

## BASE PROSPECTUS

# Morgan Stanley

*as issuer of the Notes and guarantor of the Warrants  
(incorporated under the laws of the State of Delaware in the United States of America)*

## **MORGAN STANLEY (JERSEY) LIMITED**

*as issuer of the Warrants and the Preference Shares  
(incorporated with limited liability in Jersey, Channel Islands)*

### **Morgan Stanley Notes linked to Morgan Stanley Jersey Warrants exercisable for Morgan Stanley Jersey Preference Shares**

This Base Prospectus comprises a base prospectus for the purposes of Article 5.4 of Directive 2003/71/EC (the **Prospectus Directive**). The Notes of each Series (as defined in "Terms and Conditions of the English Law Notes" in the Note Base Prospectus (as defined below)) described in this Base Prospectus (the **Notes**) will be issued from time to time by Morgan Stanley (**Morgan Stanley**) pursuant to its program for the Issuance of Notes, Series A and B (the **Note Program**). The Notes (of each Series) will be exchangeable into a separate Series of warrants (the **Warrants**) issued by Morgan Stanley (Jersey) Limited (**Morgan Stanley Jersey**) and guaranteed by Morgan Stanley pursuant to the Program for the Issuance of Warrants and Certificates (the **Warrant and Certificate Program**). The Warrants of each Series may upon payment of the relevant exercise price and other related expenses be exercised in order to obtain redeemable preference shares of a Class (the **Preference Shares**) issued by Morgan Stanley Jersey. The Notes, the Warrants and the Preference Shares are together referred to in this Base Prospectus as the **Securities**. To the extent set out on page 16, this Base Prospectus incorporates by reference the base prospectus dated 17 June 2009 in respect of the Note Program (the **Note Base Prospectus**) and the base prospectus dated 17 June 2009 in respect of the Warrant and Certificate Program (the **Warrant and Certificate Base Prospectus**).

**An investment in the Securities involves certain risks. For a discussion of these risks, see "Risk Factors" on page 13 of this Base Prospectus.**

Application has been made to the Financial Services Authority in its capacity as competent authority under the Financial Services and Markets Act 2000 (the **UK Listing Authority**) for the Notes to be admitted to the official list of the UK Listing Authority (the **Official List**) and to the London Stock Exchange plc (the **London Stock Exchange**) for the Notes to be admitted to trading on the London Stock Exchange's Regulated Market (the **Market**). References in this Base Prospectus to the Notes being **listed** (and all related references) shall mean that the Notes have been admitted to trading on the Market and have been admitted to the Official List. The Market is regulated for the purposes of Directive 2004/39/EC (the Markets in Financial Instruments Directive). The Warrants and the Preference Shares will not be listed or admitted to trading on any exchange.

Notice of the aggregate nominal amount of Notes, the issue price of Notes and any other terms and conditions not contained herein which are applicable to each Tranche (as defined in "Terms and Conditions of the English Law Notes" in the Note Base Prospectus) of Notes will be set out along with (i) the terms and conditions of the Warrants for which the Notes will be exchanged and (ii) a description of the Preference Shares which may be obtained upon exercise of the Warrants, in each case not contained herein in a final terms supplement (the **Final Terms**) which, with respect to Notes to be listed on the London Stock Exchange will be delivered to the UK Listing Authority and the London Stock Exchange.

**6 August 2009**

**THE SECURITIES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE *SECURITIES ACT*), OR THE SECURITIES LAWS OF ANY STATE IN THE UNITED STATES, AND ARE SUBJECT TO U.S. TAX LAW REQUIREMENTS. THE NOTES MAY NOT BE OFFERED, SOLD OR DELIVERED AT ANY TIME, DIRECTLY OR INDIRECTLY, WITHIN THE UNITED STATES OR TO OR FOR THE ACCOUNT OR BENEFIT OF U.S. PERSONS (AS DEFINED IN EITHER REGULATIONS UNDER THE SECURITIES ACT OR THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED). SEE "*SELLING RESTRICTIONS*" AND "*NO OWNERSHIP BY U.S. PERSONS*" ON PAGE 45 OF THIS BASE PROSPECTUS.**

Each investor must comply with all applicable laws and regulations in each country or jurisdiction in or from which the investor purchases, offers, sells or delivers the Securities or has in the investor's possession or distributes this Base Prospectus or any accompanying Final Terms.

**THE NOTES ARE NOT BANK DEPOSITS AND ARE NOT INSURED BY THE U.S. FEDERAL DEPOSIT INSURANCE CORPORATION OR ANY OTHER GOVERNMENTAL AGENCY, NOR ARE THEY OBLIGATIONS OF, OR GUARANTEED BY, A BANK. IN ADDITION, THE NOTES ARE NOT GUARANTEED UNDER THE FEDERAL DEPOSIT INSURANCE CORPORATION'S TEMPORARY LIQUIDITY GUARANTEE PROGRAM.**

**MORGAN STANLEY**

**Morgan Stanley and Morgan Stanley Jersey accept responsibility for the information contained in this Base Prospectus. To the best of the knowledge of each of Morgan Stanley and Morgan Stanley Jersey (each having taken all reasonable care to ensure that such is the case) the information contained in this Base Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.**

**Copies of the Final Terms in respect of each Tranche of Notes listed on the London Stock Exchange will be published on the website of the London Stock Exchange ([www.londonstockexchange.com](http://www.londonstockexchange.com)).**

**This Base Prospectus is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see "*Documents Incorporated by Reference*"). This Base Prospectus shall be read and construed on the basis that such documents are incorporated and form part of this Base Prospectus.**

**Morgan Stanley & Co. International plc (in its capacity as dealer in relation to the Notes, the *Dealer*) has not independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Dealer as to the accuracy or completeness of the information contained or incorporated in this Base Prospectus or any other information provided by Morgan Stanley in connection with the Securities.**

**No person is or has been authorised by Morgan Stanley to give any information or to make any representation not contained in or not consistent with this Base Prospectus or any other information supplied in connection with the Securities and, if given or made, such information or representation must not be relied upon as having been authorised by Morgan Stanley or the Dealer.**

**Neither this Base Prospectus nor any other information supplied in connection with any Securities (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation by Morgan Stanley or the Dealer that any recipient of this Base Prospectus or any other information supplied in connection with the Securities should purchase any Securities. Each investor contemplating purchasing the Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of Morgan Stanley and Morgan Stanley Jersey. Neither this Base Prospectus nor any other information supplied in connection with the issue of the Securities constitutes an offer or invitation by or on behalf of Morgan Stanley or the Dealer to any person to subscribe for or to purchase the Securities.**

**Neither the delivery of this Base Prospectus nor the offering, sale or delivery of any Securities shall in any circumstances imply that the information contained herein concerning Morgan Stanley and Morgan Stanley Jersey is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Securities is correct as of any time subsequent to the date indicated in the document containing the same. The Dealer expressly does not undertake to review the financial condition or affairs of Morgan Stanley or Morgan Stanley Jersey during the life of any Securities or to advise any investor in the Securities of any information coming to its attention. Investors should review, *inter alia*, the most recently published documents incorporated by reference into this Base Prospectus when deciding whether or not to purchase any Securities.**

