE ARS FROM ELIGIBLE INVESTORS ON OR ABOUT JANUARY 11, 2009.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
THIS ACTION RELATED TO ALLEGATIONS WITH RESPECT TO MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES, SPECIFICALLY WITH RESPECT TO THE LIQUIDITY OF SUCH SECURITIES. AS NOTED ABOVE, THE PRINCIPAL TERMS OF THIS SETTLEMENT WERE PREVIOUSLY NEGOTIATED WITH THE NYAG AND ILLINOIS, ON BEHALF OF THE NASAA TASK FORCE, AND THIS SETTLEMENT IS SIMILAR TO AGREEMENTS WITH OTHER STATES.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ◉ INITIAL ***OR*** ○ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action			
☐ 11.C(1)	☐ 11.C(5)	☐ 11.D(4)	☐ 11.E(3)
☐ 11.C(2)	☑ 11.D(1)	☐ 11.D(5)	☐ 11.E(4)
☐ 11.C(3)	☑ 11.D(2)	☐ 11.E(1)	☐ 11.F
☐ 11.C(4)	☐ 11.D(3)	☐ 11.E(2)	☐ 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

◉ You (the advisory firm)

○ You and one or more of your *advisory affiliates*

○ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

○ *Yes* ○ *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

○ SEC ○ Other Federal ◉ State ○ *SRO* ○ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
NEW MEXICO SECURITIES DIVISION

2. Principal Sanction:
Restitution
Other Sanctions:
IN ADDITION TO THE AGREEMENT TO REPURCHASE ILLIQUID AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLED FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUES OF ARS, AND A CIVIL PENALTY.

3. Date Initiated (MM/DD/YYYY):
01/04/2010 ◉ Exact ○ Explanation

If not exact, provide explanation:

4. Docket/Case Number:
09-09-999-057

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
Other
Other Product Types:

AUCTION RATE SECURITIES

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

THE INVESTIGATION CONCERNED ALLEGED MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES, SPECIFICALLY WITH RESPECT TO THE LIQUIDITY OF SUCH SECURITIES

8. Current status ? ○ Pending ○ On Appeal ◉ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Settled

SETTLMNT

11. Resolution Date (MM/DD/YYYY):

01/04/2010 ◉ Exact ○ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

- ☑ Monetary/Fine Amount:$ 133231.12
- ☐ Revocation/Expulsion/Denial
- ☐ Censure
- ☐ Bar
- ☑ Disgorgement/Restitution
- ☑ Cease and Desist/Injunction
- ☐ Suspension

B. Other Sanctions *Ordered*:
IN ADDITION TO THE AGREEMENT TO REPURCHASE ILLIQUID AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLED FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUES OF ARS, AND A CIVIL PENALTY.

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
THE FINE OF $133,231.12 WAS PAID ON JANUARY 7, 2010. THE FINE IS NEW MEXICO'S PORTION OF A TOTAL FINE FOR THE MATTER OF $35 MILLION NEGOTIATED WITH THE NYAG AND ILLINOIS ON BEHALF OF A NASAA TASK FORCE. THE REMAINING AMOUNT WILL BE PAID SEPARATELY TO OTHER NASAA MEMBER JURISDICTIONS. THE FIRM COMPLETED IT'S OBLIGATION TO REPURCHASE ARS FROM ELIGIBLE INVESTORS ON OR ABOUT JANUARY 11, 2009.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
THIS ACTION RELATED TO ALLEGATIONS WITH RESPECT TO MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES, SPECIFICALLY WITH RESPECT TO THE LIQUIDITY OF SUCH SECURITIES. AS NOTED ABOVE, THE PRINCIPAL TERMS OF THIS SETTLEMENT WERE PREVIOUSLY NEGOTIATED WITH THE NYAG AND ILLINOIS, ON BEHALF OF THE NASAA TASK FORCE, AND THIS SETTLEMENT IS SIMILAR TO AGREEMENTS WITH OTHER STATES.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ◉ INITIAL ***OR*** ○ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action

☐ 11.C(1)	☐ 11.C(5)	☐ 11.D(4)	☐ 11.E(3)
☐ 11.C(2)	☐ 11.D(1)	☐ 11.D(5)	☐ 11.E(4)
☐ 11.C(3)	☐ 11.D(2)	☐ 11.E(1)	☐ 11.F
☐ 11.C(4)	☐ 11.D(3)	☑ 11.E(2)	☐ 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

◉ You (the advisory firm)

○ You and one or more of your *advisory affiliates*

○ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

○ *Yes* ○ *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:
○ SEC ○ Other Federal ○ State ◉ *SRO* ○ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
FINRA

2. Principal Sanction:
Civil and Administrative Penalt(ies) /Fine(s)
Other Sanctions:
CENSURE

3. Date Initiated (MM/DD/YYYY):
01/08/2010 ◉ Exact ○ Explanation

If not exact, provide explanation:

4. Docket/Case Number:
20080144156-01

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
Other
Other Product Types:
TRACE ELIGIBLE SECURITIES

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

THE FIRM FAILED TO REPORT TO TRACE CERTAIN LARGE BLOCK TRANSACTIONS IN TRACE-ELIGIBLE SECURITIES WITHIN 15 MINUTES OF THE TIME OF EXECUTION IN VIOLATION OF NASD RULES 6230(A) AND 2110.

8. Current status ? ○ Pending ○ On Appeal ◉ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Acceptance, Waiver & Consent(AWC)

AWC

11. Resolution Date (MM/DD/YYYY):
01/08/2010 ◉ Exact ○ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☑ Monetary/Fine Amount:$ 6000

- ☐ Revocation/Expulsion/Denial
- ☐ Disgorgement/Restitution
- ☑ Censure
- ☐ Cease and Desist/Injunction
- ☐ Bar
- ☐ Suspension

B. Other Sanctions *Ordered*:

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
FINE OF $6,000 AND CENSURE

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
WITHOUT ADMITTING OR DENYING THE UNDERLYING ALLEGATIONS AND WITHOUT ADJUDICATION OF ANY ISSUE OF LAW OR FACT, THE FIRM ACCEPTED AND CONSENTED TO ENTRY OF FINDINGS AND THE IMPOSITION OF A CENSURE AND A FINE OF $6,000.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ◉ INITIAL ***OR*** ○ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action			
☐ 11.C(1)	☐ 11.C(5)	☐ 11.D(4)	☐ 11.E(3)
☐ 11.C(2)	☐ 11.D(1)	☐ 11.D(5)	☐ 11.E(4)
☐ 11.C(3)	☐ 11.D(2)	☐ 11.E(1)	☐ 11.F
☐ 11.C(4)	☐ 11.D(3)	☑ 11.E(2)	☐ 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- ◉ You (the advisory firm)
- ○ You and one or more of your *advisory affiliates*
- ○ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

○ *Yes* ○ *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

○ SEC ○ Other Federal ○ State ◉ *SRO* ○ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
NASDAQ OMX PHLX, INC

2. Principal Sanction:
Civil and Administrative Penalt(ies) /Fine(s)
Other Sanctions:
CENSURE

3. Date Initiated (MM/DD/YYYY):
01/04/2010 (•) Exact ( ) Explanation

If not exact, provide explanation:

4. Docket/Case Number:
2009-30

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
Options
Other Product Types:

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

THE FIRM EXECUTED OPTION TRADES FOR A CLIENT WHICH EXCEEDED THE POSITION LIMIT FOR THE PARTICULAR SECURITY IN VIOLATION OF EXCHANGE RULE 1001.

8. Current status ? ( ) Pending ( ) On Appeal (•) Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Decision & Order of Offer of Settlement

OFFERSETTLE

11. Resolution Date (MM/DD/YYYY):
01/21/2010 (•) Exact ( ) Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

- [x] Monetary/Fine Amount:$ 50000
- [ ] Revocation/Expulsion/Denial
- [ ] Disgorgement/Restitution
- [x] Censure
- [ ] Cease and Desist/Injunction
- [ ] Bar
- [ ] Suspension

B. Other Sanctions *Ordered*:

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
FINE OF $50,000 AND CENSURE

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
WITHOUT ADMITTING OR DENYING THE UNDERLYING ALLEGATIONS AND WITHOUT ADJUDICATION OF ANY ISSUE OF LAW OR FACT, THE FIRM ACCEPTED AND CONSENTED TO ENTRY BY THE BUSINESS CONDUCT COMMITTEE OF A DECISION CONTAINING THE STIPULATION OF FACTS AND THE CONCLUSION OF VIOLATIONS AND THE IMPOSITION OF SANCTIONS.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an (•) INITIAL ***OR*** ( ) AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action

[ ] 11.C(1)	[ ] 11.C(5)	[ ] 11.D(4)	[ ] 11.E(3)
[ ] 11.C(2)	[x] 11.D(1)	[ ] 11.D(5)	[ ] 11.E(4)
[ ] 11.C(3)	[x] 11.D(2)	[ ] 11.E(1)	[ ] 11.F
[ ] 11.C(4)	[ ] 11.D(3)	[ ] 11.E(2)	[ ] 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- (•) You (the advisory firm)
- ( ) You and one or more of your *advisory affiliates*
- ( ) One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

( ) *Yes* ( ) *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:
( ) SEC ( ) Other Federal (•) State ( ) *SRO* ( ) Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
NEBRASKA DEPARTMENT OF BANKING & FINANCE

2. Principal Sanction:
Restitution
Other Sanctions:
IN ADDITION TO THE AGREEMENT TO REPURCHASE ILLIQUID AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLED FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUES OF ARS, AND A CIVIL PENALTY.

3. Date Initiated (MM/DD/YYYY):
02/17/2010 (•) Exact ( ) Explanation

If not exact, provide explanation:

4. Docket/Case Number:
N/A

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
Other
Other Product Types:
AUCTION RATE SECURITIES

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

THE INVESTIGATION CONCERNED ALLEGED MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES, SPECIFICALLY WITH RESPECT TO THE LIQUIDITY OF SUCH SECURITIES.

8. Current status ? ( ) Pending ( ) On Appeal (•) Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Settled

SETTLMNT

11. Resolution Date (MM/DD/YYYY):
02/17/2010 (•) Exact ( ) Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

- [x] Monetary/Fine Amount:$ 158003.61
- [ ] Revocation/Expulsion/Denial
- [x] Disgorgement/Restitution
- [ ] Censure
- [x] Cease and Desist/Injunction
- [ ] Bar
- [ ] Suspension

B. Other Sanctions *Ordered*:
IN ADDITION TO THE AGREEMENT TO REPURCHASE ILLIQUID AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLED FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUES OF ARS, AND A CIVIL PENALTY.

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
THE FINE OF $158,003.61 WAS PAID ON FEBRUARY 12, 2010. THE FINE IS NEBRASKA'S PORTION OF A TOTAL FINE FOR THE MATTER OF $35 MILLION NEGOTIATED WITH THE NYAG AND ILLINOIS ON BEHALF OF A NASAA TASK FORCE. THE REMAINING AMOUNT WILL BE PAID SEPARATELY TO OTHER NASAA MEMBER JURISDICTIONS. THE FIRM COMPLETED IT'S OBLIGATION TO REPURCHASE ARS FROM ELIGIBLE INVESTORS ON OR ABOUT JANUARY 11, 2009.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
THIS ACTION RELATED TO ALLEGATIONS WITH RESPECT TO MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES, SPECIFICALLY WITH RESPECT TO THE LIQUIDITY OF SUCH SECURITIES. AS NOTED ABOVE, THE PRINCIPAL TERMS OF THIS SETTLEMENT WERE PREVIOUSLY NEGOTIATED WITH THE NYAG AND ILLINOIS, ON BEHALF OF THE NASAA TASK FORCE, AND THIS SETTLEMENT IS SIMILAR TO AGREEMENTS WITH OTHER STATES.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an (•) INITIAL ***OR*** ( ) AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action			
[ ] 11.C(1)	[ ] 11.C(5)	[ ] 11.D(4)	[ ] 11.E(3)
[ ] 11.C(2)	[x] 11.D(1)	[ ] 11.D(5)	[ ] 11.E(4)
[ ] 11.C(3)	[x] 11.D(2)	[ ] 11.E(1)	[ ] 11.F
[ ] 11.C(4)	[ ] 11.D(3)	[ ] 11.E(2)	[ ] 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- (•) You (the advisory firm)
- ( ) You and one or more of your *advisory affiliates*
- ( ) One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*

No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

○ *Yes* ○ *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

○ SEC ○ Other Federal ◉ State ○ *SRO* ○ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)

TENNESSEE SECURITIES DIVISION

2. Principal Sanction:

Restitution

Other Sanctions:

IN ADDITION TO THE AGREEMENT TO REPURCHASE ILLIQUID AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLED FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUES OF ARS, AND A CIVIL PENALTY.

3. Date Initiated (MM/DD/YYYY):

01/29/2010 ◉ Exact ○ Explanation

If not exact, provide explanation:

4. Docket/Case Number:

09-017 (SI-2008-010)

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:

Other

Other Product Types:

AUCTION RATE SECURITIES

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

THE INVESTIGATION CONCERNED ALLEGED MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES, SPECIFICALLY WITH RESPECT TO THE LIQUIDITY OF SUCH SECURITIES.

8. Current status ? ○ Pending ○ On Appeal ◉ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:

Settled

SETTLMNT

11. Resolution Date (MM/DD/YYYY):

01/29/2010 ◉ Exact ○ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☑ Monetary/Fine Amount:$ 632387.21

☐ Revocation/Expulsion/Denial

☐ Censure

☐ Bar

☑ Disgorgement/Restitution

☑ Cease and Desist/Injunction

☐ Suspension

B. Other Sanctions *Ordered*:

IN ADDITION TO THE AGREEMENT TO REPURCHASE ILLIQUID AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLED FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUES OF ARS, AND A CIVIL PENALTY.

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
THE FINE OF $632,387.21 WAS PAID ON JANUARY 26, 2010. THE FINE IS TENNESSEE'S PORTION OF A TOTAL FINE FOR THE MATTER OF $35 MILLION NEGOTIATED WITH THE NYAG AND ILLINOIS ON BEHALF OF A NASAA TASK FORCE. THE REMAINING AMOUNT WILL BE PAID SEPARATELY TO OTHER NASAA MEMBER JURISDICTIONS. THE FIRM COMPLETED IT'S OBLIGATION TO REPURCHASE ARS FROM ELIGIBLE INVESTORS ON OR ABOUT JANUARY 11, 2009.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
THIS ACTION RELATED TO ALLEGATIONS WITH RESPECT TO MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES, SPECIFICALLY WITH RESPECT TO THE LIQUIDITY OF SUCH SECURITIES. AS NOTED ABOVE, THE PRINCIPAL TERMS OF THIS SETTLEMENT WERE PREVIOUSLY NEGOTIATED WITH THE NYAG AND ILLINOIS, ON BEHALF OF THE NASAA TASK FORCE, AND THIS SETTLEMENT IS SIMILAR TO AGREEMENTS WITH OTHER STATES.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an (•) INITIAL ***OR*** ( ) AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action			
☐ 11.C(1)	☐ 11.C(5)	☐ 11.D(4)	☐ 11.E(3)
☐ 11.C(2)	☑ 11.D(1)	☐ 11.D(5)	☐ 11.E(4)
☐ 11.C(3)	☑ 11.D(2)	☐ 11.E(1)	☐ 11.F
☐ 11.C(4)	☐ 11.D(3)	☐ 11.E(2)	☐ 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

(•) You (the advisory firm)

( ) You and one or more of your *advisory affiliates*

( ) One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

( ) *Yes* ( ) *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

( ) SEC ( ) Other Federal (•) State ( ) *SRO* ( ) Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
MASSACHUSETTS SECURITIES DIVISION

2. Principal Sanction:
Restitution
Other Sanctions:

IN ADDITION TO THE AGREEMENT TO REPURCHASE ILLIQUID AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLED FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUES OF ARS, AND A CIVIL PENALTY.

3. Date Initiated (MM/DD/YYYY):
01/26/2010 (•) Exact ( ) Explanation

If not exact, provide explanation:

4. Docket/Case Number:
E-2010-0006

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
Options
Other Product Types:
AUCTION RATE SECURITIES

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

THE INVESTIGATION CONCERNED ALLEGED MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES, SPECIFICALLY WITH RESPECT TO THE LIQUIDITY OF SUCH SECURITIES.

8. Current status ? ( ) Pending ( ) On Appeal (•) Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Settled

SETTLMNT

11. Resolution Date (MM/DD/YYYY):
01/26/2010 (•) Exact ( ) Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

- [x] Monetary/Fine Amount:$ 929074.78
- [ ] Revocation/Expulsion/Denial
- [ ] Censure
- [ ] Bar
- [x] Disgorgement/Restitution
- [x] Cease and Desist/Injunction
- [ ] Suspension

B. Other Sanctions *Ordered*:
IN ADDITION TO THE AGREEMENT TO REPURCHASE ILLIQUID AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLED FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUES OF ARS, AND A CIVIL PENALTY.

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
THE FINE OF $929,074.78 WAS PAID ON JANUARY 26, 2010. THE FINE IS MASSACHUSETTS' PORTION OF A TOTAL FINE FOR THE MATTER OF $35 MILLION NEGOTIATED WITH THE NYAG AND ILLINOIS ON BEHALF OF A NASAA TASK FORCE. THE REMAINING AMOUNT WILL BE PAID SEPARATELY TO OTHER NASAA MEMBER JURISDICTIONS. THE FIRM COMPLETED IT'S OBLIGATION TO REPURCHASE ARS FROM ELIGIBLE INVESTORS ON OR ABOUT JANUARY 11, 2009.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
THIS ACTION RELATED TO ALLEGATIONS WITH RESPECT TO MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES, SPECIFICALLY WITH RESPECT TO THE LIQUIDITY OF SUCH SECURITIES. AS NOTED ABOVE, THE PRINCIPAL TERMS OF THIS SETTLEMENT WERE PREVIOUSLY NEGOTIATED WITH THE NYAG AND ILLINOIS, ON BEHALF OF THE NASAA TASK FORCE, AND THIS SETTLEMENT IS SIMILAR TO AGREEMENTS WITH OTHER STATES.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an (•) INITIAL ***OR*** ( ) AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action

☐ 11.C(1)	☐ 11.C(5)	☐ 11.D(4)	☐ 11.E(3)
☐ 11.C(2)	☑ 11.D(1)	☐ 11.D(5)	☐ 11.E(4)
☐ 11.C(3)	☑ 11.D(2)	☐ 11.E(1)	☐ 11.F
☐ 11.C(4)	☐ 11.D(3)	☐ 11.E(2)	☐ 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- ◉ You (the advisory firm)
- ○ You and one or more of your *advisory affiliates*
- ○ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

○ *Yes* ○ *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

○ SEC ○ Other Federal ◉ State ○ *SRO* ○ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
WISCONSIN DIVISION OF SECURITIES

2. Principal Sanction:
Restitution
Other Sanctions:
IN ADDITION TO THE AGREEMENT TO REPURCHASE ILLIQUID AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLED FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUES OF ARS, AND A CIVIL PENALTY.

3. Date Initiated (MM/DD/YYYY):
02/19/2010 ◉ Exact ○ Explanation

If not exact, provide explanation:

4. Docket/Case Number:
S-09152(EX)

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
Other
Other Product Types:
AUCTION RATE SECURITIES

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

THE INVESTIGATION CONCERNED ALLEGED MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES, SPECIFICALLY WITH RESPECT TO THE LIQUIDITY OF SUCH SECURITIES.

8. Current status ? ○ Pending ○ On Appeal ◉ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Settled

SETTLMNT

11. Resolution Date (MM/DD/YYYY):
02/19/2010 ◉ Exact ○ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

- ☑ Monetary/Fine Amount:$ 213643.6
- ☐ Revocation/Expulsion/Denial
- ☐ Censure
- ☐ Bar
- ☑ Disgorgement/Restitution
- ☑ Cease and Desist/Injunction
- ☐ Suspension

B. Other Sanctions *Ordered*:
IN ADDITION TO THE AGREEMENT TO REPURCHASE ILLIQUID AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLED FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUES OF ARS, AND A CIVIL PENALTY.

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
THE FINE OF $213,643.60 WAS PAID ON FEBRUARY 12, 2010. THE FINE IS WISCONSIN'S PORTION OF A TOTAL FINE FOR THE MATTER OF $35 MILLION NEGOTIATED WITH THE NYAG AND ILLINOIS ON BEHALF OF A NASAA TASK FORCE. THE REMAINING AMOUNT WILL BE PAID SEPARATELY TO OTHER NASAA MEMBER JURISDICTIONS. THE FIRM COMPLETED IT'S OBLIGATION TO REPURCHASE ARS FROM ELIGIBLE INVESTORS ON OR ABOUT JANUARY 11, 2009.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
THIS ACTION RELATED TO ALLEGATIONS WITH RESPECT TO MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES, SPECIFICALLY WITH RESPECT TO THE LIQUIDITY OF SUCH SECURITIES. AS NOTED ABOVE, THE PRINCIPAL TERMS OF THIS SETTLEMENT WERE PREVIOUSLY NEGOTIATED WITH THE NYAG AND ILLINOIS, ON BEHALF OF THE NASAA TASK FORCE, AND THIS SETTLEMENT IS SIMILAR TO AGREEMENTS WITH OTHER STATES.

GENERAL INSTRUCTIONS

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Check item(s) being responded to:

Regulatory Action

☐ 11.C(1)	☐ 11.C(5)	☐ 11.D(4)	☐ 11.E(3)
☐ 11.C(2)	☑ 11.D(1)	☐ 11.D(5)	☐ 11.E(4)
☐ 11.C(3)	☑ 11.D(2)	☐ 11.E(1)	☐ 11.F
☐ 11.C(4)	☐ 11.D(3)	☐ 11.E(2)	☐ 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

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PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- ◉ You (the advisory firm)
- ○ You and one or more of your *advisory affiliates*
- ○ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

○ *Yes* ○ *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:
○ SEC ○ Other Federal ◉ State ○ *SRO* ○ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
US VIRGIN ISLANDS DIVISION OF BANKING & INSURANCE

2. Principal Sanction:
Restitution
Other Sanctions:
IN ADDITION TO THE AGREEMENT TO REPURCHASE ILLIQUID AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLED FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUES OF ARS, AND A CIVIL PENALTY.

3. Date Initiated (MM/DD/YYYY):
02/18/2010 ◉ Exact ○ Explanation

If not exact, provide explanation:

4. Docket/Case Number:
05-10

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
Other
Other Product Types:
AUCTION RATE SECURITIES

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

THE INVESTIGATION CONCERNED ALLEGED MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES, SPECIFICALLY WITH RESPECT TO THE LIQUIDITY OF SUCH SECURITIES.

8. Current status ? ○ Pending ○ On Appeal ◉ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Settled

SETTLMNT

11. Resolution Date (MM/DD/YYYY):
02/18/2010 ◉ Exact ○ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☑ Monetary/Fine Amount:$ 74675.39

☐ Revocation/Expulsion/Denial

☐ Censure

☐ Bar

☐ Disgorgement/Restitution

☑ Cease and Desist/Injunction

☑ Suspension

B. Other Sanctions *Ordered*:
IN ADDITION TO THE AGREEMENT TO REPURCHASE ILLIQUID AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLED FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUES OF ARS, AND A CIVIL PENALTY.

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
THE FINE OF $74,675.39 WAS PAID ON FEBRUARY 12, 2010. THE FINE IS US VIRGIN ISLANDS' PORTION OF A TOTAL FINE FOR THE MATTER OF $35 MILLION NEGOTIATED WITH THE NYAG AND ILLINOIS ON BEHALF OF A NASAA TASK FORCE. THE REMAINING AMOUNT WILL BE PAID SEPARATELY TO OTHER NASAA MEMBER JURISDICTIONS. THE FIRM COMPLETED IT'S OBLIGATION TO REPURCHASE ARS FROM ELIGIBLE INVESTORS ON OR ABOUT JANUARY 11, 2009.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
THIS ACTION RELATED TO ALLEGATIONS WITH RESPECT TO MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES, SPECIFICALLY WITH RESPECT TO THE LIQUIDITY OF SUCH SECURITIES. AS NOTED ABOVE, THE PRINCIPAL TERMS OF THIS SETTLEMENT WERE PREVIOUSLY NEGOTIATED WITH THE NYAG AND ILLINOIS, ON BEHALF OF THE NASAA TASK FORCE, AND THIS SETTLEMENT IS SIMILAR TO AGREEMENTS WITH OTHER STATES.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ◉ INITIAL ***OR*** ○ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action			
☐ 11.C(1)	☐ 11.C(5)	☐ 11.D(4)	☐ 11.E(3)
☐ 11.C(2)	☑ 11.D(1)	☐ 11.D(5)	☐ 11.E(4)
☐ 11.C(3)	☑ 11.D(2)	☐ 11.E(1)	☐ 11.F
☐ 11.C(4)	☐ 11.D(3)	☐ 11.E(2)	☐ 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):
◉ You (the advisory firm)
○ You and one or more of your *advisory affiliates*
○ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.
○ *Yes* ○ *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:
○ SEC ○ Other Federal ◉ State ○ *SRO* ○ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
ALABAMA SECURITIES COMMISSION

2. Principal Sanction:
Restitution
Other Sanctions:
IN ADDITION TO THE AGREEMENT TO REPURCHASE ILLIQUID AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLED FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUES OF ARS, AND A CIVIL PENALTY.

3. Date Initiated (MM/DD/YYYY):
02/10/2010 (•) Exact ( ) Explanation

If not exact, provide explanation:

4. Docket/Case Number:
CO-2010-0007

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
Other
Other Product Types:
AUCTION RATE SECURITIES

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

THE INVESTIGATION CONCERNED ALLEGED MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES, SPECIFICALLY WITH RESPECT TO THE LIQUIDITY OF SUCH SECURITIES.

8. Current status ? ( ) Pending ( ) On Appeal (•) Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Settled

SETTLMNT

11. Resolution Date (MM/DD/YYYY):
02/10/2010 (•) Exact ( ) Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

- [x] Monetary/Fine Amount:$ 209036.21
- [ ] Revocation/Expulsion/Denial
- [ ] Censure
- [ ] Bar
- [x] Disgorgement/Restitution
- [x] Cease and Desist/Injunction
- [ ] Suspension

B. Other Sanctions *Ordered*:
IN ADDITION TO THE AGREEMENT TO REPURCHASE ILLIQUID AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLED FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUES OF ARS, AND A CIVIL PENALTY.

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
THE FINE OF $209,036.21 WAS PAID ON FEBRUARY 9, 2010. THE FINE IS ALABAMA'S PORTION OF A TOTAL FINE FOR THE MATTER OF $35 MILLION NEGOTIATED WITH THE NYAG AND ILLINOIS ON BEHALF OF A NASAA TASK FORCE. THE REMAINING AMOUNT WILL BE PAID SEPARATELY TO OTHER NASAA MEMBER JURISDICTIONS. THE FIRM COMPLETED IT'S OBLIGATION TO REPURCHASE ARS FROM ELIGIBLE INVESTORS ON OR ABOUT JANUARY 11, 2009.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
THIS ACTION RELATED TO ALLEGATIONS WITH RESPECT TO MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES, SPECIFICALLY WITH RESPECT TO THE LIQUIDITY OF SUCH SECURITIES. AS NOTED ABOVE, THE PRINCIPAL TERMS OF THIS SETTLEMENT WERE PREVIOUSLY NEGOTIATED WITH THE NYAG AND ILLINOIS, ON BEHALF OF THE NASAA TASK FORCE, AND THIS SETTLEMENT IS SIMILAR TO AGREEMENTS WITH OTHER STATES.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ( ) INITIAL ***OR*** (•) AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of

Form ADV.

Check item(s) being responded to:

Regulatory Action			
☐ 11.C(1)	☐ 11.C(5)	☑ 11.D(4)	☐ 11.E(3)
☐ 11.C(2)	☑ 11.D(1)	☐ 11.D(5)	☐ 11.E(4)
☐ 11.C(3)	☑ 11.D(2)	☐ 11.E(1)	☐ 11.F
☐ 11.C(4)	☐ 11.D(3)	☐ 11.E(2)	☐ 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- ◉ You (the advisory firm)
- ○ You and one or more of your *advisory affiliates*
- ○ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

○ *Yes* ○ *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

○ SEC ○ Other Federal ◉ State ○ *SRO* ○ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
WASHINGTON SECURITIES DIVISION

2. Principal Sanction:
Restitution
Other Sanctions:
IN ADDITION TO THE AGREEMENT TO REPURCHASE ILLIQUID AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLED FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUES OF ARS, AND A CIVIL PENALTY.

3. Date Initiated (MM/DD/YYYY):
01/13/2010 ◉ Exact ○ Explanation

If not exact, provide explanation:

4. Docket/Case Number:
S-09-401-09-CO01

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
Other
Other Product Types:
AUCTION RATE SECURITIES

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

THE INVESTIGATION CONCERNED ALLEGED MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES, SPECIFICALLY WITH RESPECT TO THE LIQUIDITY OF SUCH SECURITIES.

8. Current status ? ○ Pending ○ On Appeal ◉ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Consent

CONSENT

11. Resolution Date (MM/DD/YYYY):

01/13/2010 ◉ Exact ○ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

- ☑ Monetary/Fine Amount:$ 591018.5
- ☐ Revocation/Expulsion/Denial
- ☐ Censure
- ☐ Bar
- ☑ Disgorgement/Restitution
- ☑ Cease and Desist/Injunction
- ☐ Suspension

B. Other Sanctions *Ordered*:
IN ADDITION TO THE AGREEMENT TO REPURCHASE ILLIQUID AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLED FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUES OF ARS, AND A CIVIL PENALTY.

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
THE FINE OF $591,018.50 WAS PAID ON JANUARY 7, 2010. THE FINE IS WASHINGTON'S PORTION OF A TOTAL FINE FOR THE MATTER OF $35 MILLION NEGOTIATED WITH THE NYAG AND ILLINOIS ON BEHALF OF A NASAA TASK FORCE. THE REMAINING AMOUNT WILL BE PAID SEPARATELY TO OTHER NASAA MEMBER JURISDICTIONS. THE FIRM COMPLETED IT'S OBLIGATION TO REPURCHASE ARS FROM ELIGIBLE INVESTORS ON OR ABOUT JANUARY 11, 2009.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
THIS ACTION RELATED TO ALLEGATIONS WITH RESPECT TO MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES, SPECIFICALLY WITH RESPECT TO THE LIQUIDITY OF SUCH SECURITIES. AS NOTED ABOVE, THE PRINCIPAL TERMS OF THIS SETTLEMENT WERE PREVIOUSLY NEGOTIATED WITH THE NYAG AND ILLINOIS, ON BEHALF OF THE NASAA TASK FORCE, AND THIS SETTLEMENT IS SIMILAR TO AGREEMENTS WITH OTHER STATES.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ◉ INITIAL ***OR*** ○ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action

☐ 11.C(1)	☐ 11.C(5)	☐ 11.D(4)	☐ 11.E(3)
☐ 11.C(2)	☑ 11.D(1)	☐ 11.D(5)	☐ 11.E(4)
☐ 11.C(3)	☑ 11.D(2)	☐ 11.E(1)	☐ 11.F
☐ 11.C(4)	☐ 11.D(3)	☐ 11.E(2)	☐ 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

◉ You (the advisory firm)

○ You and one or more of your *advisory affiliates*

○ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

○ *Yes* ○ *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:
○ SEC ○ Other Federal ◉ State ○ *SRO* ○ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
INDIANA SECURITIES DIVISION

2. Principal Sanction:
Restitution
Other Sanctions:
IN ADDITION TO THE AGREEMENT TO REPURCHASE ILLIQUID AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLED FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUES OF ARS, AND A CIVIL PENALTY.

3. Date Initiated (MM/DD/YYYY):
02/02/2010 ◉ Exact ○ Explanation

If not exact, provide explanation:

4. Docket/Case Number:
09-0226 CO

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
Other
Other Product Types:
AUCTION RATE SECURITIES

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

THE INVESTIGATION CONCERNED ALLEGED MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES, SPECIFICALLY WITH RESPECT TO THE LIQUIDITY OF SUCH SECURITIES.

8. Current status ? ○ Pending ○ On Appeal ◉ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Settled

SETTLMNT

11. Resolution Date (MM/DD/YYYY):
02/02/2010 ◉ Exact ○ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☑ Monetary/Fine Amount:$ 172267.8

- ☐ Revocation/Expulsion/Denial
- ☑ Disgorgement/Restitution
- ☐ Censure
- ☑ Cease and Desist/Injunction
- ☐ Bar
- ☐ Suspension

B. Other Sanctions *Ordered*:
IN ADDITION TO THE AGREEMENT TO REPURCHASE ILLIQUID AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLED FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUES OF ARS, AND A CIVIL PENALTY.

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
THE FINE OF $172,267.80 WAS PAID ON JANUARY 28, 2010. THE FINE IS INDIANA'S PORTION OF A TOTAL FINE FOR THE MATTER OF $35 MILLION NEGOTIATED WITH THE NYAG AND ILLINOIS ON BEHALF OF A NASAA TASK FORCE. THE REMAINING AMOUNT WILL BE PAID SEPARATELY TO OTHER NASAA MEMBER JURISDICTIONS. THE FIRM COMPLETED IT'S OBLIGATION TO REPURCHASE ARS FROM ELIGIBLE INVESTORS ON OR ABOUT JANUARY 11, 2009.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
THIS ACTION RELATED TO ALLEGATIONS WITH RESPECT TO MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES, SPECIFICALLY WITH RESPECT TO THE LIQUIDITY OF SUCH SECURITIES. AS NOTED ABOVE, THE PRINCIPAL TERMS OF THIS SETTLEMENT WERE PREVIOUSLY NEGOTIATED WITH THE NYAG AND ILLINOIS, ON BEHALF OF THE NASAA TASK FORCE, AND THIS SETTLEMENT IS SIMILAR TO AGREEMENTS WITH OTHER STATES.

GENERAL INSTRUCTIONS

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Check item(s) being responded to:

Regulatory Action			
☐ 11.C(1)	☐ 11.C(5)	☑ 11.D(4)	☐ 11.E(3)
☐ 11.C(2)	☑ 11.D(1)	☐ 11.D(5)	☐ 11.E(4)
☐ 11.C(3)	☑ 11.D(2)	☐ 11.E(1)	☐ 11.F
☐ 11.C(4)	☐ 11.D(3)	☐ 11.E(2)	☐ 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- ◉ You (the advisory firm)
- ○ You and one or more of your *advisory affiliates*
- ○ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

- ☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.
- ☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

○ *Yes* ○ *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:
   ○ SEC ○ Other Federal ◉ State ○ *SRO* ○ Foreign

   (Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
   MINNESOTA DEPARTMENT OF COMMERCE

2. Principal Sanction:
   Restitution
   Other Sanctions:
   IN ADDITION TO THE AGREEMENT TO REPURCHASE ILLIQUID AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLED FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUES OF ARS, AND A CIVIL PENALTY.

3. Date Initiated (MM/DD/YYYY):
   05/06/2010 ◉ Exact ○ Explanation

   If not exact, provide explanation:

4. Docket/Case Number:
   16092

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
   Other
   Other Product Types:
   AUCTION RATE SECURITIES

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

   THE INVESTIGATION CONCERNED ALLEGED MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES, SPECIFICALLY WITH RESPECT TO THE LIQUIDITY OF SUCH SECURITIES.

8. Current status ? ○ Pending ○ On Appeal ◉ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
    Consent

    CONSENT

11. Resolution Date (MM/DD/YYYY):
    05/06/2010 ◉ Exact ○ Explanation

    If not exact, provide explanation:

12. Resolution Detail:

    A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

    ☑ Monetary/Fine Amount:$ 369026.68

    ☐ Revocation/Expulsion/Denial

    ☐ Censure

    ☐ Bar

    ☑ Disgorgement/Restitution

    ☑ Cease and Desist/Injunction

    ☐ Suspension

    B. Other Sanctions *Ordered*:
    IN ADDITION TO THE AGREEMENT TO REPURCHASE ILLIQUID AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLED FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUES OF ARS, AND A CIVIL PENALTY.

    Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
    THE FINE OF $369,026.68 WAS PAID ON MAY 3, 2010. THE FINE IS MINNESOTA'S PORTION OF A TOTAL FINE FOR THE MATTER OF $35 MILLION NEGOTIATED WITH THE NYAG AND ILLINOIS ON BEHALF OF A NASAA TASK FORCE. THE REMAINING AMOUNT WILL BE PAID SEPARATELY TO OTHER NASAA MEMBER JURISDICTIONS. THE FIRM COMPLETED IT'S OBLIGATION TO REPURCHASE ARS FROM ELIGIBLE INVESTORS ON OR ABOUT JANUARY 11, 2009.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
    THIS ACTION RELATED TO ALLEGATIONS WITH RESPECT TO MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES, SPECIFICALLY WITH RESPECT TO THE LIQUIDITY OF SUCH SECURITIES. AS NOTED ABOVE, THE PRINCIPAL TERMS OF THIS SETTLEMENT WERE PREVIOUSLY NEGOTIATED WITH THE NYAG AND ILLINOIS, ON BEHALF OF THE NASAA TASK FORCE, AND THIS SETTLEMENT IS SIMILAR TO

AGREEMENTS WITH OTHER STATES.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ◉ INITIAL ***OR*** ○ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action			
☐ 11.C(1)	☐ 11.C(5)	☐ 11.D(4)	☐ 11.E(3)
☐ 11.C(2)	☑ 11.D(1)	☐ 11.D(5)	☐ 11.E(4)
☐ 11.C(3)	☑ 11.D(2)	☐ 11.E(1)	☐ 11.F
☐ 11.C(4)	☐ 11.D(3)	☐ 11.E(2)	☐ 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

◉ You (the advisory firm)

○ You and one or more of your *advisory affiliates*

○ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

○ *Yes* ○ *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

○ SEC ○ Other Federal ◉ State ○ *SRO* ○ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
SOUTH CAROLINA SECURITIES COMMISSIONER

2. Principal Sanction:
Restitution
Other Sanctions:
IN ADDITION TO THE AGREEMENT TO REPURCHASE ILLIQUID AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLED FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUES OF ARS, AND A CIVIL PENALTY.

3. Date Initiated (MM/DD/YYYY):
03/11/2010 ◉ Exact ○ Explanation

If not exact, provide explanation:

4. Docket/Case Number:
10004

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
Other
Other Product Types:
AUCTION RATE SECURITIES

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

THE INVESTIGATION CONCERNED ALLEGED MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES, SPECIFICALLY WITH RESPECT TO THE LIQUIDITY OF SUCH SECURITIES.

8. Current status ? ○ Pending ○ On Appeal ◉ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Settled

SETTLMNT

11. Resolution Date (MM/DD/YYYY):

03/11/2010 ◉ Exact ○ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

- ☑ Monetary/Fine Amount:$ 183014.12
- ☐ Revocation/Expulsion/Denial
- ☐ Censure
- ☐ Bar
- ☑ Disgorgement/Restitution
- ☑ Cease and Desist/Injunction
- ☐ Suspension

B. Other Sanctions *Ordered*:
IN ADDITION TO THE AGREEMENT TO REPURCHASE ILLIQUID AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLED FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUES OF ARS, AND A CIVIL PENALTY.

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
THE FINE OF $183,014.12 WAS PAID ON MARCH 5, 2010. THE FINE IS SOUTH CAROLINA'S PORTION OF A TOTAL FINE FOR THE MATTER OF $35 MILLION NEGOTIATED WITH THE NYAG AND ILLINOIS ON BEHALF OF A NASAA TASK FORCE. THE REMAINING AMOUNT WILL BE PAID SEPARATELY TO OTHER NASAA MEMBER JURISDICTIONS. THE FIRM COMPLETED IT'S OBLIGATION TO REPURCHASE ARS FROM ELIGIBLE INVESTORS ON OR ABOUT JANUARY 11, 2009.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
THIS ACTION RELATED TO ALLEGATIONS WITH RESPECT TO MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES, SPECIFICALLY WITH RESPECT TO THE LIQUIDITY OF SUCH SECURITIES. AS NOTED ABOVE, THE PRINCIPAL TERMS OF THIS SETTLEMENT WERE PREVIOUSLY NEGOTIATED WITH THE NYAG AND ILLINOIS, ON BEHALF OF THE NASAA TASK FORCE, AND THIS SETTLEMENT IS SIMILAR TO AGREEMENTS WITH OTHER STATES.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ◉ INITIAL ***OR*** ○ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action

☐ 11.C(1)	☐ 11.C(5)	☑ 11.D(4)	☐ 11.E(3)
☐ 11.C(2)	☑ 11.D(1)	☐ 11.D(5)	☐ 11.E(4)
☐ 11.C(3)	☑ 11.D(2)	☐ 11.E(1)	☐ 11.F
☐ 11.C(4)	☐ 11.D(3)	☐ 11.E(2)	☐ 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- (•) You (the advisory firm)
- ( ) You and one or more of your *advisory affiliates*
- ( ) One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

( ) *Yes* ( ) *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

( ) SEC ( ) Other Federal (•) State ( ) *SRO* ( ) Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
MAINE OFFICE OF SECURITIES

2. Principal Sanction:
Restitution
Other Sanctions:
IN ADDITION TO THE AGREEMENT TO REPURCHASE ILLIQUID AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLED FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUES OF ARS, AND A CIVIL PENALTY.

3. Date Initiated (MM/DD/YYYY):
05/03/2010 (•) Exact ( ) Explanation

If not exact, provide explanation:

4. Docket/Case Number:
10-0029

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
Other
Other Product Types:
AUCTION RATE SECURITIES

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

THE INVESTIGATION CONCERNED ALLEGED MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES, SPECIFICALLY WITH RESPECT TO THE LIQUIDITY OF SUCH SECURITIES.

8. Current status ? ( ) Pending ( ) On Appeal (•) Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Consent

CONSENT

11. Resolution Date (MM/DD/YYYY):
05/03/2010 (•) Exact ( ) Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

- [x] Monetary/Fine Amount:$ 99001.59
- [ ] Revocation/Expulsion/Denial
- [x] Disgorgement/Restitution
- [ ] Censure
- [x] Cease and Desist/Injunction
- [ ] Bar
- [ ] Suspension

B. Other Sanctions *Ordered*:
IN ADDITION TO THE AGREEMENT TO REPURCHASE ILLIQUID AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLED FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUES OF ARS, AND A CIVIL PENALTY.

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
THE FINE OF $99,001.59 WAS PAID ON APRIL 29, 2010. THE FINE IS MAINE'S PORTION OF A TOTAL FINE FOR THE MATTER OF $35 MILLION NEGOTIATED WITH THE NYAG AND ILLINOIS ON BEHALF OF A NASAA TASK FORCE. THE REMAINING AMOUNT WILL BE PAID SEPARATELY TO OTHER NASAA MEMBER JURISDICTIONS. THE FIRM COMPLETED IT'S OBLIGATION TO REPURCHASE ARS FROM ELIGIBLE INVESTORS ON OR ABOUT JANUARY 11, 2009.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
THIS ACTION RELATED TO ALLEGATIONS WITH RESPECT TO MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES, SPECIFICALLY WITH RESPECT TO THE LIQUIDITY OF SUCH SECURITIES. AS NOTED ABOVE, THE PRINCIPAL TERMS OF THIS SETTLEMENT WERE PREVIOUSLY NEGOTIATED WITH THE NYAG AND ILLINOIS, ON BEHALF OF THE NASAA TASK FORCE, AND THIS SETTLEMENT IS SIMILAR TO AGREEMENTS WITH OTHER STATES.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an (•) INITIAL ***OR*** ( ) AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action

[ ] 11.C(1)	[ ] 11.C(5)	[ ] 11.D(4)	[ ] 11.E(3)
[ ] 11.C(2)	[x] 11.D(1)	[ ] 11.D(5)	[ ] 11.E(4)
[ ] 11.C(3)	[x] 11.D(2)	[ ] 11.E(1)	[ ] 11.F
[ ] 11.C(4)	[ ] 11.D(3)	[ ] 11.E(2)	[ ] 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- (•) You (the advisory firm)
- ( ) You and one or more of your *advisory affiliates*
- ( ) One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

- [ ] This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.
- [ ] This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the

event? If the answer is "Yes," no other information on this DRP must be provided.