**Each investor by purchasing Notes shall be deemed to acknowledge its understanding and acceptance on the date on which it purchases the Notes and so becomes a Noteholder that (a) it**

is acting for its own account and it has made its own independent decision to purchase the Notes or a direct or indirect interest (including by way of participation) in the Notes and as to whether such a holding is appropriate or proper for it based upon its own judgment and upon advice from such advisers as it has deemed necessary; (b) it is not relying on any communication (written or oral) of Morgan Stanley or any affiliate thereof as investment advice or as a recommendation to purchase the Notes or a direct or indirect interest (including by way of participation) in the Notes; (c) it is capable of assessing the merits of and understanding (on its own behalf or through independent professional advice), and understands and accepts the terms, conditions and risks of holding the Notes and, if exchanged, the Warrants and, if exercised, the Preference Shares or a direct or indirect interest (including by way of participation) in the same; and (d) neither Morgan Stanley nor any affiliate thereof is acting as a fiduciary for or an adviser to it in respect of the Securities.

The Securities have not been and will not be registered under the United States Securities Act of 1933, as amended, (the *Securities Act*) and are subject to U.S. tax law requirements. Subject to certain exceptions, Securities may not be offered, sold or delivered within the United States or to U.S. persons.

**IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF MORGAN STANLEY AND MORGAN STANLEY JERSEY AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THE NOTES HAVE NOT BEEN RECOMMENDED BY ANY UNITED STATES FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.**

This Base Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any Securities in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Base Prospectus and the offer or sale of the Securities may be restricted by law in certain jurisdictions. Morgan Stanley and the Dealer do not represent that this Base Prospectus may be lawfully distributed, or that any Securities may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular unless specifically indicated to the contrary in the applicable Final Terms, no action has been taken by Morgan Stanley or the Dealer which would permit a public offering of any Securities or distribution of this Base Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Securities may be offered or sold, directly or indirectly, and neither this Base Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Base Prospectus or any Securities may come must inform themselves about, and observe, any such restrictions on the distribution of this Base Prospectus and the offering and sale of Securities. In particular, there are restrictions on the distribution of this Base Prospectus and the offer or sale of Securities in the United States, the European Economic Area (including the United Kingdom and Ireland) and Jersey.

All references in this document to *Sterling*, *GBP* and *£* refer to pounds sterling.

This Base Prospectus has been prepared on the basis that any offer of Securities in any Member State of the European Economic Area which has implemented the Prospectus Directive (2003/71/EC) (each, a Relevant Member State) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement

**to publish a prospectus for offers of Securities. Accordingly any person making or intending to make an offer in that Relevant Member State of Securities which are the subject of an offering contemplated in this Base Prospectus as completed by final terms in relation to the offer of those Securities may only do so in circumstances in which no obligation arises for Morgan Stanley or the Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. Neither Morgan Stanley nor the Dealer have authorised, nor do they authorise, the making of any offer of Securities in circumstances in which an obligation arises for Morgan Stanley or the Dealer to publish or supplement a prospectus for such offer.**

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## SUMMARY

**This summary must be read as an introduction to this Base Prospectus and any decision to invest in any Securities should be based on a consideration of this Base Prospectus as a whole, including the documents incorporated by reference. Following the implementation of the relevant provisions of the Prospectus Directive in each Member State of the European Economic Area no civil liability will attach to Morgan Stanley or Morgan Stanley Jersey (as applicable) in any such Member State in respect of this Summary, including any translation hereof, unless it is misleading, inaccurate or inconsistent when read together with the other parts of this Base Prospectus. Where a claim relating to information contained in this Base Prospectus is brought before a court in a Member State of the European Economic Area, the plaintiff may, under the national legislation of the Member State where the claim is brought, be required to bear the costs of translating the Base Prospectus before the legal proceedings are initiated.**

### **Morgan Stanley**

Morgan Stanley was originally incorporated for an unlimited term under the laws of the State of Delaware on 1 October 1981 under registered number 0923632, and its predecessor companies date back to 1924.

On 31 May 1997, Morgan Stanley Group, Inc. was merged with and into Dean Witter Discover & Co. (**Dean Witter Discover**) in a merger of equals. At that time, Dean Witter Discover changed its corporate name to Morgan Stanley, Dean Witter, Discover & Co. (**MSDWD**). On 24 March 1998 MSDWD changed its corporate name to Morgan Stanley Dean Witter & Co, and to Morgan Stanley on 20 June 2002.

As at the date of this Base Prospectus, Morgan Stanley's legal and commercial name is "Morgan Stanley".

Morgan Stanley has its registered office at The Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware 19801, U.S.A., and its principal executive offices at 1585 Broadway, New York, New York 10036, U.S.A., telephone number +1 (212) 761-4000.

On 21 September 2008, Morgan Stanley obtained approval from the Board of Governors of the U.S. Federal Reserve System (the **Fed**) to become a bank holding company. On 23 September 2008, Morgan Stanley became a financial holding company concurrent with the conversion of Morgan Stanley Bank into a national bank.

Morgan Stanley is a global financial services firm that, through its subsidiaries and affiliates, provides a wide variety of products and services to a large and diversified group of clients and customers, including corporations, governments, financial institutions and individuals. It maintains significant market positions in each of its business segments — Institutional Securities, Global Wealth Management Group and Asset Management.

Morgan Stanley's objects and purposes are set out in Article III of its Certificate of Incorporation and enable it to engage in any lawful act or activity for which corporations may be organised and incorporated under the General Corporation Law of the State of Delaware.

The Directors of Morgan Stanley as of the date of this Base Prospectus are John J. Mack, Roy J. Bostock, Erskine B. Bowles, Howard J. Davies, C. Robert Kidder, Donald T. Nicolaisen, Charles H. Noski, Hutham S. Olayan, Charles E. Phillips Jr, O. Griffith Sexton, Dr. Laura D'Andrea Tyson, Nobuyuki Hirano and James H. Hance Jr.

As at 31 March 2009, Morgan Stanley had 44,241 employees worldwide.

The auditors of Morgan Stanley for the periods 1 December 2006 to 30 November 2007 and 1 December 2007 to 30 November 2008 were Deloitte & Touche LLP, an independent registered public accounting firm.

Morgan Stanley changed its accounting reference date from 30 November to 31 December on 16 December 2008.

The authorised share capital of Morgan Stanley as at 30 November 2008 comprised 3,500,000,000 ordinary shares of nominal value U.S.\$0.01 and 30,000,000 preferred stock of nominal value U.S.\$0.01.

The issued, non-assessable and fully paid up share capital of Morgan Stanley as at 30 November 2008 comprised 1,211,701,552 ordinary shares of nominal value U.S.\$0.01.