○ *Yes* ○ *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:
   ○ SEC ○ Other Federal ◉ State ○ *SRO* ○ Foreign
   (Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
   HAWAII DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS

2. Principal Sanction:
   Restitution
   Other Sanctions:
   IN ADDITION TO THE AGREEMENT TO REPURCHASE ILLIQUID AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLED FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUES OF ARS, AND A CIVIL PENALTY.

3. Date Initiated (MM/DD/YYYY):
   03/30/2010 ◉ Exact ○ Explanation

   If not exact, provide explanation:

4. Docket/Case Number:
   SEU-2008-13; SEU-2008-17; SEU-2009-49

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
   Other
   Other Product Types:
   AUCTION RATE SECURITIES

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

   THE INVESTIGATION CONCERNED ALLEGED MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES, SPECIFICALLY WITH RESPECT TO THE LIQUIDITY OF SUCH SECURITIES.

8. Current status ? ○ Pending ○ On Appeal ◉ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
    Settled

    SETTLMNT

11. Resolution Date (MM/DD/YYYY):
    03/30/2010 ◉ Exact ○ Explanation

    If not exact, provide explanation:

12. Resolution Detail:

    A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

    ☑ Monetary/Fine Amount:$ 320565.54

    ☐ Revocation/Expulsion/Denial

    ☐ Censure

    ☐ Bar

    ☑ Disgorgement/Restitution

    ☑ Cease and Desist/Injunction

    ☐ Suspension

    B. Other Sanctions *Ordered*:
    IN ADDITION TO THE AGREEMENT TO REPURCHASE ILLIQUID AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLED FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUES OF ARS, AND A CIVIL PENALTY.

    Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
    THE FINE OF $320,565.54 WAS PAID ON MARCH 24, 2010. THE FINE IS HAWAII'S PORTION OF A TOTAL FINE FOR THE MATTER OF $35 MILLION NEGOTIATED WITH THE NYAG AND ILLINOIS ON BEHALF OF A NASAA TASK FORCE. THE REMAINING AMOUNT WILL BE PAID SEPARATELY TO OTHER NASAA MEMBER JURISDICTIONS. THE FIRM COMPLETED IT'S OBLIGATION TO REPURCHASE ARS FROM ELIGIBLE INVESTORS ON OR ABOUT JANUARY 11, 2009.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space

provided.)
THIS ACTION RELATED TO ALLEGATIONS WITH RESPECT TO MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES, SPECIFICALLY WITH RESPECT TO THE LIQUIDITY OF SUCH SECURITIES. AS NOTED ABOVE, THE PRINCIPAL TERMS OF THIS SETTLEMENT WERE PREVIOUSLY NEGOTIATED WITH THE NYAG AND ILLINOIS, ON BEHALF OF THE NASAA TASK FORCE, AND THIS SETTLEMENT IS SIMILAR TO AGREEMENTS WITH OTHER STATES.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ◉ INITIAL ***OR*** ○ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action			
☐ 11.C(1)	☐ 11.C(5)	☐ 11.D(4)	☐ 11.E(3)
☐ 11.C(2)	☑ 11.D(1)	☐ 11.D(5)	☐ 11.E(4)
☐ 11.C(3)	☑ 11.D(2)	☐ 11.E(1)	☐ 11.F
☐ 11.C(4)	☐ 11.D(3)	☐ 11.E(2)	☐ 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

◉ You (the advisory firm)

○ You and one or more of your *advisory affiliates*

○ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

○ *Yes* ○ *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

○ SEC ○ Other Federal ◉ State ○ *SRO* ○ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
FLORIDA OFFICE OF FINANCIAL REGULATION

2. Principal Sanction:
Restitution
Other Sanctions:
IN ADDITION TO THE AGREEMENT TO REPURCHASE ILLIQUID AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLED FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUES OF ARS, AND A CIVIL PENALTY.

3. Date Initiated (MM/DD/YYYY):
03/16/2010 ◉ Exact ○ Explanation

If not exact, provide explanation:

4. Docket/Case Number:
0471-S-12/09

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
Other
Other Product Types:
AUCTION RATE SECURITIES

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):
THE INVESTIGATION CONCERNED ALLEGED MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES, SPECIFICALLY WITH RESPECT TO THE LIQUIDITY OF SUCH SECURITIES.

8. Current status ? ○ Pending ○ On Appeal ◉ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Settled
SETTLMNT

11. Resolution Date (MM/DD/YYYY):
03/17/2010 ◉ Exact ○ Explanation
If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

- ☑ Monetary/Fine Amount:$ 3060449.56
- ☐ Revocation/Expulsion/Denial
- ☐ Censure
- ☐ Bar
- ☑ Disgorgement/Restitution
- ☑ Cease and Desist/Injunction
- ☐ Suspension

B. Other Sanctions *Ordered*:
IN ADDITION TO THE AGREEMENT TO REPURCHASE ILLIQUID AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLED FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUES OF ARS, AND A CIVIL PENALTY.

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
THE FINE OF $3,060,449.56 WAS PAID ON MARCH 12, 2010. THE FINE IS FLORIDA'S PORTION OF A TOTAL FINE FOR THE MATTER OF $35 MILLION NEGOTIATED WITH THE NYAG AND ILLINOIS ON BEHALF OF A NASAA TASK FORCE. THE REMAINING AMOUNT WILL BE PAID SEPARATELY TO OTHER NASAA MEMBER JURISDICTIONS. THE FIRM COMPLETED IT'S OBLIGATION TO REPURCHASE ARS FROM ELIGIBLE INVESTORS ON OR ABOUT JANUARY 11, 2009.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
THIS ACTION RELATED TO ALLEGATIONS WITH RESPECT TO MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES, SPECIFICALLY WITH RESPECT TO THE LIQUIDITY OF SUCH SECURITIES. AS NOTED ABOVE, THE PRINCIPAL TERMS OF THIS SETTLEMENT WERE PREVIOUSLY NEGOTIATED WITH THE NYAG AND ILLINOIS, ON BEHALF OF THE NASAA TASK FORCE, AND THIS SETTLEMENT IS SIMILAR TO AGREEMENTS WITH OTHER STATES.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ◉ INITIAL ***OR*** ○ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action

☐ 11.C(1)	☐ 11.C(5)	☐ 11.D(4)	☐ 11.E(3)
☐ 11.C(2)	☑ 11.D(1)	☐ 11.D(5)	☐ 11.E(4)
☐ 11.C(3)	☑ 11.D(2)	☐ 11.E(1)	☐ 11.F
☐ 11.C(4)	☐ 11.D(3)	☐ 11.E(2)	☐ 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- (•) You (the advisory firm)
- ( ) You and one or more of your *advisory affiliates*
- ( ) One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

( ) *Yes* ( ) *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

( ) SEC ( ) Other Federal (•) State ( ) *SRO* ( ) Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
ARKANSAS SECURITIES DEPARTMENT

2. Principal Sanction:
Restitution
Other Sanctions:
IN ADDITION TO THE AGREEMENT TO REPURCHASE ILLIQUID AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLED FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUES OF ARS, AND A CIVIL PENALTY.

3. Date Initiated (MM/DD/YYYY):
03/25/2010 (•) Exact ( ) Explanation

If not exact, provide explanation:

4. Docket/Case Number:
S-09-024-10-CO09

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
Other
Other Product Types:
AUCTION RATE SECURITIES

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

THE INVESTIGATION CONCERNED ALLEGED MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES, SPECIFICALLY WITH RESPECT TO THE LIQUIDITY OF SUCH SECURITIES.

8. Current status ? ( ) Pending ( ) On Appeal (•) Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Settled

SETTLMNT

11. Resolution Date (MM/DD/YYYY):

03/25/2010 (•) Exact ( ) Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

- [x] Monetary/Fine Amount:$ 156785.18
- [ ] Revocation/Expulsion/Denial
- [x] Disgorgement/Restitution
- [ ] Censure
- [x] Cease and Desist/Injunction
- [ ] Bar
- [ ] Suspension

B. Other Sanctions *Ordered*:

IN ADDITION TO THE AGREEMENT TO REPURCHASE ILLIQUID AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLED FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUES OF ARS, AND A CIVIL PENALTY.

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:

THE FINE OF $156,785.18 WAS PAID ON MARCH 24, 2010. THE FINE IS ARKANSAS' PORTION OF A TOTAL FINE FOR THE MATTER OF $35 MILLION NEGOTIATED WITH THE NYAG AND ILLINOIS ON BEHALF OF A NASAA TASK FORCE. THE REMAINING AMOUNT WILL BE PAID SEPARATELY TO OTHER NASAA MEMBER JURISDICTIONS. THE FIRM COMPLETED IT'S OBLIGATION TO REPURCHASE ARS FROM ELIGIBLE INVESTORS ON OR ABOUT JANUARY 11, 2009.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)

THIS ACTION RELATED TO ALLEGATIONS WITH RESPECT TO MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES, SPECIFICALLY WITH RESPECT TO THE LIQUIDITY OF SUCH SECURITIES. AS NOTED ABOVE, THE PRINCIPAL TERMS OF THIS SETTLEMENT WERE PREVIOUSLY NEGOTIATED WITH THE NYAG AND ILLINOIS, ON BEHALF OF THE NASAA TASK FORCE, AND THIS SETTLEMENT IS SIMILAR TO AGREEMENTS WITH OTHER STATES.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an (•) INITIAL ***OR*** ( ) AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action			
[ ] 11.C(1)	[ ] 11.C(5)	[x] 11.D(4)	[ ] 11.E(3)
[ ] 11.C(2)	[x] 11.D(1)	[ ] 11.D(5)	[ ] 11.E(4)
[ ] 11.C(3)	[x] 11.D(2)	[ ] 11.E(1)	[ ] 11.F
[ ] 11.C(4)	[ ] 11.D(3)	[ ] 11.E(2)	[ ] 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- (•) You (the advisory firm)
- ( ) You and one or more of your *advisory affiliates*
- ( ) One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

[ ] This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

○ *Yes* ○ *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

○ SEC ○ Other Federal ◉ State ○ *SRO* ○ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
IDAHO DEPARTMENT OF FINANCE

2. Principal Sanction:
Restitution
Other Sanctions:
IN ADDITION TO THE AGREEMENT TO REPURCHASE ILLIQUID AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLED FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUES OF ARS, AND A CIVIL PENALTY.

3. Date Initiated (MM/DD/YYYY):
05/05/2010 ◉ Exact ○ Explanation

If not exact, provide explanation:

4. Docket/Case Number:
2010-7-07

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
Other
Other Product Types:
AUCTION RATE SECURITIES

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

THE INVESTIGATION CONCERNED ALLEGED MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES, SPECIFICALLY WITH RESPECT TO THE LIQUIDITY OF SUCH SECURITIES.

8. Current status ? ○ Pending ○ On Appeal ◉ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Consent

CONSENT

11. Resolution Date (MM/DD/YYYY):
05/05/2010 ◉ Exact ○ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☑ Monetary/Fine Amount:$ 109001.73

☐ Revocation/Expulsion/Denial

☐ Censure

☐ Bar

☑ Disgorgement/Restitution

☑ Cease and Desist/Injunction

☐ Suspension

B. Other Sanctions *Ordered*:
IN ADDITION TO THE AGREEMENT TO REPURCHASE ILLIQUID AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLED FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUES OF ARS, AND A CIVIL PENALTY.

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether

condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
THE FINE OF $109,001.73 WAS PAID ON APRIL 29, 2010. THE FINE IS IDAHO'S PORTION OF A TOTAL FINE FOR THE MATTER OF $35 MILLION NEGOTIATED WITH THE NYAG AND ILLINOIS ON BEHALF OF A NASAA TASK FORCE. THE REMAINING AMOUNT WILL BE PAID SEPARATELY TO OTHER NASAA MEMBER JURISDICTIONS. THE FIRM COMPLETED IT'S OBLIGATION TO REPURCHASE ARS FROM ELIGIBLE INVESTORS ON OR ABOUT JANUARY 11, 2009.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
THIS ACTION RELATED TO ALLEGATIONS WITH RESPECT TO MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES, SPECIFICALLY WITH RESPECT TO THE LIQUIDITY OF SUCH SECURITIES. AS NOTED ABOVE, THE PRINCIPAL TERMS OF THIS SETTLEMENT WERE PREVIOUSLY NEGOTIATED WITH THE NYAG AND ILLINOIS, ON BEHALF OF THE NASAA TASK FORCE, AND THIS SETTLEMENT IS SIMILAR TO AGREEMENTS WITH OTHER STATES.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ◉ INITIAL ***OR*** ○ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action			
☐ 11.C(1)	☐ 11.C(5)	☐ 11.D(4)	☐ 11.E(3)
☐ 11.C(2)	☑ 11.D(1)	☐ 11.D(5)	☐ 11.E(4)
☐ 11.C(3)	☑ 11.D(2)	☐ 11.E(1)	☐ 11.F
☐ 11.C(4)	☐ 11.D(3)	☐ 11.E(2)	☐ 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

◉ You (the advisory firm)

○ You and one or more of your *advisory affiliates*

○ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

○ *Yes* ○ *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

○ SEC ○ Other Federal ◉ State ○ *SRO* ○ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
OHIO DIVISION OF SECURITIES

2. Principal Sanction:
Restitution
Other Sanctions:
IN ADDITION TO THE AGREEMENT TO REPURCHASE ILLIQUID AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLED FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, SPECIAL ARBITRATION PROCEEDINGS CONCERNING

CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUES OF ARS, AND A CIVIL PENALTY.

3. Date Initiated (MM/DD/YYYY):
03/19/2010 (•) Exact ( ) Explanation

If not exact, provide explanation:

4. Docket/Case Number:
10-028

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
Other
Other Product Types:
AUCTION RATE SECURITIES

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

THE INVESTIGATION CONCERNED ALLEGED MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES, SPECIFICALLY WITH RESPECT TO THE LIQUIDITY OF SUCH SECURITIES.

8. Current status ? ( ) Pending ( ) On Appeal (•) Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Settled

SETTLMNT

11. Resolution Date (MM/DD/YYYY):
03/19/2010 (•) Exact ( ) Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

- [x] Monetary/Fine Amount:$ 390908.93
- [ ] Revocation/Expulsion/Denial
- [x] Disgorgement/Restitution
- [ ] Censure
- [x] Cease and Desist/Injunction
- [ ] Bar
- [ ] Suspension

B. Other Sanctions *Ordered*:
IN ADDITION TO THE AGREEMENT TO REPURCHASE ILLIQUID AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLED FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUES OF ARS, AND A CIVIL PENALTY.

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
THE FINE OF $390,908.93 WAS PAID ON MARCH 5, 2010. THE FINE IS OHIO'S PORTION OF A TOTAL FINE FOR THE MATTER OF $35 MILLION NEGOTIATED WITH THE NYAG AND ILLINOIS ON BEHALF OF A NASAA TASK FORCE. THE REMAINING AMOUNT WILL BE PAID SEPARATELY TO OTHER NASAA MEMBER JURISDICTIONS. THE FIRM COMPLETED IT'S OBLIGATION TO REPURCHASE ARS FROM ELIGIBLE INVESTORS ON OR ABOUT JANUARY 11, 2009.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
THIS ACTION RELATED TO ALLEGATIONS WITH RESPECT TO MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES, SPECIFICALLY WITH RESPECT TO THE LIQUIDITY OF SUCH SECURITIES. AS NOTED ABOVE, THE PRINCIPAL TERMS OF THIS SETTLEMENT WERE PREVIOUSLY NEGOTIATED WITH THE NYAG AND ILLINOIS, ON BEHALF OF THE NASAA TASK FORCE, AND THIS SETTLEMENT IS SIMILAR TO AGREEMENTS WITH OTHER STATES.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ( ) INITIAL ***OR*** (•) AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action

[ ] 11.C(1)	[ ] 11.C(5)	[x] 11.D(4)	[ ] 11.E(3)
[ ] 11.C(2)	[x] 11.D(1)	[ ] 11.D(5)	[ ] 11.E(4)

☐ 11.C(3) ☑ 11.D(2) ☐ 11.E(1) ☐ 11.F

☐ 11.C(4) ☐ 11.D(3) ☐ 11.E(2) ☐ 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

◉ You (the advisory firm)

○ You and one or more of your *advisory affiliates*

○ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

○ *Yes* ○ *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

○ SEC ○ Other Federal ◉ State ○ *SRO* ○ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)

TEXAS STATE SECURITIES BOARD

2. Principal Sanction:

Restitution

Other Sanctions:

IN ADDITION TO THE AGREEMENT TO REPURCHASE ILLIQUID AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLED FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUES OF ARS, AND A CIVIL PENALTY.

3. Date Initiated (MM/DD/YYYY):

03/10/2010 ◉ Exact ○ Explanation

If not exact, provide explanation:

4. Docket/Case Number:

IC10-CDO-08

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:

Other

Other Product Types:

AUCTION RATE SECURITIES

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

THE INVESTIGATION CONCERNED ALLEGED MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES, SPECIFICALLY WITH RESPECT TO THE LIQUIDITY OF SUCH SECURITIES.

8. Current status ? ○ Pending ○ On Appeal ◉ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Consent

CONSENT

11. Resolution Date (MM/DD/YYYY):
03/10/2010 (•) Exact ( ) Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

- [x] Monetary/Fine Amount:$ 2423104.5
- [ ] Revocation/Expulsion/Denial
- [x] Disgorgement/Restitution
- [ ] Censure
- [x] Cease and Desist/Injunction
- [ ] Bar
- [ ] Suspension

B. Other Sanctions *Ordered*:
IN ADDITION TO THE AGREEMENT TO REPURCHASE ILLIQUID AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLED FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUES OF ARS, AND A CIVIL PENALTY.

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
THE FINE OF $2,423,104.50 WAS PAID ON MARCH 5, 2010. THE FINE IS TEXAS' PORTION OF A TOTAL FINE FOR THE MATTER OF $35 MILLION NEGOTIATED WITH THE NYAG AND ILLINOIS ON BEHALF OF A NASAA TASK FORCE. THE REMAINING AMOUNT WILL BE PAID SEPARATELY TO OTHER NASAA MEMBER JURISDICTIONS. THE FIRM COMPLETED IT'S OBLIGATION TO REPURCHASE ARS FROM ELIGIBLE INVESTORS ON OR ABOUT JANUARY 11, 2009.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
THIS ACTION RELATED TO ALLEGATIONS WITH RESPECT TO MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES, SPECIFICALLY WITH RESPECT TO THE LIQUIDITY OF SUCH SECURITIES. AS NOTED ABOVE, THE PRINCIPAL TERMS OF THIS SETTLEMENT WERE PREVIOUSLY NEGOTIATED WITH THE NYAG AND ILLINOIS, ON BEHALF OF THE NASAA TASK FORCE, AND THIS SETTLEMENT IS SIMILAR TO AGREEMENTS WITH OTHER STATES.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an (•) INITIAL ***OR*** ( ) AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action			
[ ] 11.C(1)	[ ] 11.C(5)	[x] 11.D(4)	[ ] 11.E(3)
[ ] 11.C(2)	[x] 11.D(1)	[ ] 11.D(5)	[ ] 11.E(4)
[ ] 11.C(3)	[x] 11.D(2)	[ ] 11.E(1)	[ ] 11.F
[ ] 11.C(4)	[ ] 11.D(3)	[ ] 11.E(2)	[ ] 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- (•) You (the advisory firm)
- ( ) You and one or more of your *advisory affiliates*
- ( ) One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*

No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

○ *Yes* ○ *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:
○ SEC ○ Other Federal ◉ State ○ *SRO* ○ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
IOWA INSURANCE DIVISION

2. Principal Sanction:
Restitution
Other Sanctions:
IN ADDITION TO THE AGREEMENT TO REPURCHASE ILLIQUID AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLED FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUES OF ARS, AND A CIVIL PENALTY.

3. Date Initiated (MM/DD/YYYY):
05/03/2010 ◉ Exact ○ Explanation

If not exact, provide explanation:

4. Docket/Case Number:
67269

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
Other
Other Product Types:
AUCTION RATE SECURITIES

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

THE INVESTIGATION CONCERNED ALLEGED MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES, SPECIFICALLY WITH RESPECT TO THE LIQUIDITY OF SUCH SECURITIES.

8. Current status ? ○ Pending ○ On Appeal ◉ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Consent

CONSENT

11. Resolution Date (MM/DD/YYYY):
05/03/2010 ◉ Exact ○ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☑ Monetary/Fine Amount:$ 93716.69

☐ Revocation/Expulsion/Denial

☐ Censure

☐ Bar

☑ Disgorgement/Restitution

☑ Cease and Desist/Injunction

☐ Suspension

B. Other Sanctions *Ordered*:
IN ADDITION TO THE AGREEMENT TO REPURCHASE ILLIQUID AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008,

THE SETTLEMENT CALLED FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUES OF ARS, AND A CIVIL PENALTY.