As of 31 December 2008, total assets of Morgan Stanley amounted to U.S.\$ 676,764 million and total liabilities and equity amounted to U.S.\$ 676,764 million. As of 30 November 2007, total assets of Morgan Stanley amounted to U.S.\$ 1,045,409 million and total liabilities and shareholders' equity amounted to U.S.\$ 1,045,409 million.

There are a number of factors which could cause Morgan Stanley's actual results to differ, in some instances materially, from those anticipated. The factors set out below should not be regarded as a complete and comprehensive statement of all potential risks and uncertainties which face Morgan Stanley's business.

The results of Morgan Stanley's operations may be materially affected by market fluctuations and by economic and other factors such as political, economic and market conditions, the availability and cost of capital, the level and volatility of equity prices, commodity prices and interest rates, currency values and other market indices, technological changes and events, the availability and cost of credit, inflation, and investor sentiment and confidence in the financial markets.

Morgan Stanley faces strong competition from other financial services firms, which could lead to pricing pressures that could materially adversely affect its revenue and profitability.

The financial services industry faces substantial litigation and regulatory risks, and Morgan Stanley may face damage to its professional reputation and legal liability if its services are not regarded as satisfactory or for other reasons.

### **Morgan Stanley Jersey**

Morgan Stanley Jersey was incorporated in St. Helier, Jersey, Channel Islands (registration number 35857) as a company with unlimited duration on 24 September 1986. It has its registered office at 22 Grenville Street, St. Helier, Jersey JE4 8PX, Channel Islands. Morgan Stanley Jersey's objects and purposes are not specified in any document and are, therefore, unlimited.

Morgan Stanley Jersey's business primarily consists of issuing financial instruments and the hedging of obligations relating thereto. Morgan Stanley Jersey's auditors are Deloitte & Touche LLP, Chartered Accountants and Registered Auditors.

Morgan Stanley Jersey has no subsidiaries and is wholly owned by Morgan Stanley.

The directors of Morgan Stanley Jersey are Harold Herrmann, Joel Hodes and Richard Jackson-Proes. Harold Herrmann and Richard Jackson-Proes are non-executive directors of Morgan Stanley. Morgan Stanley Jersey has no employees.

Morgan Stanley Jersey changed its accounting reference date from 30 November to 31 December on 8 January 2009.

At 30 November 2008, the authorised share capital of Morgan Stanley Jersey comprised an unlimited number of shares of no par value designated as Ordinary Shares, an unlimited number of shares of no par value designated as Nominal Shares and an unlimited number of shares of no par value designated as Unclassified Shares available for issue as separate classes of Preference Shares.

The profit or loss before tax for the financial years ended 30 November 2007 and 31 December 2008 was nil and nil respectively. The current assets of Morgan Stanley Jersey have fallen from U.S.\$ 5,729,417,000 in 2007 to U.S.\$ 5,273,799,000 in 2008 with total creditors falling from U.S.\$ 5,728,961,000 in 2007 to U.S.\$ 5,273,343,000 in 2008.

All material assets of Morgan Stanley Jersey are obligations of (or securities issued by) one or more Morgan Stanley group companies. The obligations of Morgan Stanley Jersey pursuant to such hedging transactions are guaranteed by Morgan Stanley. If any of these Morgan Stanley group companies incur losses with respect to any of their activities (irrespective of whether those activities relate to Morgan Stanley Jersey or not) their ability to fulfil their obligations to Morgan Stanley Jersey could be impaired, thereby exposing holders of securities issued by Morgan Stanley Jersey to a risk of loss.

Prospective investors should consider the section entitled "Risk Factors" in the Registration Document in respect of Morgan Stanley and Morgan Stanley Jersey referred to in the section entitled "Documents Incorporated by Reference" in this Base Prospectus and consult with their own professional advisers if they consider it necessary.

### **Risk Factors**

Investing in the Securities involves certain risks some of which have been identified by Morgan Stanley and are set out in more detail below in "*Risk Factors*". Risk Factors identified include general business risk factors which may affect the ability of Morgan Stanley or Morgan Stanley Jersey to fulfil their respective obligations under the Securities. Some of these general business risk factors include (i) the fact that the results of Morgan Stanley's operations may be materially affected by market fluctuations and by economic and other factors, (ii) Morgan Stanley may experience further writedowns of its financial instruments and other losses relating to volatile and illiquid market conditions; (iii) the fact that Morgan Stanley is subject to a range of normal banking risks including liquidity and credit risk, (iv) the effects of competition, (v) Morgan Stanley's ability to continue to attract and retain qualified employees, (vi) the risk of adverse regulatory (including as a result of becoming a financial holding company) and tax changes and risks associated with Morgan Stanley's ability to manage conflicts of interest, (vii) the risk of litigation, (viii) a range of operational risks and (ix) the fact that Morgan Stanley's commodities activities subject it to extensive regulation, potential catastrophic events and environmental risks and regulation.

Other risks identified by Morgan Stanley are specific to the Securities and include (i) the fact that, as complex financial instruments, the Securities may not be a suitable investment for all investors; (ii) the fact that the return on the Securities is linked to the performance of one or more underlying shares, indices, commodities, currencies or other assets or bases of reference (each an **Underlying Reference**) described in the applicable Final Terms; (iii) the fact that the Determination Agent has certain discretions which it may exercise under the terms of the Securities and the risk that it may experience a conflict of interest in this role; (iv) the fact that prices or levels of the Underlying Reference are likely to be affected by a variety of factors and that other factors may affect the secondary market value and liquidity of the Notes; (v) the fact that the Notes may be redeemed prior to maturity in certain circumstances at a price related to the realisation value of the Warrants (which may be zero); (vi) the fact that no interest is payable on the Notes and (vii) there being no assurance as to the development or liquidity of any trading market for the Securities.

### **Description of the Securities**

The Notes:

The Notes will be issued by Morgan Stanley pursuant to its Program for the Issuance of Notes, Series A and B, will not pay interest and will be redeemed at or at a small premium to its nominal amount at maturity (subject to any early

redemption by Morgan Stanley). Upon redemption, the holder of a Note has the option either (i) to receive cash (**Cash Settlement**) or (ii) to direct Morgan Stanley to apply the cash redemption amount in purchasing a warrant issued by Morgan Stanley Jersey (**Physical Settlement**). Failure by the holder to elect Cash Settlement by a specified time will result in the Notes being subject to Physical Settlement. A Cash Settlement election duly made by the holder will be treated as void (and the Note will in that case be subject to Physical Settlement) if, on a pre-determined date (shortly before the maturity of the Note), the market value of the Warrant for which it may be exchanged (as determined by the Note Determination Agent) is less than the nominal amount of the Note. In certain circumstances (including for taxation reasons, on event of default or, if specified in the applicable Final Terms, in the event that the Warrants are purchased and cancelled and Morgan Stanley electing to redeem the Notes) the Notes may be redeemed prior to the Maturity Date.

The Warrants:

The Warrants will be issued by Morgan Stanley Jersey pursuant to its Program for the Issuance of Warrants and Certificates. The obligations of Morgan Stanley Jersey are guaranteed by Morgan Stanley. Each Warrant entitles its holder to exercise the Warrant on the Exercise Date at a price determined in accordance with a specified formula (typically linked to the performance of a share or a basket of shares, an index (which may be an equity, bond, property or commodity index) or a basket of indices, a commodity or basket of commodities or a currency or a basket of currencies. Each Warrant will be exercisable for one Preference Share.

The Preference Shares:

Each Preference Share may be redeemed by its holder at any time during the period specified in the applicable Final Terms at a fixed amount plus an amount representing interest for the period the relevant Preference Share remains in issue. The Preference Shares will, if they have not previously been redeemed, be redeemed by Morgan Stanley Jersey on the date specified in the applicable Final Terms at the same fixed amount plus an amount representing interest for the period the Preference Shares remained in issue. No Preference Share carries any right to dividend or to vote at general meetings of Morgan Stanley Jersey. On a winding up of Morgan Stanley Jersey, each holder of an issued Preference Share is entitled only to receive the fixed redemption amount of the Preference Share.

Principal Paying Agent and Fiscal Agent for the Notes:

The Bank of New York Mellon

Principal Securities Agent for the Warrants:

The Bank of New York Mellon

Currency:

The Notes and Warrants will be denominated in Sterling or

	any other currency agreed between Morgan Stanley and the Dealer.
Note Issue Price:	Notes may be issued at an issue price which is at par or at a discount to, or premium over, par.
Form of the Notes:	The Notes will be issued in bearer form. Each Series of Notes will initially be represented by a Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note.
Form of the Warrants:	The Warrants will be issued in global form.
Form of the Preference Shares:	The Preference Shares will be issued in registered form.
Denomination of Notes:	The Notes will be issued in such denomination as may be agreed between Morgan Stanley and the Dealer and specified in the applicable Final Terms.
Taxation:	All payments in respect of the Notes will be made without deduction for or on account of withholding taxes imposed by the United States, unless required by law. In that event, Morgan Stanley will, save in certain limited circumstances provided in Note Condition 20, be required to pay additional amounts to cover the amounts so deducted.
Substitution of Morgan Stanley:	Morgan Stanley may be substituted as primary obligor under the Notes at any time by any subsidiary of Morgan Stanley provided that the obligations of the new obligor are unconditionally and irrevocably guaranteed by Morgan Stanley.
Substitution of Morgan Stanley Jersey:	Morgan Stanley Jersey may be substituted as the obligor under the Warrants at any time by any member of the group comprising Morgan Stanley and any Affiliates. If Morgan Stanley Jersey is so substituted, arrangements will be made to ensure that the Preference Shares into which Warrants previously issued by Morgan Stanley Jersey or to be issued by the new obligor may be exercised will be issued by the new obligor.
Negative Pledge:	None
Cross Default:	None
Status of the Notes:	The Notes will constitute unconditional, unsecured and unsubordinated obligations of Morgan Stanley and will rank equally among themselves and <i>pari passu</i> with all other present and future unsecured and unsubordinated obligations of Morgan Stanley (except for such obligations as may be preferred by provisions of law that are both mandatory and of general application).

Status of the Warrants:	The Warrants will constitute direct unsubordinated and unsecured obligations of Morgan Stanley Jersey and will rank equally among themselves and <i>pari passu</i> with all other present and future unsecured and unsubordinated obligations of Morgan Stanley Jersey (except as prescribed by law).
Guarantee of the Warrants:	The obligations of Morgan Stanley Jersey under the Warrants are unconditionally and irrevocably guaranteed by Morgan Stanley. The guarantee constitutes a direct and general obligation of Morgan Stanley.
Listing and admission to trading:	<p>Application has been made to the UK Listing Authority for the Notes to be admitted to the Official List and to the London Stock Exchange for the Notes to be admitted to trading on the London Stock Exchange's Regulated Market.</p> <p>Notes may be listed or admitted to trading, as the case may be, on other or further stock exchanges or markets agreed between Morgan Stanley and the Dealer. Notes which are neither listed nor admitted to trading on any market may also be issued.</p> <p>The Warrants and the Preference Shares will not be listed or admitted to trading on any stock exchange.</p>
Governing Law:	The Notes and the Warrants and any non-contractual obligations arising out of or in connection with either of them are governed by, and will be construed in accordance with, English law. The Preference Shares are shares in the capital of a Jersey company.
Selling Restrictions:	<b>The Notes may not be offered, sold or delivered at any time, directly or indirectly, within the United States or to or for the account of U.S. Persons (as defined in either Regulation S under the Securities Act or the Code).</b> There are restrictions on the offer, sale and transfer of the Securities in the United States, the European Economic Area (including the United Kingdom and Ireland) and Jersey.

## RISK FACTORS

*Prospective investors should ensure that they understand the nature of the Securities, the extent of their exposure to risk and that they consider carefully the risks set forth below and the other information contained or incorporated by reference in this Base Prospectus prior to making any investment decision with respect to the suitability of Securities as an investment in the light of their own circumstances and financial condition. Certain of the risks highlighted could have a material adverse effect on Morgan Stanley's business, operations, financial condition or prospects, which, in turn, could have a material adverse effect on the return which investors will receive in respect of Securities. In addition, certain of the risks highlighted could adversely affect the trading price of Securities or the rights of investors under the Securities and, as a result, investors could lose some or all of their investment.*

*Prospective investors should note that the risks described below are not the only risks Morgan Stanley and/or Morgan Stanley Jersey face. Morgan Stanley and Morgan Stanley Jersey have described only those risks that they consider to be material. There may be additional risks that Morgan Stanley and Morgan Stanley Jersey currently consider not to be material or of which it is not currently aware, and any of these risks could have the effects set forth above.*

### **Factors that may affect Morgan Stanley's or Morgan Stanley Jersey's ability to fulfil their respective obligations under the Securities**

*Investors should refer to the sections in the Morgan Stanley Registration Document dated 17 June 2009 (the Registration Document) entitled "Risk Factors – Risks relating to Morgan Stanley" and "Risk Factors – Risks relating to Morgan Stanley Jersey", which is incorporated by reference into this Base Prospectus, see "Documents Incorporated by Reference".*

### **Factors which are material for the purpose of assessing the market risks associated with the Securities**

**Morgan Stanley disclaims any responsibility to advise prospective purchasers of any matters arising under the laws of the country in which they reside that may affect the purchase of, or holding of, or the receipt of payments on the Notes. These persons should consult their own legal and financial advisors concerning these matters. This section describes generally the most significant risks of investing in the Notes. Each investor should carefully consider whether the Notes, as described herein, are suited to its particular circumstances before deciding to purchase any Notes.**

The Notes are only suitable for sophisticated investors who are able to determine for themselves the risk of an investment linked to the relevant Underlying Reference and who are willing to take certain risks. Consequently, only investors who fall within the description above should consider purchasing the Notes without taking detailed advice from a specialised professional adviser. Potential investors should conduct their own investigations and, in deciding whether or not to purchase the Notes, should form their own views of the merits of an investment related to the relevant Underlying Reference based upon such investigations. Potential investors are urged to consult with their legal, regulatory, investment, accounting, tax and other advisors with regard to any proposed or actual investment in the Notes.