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
THE FINE OF $93,716.69 WAS PAID ON APRIL 29, 2010. THE FINE IS IOWA'S PORTION OF A TOTAL FINE FOR THE MATTER OF $35 MILLION NEGOTIATED WITH THE NYAG AND ILLINOIS ON BEHALF OF A NASAA TASK FORCE. THE REMAINING AMOUNT WILL BE PAID SEPARATELY TO OTHER NASAA MEMBER JURISDICTIONS. THE FIRM COMPLETED IT'S OBLIGATION TO REPURCHASE ARS FROM ELIGIBLE INVESTORS ON OR ABOUT JANUARY 11, 2009.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
THIS ACTION RELATED TO ALLEGATIONS WITH RESPECT TO MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES, SPECIFICALLY WITH RESPECT TO THE LIQUIDITY OF SUCH SECURITIES. AS NOTED ABOVE, THE PRINCIPAL TERMS OF THIS SETTLEMENT WERE PREVIOUSLY NEGOTIATED WITH THE NYAG AND ILLINOIS, ON BEHALF OF THE NASAA TASK FORCE, AND THIS SETTLEMENT IS SIMILAR TO AGREEMENTS WITH OTHER STATES.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ○ INITIAL ***OR*** ◉ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action			
☐ 11.C(1)	☐ 11.C(5)	☐ 11.D(4)	☐ 11.E(3)
☐ 11.C(2)	☐ 11.D(1)	☐ 11.D(5)	☐ 11.E(4)
☐ 11.C(3)	☐ 11.D(2)	☐ 11.E(1)	☐ 11.F
☐ 11.C(4)	☐ 11.D(3)	☑ 11.E(2)	☐ 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

◉ You (the advisory firm)

○ You and one or more of your *advisory affiliates*

○ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

○ *Yes* ○ *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

○ SEC ○ Other Federal ○ State ◉ *SRO* ○ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
FINRA

2. Principal Sanction:
Civil and Administrative Penalt(ies) /Fine(s)
Other Sanctions:
UNDERTAKING; CENSURE

3. Date Initiated (MM/DD/YYYY):
05/28/2010 (•) Exact ( ) Explanation

If not exact, provide explanation:

4. Docket/Case Number:
20080123629-01

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
Equity Listed (Common & Preferred Stock)
Other Product Types:

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

THE FIRM'S ADVERTISED TRADE VOLUME OF CALPINE CORPORATION THROUGH BLOOMBERG FOR FEBRUARY 2008 EXCEEDED THE FIRM'S ACTUAL EXECUTED TRADE VOLUME FOR THE SAME SECURITY BY 27 PERCENT IN VIOLATION OF NASD RULES 2110 AND 3310. THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH APPLICABLE SECURITIES LAWS, REGULATIONS AND NASD RULES CONCERNING NASD RULE 3310.

8. Current status ? ( ) Pending ( ) On Appeal (•) Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Acceptance, Waiver & Consent(AWC)

AWC

11. Resolution Date (MM/DD/YYYY):
05/28/2010 (•) Exact ( ) Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

- [x] Monetary/Fine Amount:$ 57500
- [ ] Revocation/Expulsion/Denial
- [ ] Disgorgement/Restitution
- [x] Censure
- [ ] Cease and Desist/Injunction
- [ ] Bar
- [ ] Suspension

B. Other Sanctions *Ordered*:
UNDERTAKING

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
WITHOUT ADMITTING OR DENYING THE UNDERLYING ALLEGATIONS AND WITHOUT ADJUDICATION OF ANY ISSUE OF LAW OR FACT, THE FIRM ACCEPTED AND CONSENTED TO ENTRY OF FINDINGS AND THE IMPOSITION OF A CENSURE, A FINE OF $57,500, AND UNDERTAKINGS TO REVISE ITS WRITTEN SUPERVISORY PROCEDURES TO ADDRESS THE DEFICIENCIES DESCRIBED IN THE AWC.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an (•) INITIAL ***OR*** ( ) AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action			
[ ] 11.C(1)	[ ] 11.C(5)	[x] 11.D(4)	[ ] 11.E(3)
[ ] 11.C(2)	[x] 11.D(1)	[ ] 11.D(5)	[ ] 11.E(4)

☐ 11.C(3) ☑ 11.D(2) ☐ 11.E(1) ☐ 11.F

☐ 11.C(4) ☐ 11.D(3) ☐ 11.E(2) ☐ 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- ◉ You (the advisory firm)
- ○ You and one or more of your *advisory affiliates*
- ○ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

○ *Yes* ○ *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:
   ○ SEC ○ Other Federal ◉ State ○ *SRO* ○ Foreign
   (Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
   LOUISIANA OFFICE OF FINANCIAL INSTITUTIONS

2. Principal Sanction:
   Restitution
   Other Sanctions:
   IN ADDITION TO THE AGREEMENT TO REPURCHASE ILLIQUID AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLED FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUES OF ARS, AND A CIVIL PENALTY.

3. Date Initiated (MM/DD/YYYY):
   06/18/2010 ◉ Exact ○ Explanation

   If not exact, provide explanation:

4. Docket/Case Number:
   OFI-2010-0012

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
   Other
   Other Product Types:
   AUCTION RATE SECURITIES

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):
   THE INVESTIGATION CONCERNED ALLEGED MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES, SPECIFICALLY WITH RESPECT TO THE LIQUIDITY OF SUCH SECURITIES.

8. Current status ? ○ Pending ○ On Appeal ◉ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Consent

CONSENT

11. Resolution Date (MM/DD/YYYY):
06/18/2010 (•) Exact ( ) Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

- [x] Monetary/Fine Amount:$ 154036.61
- [ ] Revocation/Expulsion/Denial
- [x] Disgorgement/Restitution
- [ ] Censure
- [x] Cease and Desist/Injunction
- [ ] Bar
- [ ] Suspension

B. Other Sanctions *Ordered*:
IN ADDITION TO THE AGREEMENT TO REPURCHASE ILLIQUID AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLED FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUES OF ARS, AND A CIVIL PENALTY.

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
THE FINE OF $154,036.61 WAS PAID ON JUNE 14, 2010. THE FINE IS LOUISIANA'S PORTION OF A TOTAL FINE FOR THE MATTER OF $35 MILLION NEGOTIATED WITH THE NYAG AND ILLINOIS ON BEHALF OF A NASAA TASK FORCE. THE REMAINING AMOUNT WILL BE PAID SEPARATELY TO OTHER NASAA MEMBER JURISDICTIONS. THE FIRM COMPLETED IT'S OBLIGATION TO REPURCHASE ARS FROM ELIGIBLE INVESTORS ON OR ABOUT JANUARY 11, 2009.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
THIS ACTION RELATED TO ALLEGATIONS WITH RESPECT TO MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES, SPECIFICALLY WITH RESPECT TO THE LIQUIDITY OF SUCH SECURITIES. AS NOTED ABOVE, THE PRINCIPAL TERMS OF THIS SETTLEMENT WERE PREVIOUSLY NEGOTIATED WITH THE NYAG AND ILLINOIS, ON BEHALF OF THE NASAA TASK FORCE, AND THIS SETTLEMENT IS SIMILAR TO AGREEMENTS WITH OTHER STATES.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an (•) INITIAL ***OR*** ( ) AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action			
[ ] 11.C(1)	[ ] 11.C(5)	[x] 11.D(4)	[ ] 11.E(3)
[ ] 11.C(2)	[x] 11.D(1)	[ ] 11.D(5)	[ ] 11.E(4)
[ ] 11.C(3)	[x] 11.D(2)	[ ] 11.E(1)	[ ] 11.F
[ ] 11.C(4)	[ ] 11.D(3)	[ ] 11.E(2)	[ ] 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- (•) You (the advisory firm)
- ( ) You and one or more of your *advisory affiliates*
- ( ) One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*

No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

○ *Yes* ○ *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

○ SEC ○ Other Federal ◉ State ○ *SRO* ○ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)

UTAH DIVISION OF SECURITIES

2. Principal Sanction:

Restitution

Other Sanctions:

IN ADDITION TO THE AGREEMENT TO REPURCHASE ILLIQUID AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLED FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUES OF ARS, AND A CIVIL PENALTY.

3. Date Initiated (MM/DD/YYYY):

06/21/2010 ◉ Exact ○ Explanation

If not exact, provide explanation:

4. Docket/Case Number:

SD-10-0048

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:

Other

Other Product Types:

AUCTION RATE SECURITIES

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

THE INVESTIGATION CONCERNED ALLEGED MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES, SPECIFICALLY WITH RESPECT TO THE LIQUIDITY OF SUCH SECURITIES.

8. Current status ? ○ Pending ○ On Appeal ◉ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:

Consent

CONSENT

11. Resolution Date (MM/DD/YYYY):

06/24/2010 ◉ Exact ○ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☑ Monetary/Fine Amount:$ 541598.2

☐ Revocation/Expulsion/Denial

☐ Censure

☐ Bar

☑ Disgorgement/Restitution

☑ Cease and Desist/Injunction

☐ Suspension

B. Other Sanctions *Ordered*:

IN ADDITION TO THE AGREEMENT TO REPURCHASE ILLIQUID AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008,

THE SETTLEMENT CALLED FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUES OF ARS, AND A CIVIL PENALTY.

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
THE FINE OF $541,598.20 WAS PAID ON JULY 12, 2010. THE FINE IS UTAH'S PORTION OF A TOTAL FINE FOR THE MATTER OF $35 MILLION NEGOTIATED WITH THE NYAG AND ILLINOIS ON BEHALF OF A NASAA TASK FORCE. THE REMAINING AMOUNT WILL BE PAID SEPARATELY TO OTHER NASAA MEMBER JURISDICTIONS. THE FIRM COMPLETED IT'S OBLIGATION TO REPURCHASE ARS FROM ELIGIBLE INVESTORS ON OR ABOUT JANUARY 11, 2009.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
THIS ACTION RELATED TO ALLEGATIONS WITH RESPECT TO MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES, SPECIFICALLY WITH RESPECT TO THE LIQUIDITY OF SUCH SECURITIES. AS NOTED ABOVE, THE PRINCIPAL TERMS OF THIS SETTLEMENT WERE PREVIOUSLY NEGOTIATED WITH THE NYAG AND ILLINOIS, ON BEHALF OF THE NASAA TASK FORCE, AND THIS SETTLEMENT IS SIMILAR TO AGREEMENTS WITH OTHER STATES.

GENERAL INSTRUCTIONS

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Check item(s) being responded to:

Regulatory Action			
☐ 11.C(1)	☐ 11.C(5)	☑ 11.D(4)	☐ 11.E(3)
☐ 11.C(2)	☑ 11.D(1)	☐ 11.D(5)	☐ 11.E(4)
☐ 11.C(3)	☑ 11.D(2)	☐ 11.E(1)	☐ 11.F
☐ 11.C(4)	☐ 11.D(3)	☐ 11.E(2)	☐ 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

(•) You (the advisory firm)

( ) You and one or more of your *advisory affiliates*

( ) One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

( ) *Yes* ( ) *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

( ) SEC ( ) Other Federal (•) State ( ) *SRO* ( ) Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
VIRGINIA STATE CORPORATION COMMISSION

2. Principal Sanction:
Restitution
Other Sanctions:
IN ADDITION TO THE AGREEMENT TO REPURCHASE ILLIQUID AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLED FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUES OF ARS, AND A CIVIL PENALTY.

3. Date Initiated (MM/DD/YYYY):
08/04/2010 (•) Exact ( ) Explanation

If not exact, provide explanation:

4. Docket/Case Number:
SEC-2009-00120

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
Other
Other Product Types:
AUCTION RATE SECURITIES

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

THE INVESTIGATION CONCERNED ALLEGED MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES, SPECIFICALLY WITH RESPECT TO THE LIQUIDITY OF SUCH SECURITIES.

8. Current status ? ( ) Pending ( ) On Appeal (•) Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Consent

CONSENT

11. Resolution Date (MM/DD/YYYY):
08/04/2010 (•) Exact ( ) Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

- [x] Monetary/Fine Amount:$ 310996.82
- [ ] Revocation/Expulsion/Denial
- [ ] Censure
- [ ] Bar
- [x] Disgorgement/Restitution
- [x] Cease and Desist/Injunction
- [ ] Suspension

B. Other Sanctions *Ordered*:
IN ADDITION TO THE AGREEMENT TO REPURCHASE ILLIQUID AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLED FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUES OF ARS, AND A CIVIL PENALTY.

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
THE FINE OF $310,966.82 WAS PAID ON JULY 23, 2010. THE FINE IS VIRGINA'S PORTION OF A TOTAL FINE FOR THE MATTER OF $35 MILLION NEGOTIATED WITH THE NYAG AND ILLINOIS ON BEHALF OF A NASAA TASK FORCE. THE REMAINING AMOUNT WILL BE PAID SEPARATELY TO OTHER NASAA MEMBER JURISDICTIONS. THE FIRM COMPLETED IT'S OBLIGATION TO REPURCHASE ARS FROM ELIGIBLE INVESTORS ON OR ABOUT JANUARY 11, 2009.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
THIS ACTION RELATED TO ALLEGATIONS WITH RESPECT TO MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES, SPECIFICALLY WITH RESPECT TO THE LIQUIDITY OF SUCH SECURITIES. AS NOTED ABOVE, THE PRINCIPAL TERMS OF THIS SETTLEMENT WERE PREVIOUSLY NEGOTIATED WITH THE NYAG AND ILLINOIS, ON BEHALF OF THE NASAA TASK FORCE, AND THIS SETTLEMENT IS SIMILAR TO AGREEMENTS WITH OTHER STATES.

GENERAL INSTRUCTIONS

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Check item(s) being responded to:

Regulatory Action			
☐ 11.C(1)	☐ 11.C(5)	☑ 11.D(4)	☐ 11.E(3)
☐ 11.C(2)	☑ 11.D(1)	☐ 11.D(5)	☐ 11.E(4)
☐ 11.C(3)	☑ 11.D(2)	☐ 11.E(1)	☐ 11.F
☐ 11.C(4)	☐ 11.D(3)	☐ 11.E(2)	☐ 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- ◉ You (the advisory firm)
- ○ You and one or more of your *advisory affiliates*
- ○ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

○ *Yes* ○ *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

○ SEC ○ Other Federal ◉ State ○ *SRO* ○ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
KANSAS SECURITIES COMMISSIONER

2. Principal Sanction:
Restitution
Other Sanctions:
IN ADDITION TO THE AGREEMENT TO REPURCHASE ILLIQUID AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLED FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUES OF ARS, AND A CIVIL PENALTY.

3. Date Initiated (MM/DD/YYYY):
07/26/2010 ◉ Exact ○ Explanation

If not exact, provide explanation:

4. Docket/Case Number:
10 E 021 / 2010-5666

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
Other
Other Product Types:
AUCTION RATE SECURITIES

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

THE INVESTIGATION CONCERNED ALLEGED MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES, SPECIFICALLY WITH RESPECT TO THE LIQUIDITY OF SUCH SECURITIES.

8. Current status ? ○ Pending ○ On Appeal ◉ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Consent

CONSENT

11. Resolution Date (MM/DD/YYYY):
07/26/2010 ◉ Exact ○ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

- ☑ Monetary/Fine Amount:$ 187076.04
- ☐ Revocation/Expulsion/Denial
- ☐ Censure
- ☐ Bar
- ☑ Disgorgement/Restitution
- ☑ Cease and Desist/Injunction
- ☐ Suspension

B. Other Sanctions *Ordered*:
IN ADDITION TO THE AGREEMENT TO REPURCHASE ILLIQUID AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLED FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUES OF ARS, AND A CIVIL PENALTY.

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
THE FINE OF $187,076.04 WAS PAID ON JULY 16, 2010. THE FINE IS KANSAS' PORTION OF A TOTAL FINE FOR THE MATTER OF $35 MILLION NEGOTIATED WITH THE NYAG AND ILLINOIS ON BEHALF OF A NASAA TASK FORCE. THE REMAINING AMOUNT WILL BE PAID SEPARATELY TO OTHER NASAA MEMBER JURISDICTIONS. THE FIRM COMPLETED IT'S OBLIGATION TO REPURCHASE ARS FROM ELIGIBLE INVESTORS ON OR ABOUT JANUARY 11, 2009.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
THIS ACTION RELATED TO ALLEGATIONS WITH RESPECT TO MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES, SPECIFICALLY WITH RESPECT TO THE LIQUIDITY OF SUCH SECURITIES. AS NOTED ABOVE, THE PRINCIPAL TERMS OF THIS SETTLEMENT WERE PREVIOUSLY NEGOTIATED WITH THE NYAG AND ILLINOIS, ON BEHALF OF THE NASAA TASK FORCE, AND THIS SETTLEMENT IS SIMILAR TO AGREEMENTS WITH OTHER STATES.

GENERAL INSTRUCTIONS

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Check item(s) being responded to:

Regulatory Action

☐ 11.C(1)	☐ 11.C(5)	☑ 11.D(4)	☐ 11.E(3)
☐ 11.C(2)	☑ 11.D(1)	☐ 11.D(5)	☐ 11.E(4)
☐ 11.C(3)	☑ 11.D(2)	☐ 11.E(1)	☐ 11.F
☐ 11.C(4)	☐ 11.D(3)	☐ 11.E(2)	☐ 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

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PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- ◉ You (the advisory firm)
- ○ You and one or more of your *advisory affiliates*
- ○ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

○ *Yes* ○ *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

○ SEC ○ Other Federal ◉ State ○ *SRO* ○ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
CONNECTICUT DEPARTMENT OF BANKING

2. Principal Sanction:
Restitution
Other Sanctions:
IN ADDITION TO THE AGREEMENT TO REPURCHASE ILLIQUID AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLED FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUES OF ARS, AND A CIVIL PENALTY.

3. Date Initiated (MM/DD/YYYY):
07/07/2010 ◉ Exact ○ Explanation

If not exact, provide explanation:

4. Docket/Case Number:
CO-10-7505-S

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
Penny Stock(s)
Other Product Types:
AUCTION RATE SECURITIES

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

THE INVESTIGATION CONCERNED ALLEGED MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES, SPECIFICALLY WITH RESPECT TO THE LIQUIDITY OF SUCH SECURITIES.

8. Current status ? ○ Pending ○ On Appeal ◉ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Consent

CONSENT

11. Resolution Date (MM/DD/YYYY):
07/07/2010 ◉ Exact ○ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☑ Monetary/Fine Amount:$ 909094.71

☐ Revocation/Expulsion/Denial

☑ Disgorgement/Restitution

☐ Censure

☑ Cease and Desist/Injunction

☐ Bar

☐ Suspension

B. Other Sanctions *Ordered*:
IN ADDITION TO THE AGREEMENT TO REPURCHASE ILLIQUID AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLED FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUES OF ARS, AND A CIVIL PENALTY.

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
THE FINE OF $909,094.71 WAS PAID ON JULY 8, 2010. THE FINE IS CONNECTICUT'S PORTION OF A TOTAL FINE FOR THE MATTER OF $35 MILLION NEGOTIATED WITH THE NYAG AND ILLINOIS ON BEHALF OF A NASAA TASK FORCE. THE REMAINING AMOUNT WILL BE PAID SEPARATELY TO OTHER NASAA MEMBER JURISDICTIONS. THE FIRM COMPLETED IT'S OBLIGATION TO REPURCHASE ARS FROM ELIGIBLE INVESTORS ON OR ABOUT JANUARY 11, 2009.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
THIS ACTION RELATED TO ALLEGATIONS WITH RESPECT TO MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES, SPECIFICALLY WITH RESPECT TO THE LIQUIDITY OF SUCH SECURITIES. AS NOTED ABOVE, THE PRINCIPAL TERMS OF THIS SETTLEMENT WERE PREVIOUSLY NEGOTIATED WITH THE NYAG AND ILLINOIS, ON BEHALF OF THE NASAA TASK FORCE, AND THIS SETTLEMENT IS SIMILAR TO AGREEMENTS WITH OTHER STATES.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ◉ INITIAL ***OR*** ○ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action			
☐ 11.C(1)	☐ 11.C(5)	☑ 11.D(4)	☐ 11.E(3)
☐ 11.C(2)	☑ 11.D(1)	☐ 11.D(5)	☐ 11.E(4)
☐ 11.C(3)	☑ 11.D(2)	☐ 11.E(1)	☐ 11.F
☐ 11.C(4)	☐ 11.D(3)	☐ 11.E(2)	☐ 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

◉ You (the advisory firm)

○ You and one or more of your *advisory affiliates*

○ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

○ *Yes* ○ *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:
○ SEC ○ Other Federal ◉ State ○ *SRO* ○ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
WYOMING SECURITIES DIVISION

2. Principal Sanction:
Restitution
Other Sanctions:
IN ADDITION TO THE AGREEMENT TO REPURCHASE ILLIQUID AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLED FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUES OF ARS, AND A CIVIL PENALTY.

3. Date Initiated (MM/DD/YYYY):
11/17/2010 ◉ Exact ○ Explanation

If not exact, provide explanation:

4. Docket/Case Number:
10-04

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
Other
Other Product Types:
AUCTION RATE SECURITIES

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

THE INVESTIGATION CONCERNED ALLEGED MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES, SPECIFICALLY WITH RESPECT TO THE LIQUIDITY OF SUCH SECURITIES.

8. Current status ? ○ Pending ○ On Appeal ◉ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Consent

CONSENT

11. Resolution Date (MM/DD/YYYY):
11/17/2010 ◉ Exact ○ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☑ Monetary/Fine Amount:$ 238193.65

☐ Revocation/Expulsion/Denial

☐ Censure

☐ Bar

☑ Disgorgement/Restitution

☑ Cease and Desist/Injunction

☐ Suspension

B. Other Sanctions *Ordered*:
IN ADDITION TO THE AGREEMENT TO REPURCHASE ILLIQUID AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLED FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUES OF ARS, AND A CIVIL PENALTY.