*In addition to the risk factors set out in the Note Base Prospectus under the section entitled "Risk Factors – Relating to the Notes" and in the Warrants and Certificate Base Prospectus under the section entitled "Risk Factors Relating to the Securities", each of which is incorporated by*

***reference into this Base Prospectus, investors should be aware that investing in the Securities entails certain specific risks including, but not limited to, the following:***

*Adjustments by the Determination Agent:* The terms and conditions of the Securities allow the Determination Agent (Morgan Stanley & Co. International plc) in certain circumstances to make adjustments or take any other appropriate action required or permitted therein if circumstances occur where the Securities or an Underlying Reference (or a constituent thereof) are affected by market disruption, adjustment events or circumstances affecting normal activities.

*Credit Risk:* The holder of the Securities will be exposed to the credit risk of the relevant Issuer, and in the case of the Warrants, the Guarantor.

*Early Redemption or Termination:* in certain circumstances (including for taxation reasons or on event of default or, if specified as applicable in the applicable Final Terms, in the event of all the Warrants being purchased and cancelled and the Issuer electing to redeem the Notes or other early redemption) the Notes may be redeemed early. In such cases, the amount payable will be an amount in cash determined by the Determination Agent to be equal to the fair market value of the Notes less the reasonable cost to the Issuer and/or its affiliates of unwinding, or the loss realised by the Issuer and/or its affiliates on, any related hedging arrangements. If the Warrants or the Preference Shares cannot be delivered through the clearing systems because of a continuing Settlement Disruption Event (as defined in the Terms and Conditions of the Notes and the Warrants, respectively), Morgan Stanley (in the case of the Warrants) or Morgan Stanley Jersey (in the case of the Preference Shares) may deliver the Warrants or the Preference Shares, as the case may be, at a later date or in another commercially reasonable manner. It is possible that the Warrants could be terminated early for reasons of illegality. In such a case, Morgan Stanley Jersey will pay to each Warrantholder an amount in respect of each Warrant held by such holder, which amount shall be the fair market value of a Warrant notwithstanding such illegality less the cost to Morgan Stanley Jersey and/or its affiliates of, or the loss realised by Morgan Stanley Jersey and/or its affiliates on, unwinding any underlying related hedging arrangements, all as determined by the Determination Agent in its sole and absolute discretion.

*Exit Risk:* The secondary market price of the Securities will depend on many factors, including the value and volatility of the Underlying Reference and the time left until the expiration of the Securities, interest rates, and the creditworthiness of Morgan Stanley and Morgan Stanley Jersey. Therefore on disposal in the secondary market the holder may receive an amount which may be less than the then intrinsic market value of the Securities and which may also be less than the amount the holder would have received had the holder held the Securities through to expiration.

*Hedging Risk:* On, prior to and after the Trade Date, in respect of a Series of Notes, the Issuer through its affiliates or others will likely hedge its anticipated exposure under the Securities by entering into derivative contracts in respect of the Underlying Reference (or the constituents thereof). In addition, the Issuer and its affiliates are likely to trade the derivatives contracts relating to the Underlying Reference (or the constituents thereof) as part of their general businesses. Any of these activities could potentially affect the level or price of the Underlying Reference and accordingly, could significantly affect the overall return to holders on the Securities. Morgan Stanley makes no representation and gives no assurance as to the manner or method by which it or any of its affiliates may establish, maintain, adjust or unwind any hedge positions with respect to Morgan Stanley's obligations under the Notes and, moreover, Morgan Stanley gives no assurance that it will establish or maintain hedge positions at all with respect to such obligations. The decision to engage in hedging activities with respect to Morgan Stanley's obligations under the Notes is in the sole discretion of Morgan Stanley and Morgan Stanley may commence or, once commenced, suspend or cease the hedging activities at such time as it may solely determine.

*Liquidity Risk:* The liquidity of the Securities largely reflects the liquidity of Underlying Reference or the constituents thereof and even while there may be a secondary market in the Securities it may not be liquid enough to facilitate a sale by the holder and will at all times be subject to market conditions. Neither the Warrants nor the Preference Shares will be traded on an organised exchange.

Assuming no change in market conditions or any other relevant factors, the price, if any, at which the Dealer is willing to purchase Notes in secondary market transactions may be lower than the original issue price, since the original issue price includes, and secondary market prices are likely to exclude, commissions paid with respect to the Securities as well as the projected profit included in the cost of hedging Morgan Stanley's and Morgan Stanley Jersey's obligations under the Securities. In addition, any such prices may differ from values determined by pricing models used by the Dealer, as a result of dealer discounts, mark-ups or other transaction costs.

*No Interest:* Unlike ordinary debt securities, the Notes do not bear or pay interest.

*Potential Conflict of Interest:* The Determination Agent is an affiliate of Morgan Stanley and the economic interests of the Determination Agent may be adverse to the interests of holders of the Securities. Determinations made by the Determination Agent, including in the event of a market disruption, may affect the amount payable to holders pursuant to the terms of the Securities.

*Other considerations:* The original issue price of the Securities may include the agent's commissions paid with respect to the Securities and the cost of hedging Morgan Stanley's and Morgan Stanley Jersey's obligations under the Securities. The cost of hedging includes the projected profit that Morgan Stanley's subsidiaries may realise in consideration for assuming the risks inherent in managing the hedging transactions. The subsidiaries through which Morgan Stanley hedges its obligations under the Securities expect to make a profit. Since hedging Morgan Stanley's obligations entails risk and may be influenced by market forces beyond the control of Morgan Stanley or its subsidiaries, such hedging may result in a profit that is more or less than initially projected, or could result in a loss.

*Underlying Reference Risk:* The exercise price for the Warrants will be an amount determined by reference to the performance of the Underlying Reference and such performance will therefore affect the nature and value of the investment return on the Warrants. Warrantholders and prospective purchasers of Warrants should conduct their own investigations and, in deciding whether or not to purchase Warrants, prospective purchasers should form their own views of the merits of an investment related to the relevant Underlying Reference based upon such investigations.

*Representations:* In purchasing Notes, each purchaser will be deemed to represent and undertake to Morgan Stanley, Morgan Stanley Jersey, the Dealer and each of their affiliates (i) that it is purchasing the Notes as principal or as agent in its own name for the account of its investors (and not in any other capacity); (ii) that none of Morgan Stanley, Morgan Stanley Jersey, the Dealer or their affiliates is acting as a fiduciary or an advisor to it in respect of the Securities; (iii) that it is not relying on any representations made by Morgan Stanley, Morgan Stanley Jersey, the Dealer or any of their affiliates; (iv) that it has consulted with its own legal, regulatory, tax, business, investments, financial and accounting advisers to the extent that it has deemed necessary, and it has made its own investment, hedging and trading decisions, evaluating the risks involved in, and the consequences of, purchasing the Notes, based upon its own judgement and upon any advice from such advisors as it has deemed necessary and not upon any view expressed by Morgan Stanley, Morgan Stanley Jersey or any of its affiliates or agents; and (v) that it is purchasing the Notes with a full understanding of the terms, conditions, risks and potential consequences associated with the purchase of the Notes and is capable of and willing to assume those risks.

## DOCUMENTS INCORPORATED BY REFERENCE

The following documents which have previously been published and have been filed with the Financial Services Authority shall be incorporated in, and form part of, this Base Prospectus:

<b>Document filed</b>	<b>Information incorporated by reference</b>	<b>Page</b>
1. Registration Document dated 17 June 2009 (the <b>Registration Document</b> ). The Registration Document has been approved by the Financial Services Authority in its capacity as United Kingdom competent authority for the purposes of the Prospectus Directive.	The entire document (with the exception of documents and/or information incorporated by reference into the Registration Document by way of the section entitled "Information Incorporated by Reference" therein).	-
2. Note Base Prospectus	(a) Risk Factors relating to the Notes	6-12
	(b) Where the Investor can find more Information about Morgan Stanley	13
	(c) Terms and Conditions of the English Law Notes	51-109
	(d) Forms of Notes	141-145
	(e) Summary of Provisions relating to Notes while in Global form	146-149
	(f) United States Federal Taxation	151-153
	(g) United Kingdom Taxation	154-156
	(h) European Union Savings Directive	174
3. Warrant and Certificate Base Prospectus	(a) Risk Factors relating to the Securities	6-10
	(b) Terms and Conditions of the Securities	29-72
	(c) Jersey Taxation	79-80
4. Base Prospectus dated 19 June 2008 in respect of the Note Program	Terms and Conditions of the English Law Notes	52-115
5. Base Prospectus dated 22 June 2007 in respect of the Note Program	Terms and Conditions of the English Law Notes	99-165

## Information in respect of Morgan Stanley

6.	Proxy Statement dated 25 March 2009	Whole document	-
7.	Current Report on Form 8-K dated 22 July 2009	Whole document	-
8.	Current Report on Form 8-K dated 2 June 2009	Whole document	-
9.	Current Report on Form 8-K dated 29 May 2009	Whole document	-
10.	Current Report on Form 8-K dated 22 May 2009	Whole document	-
11.	Current Report on Form 8-K dated 19 May 2009	Whole document	-
12.	Both Current Reports on Form 8-K each dated 8 May 2009	Whole document	-
13.	Current Report on Form 8-K dated 7 May 2009	Whole document	-
14.	Quarterly Report on Form 10-Q for the quarterly period ended 31 March 2009	Whole document	-
15.	Annual Report on Form 10-K for the fiscal year ended 30 November 2008	(1) Report of Independent Registered Public Accounting Firm	106
		(2) Consolidated Statements of Financial Condition	107-108
		(3) Consolidated Statements of Cash Flow	111
		(4) Consolidated Statements of Income	109
		(5) Notes to the Consolidated Financial Statements	113-188
16.	Annual Report on Form 10-K for the fiscal year ended 30 November 2007	(1) Report of Independent Registered Public Accounting Firm	100
		(2) Consolidated Statements of Financial Condition	101-102
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### Information in respect of Morgan Stanley Jersey

17.	Annual Report for the year ended 31 December 2008	(1)	Independent Auditors' Report	4
		(2)	Income Statement	5
		(3)	Balance Sheet	6
		(4)	Cash Flow Statement	8
		(5)	Notes to the Accounts	9-22
18.	Annual Report for the year ended 30 November 2007	(1)	Independent Auditors' Report	3
		(2)	Income Statement	4
		(3)	Balance Sheet	5
		(4)	Cash Flow Statement	7
		(5)	Notes to the accounts	8-17

save that any statement contained in this Base Prospectus or any documents incorporated by reference herein, shall be deemed to be modified or superseded for the purpose of this Base Prospectus to the extent that a statement contained in any document subsequently incorporated by reference and in respect of which a supplement to this Base Prospectus is prepared modifies or supersedes such statement. For the avoidance of doubt, any information that is incorporated by reference in any document, which is itself incorporated by reference in this Base Prospectus, does not form part of this Base Prospectus for the purposes of the Prospectus Directive.

The information about Morgan Stanley and Morgan Stanley Jersey incorporated by reference in this Base Prospectus is considered to be part of this Base Prospectus. Future filings of Morgan Stanley with the SEC and future financial statements published by Morgan Stanley Jersey may modify or supersede some of the information included or incorporated by reference in this Base Prospectus.

Morgan Stanley will, at its registered office and at the specified offices of the Paying Agents, make available for inspection during normal business hours and free of charge, upon oral or written request, a copy of this Base Prospectus (or any document incorporated by reference in this Base Prospectus and any future filings or financial statements published by Morgan Stanley or Morgan Stanley Jersey). Written or oral requests for inspection of such documents should be directed to the specified office of any Paying Agent.

## TERMS AND CONDITIONS OF THE NOTES

The terms and conditions relating to the Notes (the **Note Conditions**) are set out in the Note Base Prospectus and are incorporated by reference in this Base Prospectus. The Note Conditions will, save to the extent amended or supplemented below and by the information contained under "*Final Terms relating to the Notes*" set out below, apply to the Notes.

### **Amendments to the Note Conditions**

Condition 15.1 shall be deleted and the following new Condition 15.1 shall be inserted in its place:

- "15.1 Each Note, unless previously redeemed, or purchased and cancelled, will be redeemed on the Maturity Date and the Noteholder shall have the option either:
- (i) to elect to receive payment on the Maturity Date of the Final Redemption Amount; or
  - (ii) to direct the Issuer to apply the Final Redemption Amount in purchasing for delivery on the Physical Settlement Date, the Physical Delivery Amount, subject as provided in Condition 18.

The provisions of Condition 18 (with the exception of Condition 18.2.2 through 18.2.4 and Condition 18.4) shall apply to the Notes but on the basis that (i) the references therein to "Underlying Shares" were references to "Warrants", (ii) the references to "Clearing System" and "Applicable Clearing System" were references to Clearstream and Euroclear and (iii) the references to "Determination Agent" were references to Morgan Stanley & Co. International plc. The Issuer will effect delivery of the Physical Delivery Amount through Morgan Stanley & Co. International plc, acting as its agent. In the event that the Notes are in definitive form the Issuer shall notify the Noteholders in accordance with Condition 27 of the amendments (if any) required to any of the provisions relating to the physical delivery of the Physical Delivery Amount under the Notes.