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
THE FINE OF $238,193.65 WAS PAID ON NOVEMBER 11, 2010. THE FINE IS WYOMING'S PORTION OF A TOTAL FINE FOR THE MATTER OF $35 MILLION NEGOTIATED WITH THE NYAG AND ILLINOIS ON BEHALF OF A NASAA TASK FORCE. THE REMAINING AMOUNT WILL BE PAID SEPARATELY TO OTHER NASAA MEMBER JURISDICTIONS. THE FIRM COMPLETED IT'S OBLIGATION TO REPURCHASE ARS FROM ELIGIBLE INVESTORS ON OR ABOUT JANUARY 11, 2009.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
THIS ACTION RELATED TO ALLEGATIONS WITH RESPECT TO MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES, SPECIFICALLY WITH RESPECT TO THE LIQUIDITY OF SUCH SECURITIES. AS NOTED ABOVE, THE PRINCIPAL TERMS OF THIS SETTLEMENT WERE PREVIOUSLY NEGOTIATED WITH THE NYAG AND ILLINOIS, ON BEHALF OF THE NASAA TASK FORCE, AND THIS SETTLEMENT IS SIMILAR TO AGREEMENTS WITH OTHER STATES.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an (•) INITIAL ***OR*** ( ) AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action			
☐ 11.C(1)	☐ 11.C(5)	☐ 11.D(4)	☐ 11.E(3)
☐ 11.C(2)	☐ 11.D(1)	☐ 11.D(5)	☐ 11.E(4)
☐ 11.C(3)	☐ 11.D(2)	☑ 11.E(1)	☐ 11.F
☐ 11.C(4)	☐ 11.D(3)	☑ 11.E(2)	☐ 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

(•) You (the advisory firm)

( ) You and one or more of your *advisory affiliates*

( ) One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

( ) *Yes* ( ) *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

( ) SEC ( ) Other Federal ( ) State (•) *SRO* ( ) Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)

FINRA

2. Principal Sanction:

Civil and Administrative Penalt(ies) /Fine(s)

Other Sanctions:

CENSURE. IN ADDITION, THE ACCEPTANCE, WAIVER AND CONSENT CALLED FOR MORGAN STANLEY & CO. INCORPORATED (THE "FIRM") TO UNDERTAKE TO CERTIFY: 1) THAT IT HAS IMPLEMENTED CERTAIN ENHANCED POLICIES, PROCEDURES AND SYSTEMS; AND 2) THAT BASED ON ITS REVIEW OF A MEANINGFUL SAMPLE OF RESEARCH REPORTS AND RECORDS OF PUBLIC APPEARANCES, THAT THE FIRM HAS COMPLIED WITH THE DISCLOSURE REQUIREMENTS OF NASD RULE 2711(H).

3. Date Initiated (MM/DD/YYYY):

08/10/2010 (•) Exact ( ) Explanation

If not exact, provide explanation:

4. Docket/Case Number:

2008013782301

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:

Other
Other Product Types:
EQUITY RESEARCH

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

THE INVESTIGATION PRIMARILY CONCERNED ALLEGEDLY INACCURATE DISCLOSURES IN CERTAIN EQUITY RESEARCH REPORTS, AS REQUIRED BY NASD RULE 2711. THE INVESTIGATION ALSO CONCERNED ALLEGED OMISSIONS IN CERTAIN MONTHLY ACCOUNT STATEMENTS WITH RESPECT TO THE AVAILABILITY OF INDEPENDENT THIRD-PARTY RESEARCH. FURTHER ALLEGATIONS OF INADEQUATE SUPERVISORY SYSTEMS AND PROCEDURES WITH RESPECT TO THE AFOREMENTIONED AREAS OF RESEARCH DISCLOSURES AND THE AVAILABILITY OF INDEPENDENT RESEARCH WERE ALSO PART OF THE INVESTIGATION.

8. Current status ? ○ Pending ○ On Appeal ◉ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Acceptance, Waiver & Consent(AWC)

AWC

11. Resolution Date (MM/DD/YYYY):

08/10/2010 ◉ Exact ○ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

- ☑ Monetary/Fine Amount:$ 800000
- ☐ Revocation/Expulsion/Denial
- ☑ Censure
- ☐ Bar
- ☐ Disgorgement/Restitution
- ☐ Cease and Desist/Injunction
- ☐ Suspension

B. Other Sanctions *Ordered*:
IN ADDITION, THE ACCEPTANCE, WAIVER AND CONSENT CALLED FOR MORGAN STANLEY & CO. INCORPORATED TO UNDERTAKE TO CERTIFY: 1) THAT IT HAS IMPLEMENTED CERTAIN ENHANCED POLICIES, PROCEDURES AND SYSTEMS; AND 2) THAT BASED ON ITS REVIEW OF A MEANINGFUL SAMPLE OF RESEARCH REPORTS AND RECORDS OF PUBLIC APPEARANCES, THAT THE FIRM HAS COMPLIED WITH THE DISCLOSURE REQUIREMENTS OF NASD RULE 2711(H).

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
THE FINE OF $800,000 WAS PAID ON AUGUST 19, 2010.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
THIS ACTION PRIMARILY RELATED TO ALLEGED INACCURACIES AND OMISSIONS IN CERTAIN EQUITY RESEARCH REPORTS AND MONTHLY ACCOUNT STATEMENTS. AS NOTED ABOVE, THE $800,000 FINE WAS PAID ON AUGUST 19 AND THE FIRM HAS 60 DAYS FROM AUGUST 10, 2010: 1) TO CERTIFY TO FINRA THAT IT HAS IMPLEMENTED CERTAIN ENHANCED POLICIES, PROCEDURES AND SYSTEMS; AND 2) TO PROVIDE FINRA WITH A DESCRIPTION OF THE METHODOLOGY IT INTENDS TO EMPLOY TO CONDUCT A REVIEW OF A MEANINGFUL SAMPLE OF ITS RESEARCH REPORTS AND RECORDS OF PUBLIC APPEARANCES. THEREAFTER, THE FIRM SHALL CERTIFY IN WRITING TO FINRA EVERY SIX MONTHS, FOR A PERIOD OF TWO YEARS THAT BASED ON ITS REVIEW OF THE MEANINGFUL SAMPLE OF ITS RESEARCH REPORTS AND RECORDS OF PUBLIC APPEARANCES, THE FIRM HAS COMPLIED WITH THE DISCLOSURE REQUIREMENTS OF NASD RULE 2711(H).

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ○ INITIAL ***OR*** ◉ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action			
☐ 11.C(1)	☐ 11.C(5)	☑ 11.D(4)	☐ 11.E(3)
☐ 11.C(2)	☑ 11.D(1)	☐ 11.D(5)	☐ 11.E(4)
☐ 11.C(3)	☑ 11.D(2)	☐ 11.E(1)	☐ 11.F
☐ 11.C(4)	☐ 11.D(3)	☐ 11.E(2)	☐ 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- (•) You (the advisory firm)
- ( ) You and one or more of your *advisory affiliates*
- ( ) One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

( ) *Yes* ( ) *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:
( ) SEC ( ) Other Federal (•) State ( ) *SRO* ( ) Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
OREGON DIVISION OF FINANCE AND CORPORATE SECURITIES

2. Principal Sanction:
Restitution
Other Sanctions:
IN ADDITION TO THE AGREEMENT TO REPURCHASE ILLIQUID AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLED FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUES OF ARS, AND A CIVIL PENALTY.

3. Date Initiated (MM/DD/YYYY):
11/15/2010 (•) Exact ( ) Explanation

If not exact, provide explanation:

4. Docket/Case Number:
S-09-0060

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
Other
Other Product Types:
AUCTION RATE SECURITIES

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

THE INVESTIGATION CONCERNED ALLEGED MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES, SPECIFICALLY WITH RESPECT TO THE LIQUIDITY OF SUCH SECURITIES.

8. Current status ? ( ) Pending ( ) On Appeal (•) Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Consent

CONSENT

11. Resolution Date (MM/DD/YYYY):
11/15/2010 (•) Exact ( ) Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

- [x] Monetary/Fine Amount:$ 243814.91
- [ ] Revocation/Expulsion/Denial
- [x] Disgorgement/Restitution
- [ ] Censure
- [x] Cease and Desist/Injunction
- [ ] Bar
- [ ] Suspension

B. Other Sanctions *Ordered*:
IN ADDITION TO THE AGREEMENT TO REPURCHASE ILLIQUID AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLED FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUES OF ARS, AND A CIVIL PENALTY.

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
ON NOVEMBER 12, 2010, THE FIRM PAID OREGON $256,647.28 CONSISTING OF $243,841.91 FOR A CIVIL PENALTY AND $12,823.37 FOR CONSUMER FINANCIAL EDUCATION. THE TOTAL AMOUNT PAID TO OREGON REPRESENTS OREGONS'S PORTION OF THE $35 MILLION NEGOTIATED WITH THE NYAG AND ILLINOIS ON BEHALF OF A NASAA TASK FORCE. THE REMAINING AMOUNT WILL BE PAID SEPARATELY TO OTHER NASAA MEMBER JURISDICTIONS. THE FIRM COMPLETED IT'S OBLIGATION TO REPURCHASE ARS FROM ELIGIBLE INVESTORS ON OR ABOUT JANUARY 11, 2009.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
THIS ACTION RELATED TO ALLEGATIONS WITH RESPECT TO MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES, SPECIFICALLY WITH RESPECT TO THE LIQUIDITY OF SUCH SECURITIES. AS NOTED ABOVE, THE PRINCIPAL TERMS OF THIS SETTLEMENT WERE PREVIOUSLY NEGOTIATED WITH THE NYAG AND ILLINOIS, ON BEHALF OF THE NASAA TASK FORCE, AND THIS SETTLEMENT IS SIMILAR TO AGREEMENTS WITH OTHER STATES.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an (•) INITIAL ***OR*** ( ) AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action

[ ] 11.C(1)	[ ] 11.C(5)	[ ] 11.D(4)	[ ] 11.E(3)
[ ] 11.C(2)	[ ] 11.D(1)	[ ] 11.D(5)	[ ] 11.E(4)
[ ] 11.C(3)	[x] 11.D(2)	[ ] 11.E(1)	[ ] 11.F
[ ] 11.C(4)	[ ] 11.D(3)	[ ] 11.E(2)	[ ] 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- ( ) You (the advisory firm)
- ( ) You and one or more of your *advisory affiliates*
- (•) One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*

CRD Number:	This *advisory affiliate* is (•) a Firm ( ) an Individual	
Registered:	( ) Yes (•) No	
Name:	SBHU LIFE AGENCY, INC.	
	(For individuals, Last, First, Middle)	

[ ] This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

[ ] This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for

registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

○ *Yes* ◉ *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

○ SEC ○ Other Federal ◉ State ○ *SRO* ○ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
STATE OF NEW YORK INSURANCE DEPARTMENT

2. Principal Sanction:
Civil and Administrative Penalt(ies) /Fine(s)
Other Sanctions:
UNDERTAKINGS

3. Date Initiated (MM/DD/YYYY):
12/20/2010 ◉ Exact ○ Explanation

If not exact, provide explanation:

4. Docket/Case Number:
STIPULATION NO. 2010-0329-S

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
Annuity(ies) - Fixed
Other Product Types:
ANNUITY(IES) - VARIABLE; INSURANCE

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

DURING THE PERIOD JANUARY 1, 2003 THROUGH DECEMBER 31, 2007, CITICORP INSURANCE AGENCY, INC. ("CIAI"), CITICORP INVESTMENT SERVICES ("CIS") AND SBHU LIFE AGENCY, INC. ("SBHU", TOGETHER WITH CIAI AND CIS "RESPONDENTS") IN CERTAIN INSTANCES DID NOT PRESENT COMPLETE, ACCURATE, AND/OR TIMELY DISCLOSURE STATEMENTS TO APPLICANTS IN REPLACEMENT TRANSACTIONS IN VIOLATION OF SECTION 51.5(C) OF DEPARTMENT REGULATION 60. RESPONDENTS DID NOT ADEQUATELY PROCESS AND RESOLVE CERTAIN CLIENT COMPLAINTS PERTAINING TO THE SALE OF LIFE INSURANCE POLICIES OR ANNUITY CONTRACTS. CERTAIN SALES OF LIFE INSURANCE POLICIES OR ANNUITY CONTRACTS WERE INCONSISTENT WITH THE RESPONDENTS' INTERNAL SUITABILITY STANDARDS.

8. Current status ? ○ Pending ○ On Appeal ◉ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Stipulation and Consent

STIPCONS

11. Resolution Date (MM/DD/YYYY):
12/20/2010 ◉ Exact ○ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☑ Monetary/Fine Amount:$ 2000000

☐ Revocation/Expulsion/Denial

☐ Censure

☐ Bar

☐ Disgorgement/Restitution

☐ Cease and Desist/Injunction

☐ Suspension

B. Other Sanctions *Ordered*:
UNDERTAKINGS

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
RESPONDENTS CONSENTED TO A CIVIL PENALTY OF $2 MILLION AND VARIOUS UNDERTAKINGS DESCRIBED IN ITEM 13 BELOW. THE PENALTY WAS PAID ON

DECEMBER 15, 2010.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
ON DECEMBER 20, 2010, THE DEPARTMENT AND THE RESPONDENTS FINALIZED A STIPULATION AGREEMENT. THE RESPONDENTS ADMITTED TO A VIOLATION OF SECTION 51.5(C) OF NEW YORK REGULATION 60, AND CONSENTED TO THE IMPOSITION OF A CIVIL PENALTY OF $2 MILLION AND TO TAKE CERTAIN REMEDIAL ACTIONS DESCRIBED IN THE STIPULATION AGREEMENT. THE RESPONDENTS WILL SUBMIT PERIODICALLY A WRITTEN REPORT TO THE DEPARTMENT DETAILING WITH RESPECT TO CERTAIN COMPLAINTS FILED BETWEEN 2003 AND THE PRESENT ACTIONS TAKEN TO COOPERATE WITH THE RELEVANT INSURERS. ALSO, THE RESPONDENTS WILL SUBMIT TO THE DEPARTMENT THEIR POLICIES AND PROCEDURES TO ADDRESS THE DEFICIENCIES IDENTIFIED IN THE STIPULATION AGREEMENT AND TO COMPLY WITH APPLICABLE SUITABILITY STANDARDS. LASTLY, RESPONDENTS AGREE TO TAKE ANY ADDITIONAL STEP NECESSARY TO PREVENT REOCCURRENCE OF THE VIOLATION.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ○ INITIAL ***OR*** ◉ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action			
☐ 11.C(1)	☐ 11.C(5)	☑ 11.D(4)	☐ 11.E(3)
☐ 11.C(2)	☐ 11.D(1)	☐ 11.D(5)	☐ 11.E(4)
☐ 11.C(3)	☐ 11.D(2)	☐ 11.E(1)	☐ 11.F
☐ 11.C(4)	☐ 11.D(3)	☐ 11.E(2)	☐ 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

◉ You (the advisory firm)

○ You and one or more of your *advisory affiliates*

○ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

○ *Yes* ○ *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:
○ SEC ○ Other Federal ◉ State ○ *SRO* ○ Foreign
(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
SOUTH CAROLINA SECURITIES COMMISSIONER

2. Principal Sanction:
Cease and Desist
Other Sanctions:
PAY $10,000 AS REIMBURSEMENT OF COSTS OF INVESTIGATION AND $20,000 AS A PENALTY.

3. Date Initiated (MM/DD/YYYY):
01/06/2011 ◉ Exact ○ Explanation

If not exact, provide explanation:

4. Docket/Case Number:
10017

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
Other
Other Product Types:
AUCTION RATE SECURITIES

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):
IN CONNECTION WITH THE SALE OF AUCTION RATE SECURITIES IN SOUTH CAROLINA BETWEEN FEBRUARY 13, 2008 AND DECEMBER 31, 2008, THE STATE ALLEGES: THE FIRM FAILED TO REASONABLY TRAIN, INSTRUCT AND SUPERVISE ITS REPRESENTATIVES IN SOUTH CAROLINA; THE FIRM FAILED TO ASCERTAIN THE SUITABILITY OF ARS INVESTMENTS IN SOUTH CAROLINA; AND THE FIRM OMITTED MATERIAL FACTS REGARDING ARS INVESTMENTS IN SOUTH CAROLINA.

8. Current status ? ○ Pending ○ On Appeal ◉ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Consent
CONSENT

11. Resolution Date (MM/DD/YYYY):
02/24/2011 ◉ Exact ○ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

- ☑ Monetary/Fine Amount:$ 30000
- ☐ Revocation/Expulsion/Denial
- ☐ Censure
- ☐ Bar
- ☐ Disgorgement/Restitution
- ☑ Cease and Desist/Injunction
- ☐ Suspension

B. Other Sanctions *Ordered*:

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
THE AMOUNT OF $30,000.00 WAS PAID ON MARCH 9, 2011 WITH $10,000 AS REIMBURSEMENT OF COSTS OF INVESTIGATION AND $20,000 AS A PENALTY

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
WHILE DISPUTING AND DENYING THE ALLEGATIONS CONTAINED IN THE COMPLAINT, WITHOUT ADMITTING ANY VIOLATIONS OF THE SOUTH CAROLINA UNIFORM SECURITIES ACT, AND WITHOUT ANY ADJUDICATION OF LAW OR FACT, THE FIRM AGREED TO RESOLVE THE ALLEGATIONS BY ENTERING INTO A CONSENT ORDER AND AGREEING TO A CEASE AND DESIST AND TO PAY $30,000 IN COSTS AND PENALTY.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ○ INITIAL ***OR*** ◉ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action			
☐ 11.C(1)	☐ 11.C(5)	☑ 11.D(4)	☐ 11.E(3)
☐ 11.C(2)	☑ 11.D(1)	☐ 11.D(5)	☐ 11.E(4)
☐ 11.C(3)	☑ 11.D(2)	☐ 11.E(1)	☐ 11.F
☐ 11.C(4)	☐ 11.D(3)	☐ 11.E(2)	☐ 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- (•) You (the advisory firm)
- ( ) You and one or more of your *advisory affiliates*
- ( ) One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

( ) *Yes* ( ) *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

( ) SEC ( ) Other Federal (•) State ( ) *SRO* ( ) Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
NEW JERSEY BUREAU OF SECURITIES

2. Principal Sanction:
Restitution
Other Sanctions:
IN ADDITION TO THE AGREEMENT TO REPURCHASE ILLIQUID AUCTION RATE SECURITIES ("ARS")SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLED FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, SPECIAL ARBITRATIONPROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUES OF ARS, AND A CIVIL PENALTY.

3. Date Initiated (MM/DD/YYYY):
04/20/2011 (•) Exact ( ) Explanation

If not exact, provide explanation:

4. Docket/Case Number:
2010-027

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
Other
Other Product Types:
AUCTION RATE SECURITIES

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

NEW JERSEY ALLEGED UNETHICAL PRACTICES AND FAILURE TO SUPERVISE IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITEIS, SPECIFICALLY WITH RESPECT TO THE LIQUIDITY OF SUCH SECURITIES.

8. Current status ? ( ) Pending ( ) On Appeal (•) Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Consent

CONSENT

11. Resolution Date (MM/DD/YYYY):
04/20/2011 (•) Exact ( ) Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

- [x] Monetary/Fine Amount:$ 1566176.15
- [ ] Revocation/Expulsion/Denial
- [x] Disgorgement/Restitution
- [ ] Censure
- [x] Cease and Desist/Injunction
- [ ] Bar
- [ ] Suspension

B. Other Sanctions *Ordered*:
IN ADDITION TO THE AGREEMENT TO REPURCHASE ILLIQUID AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLED FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUES OF ARS, AND A CIVIL PENALTY.

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
THE AMOUNT OF $1,566,176.15 WAS PAID ON APRIL 14, 2011 AS NEW JERSEY'S PORTION OF A TOTAL SETTLEMENT PAYMENT OF $35 MILLION NEGOTIATED WITH THE NYAG AND ILLINOIS ON BEHALF OF A NASAA TASK FORCE. THE REMAINING AMOUNT WILL BE PAID SEPARATELY TO OTHER NASAA MEMBER JURISDICTIONS. THE FIRM COMPLETED IT'S OBLIGATION TO REPURCHASE ARS FROM ELIGIBLE INVESTORS ON OR ABOUT JANUARY 11, 2009.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
THIS ACTION RELATED TO ALLEGATIONS WITH RESPECT TO MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES, SPECIFICALLY WITH RESPECT TO THE LIQUIDITY OF SUCH SECURITIES. AS NOTED ABOVE, THE PRINCIPAL TERMS OF THIS SETTLEMENT WERE PREVIOUSLY NEGOTIATED WITH THE NYAG AND ILLINOIS, ON BEHALF OF THE NASAA TASK FORCE, AND THIS SETTLEMENT IS SIMILAR TO AGREEMENTS WITH OTHER STATES.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an (•) INITIAL ***OR*** ( ) AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action			
[ ] 11.C(1)	[ ] 11.C(5)	[ ] 11.D(4)	[ ] 11.E(3)
[ ] 11.C(2)	[ ] 11.D(1)	[ ] 11.D(5)	[ ] 11.E(4)
[ ] 11.C(3)	[ ] 11.D(2)	[ ] 11.E(1)	[ ] 11.F
[ ] 11.C(4)	[ ] 11.D(3)	[x] 11.E(2)	[ ] 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- (•) You (the advisory firm)
- ( ) You and one or more of your *advisory affiliates*
- ( ) One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

- [ ] This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.
- [ ] This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event

occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

○ *Yes* ○ *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

○ SEC ○ Other Federal ○ State ◉ *SRO* ○ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
FINANCIAL INDUSTRY REGULATORY AUTHORITY

2. Principal Sanction:
Censure
Other Sanctions:
FINE: $375,000.00

3. Date Initiated (MM/DD/YYYY):
04/05/2011 ◉ Exact ○ Explanation

If not exact, provide explanation:

4. Docket/Case Number:
2009017072302

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
Other
Other Product Types:
NO PRODUCT

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

A FORMER ASSOCIATED PERSON AND EMPLOYEE OF THE FIRM MISAPPROPRIATED APPROXIMATELY $2.5 MILLION FROM THE FIRM, INSTITUTIONAL FIRM CUSTOMERS AND A COUNTERPARTY BY ENTERING FALSE JOURNAL ENTRIES AND CAUSING CHECKS TO BE ISSUED TO AN ENTITY HE CONTROLLED. FINRA CENSURED THE FIRM UNDER FINRA RULE 2010 AND NASD RULES 2110 AND 3010 FOR FAILING TO SUPERVISE THE FORMER ASSOCIATED PERSON AND FAILING TO ESTABLISH AND IMPLEMENT AN ADEQUATE SYSTEM OF FOLLOW-UP AND REVIEW OF JOURNAL ENTRIES AND CHECK REQUESTS RELATED TO CORPORATE ACTIONS. FINRA NOTED SEVERAL OTHER FACTORS IN DETERMINING THE APPROPRIATE SANCTIONS, INCLUDING THE FIRM'S CORRECTION OF ITS SYSTEMS AND PROCEDURES, EXTRAORDINARY EFFORTS TO REMEDIATE CUSTOMERS, AND SUBSTANTIAL ASSISTANCE TO FINRA'S INVESTIGATION.