The Noteholder will be deemed to have directed the Issuer to apply the Redemption Amount in the manner set out in paragraph (ii) above unless the relevant Noteholder delivers, not less than two Business Days before the Maturity Date, an irrevocable notice in writing or by tested telex to the relevant Clearing System, with a copy to the Fiscal Agent, or if the Notes are in definitive form, to the Fiscal Agent (along with evidence satisfactory to the Fiscal Agent as to the relevant Noteholder's ownership of the Note) stating that he has elected to receive payment of the Redemption Amount on the Maturity Date in respect of each Note held by him and identified in the notice.

Any notice delivered pursuant to the previous paragraph will be deemed to be void (and accordingly the relevant Noteholder will be deemed to have directed the Issuer to apply the Final Redemption Amount in respect of the Notes the subject of the notice in the manner set out in paragraph (ii) above) if on the Election Valuation Date the market value of each Warrant, determined by the Determination Agent in good faith and in a commercially reasonable manner is less than the Specified Denomination.

Where a Noteholder opts in accordance with this Condition 15.1 for the Issuer to apply the Final Redemption Amount in respect of a Note to purchase the Physical Delivery Amount, the Physical Delivery Amount is delivered by the Issuer to the Noteholder in respect of the Note as consideration for the use of the par amount of the Note and in compensation for and in recognition that in certain circumstances the value of the Physical Delivery Amount on the Physical Settlement Date may not be more than the par value of the Note.

For these purposes:

**"Determination Agent"** means Morgan Stanley & Co. International plc;

**"Election Valuation Date"** means the date specified as such in the applicable Final Terms.

**"Physical Delivery Amount"** means one Warrant;

**"Physical Settlement Date"** has the meaning given to it in Condition 18.5; and

**"Warrants"** mean the Warrants specified in the applicable Final Terms."

## TERMS AND CONDITIONS OF THE WARRANTS

The terms and conditions relating to the Warrants (the **Warrant Conditions**) are set out in the Warrant and Certificate Base Prospectus and are incorporated by reference in this Base Prospectus. The Warrant Conditions will, save to the extent amended or supplemented below and by the information contained under "*Final Terms relating to the Warrants*" set out below, apply to the Warrants.

### Amendments to the Warrants Base Conditions

Condition 7 (PROVISIONS RELATING TO SHARE SECURITIES, SHARE BASKET SECURITIES, INDEX SECURITIES AND INDEX BASKET SECURITIES) shall be amended by the insertion of the following new Condition 7.7:

#### "7.7 Additional Terms and Conditions for Property Indices

If an Index is specified in the applicable Final Terms to be a Property Index, in respect of such Index Condition 7.2 should not apply to the Securities and this Condition 7.7 shall apply to the Securities, subject as provided in the applicable Final Terms:

##### 7.7.1 Definitions

The following expressions have the meanings set out below:

**"Data Pool"** means the pool of properties underlying an Index;

**"Index Disruption Event"** means any of the following events:

- (i) A Delayed Publication Disruption Event; and/or
- (ii) an Index Discontinuance;

**"Index Level"** means, with respect to a period or a date, as specified in the applicable Final Terms, the final level of the relevant Index for such period or date, as the case may be, as published by the Index Sponsor (or otherwise determined as set out in the applicable Final Terms).

**"Publication Date"** means, in respect of an Index, each date on which such Index is published by the Index Sponsor;

**"Rebasing"** means the revaluation of an Index by the Index Sponsor by the application of a new Reference Price, without amendment to the formula for or the method of calculating the Index, and **"Rebased"** will be construed accordingly;

**"Reference Price"** means the historic value of the Data Pool used by the Index Sponsor as the benchmark for an Index; and

**"Scheduled Publication Date"** means the date on which the Index Level is scheduled to be published.

#### 7.7.2 Rebasing of the Index

If the Determination Agent determines that an Index has been or will be Rebased at any time (the Index as so Rebased, the "**Rebased Index**"), the Rebased Index will be used for the purposes of determining the level of the Index from the date of such Rebased, provided however, that the Determination Agent shall adjust the terms of the Securities so that the use of the Rebased Index reflects what would have been the performance of the Index had the Rebased not occurred save that any such Rebased shall not affect any prior payments under the Securities.

#### 7.7.3 Error in Publication

If the Determination Agent determines that an Error in Publication has occurred with respect to the Index, the Determination Agent may (a) use the corrected level of the Index to make any relevant calculations and/or (b) make any necessary adjustments to the relevant Index Level and such other terms of the Securities as it in its sole and absolute discretion determines to be appropriate to account for such Error in Publication.

For these purposes:

An "**Error in Publication**" will occur if the Index Sponsor announces that an error has occurred with respect to the Index Level as published on any Publication Date; the Index Level for such Publication Date is corrected to remedy such error; and the correction is published by the Index Sponsor at any time prior to the next following Scheduled Publication Date or if earlier any relevant determination date. An Error in Publication will not include a routine revision in the level of the Index in a regularly scheduled republication of the Index.

#### 7.7.4 Delay in Publication

If the Index Level has not been announced by the relevant Scheduled Publication Date or if earlier any relevant determination date, the following will apply:

- (a) if the Index Sponsor publishes a provisional Index Level prior to the next Scheduled Publication Date or if earlier any relevant determination date, such provisional level of the Index shall apply for the purposes of the Securities; or
- (b) if the Index Sponsor fails to publish the Index Level prior to the next occurring Scheduled Publication Date or if earlier any relevant determination date (a "**Delayed Publication Disruption Event**") Condition 7.7.6 shall apply.

#### 7.7.5 Methodology Adjustment and Index Discontinuance

If the Index Sponsor announces that it has changed the methodology in calculating an Index and:

- (a) continues publication of an index based on the original methodology (the "**Replacement Index**") such Replacement Index shall apply in lieu of the original Index in relation to the Warrants; or
- (b) discontinues publication of the Index based on the original methodology (an "**Index Discontinuance**"), Condition 7.7.6 shall apply.

#### 7.7.6 Index Disruption Procedure

Following the occurrence of an Index Disruption Event, the Issuer shall, in its sole and absolute discretion, determine whether or not the Securities shall continue or be cancelled.

If the Issuer determines that the Securities shall continue, the Determination Agent may make such adjustment to the terms of the Securities which it considers, in its sole and absolute discretion, to be appropriate in order to preserve for the Securityholders the economic value of the Securities. If the Issuer determines that the Securities shall be cancelled it shall cancel the Securities and pay an amount to each Securityholder in respect of each Security held by such holder equal to the fair market value of such Security less the reasonable cost to the Issuer and/or its affiliates of unwinding, or the loss realised by the Issuer and/or its affiliates on, any related hedging arrangements, all as calculated by the Determination Agent in its sole and absolute discretion.