8. Current status ? ○ Pending ○ On Appeal ◉ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Acceptance, Waiver & Consent(AWC)

AWC

11. Resolution Date (MM/DD/YYYY):
04/05/2011 ◉ Exact ○ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

- ☑ Monetary/Fine Amount:$ 375000
- ☐ Revocation/Expulsion/Denial
- ☑ Censure
- ☐ Bar
- ☐ Disgorgement/Restitution
- ☐ Cease and Desist/Injunction
- ☐ Suspension

B. Other Sanctions *Ordered*:
THE FINE OF $375,000 WAS PAID ON APRIL 13, 2011.

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS RESULTING IIN A CENSURE AND $375,000 FINE.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
SEE ABOVE

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ◉ INITIAL ***OR*** ○ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action			
☐ 11.C(1)	☐ 11.C(5)	☑ 11.D(4)	☐ 11.E(3)
☐ 11.C(2)	☑ 11.D(1)	☐ 11.D(5)	☐ 11.E(4)
☐ 11.C(3)	☑ 11.D(2)	☐ 11.E(1)	☐ 11.F
☐ 11.C(4)	☐ 11.D(3)	☐ 11.E(2)	☐ 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

◉ You (the advisory firm)

○ You and one or more of your *advisory affiliates*

○ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

○ *Yes* ○ *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

○ SEC ○ Other Federal ◉ State ○ *SRO* ○ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
SECURITIES COMMISSIONER OF MARYLAND

2. Principal Sanction:
Restitution
Other Sanctions:
IN ADDITION TO THE AGREEMENT TO REPURCHASE ILLIQUID AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLED FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUES OF ARS, AND A CIVIL PENALTY.

3. Date Initiated (MM/DD/YYYY):
03/14/2011 ◉ Exact ○ Explanation

If not exact, provide explanation:

4. Docket/Case Number:
2010-0416

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
Other
Other Product Types:
AUCTION RATE SECURITIES

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):
THE INVESTIGATION CONCERNED ALLEGED MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES, SPECIFICALLY WITH RESPECT TO THE LIQUIDITY OF SUCH SECURITIES

8. Current status ? ○ Pending ○ On Appeal ◉ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Consent
CONSENT

11. Resolution Date (MM/DD/YYYY):
03/14/2011 ◉ Exact ○ Explanation
If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

- ☑ Monetary/Fine Amount:$ 560434.36
- ☐ Revocation/Expulsion/Denial
- ☐ Censure
- ☐ Bar
- ☑ Disgorgement/Restitution
- ☑ Cease and Desist/Injunction
- ☐ Suspension

B. Other Sanctions *Ordered*:
IN ADDITION TO THE AGREEMENT TO REPURCHASE ILLIQUID AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLED FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUES OF ARS, AND A CIVIL PENALTY.

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
THE AMOUNT OF $560,434.36 WAS PAID ON MARCH 11, 2011 AS MARYLAND'S PORTION OF A TOTAL SETTLEMENT PAYMENT OF $35 MILLION NEGOTIATED WITH THE NYAG AND ILLINOIS ON BEHALF OF A NASAA TASK FORCE. THE REMAINING AMOUNT WILL BE PAID SEPARATELY TO OTHER NASAA MEMBER JURISDICTIONS. THE FIRM COMPLETED IT'S OBLIGATION TO REPURCHASE ARS FROM ELIGIBLE INVESTORS ON OR ABOUT JANUARY 11, 2009.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
THIS ACTION RELATED TO ALLEGATIONS WITH RESPECT TO MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES, SPECIFICALLY WITH RESPECT TO THE LIQUIDITY OF SUCH SECURITIES. AS NOTED ABOVE, THE PRINCIPAL TERMS OF THIS SETTLEMENT WERE PREVIOUSLY NEGOTIATED WITH THE NYAG AND ILLINOIS, ON BEHALF OF THE NASAA TASK FORCE, AND THIS SETTLEMENT IS SIMILAR TO AGREEMENTS WITH OTHER STATES.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ◉ INITIAL ***OR*** ○ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action

☐ 11.C(1)	☐ 11.C(5)	☑ 11.D(4)	☐ 11.E(3)
☐ 11.C(2)	☑ 11.D(1)	☐ 11.D(5)	☐ 11.E(4)
☐ 11.C(3)	☑ 11.D(2)	☐ 11.E(1)	☐ 11.F
☐ 11.C(4)	☐ 11.D(3)	☐ 11.E(2)	☐ 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- (•) You (the advisory firm)
- ( ) You and one or more of your *advisory affiliates*
- ( ) One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

( ) *Yes* ( ) *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

( ) SEC ( ) Other Federal (•) State ( ) *SRO* ( ) Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
COLORADO DIVISION OF SECURITIES

2. Principal Sanction:
Restitution
Other Sanctions:
IN ADDITION TO THE AGREEMENT TO REPURCHASE ILLIQUID AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLED FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUES OF ARS, AND A CIVIL PENALTY.

3. Date Initiated (MM/DD/YYYY):
03/14/2011 (•) Exact ( ) Explanation

If not exact, provide explanation:

4. Docket/Case Number:
11-L-14

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
Other
Other Product Types:
AUCTION RATE SECURITIES

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

THE INVESTIGATION CONCERNED ALLEGED MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES, SPECIFICALLY WITH RESPECT TO THE LIQUIDITY OF SUCH SECURITIES.

8. Current status ? ( ) Pending ( ) On Appeal (•) Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Consent

CONSENT

11. Resolution Date (MM/DD/YYYY):
03/14/2011 (•) Exact ( ) Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

- [x] Monetary/Fine Amount:$ 621037.34
- [ ] Revocation/Expulsion/Denial
- [x] Disgorgement/Restitution
- [ ] Censure
- [x] Cease and Desist/Injunction
- [ ] Bar
- [ ] Suspension

B. Other Sanctions *Ordered*:
IN ADDITION TO THE AGREEMENT TO REPURCHASE ILLIQUID AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLED FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUES OF ARS, AND A CIVIL PENALTY.

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
THE AMOUNT OF $621,037.34 WAS PAID ON MARCH 11, 2011 AS COLORADO'S PORTION OF A TOTAL SETTLEMENT PAYMENT OF $35 MILLION NEGOTIATED WITH THE NYAG AND ILLINOIS ON BEHALF OF A NASAA TASK FORCE. THE REMAINING AMOUNT WILL BE PAID SEPARATELY TO OTHER NASAA MEMBER JURISDICTIONS. THE FIRM COMPLETED IT'S OBLIGATION TO REPURCHASE ARS FROM ELIGIBLE INVESTORS ON OR ABOUT JANUARY 11, 2009.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
THIS ACTION RELATED TO ALLEGATIONS WITH RESPECT TO MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES, SPECIFICALLY WITH RESPECT TO THE LIQUIDITY OF SUCH SECURITIES. AS NOTED ABOVE, THE PRINCIPAL TERMS OF THIS SETTLEMENT WERE PREVIOUSLY NEGOTIATED WITH THE NYAG AND ILLINOIS, ON BEHALF OF THE NASAA TASK FORCE, AND THIS SETTLEMENT IS SIMILAR TO AGREEMENTS WITH OTHER STATES.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an (•) INITIAL ***OR*** ( ) AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action			
[ ] 11.C(1)	[ ] 11.C(5)	[x] 11.D(4)	[ ] 11.E(3)
[ ] 11.C(2)	[x] 11.D(1)	[ ] 11.D(5)	[ ] 11.E(4)
[ ] 11.C(3)	[x] 11.D(2)	[ ] 11.E(1)	[ ] 11.F
[ ] 11.C(4)	[ ] 11.D(3)	[ ] 11.E(2)	[ ] 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- (•) You (the advisory firm)
- ( ) You and one or more of your *advisory affiliates*
- ( ) One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

- [ ] This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.
- [ ] This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event

occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

○ *Yes* ○ *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

○ SEC ○ Other Federal ◉ State ○ *SRO* ○ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)

ALASKA DIVISION OF BANKING AND SECURITIES

2. Principal Sanction:

Restitution

Other Sanctions:

IN ADDITION TO THE AGREEMENT TO REPURCHASE ILLIQUID AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLED FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUES OF ARS, AND A CIVIL PENALTY.

3. Date Initiated (MM/DD/YYYY):

01/28/2011 ◉ Exact ○ Explanation

If not exact, provide explanation:

4. Docket/Case Number:

10-08-S

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:

Other

Other Product Types:

AUCTION RATE SECURITIES

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

THE INVESTIGATION CONCERNED ALLEGED MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES, SPECIFICALLY WITH RESPECT TO THE LIQUIDITY OF SUCH SECURITIES.

8. Current status ? ○ Pending ○ On Appeal ◉ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:

Consent

CONSENT

11. Resolution Date (MM/DD/YYYY):

01/28/2011 ◉ Exact ○ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☑ Monetary/Fine Amount:$ 87709.81

☐ Revocation/Expulsion/Denial

☐ Censure

☐ Bar

☑ Disgorgement/Restitution

☑ Cease and Desist/Injunction

☐ Suspension

B. Other Sanctions *Ordered*:

IN ADDITION TO THE AGREEMENT TO REPURCHASE ILLIQUID AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLED FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUES OF ARS, AND A CIVIL PENALTY.

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:

THE AMOUNT OF $87,709.81 WAS PAID ON JANUARY 10, 2011 AS ALASKA'S PORTION OF A TOTAL SETTLEMENT PAYMENT OF $35 MILLION NEGOTIATED WITH THE NYAG AND ILLINOIS ON BEHALF OF A NASAA TASK FORCE. THE REMAINING AMOUNT WILL BE PAID SEPARATELY TO OTHER NASAA MEMBER JURISDICTIONS.

THE FIRM COMPLETED IT'S OBLIGATION TO REPURCHASE ARS FROM ELIGIBLE INVESTORS ON OR ABOUT JANUARY 11, 2009.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
THIS ACTION RELATED TO ALLEGATIONS WITH RESPECT TO MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES, SPECIFICALLY WITH RESPECT TO THE LIQUIDITY OF SUCH SECURITIES. AS NOTED ABOVE, THE PRINCIPAL TERMS OF THIS SETTLEMENT WERE PREVIOUSLY NEGOTIATED WITH THE NYAG AND ILLINOIS, ON BEHALF OF THE NASAA TASK FORCE, AND THIS SETTLEMENT IS SIMILAR TO AGREEMENTS WITH OTHER STATES.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an (•) INITIAL ***OR*** ( ) AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action			
☐ 11.C(1)	☐ 11.C(5)	☐ 11.D(4)	☐ 11.E(3)
☐ 11.C(2)	☐ 11.D(1)	☐ 11.D(5)	☐ 11.E(4)
☐ 11.C(3)	☐ 11.D(2)	☐ 11.E(1)	☐ 11.F
☐ 11.C(4)	☐ 11.D(3)	☑ 11.E(2)	☐ 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

(•) You (the advisory firm)

( ) You and one or more of your *advisory affiliates*

( ) One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*

No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

( ) *Yes* ( ) *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

( ) SEC ( ) Other Federal ( ) State (•) *SRO* ( ) Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
FINRA

2. Principal Sanction:

Other Sanctions:

3. Date Initiated (MM/DD/YYYY):
05/17/2011 (•) Exact ( ) Explanation

If not exact, provide explanation:

4. Docket/Case Number:
2007011347201

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
Debt - Municipal
Other Product Types:
TRACE-ELIGIBLE SECURITIES

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

FINRA RULES 2010, 6730, NASD RULES 2110, 3010, 3360, 6230(A), 6230(B), (C)(5), (C)(6), MSRB RULES G-8, G-14 - MORGAN STANLEY & CO. INCORPORATED FAILED TO REPORT SHORT INTEREST POSITIONS IN SECURITIES TO FINRA. THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH APPLICABLE SECURITIES LAWS, REGULATIONS AND NASD RULES CONCERNING SHORT INTEREST POSITION REPORTING. THE FIRM FAILED TO REPORT TO THE TRADE REPORTING AND COMPLIANCE ENGINE (TRACE) THE CORRECT CONTRA-PARTY'S IDENTIFIER FOR TRANSACTIONS IN TRACE-ELIGIBLE SECURITIES; TRANSACTIONS IN TRACE-ELIGIBLE SECURITIES THAT IT WAS REQUIRED TO REPORT AND THE CORRECT TRADE DATE FOR SOME TRANSACTIONS IN TRACE-ELIGIBLE SECURITIES. THE FIRM FAILED TO REPORT TO TRACE TRANSACTIONS IN TRACE-ELIGIBLE SECURITIES WITHIN 15 MINUTES OF THE TIME OF EXECUTION. THIS CONDUCT CONSTITUTES SEPARATE AND DISTINCT VIOLATIONS OF NASD RULE 6230(A) AND A PATTERN OR PRACTICE OF LATE REPORTING WITHOUT EXCEPTIONAL CIRCUMSTANCES IN VIOLATION OF NASD RULE 2110 (AND FINRA RULES 6730 AND 2010 AFTER DECEMBER 15, 2008). THE FIRM FAILED TO REPORT INFORMATION REGARDING PURCHASE AND SALE TRANSACTIONS EFFECTED IN MUNICIPAL SECURITIES TO THE REAL-TIME TRANSACTION REPORTING SYSTEM (RTRS) IN THE MANNER PRESCRIBED BY RULE G-14 RTRS PROCEDURES AND THE RTRS USERS MANUAL; THE FIRM FAILED TO REPORT INFORMATION ABOUT SUCH TRANSACTIONS WITHIN 15 MINUTES OF TRADE TIME TO AN RTRS PORTAL AND FAILED TO REPORT THE CORRECT EXECUTION TIME TO THE RTRS FOR THE TRANSACTIONS. THE FIRM FAILED TO SHOW THE CORRECT TIME OF EXECUTION IN TRADE MEMORANDA OF THE TRANSACTIONS IN MUNICIPAL SECURITIES. THE FIRM FAILED TO REPORT TO TRACE TRANSACTIONS IN TRACE-ELIGIBLE SECURITIES THAT IT WAS REQUIRED TO REPORT.

8. Current status ? ○ Pending ○ On Appeal ◉ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Acceptance, Waiver & Consent(AWC)

AWC

11. Resolution Date (MM/DD/YYYY):
05/17/2011 ◉ Exact ○ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

- ☑ Monetary/Fine Amount:$ 110000
- ☐ Revocation/Expulsion/Denial
- ☐ Disgorgement/Restitution
- ☑ Censure
- ☐ Cease and Desist/Injunction
- ☐ Bar
- ☐ Suspension

B. Other Sanctions *Ordered*:

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SACNCTIONS AND TO THE ENTRY OF THE FINDINGS; THEREFORE, THE FIRM IS CENSURED AND FINED $110,000 WHICH INCLUDEDS A FINE OF $20,000 FOR MSRB RULE VIOLATIONS.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ◉ INITIAL ***OR*** ○ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action

☐ 11.C(1)	☐ 11.C(5)	☐ 11.D(4)	☐ 11.E(3)
☐ 11.C(2)	☐ 11.D(1)	☐ 11.D(5)	☐ 11.E(4)
☐ 11.C(3)	☐ 11.D(2)	☐ 11.E(1)	☐ 11.F

☐ 11.C(4) ☐ 11.D(3) ☑ 11.E(2) ☐ 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- ◉ You (the advisory firm)
- ○ You and one or more of your *advisory affiliates*
- ○ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

○ *Yes* ○ *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:
   ○ SEC ○ Other Federal ○ State ◉ *SRO* ○ Foreign
   (Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
   NASDAQ STOCK MARKET

2. Principal Sanction:

   Other Sanctions:

3. Date Initiated (MM/DD/YYYY):
   05/13/2011 ◉ Exact ○ Explanation

   If not exact, provide explanation:

4. Docket/Case Number:
   2008015181501

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
   No Product
   Other Product Types:

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):
   NASDAQ RULE 6955 - MORGAN STANLEY & CO. TRANSMITTED REPORTS TO THE ORDER AUDIT TRAIL SYSTEM (OATS) THAT CONTAINED INACCURATE TIME STAMPS; TRANSMITTED REPORTS TO OATS THAT IT WAS NOT REQUIRED TO REPORT TO OATS; FAILED TO TRANSMIT ONE EXECUTION REPORT TO OATS; AND TRANSMITTED REPORTS TO OATS THAT FAILED TO IDENTIFY ORDERS AS "NOT HELD."

8. Current status ? ○ Pending ○ On Appeal ◉ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Acceptance, Waiver & Consent(AWC)

AWC

11. Resolution Date (MM/DD/YYYY):
05/13/2011 (•) Exact ( ) Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

- [x] Monetary/Fine Amount:$ 10000
- [ ] Revocation/Expulsion/Denial
- [ ] Disgorgement/Restitution
- [x] Censure
- [ ] Cease and Desist/Injunction
- [ ] Bar
- [ ] Suspension

B. Other Sanctions *Ordered*:

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE, THE FIRM IS CENSURED AND FINED $10,000.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an (•) INITIAL ***OR*** ( ) AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action

[ ] 11.C(1)	[ ] 11.C(5)	[ ] 11.D(4)	[ ] 11.E(3)
[ ] 11.C(2)	[ ] 11.D(1)	[ ] 11.D(5)	[ ] 11.E(4)
[ ] 11.C(3)	[ ] 11.D(2)	[ ] 11.E(1)	[ ] 11.F
[ ] 11.C(4)	[ ] 11.D(3)	[x] 11.E(2)	[ ] 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- (•) You (the advisory firm)
- ( ) You and one or more of your *advisory affiliates*
- ( ) One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

- [ ] This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.
- [ ] This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event

occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

○ *Yes* ○ *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

○ SEC ○ Other Federal ○ State ◉ *SRO* ○ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)

FINRA

2. Principal Sanction:

Civil and Administrative Penalt(ies) /Fine(s)

Other Sanctions:

CENSURE, UNDERTAKING

3. Date Initiated (MM/DD/YYYY):

05/19/2011 ◉ Exact ○ Explanation

If not exact, provide explanation:

4. Docket/Case Number:

2008015700601

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:

Unit Investment Trust(s)

Other Product Types:

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

THE FIRM FAILED TO ESTABLISH AN EFFECTIVE SUPERVISORY SYSTEM AND PROCEDURES REASONABLY DESIGNED TO ENSURE THAT THE FIRM APPLIED APPROPRIATE SALES CHARGE DISCOUNTS FOR UNIT INVESTMENT TRUST (UIT) PURCHASES IN CERTAIN INSTANCES.

8. Current status ? ○ Pending ○ On Appeal ◉ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:

Acceptance, Waiver & Consent(AWC)

AWC

11. Resolution Date (MM/DD/YYYY):

05/19/2011 ◉ Exact ○ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

- ☑ Monetary/Fine Amount:$ 100000
- ☐ Revocation/Expulsion/Denial
- ☐ Disgorgement/Restitution
- ☑ Censure
- ☐ Cease and Desist/Injunction
- ☐ Bar
- ☐ Suspension

B. Other Sanctions *Ordered*:

UNDERTAKING

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:

WITHOUT ADMITTING OR DENYING THE UNDERLYING ALLEGATIONS AND WITHOUT ADJUDICATION OF ANY ISSUE OF LAW OR FACT, THE FIRM ACCEPTED AND CONSENTED TO ENTRY OF FINDINGS AND THE IMPOSITION OF A CENSURE, A FINE OF $100,000, AND UNDERTAKINGS TO PROVIDE REMEDIATION TO AFFECTED CUSTOMERS AND TO MODIFY ITS UIT SYSTEMS, PROCEDURES AND SURVEILLANCE RELATED TO THE AWC.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ◉ INITIAL ***OR*** ○ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

Check item(s) being responded to:

Regulatory Action			
☐ 11.C(1)	☐ 11.C(5)	☐ 11.D(4)	☐ 11.E(3)
☐ 11.C(2)	☐ 11.D(1)	☐ 11.D(5)	☐ 11.E(4)
☐ 11.C(3)	☐ 11.D(2)	☐ 11.E(1)	☐ 11.F
☐ 11.C(4)	☐ 11.D(3)	☑ 11.E(2)	☐ 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

◉ You (the advisory firm)

○ You and one or more of your *advisory affiliates*

○ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

○ *Yes* ○ *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

○ SEC ○ Other Federal ○ State ◉ *SRO* ○ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)

FINRA

2. Principal Sanction:

Civil and Administrative Penalt(ies) /Fine(s)

Other Sanctions:

CENSURE

3. Date Initiated (MM/DD/YYYY):

06/28/2011 ◉ Exact ○ Explanation

If not exact, provide explanation:

4. Docket/Case Number:

20080157171

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:

Options

Other Product Types:

TOTAL RETURN SWAPS AND OFF-SHORE STOCK LOANS

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

THE FIRM FAILED TO ESTABLISH AND/OR ENFORCE WRITTEN SUPERVISORY PROCEDURES AND OPERATIONAL CONTROLS AND FAILED TO ADEQUATELY SUPERVISE PERSONNEL AND BUSINESS OPERATIONS IN CONNECTION WITH CERTAIN TOTAL RETURN SWAPS AND OFF-SHORE STOCK LOANS IN VIOLATION OF NASD RULES 3010 AND 2110.

8. Current status ? ○ Pending ○ On Appeal ◉ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Acceptance, Waiver & Consent(AWC)

AWC

11. Resolution Date (MM/DD/YYYY):

06/28/2011 ◉ Exact ○ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

- ☑ Monetary/Fine Amount:$ 575000
- ☐ Revocation/Expulsion/Denial
- ☑ Censure
- ☐ Bar
- ☐ Disgorgement/Restitution
- ☐ Cease and Desist/Injunction
- ☐ Suspension

B. Other Sanctions *Ordered*:

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
SANCTION DETAIL: WITHOUT ADMITTING OR DENYING THE UNDERLYING ALLEGATIONS AND WITHOUT ADJUDICATION OF ANY ISSUE OF LAW OR FACT, THE FIRM ACCEPTED AND CONSENTED TO ENTRY OF FINDINGS AND THE IMPOSITION OF A CENSURE AND A FINE OF $575,000.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)

GENERAL INSTRUCTIONS

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Check item(s) being responded to:

Regulatory Action			
☐ 11.C(1)	☐ 11.C(5)	☑ 11.D(4)	☐ 11.E(3)
☐ 11.C(2)	☑ 11.D(1)	☐ 11.D(5)	☐ 11.E(4)
☐ 11.C(3)	☑ 11.D(2)	☐ 11.E(1)	☐ 11.F
☐ 11.C(4)	☐ 11.D(3)	☐ 11.E(2)	☐ 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

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PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- ◉ You (the advisory firm)
- ○ You and one or more of your *advisory affiliates*
- ○ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*

No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

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B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

○ *Yes* ○ *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:
○ SEC ○ Other Federal ◉ State ○ *SRO* ○ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
GEORGIA COMMISSIONER OF SECURITIES

2. Principal Sanction:
Restitution
Other Sanctions:
IN ADDITION TO THE AGREEMENT TO REPURCHASE ILLIQUID AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLED FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUES OF ARS, AND A CIVIL PENALTY.

3. Date Initiated (MM/DD/YYYY):
10/04/2011 ◉ Exact ○ Explanation

If not exact, provide explanation:

4. Docket/Case Number:
N/A

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
Other
Other Product Types:
AUCTION RATE SECURITIES

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

THE INVESTIGATION CONCERNED ALLEGED MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES, SPECIFICALLY WITH RESPECT TO THE LIQUIDITY OF SUCH SECURITIES.

8. Current status ? ○ Pending ○ On Appeal ◉ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Consent

CONSENT

11. Resolution Date (MM/DD/YYYY):
10/04/2011 ◉ Exact ○ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☑ Monetary/Fine Amount:$ 592350.28

☐ Revocation/Expulsion/Denial

☐ Censure

☐ Bar

☑ Disgorgement/Restitution

☑ Cease and Desist/Injunction

☐ Suspension

B. Other Sanctions *Ordered*:
IN ADDITION TO THE AGREEMENT TO REPURCHASE ILLIQUID AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLED FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUES OF ARS, AND A CIVIL PENALTY.

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
THE AMOUNT OF $592,350.28 WAS PAID ON SEPTEMBER 30, 2011 AS GEORGIA'S PORTION OF A TOTAL SETTLEMENT PAYMENT OF $35 MILLION NEGOTIATED WITH THE NYAG AND ILLINOIS ON BEHALF OF A NASAA TASK FORCE. THE REMAINING AMOUNT WILL BE PAID SEPARATELY TO OTHER NASAA MEMBER JURISDICTIONS. THE FIRM COMPLETED IT'S OBLIGATION TO REPURCHASE ARS FROM ELIGIBLE INVESTORS ON OR ABOUT JANUARY 11, 2009.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
THIS ACTION RELATED TO ALLEGATIONS WITH RESPECT TO MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES, SPECIFICALLY WITH RESPECT TO THE LIQUIDITY OF SUCH SECURITIES. AS NOTED ABOVE, THE PRINCIPAL TERMS OF THIS SETTLEMENT WERE PREVIOUSLY NEGOTIATED WITH THE NYAG AND ILLINOIS, ON BEHALF OF THE NASAA TASK FORCE, AND THIS SETTLEMENT IS SIMILAR TO AGREEMENTS WITH OTHER STATES.

GENERAL INSTRUCTIONS

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Check item(s) being responded to:

Regulatory Action			
☐ 11.C(1)	☐ 11.C(5)	☑ 11.D(4)	☐ 11.E(3)
☐ 11.C(2)	☑ 11.D(1)	☐ 11.D(5)	☐ 11.E(4)
☐ 11.C(3)	☑ 11.D(2)	☐ 11.E(1)	☐ 11.F
☐ 11.C(4)	☐ 11.D(3)	☐ 11.E(2)	☐ 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):
- ◉ You (the advisory firm)
- ○ You and one or more of your *advisory affiliates*
- ○ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.
○ *Yes* ○ *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:
○ SEC ○ Other Federal ◉ State ○ *SRO* ○ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)

PENNSYLVANIA SECURITIES COMMISSION

2. Principal Sanction:
Restitution
Other Sanctions:
IN ADDITION TO THE AGREEMENT TO REPURCHASE ILLIQUID AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLED FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUES OF ARS, AND A CIVIL PENALTY.

3. Date Initiated (MM/DD/YYYY):
10/19/2011 (•) Exact ( ) Explanation

If not exact, provide explanation:

4. Docket/Case Number:
2008-05-20

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
Other
Other Product Types:
AUCTION RATE SECURITIES

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

THE INVESTIGATION CONCERNED ALLEGED MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES, SPECIFICALLY WITH RESPECT TO THE LIQUIDITY OF SUCH SECURITIES.

8. Current status ? ( ) Pending ( ) On Appeal (•) Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Consent

CONSENT

11. Resolution Date (MM/DD/YYYY):
10/19/2011 (•) Exact ( ) Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

- [x] Monetary/Fine Amount:$ 634402.9
- [ ] Revocation/Expulsion/Denial
- [ ] Censure
- [ ] Bar
- [x] Disgorgement/Restitution
- [x] Cease and Desist/Injunction
- [ ] Suspension

B. Other Sanctions *Ordered*:
IN ADDITION TO THE AGREEMENT TO REPURCHASE ILLIQUID AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLED FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUES OF ARS, AND A CIVIL PENALTY.

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
THE AMOUNT OF $634,402.90 WAS PAID ON SEPTEMBER 19, 2011 AS PENNSYLVANIA'S PORTION OF A TOTAL SETTLEMENT PAYMENT OF $35 MILLION NEGOTIATED WITH THE NYAG AND ILLINOIS ON BEHALF OF A NASAA TASK FORCE. THE REMAINING AMOUNT WILL BE PAID SEPARATELY TO OTHER NASAA MEMBER JURISDICTIONS. THE FIRM COMPLETED IT'S OBLIGATION TO REPURCHASE ARS FROM ELIGIBLE INVESTORS ON OR ABOUT JANUARY 11, 2009

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
THIS ACTION RELATED TO ALLEGATIONS WITH RESPECT TO MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES, SPECIFICALLY WITH RESPECT TO THE LIQUIDITY OF SUCH SECURITIES. AS NOTED ABOVE, THE PRINCIPAL TERMS OF THIS SETTLEMENT WERE PREVIOUSLY NEGOTIATED WITH THE NYAG AND ILLINOIS, ON BEHALF OF THE NASAA TASK FORCE, AND THIS SETTLEMENT IS SIMILAR TO AGREEMENTS WITH OTHER STATES.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an (•) INITIAL ***OR*** ( ) AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of

Form ADV.

Check item(s) being responded to:

Regulatory Action			
☐ 11.C(1)	☐ 11.C(5)	☑ 11.D(4)	☐ 11.E(3)
☐ 11.C(2)	☑ 11.D(1)	☐ 11.D(5)	☐ 11.E(4)
☐ 11.C(3)	☑ 11.D(2)	☐ 11.E(1)	☐ 11.F
☐ 11.C(4)	☐ 11.D(3)	☐ 11.E(2)	☐ 11.G

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details to each action on a separate DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- ◉ You (the advisory firm)
- ○ You and one or more of your *advisory affiliates*
- ○ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

○ *Yes* ○ *No*

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Regulatory Action initiated by:

○ SEC ○ Other Federal ◉ State ○ *SRO* ○ Foreign

(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)
MISSISSIPPI SECURITIES AND CHARITIES DIVISION

2. Principal Sanction:
Restitution
Other Sanctions:
IN ADDITION TO THE AGREEMENT TO REPURCHASE ILLIQUID AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLED FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUES OF ARS, AND A CIVIL PENALTY.

3. Date Initiated (MM/DD/YYYY):
10/17/2011 ◉ Exact ○ Explanation

If not exact, provide explanation:

4. Docket/Case Number:
S-11-0088

5. *Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:
Other
Other Product Types:
AUCTION RATE SECURITIES

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

THE INVESTIGATION CONCERNED ALLEGED MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES, SPECIFICALLY WITH RESPECT TO THE LIQUIDITY OF SUCH SECURITIES.

8. Current status ? ○ Pending ○ On Appeal ◉ Final

9. If on appeal, regulatory action appealed to (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:
Consent

CONSENT

11. Resolution Date (MM/DD/YYYY):

10/17/2011 ◉ Exact ○ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

- ☑ Monetary/Fine Amount:$ 191150.72
- ☐ Revocation/Expulsion/Denial
- ☐ Censure
- ☐ Bar
- ☑ Disgorgement/Restitution
- ☑ Cease and Desist/Injunction
- ☐ Suspension

B. Other Sanctions *Ordered*:
IN ADDITION TO THE AGREEMENT TO REPURCHASE ILLIQUID AUCTION RATE SECURITIES ("ARS") SOLD TO ELIGIBLE INVESTORS PRIOR TO FEBRUARY 13, 2008, THE SETTLEMENT CALLED FOR THE REIMBURSEMENT OF ELIGIBLE INVESTORS WHO SOLD ARS BELOW PAR, SPECIAL ARBITRATION PROCEEDINGS CONCERNING CONSEQUENTIAL DAMAGES WITH RESPECT TO ARS, REFUNDING CERTAIN REFINANCING FEES INCURRED BY MUNICIPAL ISSUES OF ARS, AND A CIVIL PENALTY.

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
THE AMOUNT OF $191,150.72 WAS PAID ON SEPTEMBER 22, 2011 AS MISSISSIPPI'S PORTION OF A TOTAL SETTLEMENT PAYMENT OF $35 MILLION NEGOTIATED WITH THE NYAG AND ILLINOIS ON BEHALF OF A NASAA TASK FORCE. THE REMAINING AMOUNT WILL BE PAID SEPARATELY TO OTHER NASAA MEMBER JURISDICTIONS. THE FIRM COMPLETED IT'S OBLIGATION TO REPURCHASE ARS FROM ELIGIBLE INVESTORS ON OR ABOUT JANUARY 11, 2009.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided.)
THIS ACTION RELATED TO ALLEGATIONS WITH RESPECT TO MISREPRESENTATIONS AND OMISSIONS IN CONNECTION WITH THE MARKETING, SALE AND DISTRIBUTION OF AUCTION RATE SECURITIES, SPECIFICALLY WITH RESPECT TO THE LIQUIDITY OF SUCH SECURITIES. AS NOTED ABOVE, THE PRINCIPAL TERMS OF THIS SETTLEMENT WERE PREVIOUSLY NEGOTIATED WITH THE NYAG AND ILLINOIS, ON BEHALF OF THE NASAA TASK FORCE, AND THIS SETTLEMENT IS SIMILAR TO AGREEMENTS WITH OTHER STATES.

CIVIL JUDICIAL ACTION DISCLOSURE REPORTING PAGE (ADV)

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ○ INITIAL ***OR*** ◉ AMENDED response used to report details for affirmative responses to Item 11.H. of Part 1A and Item 2.F. of Part 1B of Form ADV.

Check Part 1A item(s) being responded to:

Civil Judicial			
☑ 11.H(1)(a)	☑ 11.H(1)(b)	☐ 11.H(1)(c)	☐ 11.H(2)

Check Part 1B item(s) being responded to:

Civil Judicial				
☐ 2.F(1)	☐ 2.F(2)	☐ 2.F(3)	☐ 2.F(4)	☐ 2.F(5)

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Item 11.H. of Part 1A or Item 2.F. of Part 1B. Use only one DRP to report details related to the same event. Unrelated civil judicial actions must be reported on separate DRPs.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

◉ You (the advisory firm)

○ You and one or more of your *advisory affiliates*

○ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or advisory affiliate's favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.H(1)(a), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD, or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.
○ Yes ○ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Court Action initiated by: (Name of regulator, *foreign financial regulatory authority, SRO,* commodities exchange, agency, firm, private plaintiff, etc.)
UNITED STATES SECURITIES AND EXCHANGE COMMISSION

2. Principal Relief Sought:
Injunction

Other Relief Sought:

3. Filing Date of Court Action (MM/DD/YYYY):
04/28/2003 ◉ Exact ○ Explanation

If not exact, provide explanation:

4. Principal Product Type:
Other
Other Product Types:
RESEARCH

5. Formal Action was brought in (include name of Federal, State or Foreign Court, Location of Court - City or County and State or Country, Docket/Case Number):
UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK, SECURITIES AND EXCHANGE COMMISSION V. MORGAN STANLEY & CO. INCORPORATED, 03 CV 2948 (WHP) (S.D.N.Y.)

6. *Advisory Affiliate* Employing Firm when activity occurred which led to the civil judicial action (if applicable):

7. Describe the allegations related to this civil action (your response must fit within the space provided):
ON APRIL 28, 2003, THE SECURITIES AND EXCHANGE COMMISSION FILED A COMPLAINT (THE "COMPLAINT") AGAINST MORGAN STANLEY & CO. INCORPORATED ("MS&CO."), A REGISTERED BROKER-DEALER AND REGISTERED INVESTMENT ADVISER, IN THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK IN A CIVIL ACTION CAPTIONED SECURITIES AND EXCHANGE COMMISSION V. MORGAN STANLEY & CO. INCORPORATED, 03 CV 2948 (WHP) (S.D.N.Y.), ALLEGING THAT MS&CO. VIOLATED NATIONAL ASSOCIATION OF SECURITIES DEALERS ("NASD") CONDUCT RULES 2110, 2210, AND 3010, AND NEW YORK STOCK EXCHANGE ("NYSE") RULES 342, 401, 472 AND 476 (COLLECTIVELY, THE "CONDUCT RULES") BY, AMONG OTHER THINGS, ENGAGING IN ACTS AND PRACTICES THAT CREATED CONFLICTS OF INTEREST FOR ITS RESEARCH ANALYSTS WITH RESPECT TO INVESTMENT BANKING ACTIVITY AND CONSIDERATIONS AND FAILING TO MANAGE SUCH CONFLICTS ADEQUATELY OR APPROPRIATELY; FAILING TO ENSURE, IN OFFERINGS WHERE MS&CO. WAS THE LEAD UNDERWRITER, THAT PAYMENTS MADE TO OTHER BROKER-DEALERS FOR PUBLISHING RESEARCH REPORTS WERE DISCLOSED BY THE ISSUERS IN THE OFFERING DOCUMENTS AND THE OTHER BROKER-DEALERS IN THEIR RESEARCH REPORTS; AND FAILING TO SUPERVISE PROPERLY ITS RESEARCH ANALYSTS, INCLUDING WITH RESPECT TO THE RATINGS, PRICE TARGETS AND CONTENT OF THE REPORTS OF SENIOR RESEARCH ANALYSTS.

8. Current Status? ○ Pending ○ On Appeal ◉ Final

9. If on appeal, action appealed to (provide name of court) and Date Appeal Filed (MM/DD/YYYY):

10. If pending, date notice/process was served (MM/DD/YYYY):
◉ Exact ○ Explanation

If not exact, provide explanation:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 14 only.

11. How was matter resolved:
Judgment Rendered

12. Resolution Date (MM/DD/YYYY):

10/31/2003 (•) Exact ( ) Explanation

If not exact, provide explanation:

13. Resolution Detail:

A. Were any of the following Sanctions Ordered or Relief Granted (check appropriate items)?

- [x] Monetary/Fine Amount:$ 50000000
- [ ] Revocation/Expulsion/Denial
- [x] Disgorgement/Restitution
- [x] Censure
- [x] Cease and Desist/Injunction
- [ ] Bar
- [ ] Suspension

B. Other Sanctions:
$75,000,000 TO PROVIDE FIRM'S CLIENTS WITH INDEPENDENT RESEARCH.

C. Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
$50,000,000 IN 12A IS $25,000,000 PENALTY AND $25,000,000 DISGORGEMENT.

14. Provide a brief summary of circumstances related to the action(s), allegation(s), disposition(s) and/or finding(s) disclosed above (your response must fit within the space provided)
WITHOUT ADMITTING OR DENYING THE ALLEGATIONS IN THE COMPLAINT, EXCEPT AS TO JURISDICTION, MS&CO. CONSENTED TO THE ENTRY OF A FINAL JUDGMENT THAT ENJOINS MS&CO., DIRECTLY OR THROUGH ITS OFFICERS, DIRECTORS, AGENTS AND EMPLOYEES, FROM VIOLATING THE CONDUCT RULES AND REQUIRES MS&CO. TO MAKE PAYMENTS OF $50 MILLION, WHICH INCLUDES PAYMENTS TO STATES AND TERRITORIES, FOR PAST CONDUCT AND $75 MILLION IN THE FUTURE TO FUND INDEPENDENT RESEARCH. IN ADDITION, MS&CO. HAS AGREED TO A NUMBER OF STRUCTURAL CHANGES TO THE OPERATIONS OF ITS EQUITY RESEARCH AND INVESTMENT BANKING OPERATIONS. CONCURRENTLY, MS&CO. ALSO ENTERED INTO A SETTLEMENT WITH THE NYSE, NASD AND THE ATTORNEY GENERAL OF THE STATE OF NEW YORK WITH RESPECT TO THE SAME CONDUCT SPECIFIED IN THE COMPLAINT. MS&CO. IS ALSO IN THE PROCESS OF FINALIZING SETTLEMENTS WITH THE OTHER STATE AND TERRITORIAL SECURITIES ADMINISTRATORS.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ( ) INITIAL ***OR*** (•) AMENDED response used to report details for affirmative responses to Item 11.H. of Part 1A and Item 2.F. of Part 1B of Form ADV.

Check Part 1A item(s) being responded to:

Civil Judicial			
[x] 11.H(1)(a)	[x] 11.H(1)(b)	[ ] 11.H(1)(c)	[ ] 11.H(2)

Check Part 1B item(s) being responded to:

Civil Judicial				
[ ] 2.F(1)	[ ] 2.F(2)	[ ] 2.F(3)	[ ] 2.F(4)	[ ] 2.F(5)

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Item 11.H. of Part 1A or Item 2.F. of Part 1B. Use only one DRP to report details related to the same event. Unrelated civil judicial actions must be reported on separate DRPs.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- (•) You (the advisory firm)
- ( ) You and one or more of your *advisory affiliates*
- ( ) One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

[ ] This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

[ ] This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or advisory affiliate's favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.H(1)(a), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD, or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.
○ Yes ○ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Court Action initiated by: (Name of regulator, *foreign financial regulatory authority, SRO,* commodities exchange, agency, firm, private plaintiff, etc.)
UNITED STATES SECURITIES AND EXCHANGE COMMISSION

2. Principal Relief Sought:

Other Relief Sought:

3. Filing Date of Court Action (MM/DD/YYYY):
01/25/2005 ◉ Exact ○ Explanation

If not exact, provide explanation:

4. Principal Product Type:
Other
Other Product Types:
IPO ALLOCATIONS

5. Formal Action was brought in (include name of Federal, State or Foreign Court, Location of Court - City or County and State or Country, Docket/Case Number):
UNITED STATES DISTRICT COURT OF THE DISTRICT OF COLUMBIA (1:05CV00166)

6. *Advisory Affiliate* Employing Firm when activity occurred which led to the civil judicial action (if applicable):

7. Describe the allegations related to this civil action (your response must fit within the space provided):
THE COMPLAINT ALLEGES THAT, DURING 1999 AND 2000, MORGAN STANLEY & CO. INCORPORATED ("MORGAN STANLEY") VIOLATED RULE 101 OF REGULATION M BY ATTEMPTING TO INDUCE CERTAIN CUSTOMERS WHO RECEIVED ALLOCATIONS OF IPOS TO PLACE PURCHASE ORDERS FOR ADDITIONAL SHARES IN THE AFTERMARKET. NO ALLEGATION OF FRAUD OR IMPACT ON THE MARKET WAS MADE.

8. Current Status? ○ Pending ○ On Appeal ◉ Final

9. If on appeal, action appealed to (provide name of court) and Date Appeal Filed (MM/DD/YYYY):

10. If pending, date notice/process was served (MM/DD/YYYY):
◉ Exact ○ Explanation

If not exact, provide explanation:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 14 only.

11. How was matter resolved:
Judgment Rendered

12. Resolution Date (MM/DD/YYYY):
02/04/2005 ◉ Exact ○ Explanation

If not exact, provide explanation:

13. Resolution Detail:

A. Were any of the following Sanctions Ordered or Relief Granted (check appropriate items)?

- ☑ Monetary/Fine Amount:$ 40000000
- ☐ Revocation/Expulsion/Denial
- ☐ Censure
- ☐ Bar
- ☐ Disgorgement/Restitution
- ☑ Cease and Desist/Injunction
- ☐ Suspension

B. Other Sanctions:

C. Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
FINE OF $40,000,000; PERMANENTLY RESTRAINED AND ENJOINED FROM VIOLATING RULE 101 OF REGULATION M UNDER THE EXCHANGE ACT.

14. Provide a brief summary of circumstances related to the action(s), allegation(s), disposition(s) and/or finding(s) disclosed above (your response must fit within the space

provided)
MORGAN STANLEY AGREED TO THE ENTRY OF A JUDGMENT ENJOINING THE FIRM FROM VIOLATING RULE 101 OF REGULATION M AND THE PAYMENT OF A $40 MILLION CIVIL PENALTY. NO ALLEGATION OF FRAUD OR IMPACT ON THE MARKET WAS MADE.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ○ INITIAL ***OR*** ◉ AMENDED response used to report details for affirmative responses to Item 11.H. of Part 1A and Item 2.F. of Part 1B of Form ADV.

Check Part 1A item(s) being responded to:

Civil Judicial			
☐ 11.H(1)(a)	☑ 11.H(1)(b)	☐ 11.H(1)(c)	☐ 11.H(2)

Check Part 1B item(s) being responded to:

Civil Judicial				
☐ 2.F(1)	☐ 2.F(2)	☐ 2.F(3)	☐ 2.F(4)	☐ 2.F(5)

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Item 11.H. of Part 1A or Item 2.F. of Part 1B. Use only one DRP to report details related to the same event. Unrelated civil judicial actions must be reported on separate DRPs.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

◉ You (the advisory firm)

○ You and one or more of your *advisory affiliates*

○ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or advisory affiliate's favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.H(1)(a), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD, or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

○ Yes ○ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Court Action initiated by: (Name of regulator, *foreign financial regulatory authority, SRO,* commodities exchange, agency, firm, private plaintiff, etc.)
COLEMAN (PARENT) HOLDINGS, INC.

2. Principal Relief Sought:
Money Damages (Private/Civil Complaint)

Other Relief Sought:

3. Filing Date of Court Action (MM/DD/YYYY):
05/08/2003 ◉ Exact ○ Explanation

If not exact, provide explanation:

4. Principal Product Type:
No Product
Other Product Types:

5. Formal Action was brought in (include name of Federal, State or Foreign Court, Location of Court - City or County and State or Country, Docket/Case Number):
CIRCUIT COURT OF THE FIFTEENTH JUDICIAL CIRCUIT IN AND FOR PALM BEACH COUNTY, FLORIDA, CASE NO. 2003 CA 005045 AI

6. *Advisory Affiliate* Employing Firm when activity occurred which led to the civil judicial action (if applicable):

7. Describe the allegations related to this civil action (your response must fit within the space provided):
THE ALLEGATIONS CONCERNED PLAINTIFF COLEMAN (PARENT) HOLDINGS, INC.'S ("CPH") RECEIPT OF 14.1 MILLION SHARES OF SUNBEAM CORPORATION ("SUNBEAM") COMMON STOCK WHEN CPH SOLD ITS 82% INTEREST IN THE COLEMAN COMPANY TO SUNBEAM ON MARCH 30, 1998. THE ORIGINAL COMPLAINT ALLEGED THAT MORGAN STANLEY & CO. INCORPORATED ("MS&CO."), SUNBEAM'S INVESTMENT BANKER, MISREPRESENTED SUNBEAM'S FINANCIAL CONDITION, INDUCING CPH TO ENTER INTO THE TRANSACTION. THE COMPLAINT MADE CLAIMS FOR FRAUDULENT MISREPRESENTATION, AIDING AND ABETTING FRAUD, CONSPIRACY AND NEGLIGENT MISREPRESENTATION. ON FEBRUARY 17, 2005, CPH AMENDED ITS COMPLAINT AND LIMITED ITS CAUSES OF ACTION TO AIDING AND ABETTING FRAUD AND CONSPIRACY. CPH ALLEGED THAT IT SUFFERED LOSSES OF AT LEAST $485 MILLION AS A RESULT OF MS&CO.'S ALLEGED CONDUCT.

8. Current Status? ○ Pending ○ On Appeal ◉ Final

9. If on appeal, action appealed to (provide name of court) and Date Appeal Filed (MM/DD/YYYY):

10. If pending, date notice/process was served (MM/DD/YYYY):
○ Exact ○ Explanation

If not exact, provide explanation:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 14 only.

11. How was matter resolved:
Judgment Rendered

12. Resolution Date (MM/DD/YYYY):
03/21/2007 ◉ Exact ○ Explanation

If not exact, provide explanation:

13. Resolution Detail:

A. Were any of the following Sanctions Ordered or Relief Granted (check appropriate items)?

- ☐ Monetary/Fine Amount:$
- ☐ Revocation/Expulsion/Denial
- ☐ Censure
- ☐ Bar
- ☐ Disgorgement/Restitution
- ☐ Cease and Desist/Injunction
- ☐ Suspension

B. Other Sanctions:
THE PARTIES ENTERED INTO A WRITTEN SETTLEMENT AGREEMENT ("SETTLEMENT AGREEMENT") SETTLING ALL CLAIMS RELATING TO THE ATTORNEYS' FEES AND COSTS AWARDED TO THE PARTIES IN THE FEBRUARY 3, FEBRUARY 24, FEBRUARY 28, MARCH 1, AND MARCH 23 ORDERS AWARDING ATTORNEYS' FEES AND COSTS (ORDERS). UNDER THE SETTLEMENT AGREEMENT, MS&CO. AGREED TO PAY COLEMAN (PARENT) HOLDINGS, INC. $2,300,000 IN ATTORNEYS' FEES AND COSTS. THIS SETTLEMENT WAS WITHOUT PREJUDICE TO EITHER PARTY'S RIGHT TO ASSERT, INCLUDING ON APPEAL, THAT ANY OF THE ORDERS, OR ANY PART THEREOF, WAS ERRONEOUSLY ENTERED; PROVIDED THAT NOTHING SHALL PERMIT EITHER PARTY TO CONTEST THE PAYMENT OF COSTS AND FEES MADE PURSUANT TO THE SETTLEMENT AGREEMENT. ON AUGUST 23, 2005 PAYMENT WAS SENT TO COLEMAN (PARENT) HOLDINGS, INC.

C. Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:
ON MAY 16, 2005, THE JURY RETURNED A VERDICT IN FAVOR OF CPH AND AWARDED $604,334,000 IN COMPENSATORY DAMAGES. ON MAY 18, 2005, THE JURY RETURNED A VERDICT AWARDING $850,000,000 IN PUNITIVE DAMAGES TO CPH. AFTER POST-TRIAL MOTIONS, THE COURT ISSUED ITS JUDGMENT ON JUNE 23, 2005, AWARDING APPROXIMATELY $208 MILLION IN PRE-JUDGMENT INTEREST TO CPH. THE COURT ALSO DETERMINED THAT MS&CO. WAS ENTITLED TO SET-OFFS IN THE AMOUNT OF APPROXIMATELY $85 MILLION FROM THE COMPENSATORY DAMAGES PREVIOUSLY AWARDED TO CPH. THE COURT SET THE FINAL TOTAL JUDGMENT AT $1,577,696,175.83, PLUS FUTURE INTEREST AT THE RATE OF 7% PER YEAR. AS NOTED BELOW, THE FOLLOWING JUDGMENT WAS REVERSED ON APPEAL.

14. Provide a brief summary of circumstances related to the action(s), allegation(s), disposition(s) and/or finding(s) disclosed above (your response must fit within the space provided)
ON MARCH 21, 2007, THE DISTRICT COURT OF APPEAL FOR THE FOURTH DISTRICT IN FLORIDA ISSUED AN OPINION REVERSING THE JUDGMENT AGAINST MORGAN STANLEY & CO. INCORPORATED AND DIRECTING THE TRAIL COURT TO ENTER JUDGMENT IN FAVOR OF MORGAN STANLEY & CO. INCORPORATED.

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ◉ INITIAL ***OR*** ○ AMENDED response used to report details for affirmative responses to Item 11.H. of Part 1A and Item 2.F. of Part 1B of Form ADV.

Check Part 1A item(s) being responded to:

Civil Judicial			
☐ 11.H(1)(a)	☐ 11.H(1)(b)	☐ 11.H(1)(c)	☑ 11.H(2)

Check Part 1B item(s) being responded to:

Civil Judicial				
☐ 2.F(1)	☐ 2.F(2)	☐ 2.F(3)	☐ 2.F(4)	☐ 2.F(5)

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Item 11.H. of Part 1A or Item 2.F. of Part 1B. Use only one DRP to report details related to the same event. Unrelated civil judicial actions must be reported on separate DRPs.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- (•) You (the advisory firm)
- ( ) You and one or more of your *advisory affiliates*
- ( ) One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC and the event was resolved in the adviser's or advisory affiliate's favor.

If you are registered or registering with a *state securities authority*, you may remove a DRP for an event you reported only in response to Item 11.H(1)(a), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD, or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

( ) Yes ( ) No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Court Action initiated by: (Name of regulator, *foreign financial regulatory authority, SRO,* commodities exchange, agency, firm, private plaintiff, etc.)
FEDERAL HOME FINANCE AGENCY

2. Principal Relief Sought:
Money Damages (Private/Civil Complaint)

Other Relief Sought:

3. Filing Date of Court Action (MM/DD/YYYY):
09/02/2011 (•) Exact ( ) Explanation

If not exact, provide explanation:

4. Principal Product Type:
Debt - Asset Backed
Other Product Types:

5. Formal Action was brought in (include name of Federal, State or Foreign Court, Location of Court - City or County and State or Country, Docket/Case Number):
SUPREME COURT OF THE STATE OF NEW YORK, NEW YORK COUNTY, 652440/2011

6. *Advisory Affiliate* Employing Firm when activity occurred which led to the civil judicial action (if applicable):

7. Describe the allegations related to this civil action (your response must fit within the space provided):
FEDERAL HOUSING FINANCE AGENCY, AS CONSERVATOR FOR THE FEDERAL NATIONAL MORTGAGE ASSOCIATION AND THE FEDERAL HOME MORTGAGE ASSOCIATION, ALLEGES CERTAIN MISREPRESENTATIONS IN CONNECTION WITH THE SALE OF RESIDENTIAL MORTGAGE BACKED SECURITIES.

8. Current Status? (•) Pending ( ) On Appeal ( ) Final

9. If on appeal, action appealed to (provide name of court) and Date Appeal Filed (MM/DD/YYYY):

10. If pending, date notice/process was served (MM/DD/YYYY):
09/07/2011 (•) Exact ( ) Explanation

If not exact, provide explanation:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 14 only.

11. How was matter resolved:

12. Resolution Date (MM/DD/YYYY):

○ Exact ○ Explanation

If not exact, provide explanation:

13. Resolution Detail:

A. Were any of the following Sanctions Ordered or Relief Granted (check appropriate items)?

☐ Monetary/Fine Amount:$

☐ Revocation/Expulsion/Denial

☐ Censure

☐ Bar

☐ Disgorgement/Restitution

☐ Cease and Desist/Injunction

☐ Suspension

B. Other Sanctions:

C. Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:

14. Provide a brief summary of circumstances related to the action(s), allegation(s), disposition(s) and/or finding(s) disclosed above (your response must fit within the space provided)

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ◉ INITIAL ***OR*** ○ AMENDED response used to report details for affirmative responses to Item 11.H. of Part 1A and Item 2.F. of Part 1B of Form ADV.

Check Part 1A item(s) being responded to:

Civil Judicial			
☐ 11.H(1)(a)	☐ 11.H(1)(b)	☐ 11.H(1)(c)	☑ 11.H(2)

Check Part 1B item(s) being responded to:

Civil Judicial				
☐ 2.F(1)	☐ 2.F(2)	☐ 2.F(3)	☐ 2.F(4)	☐ 2.F(5)

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Item 11.H. of Part 1A or Item 2.F. of Part 1B. Use only one DRP to report details related to the same event. Unrelated civil judicial actions must be reported on separate DRPs.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

◉ You (the advisory firm)

○ You and one or more of your *advisory affiliates*

○ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - *ADVISORY AFFILIATE*
No Information Filed

☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

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B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD, or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.

○ Yes ○ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

1. Court Action initiated by: (Name of regulator, *foreign financial regulatory authority, SRO,* commodities exchange, agency, firm, private plaintiff, etc.)
FEDERAL HOME FINANCE AGENCY

2. Principal Relief Sought:
Money Damages (Private/Civil Complaint)

Other Relief Sought:

3. Filing Date of Court Action (MM/DD/YYYY):
09/02/2011 ◉ Exact ○ Explanation

If not exact, provide explanation:

4. Principal Product Type:
Debt - Asset Backed
Other Product Types:

5. Formal Action was brought in (include name of Federal, State or Foreign Court, Location of Court - City or County and State or Country, Docket/Case Number):
SUPREME COURT OF THE STATE OF NEW YORK, NEW YORK COUNTY, 652439/2011

6. *Advisory Affiliate* Employing Firm when activity occurred which led to the civil judicial action (if applicable):

7. Describe the allegations related to this civil action (your response must fit within the space provided):
FEDERAL HOUSING FINANCE AGENCY, AS CONSERVATOR FOR THE FEDERAL NATIONAL MORTGAGE ASSOCIATION AND THE FEDERAL HOME MORTGAGE ASSOCIATION, ALLEGES CERTAIN MISREPRESENTATIONS IN CONNECTION WITH THE SALE OF RESIDENTIAL MORTGAGE BACKED SECURITIES.

8. Current Status? ◉ Pending ○ On Appeal ○ Final

9. If on appeal, action appealed to (provide name of court) and Date Appeal Filed (MM/DD/YYYY):

10. If pending, date notice/process was served (MM/DD/YYYY):
09/07/2007 ◉ Exact ○ Explanation

If not exact, provide explanation:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 14 only.

11. How was matter resolved:

12. Resolution Date (MM/DD/YYYY):
○ Exact ○ Explanation

If not exact, provide explanation:

13. Resolution Detail:

A. Were any of the following Sanctions Ordered or Relief Granted (check appropriate items)?

☐ Monetary/Fine Amount:$

☐ Revocation/Expulsion/Denial

☐ Censure

☐ Bar

☐ Disgorgement/Restitution

☐ Cease and Desist/Injunction

☐ Suspension

B. Other Sanctions:

C. Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:

14. Provide a brief summary of circumstances related to the action(s), allegation(s), disposition(s) and/or finding(s) disclosed above (your response must fit within the space provided)

Bond DRPs

No Information Filed

Judgment/Lien DRPs

No Information Filed

Arbitration DRPs

No Information Filed

FORM ADV
UNIFORM APPLICATION FOR INVESTMENT ADVISER REGISTRATION

Primary Business Name: MORGAN STANLEY & CO. LLC **CRD Number: 8209**

ADV - Other-Than-Annual Amendment, Execution Pages **Rev. 11/2010**

11/3/2011 1:20:27 PM

DOMESTIC INVESTMENT ADVISER EXECUTION PAGE

You must complete the following Execution Page to Form ADV. This execution page must be signed and attached to your initial application for SEC registration and all amendments to registration.

Appointment of Agent for Service of Process

By signing this Form ADV Execution Page, you, the undersigned adviser, irrevocably appoint the Secretary of State or other legally designated officer, of the state in which you maintain your *principal office and place of business* and any other state in which you are submitting a *notice filing*, as your agents to receive service, and agree that such *persons* may accept service on your behalf, of any notice, subpoena, summons, *order* instituting *proceedings*, demand for arbitration, or other process or papers, and you further agree that such service may be made by registered or certified mail, in any federal or state action, administrative *proceeding* or arbitration brought against you in any place subject to the jurisdiction of the United States, if the action, *proceeding* or arbitration (a) arises out of any activity in connection with your investment advisory business that is subject to the jurisdiction of the United States, and (b) is *founded*, directly or indirectly, upon the provisions of: (i) the Securities Act of 1933, the Securities Exchange Act of 1934, the Trust Indenture Act of 1939, the Investment Company Act of 1940, or the Investment Advisers Act of 1940, or any rule or regulation under any of these acts, or (ii) the laws of the state in which you maintain your *principal office and place of business* or of any state in which you are submitting a *notice filing*.

Signature

I, the undersigned, sign this Form ADV on behalf of, and with the authority of, the investment adviser. The investment adviser and I both certify, under penalty of perjury under the laws of the United States of America, that the information and statements made in this ADV, including exhibits and any other information submitted, are true and correct, and that I am signing this Form ADV Execution Page as a free and voluntary act.

I certify that the adviser's books and records will be preserved and available for inspection as required by law. Finally, I authorize any *person* having custody or possession of these books and records to make them available to federal and state regulatory representatives.

Signature: LAURE SALVAGGIO	Date: MM/DD/YYYY 11/03/2011
Printed Name: LAURE SALVAGGIO	Title: VICE PRESIDENT
Adviser *CRD* Number: 8209	

***NON-RESIDENT* INVESTMENT ADVISER EXECUTION PAGE**

You must complete the following Execution Page to Form ADV. This execution page must be signed and attached to your initial application for SEC registration and all amendments to registration.

1. Appointment of Agent for Service of Process

By signing this Form ADV Execution Page, you, the undersigned adviser, irrevocably appoint each of the Secretary of the SEC, and the Secretary of State or other legally designated officer, of any other state in which you are submitting a *notice filing*, as your agents to receive service, and agree that such *persons* may accept service on your behalf, of any notice, subpoena, summons, *order* instituting *proceedings*, demand for arbitration, or other process or papers, and you further agree that such service may be made by registered or certified mail, in any federal or state action, administrative *proceeding* or arbitration brought against you in any place subject to the jurisdiction of the United States, if the action, *proceeding*, or arbitration (a) arises out of any activity in connection with your investment advisory business that is subject to the jurisdiction of the United States, and (b) is *founded*, directly or indirectly, upon the provisions of: (i) the Securities Act of 1933, the Securities Exchange Act of 1934, the Trust Indenture Act of 1939, the Investment Company Act of 1940, or the Investment Advisers Act of 1940, or any rule or regulation under any of these acts, or (ii) the laws of any state in which you are submitting a *notice filing*.

2. Appointment and Consent: Effect on Partnerships

If you are organized as a partnership, this irrevocable power of attorney and consent to service of process will continue in effect if any partner withdraws from or is admitted to the partnership, provided that the admission or withdrawal does not create a new partnership. If the partnership dissolves, this irrevocable power of attorney and consent shall be in effect for any action brought against you or any of your former partners.

3. *Non-Resident* Investment Adviser Undertaking Regarding Books and Records

By signing this Form ADV, you also agree to provide, at your own expense, to the U.S. Securities and Exchange Commission at its principal office in Washington D.C., at any Regional or District Office of the Commission, or at any one of its offices in the United States, as specified by the Commission, correct, current, and complete copies of any or all records that you are required to maintain under Rule 204-2 under the Investment Advisers Act of 1940. This undertaking shall be binding upon you, your heirs, successors and assigns, and any *person* subject to your written irrevocable consents or powers of attorney or any of your general partners and *managing agents*.

Signature

I, the undersigned, sign this Form ADV on behalf of, and with the authority of, the *non-resident* investment adviser. The investment adviser and I both certify, under penalty of perjury under the laws of the United States of America, that the information and statements made in this ADV, including exhibits and any other information submitted, are true and correct, and that I am signing this Form ADV Execution Page as a free and voluntary act.

I certify that the adviser's books and records will be preserved and available for inspection as required by law. Finally, I authorize any *person* having custody or possession of these books and records to make them available to federal and state regulatory representatives.

Signature:	Date: MM/DD/YYYY
Printed Name:	Title:
Adviser *CRD* Number: 8209	

State Registered Investment Adviser Execution Page

You must complete the following Execution Page to Form ADV. This execution page must be signed and attached to your initial application for state registration and all amendments to registration.

1. Appointment of Agent for Service of Process

By signing this Form ADV Execution Page, you, the undersigned adviser, irrevocably appoint the legally designated officers and their successors, of the state in which you maintain your *principal office and place of business* and any other state in which you are applying for registration or amending your registration, as your agents to receive service, and agree that such persons may accept service on your behalf, of any notice, subpoena, summons, *order* instituting *proceedings*, demand for arbitration, or other process or papers, and you further agree that such service may be made by registered or certified mail, in any federal or state action, administrative *proceeding* or arbitration brought against you in any place subject to the jurisdiction of the United States, if the action, *proceeding*, or arbitration (a) arises out of any activity in connection with your investment advisory business that is subject to the jurisdiction of the United States, and (b) is founded, directly or indirectly, upon the provisions of: (i) the Securities Act of 1933, the Securities Exchange Act of 1934, the Trust Indenture Act of 1939, the Investment Company Act of 1940, or the Investment Advisers Act of 1940, or any rule or regulation under any of these acts, or (ii) the laws of the state in which you maintain your *principal office and place of business* or of any state in which you are applying for registration or amending your registration.

2. State-Registered Investment Adviser Affidavit

If you are subject to state regulation, by signing this Form ADV, you represent that, you are in compliance with the registration requirements of the state in which you maintain your principal place of business and are in compliance with the bonding, capital, and recordkeeping requirements of that state.

Signature

I, the undersigned, sign this Form ADV on behalf of, and with the authority of, the investment adviser. The investment adviser and I both certify, under penalty of perjury under the laws of the United States of America, that the information and statements made in this ADV, including exhibits and any other information submitted, are true and correct, and that I am signing this Form ADV Execution Page as a free and voluntary act.

I certify that the adviser's books and records will be preserved and available for inspection as required by law. Finally, I authorize any *person* having *custody* or possession of these books and records to make them available to federal and state regulatory representatives.

Signature	Date MM/DD/YYYY
CRD Number 8209	
Printed Name	Title