#### 7.7.7. Notice

In the event that the provisions of Conditions 7.7.2, 7.7.3, 7.7.4, 7.7.5 and/or 7.7.6 apply in respect of the Securities, the Issuer shall give notice to Securityholders as soon as practicable in accordance with Condition 16 of the occurrence of the relevant event and the action proposed in relation thereto.

## DESCRIPTION OF THE PREFERENCE SHARES

The following is a description of certain rights attaching to the Preference Shares of each class (each a **Class**) which will be set out in full in, are subject to, and are qualified in their entirety by reference to, the Articles (as defined in the relevant Terms of the Preference Shares). Paragraphs in italics are not included in the Articles and contain a summary of certain provisions of Jersey law or a summary of certain procedures of Euroclear and Clearstream, Luxembourg that will be applicable to the Preference Shares. Euroclear and Clearstream, Luxembourg may, from time to time, change their procedures.

### *Definitions*

For the purposes of the Preference Shares of each Class, unless there is something in the subject or context inconsistent therewith:

<b>Terms of the Preference Shares</b>	means with respect to each Preference Share of a Class, the Terms of the Preference Shares (or the relevant provisions thereof) which are applicable to that Class of Preference Share and described in Part D of the applicable Final Terms in respect of a Series of Notes.
<b>Business Day</b>	means any day that is not a Saturday, Sunday or other day on which commercial banking institutions in Jersey or in London are authorised or obligated by law or executive order to be closed.
<b>Law</b>	means the Companies (Jersey) Law 1991, as amended.
<b>Nominal Shares</b>	means the nominal shares of no par value in the authorised capital of the Issuer.
<b>Optional Early Redemption Period</b>	means, with respect to each Preference Share of a Class, the period set out in the applicable Terms of the Preference Shares.
<b>Ordinary Shares</b>	means the ordinary shares of no par value in the authorised capital of the Issuer.
<b>Preference Shares</b>	means any preference shares in the authorised share capital of the Issuer.
<b>Redemption Amount</b>	means with respect to each Preference Share of a Class redeemed, the amount as at the Redemption Date for such Class determined as set out in the applicable Terms of the Preference Shares.
<b>Redemption Date</b>	means, with respect to each Preference Share of a Class, the date set out in the applicable Terms of the Preference Shares or such earlier date as the holders of the Preference Shares of the relevant Class may determine as set out below.
<b>Special Resolution</b>	means a resolution of the Issuer passed as a special resolution in accordance with the Law.

### ***Dividends***

The Preference Shares shall carry no right to receive dividends.

### ***Capital***

In relation to each Class of Preference Shares, the right on a winding up or other return of capital to repayment, in priority to any payment to the holders of Ordinary Shares and Nominal Shares, of the relevant Redemption Amount, such payments to be made pro rata among all the holders of preference shares in the capital of the Issuer according to the number of preference shares held.

### ***Redemption***

The Preference Shares of each Class shall, subject to the provisions of this paragraph and Article 55 of the Law, be redeemed upon and subject to the following terms and conditions:

- (a) The holder of a Preference Share (provided it is fully paid) shall have the right at any time during the Optional Early Redemption Period to redeem such Preference Share at the Redemption Amount. If not previously redeemed, each Preference Share in issue shall be redeemed by the Issuer on the Redemption Date without the need for the Issuer to give notice of such redemption to the holders.
- (b) The holder of a Preference Share shall give the Issuer not less than 5 Business Days' notice of the intention to redeem such share. The notice shall be in writing and shall state the Redemption Date upon which such redemption shall take place and the numbers of Preference Shares to be redeemed on such date.
- (c) The Redemption Amount of a Preference Share shall be payable by the Issuer to the holder of the Preference Share appearing in the register of members as at 5:00 p.m. on the Redemption Date.
- (d) On the Redemption Date of a Preference Share, the Issuer shall amend the share register such that the holder ceases to be the holder of the Preference Share and shall cancel the Preference Share.
- (e) On or before the Redemption Date of a Preference Share, the holder must deliver to the Issuer at the Issuer's registered office the certificate in respect of the Preference Share (or if the share certificate is lost, stolen, mutilated, defaced or destroyed, on payment of such fee and on such terms (if any) as to evidence and indemnity and the payment of out-of-pocket expenses of the Issuer as the directors in relation thereto think fit) and such other evidence as the directors may reasonably require to show the right of the holder to make the redemption and receive the Redemption Amount (the **Required Documents**).
- (f) The Issuer shall pay the Redemption Amount of a Preference Share that has been redeemed by the Issuer to the holder (or, in the case of joint holders, to any holder) or other person entitled within 20 Business Days of the later of (1) the Redemption Date; and (2) the date of delivery by the holder (or last holder, in the case of joint holders) to the Issuer of the Required Documents.
- (g) If any holder of Preference Shares shall fail or refuse to accept the Redemption Amount for Preference Shares being redeemed, such Redemption Amount shall be retained and held by the Issuer in trust for such holder but without interest or further obligation whatever.

- (h) The Redemption Amount shall be paid in such of the following manners as is determined by the Directors:
  - (a) by cheque dispatched at that person's risk;
  - (b) by electronic transfer of funds to that person's account, details of which that person has communicated in writing to the Issuer; or
  - (c) by any other means which that person has communicated in writing to the Issuer as being acceptable to it.
- (i) When part only of the Preference Shares comprised in a certificate are redeemed by the Issuer, the holder of the remaining Preference Shares shall be entitled without payment to one new certificate for the remainder of the Preference Shares so comprised.
- (j) The Redemption Amount of a Preference Share shall be paid only from the sources permitted by the Law.

*Article 55 of the Law provides that a no par value company, such as the Issuer, may make payments in respect of redemption of its own shares out of any source, but only if they are fully paid up. In addition, the directors of a company who authorise the redemption must make a solvency statement to the effect that, immediately following the date on which the redemption payment is proposed to be made, the company will be able to discharge its liabilities as they fall due and that, having regard to the prospects of the company and to the intentions of the directors with respect to the management of the company's business, and to the amount and character of the financial resources that will in their view be available to the company, the company will be able to continue to carry on business and to discharge its liabilities as they fall due for up to 12 months immediately following the date on which the redemption payment is to be made (or until the company is dissolved, if earlier). If the foregoing requirements cannot be satisfied, then the Issuer will not be able to redeem its shares.*

### ***Voting rights***

The holders of Preference Shares of a Class shall not be entitled to receive notice of, or attend, or vote at any general meeting of the Issuer.

The rights attached to the Preference Shares of a Class may only be varied with the consent in writing of the holders of a majority of the issued Preference Shares of the relevant Class, or with the sanction of an ordinary resolution passed at a general meeting of the holders of the Preference Shares of the relevant Class. The rights attached to the Preference Shares of a Class will be deemed to have been varied by the reduction in the capital paid up on such shares and the issue of any shares ranking in priority to the relevant Class of the Preference Shares.

If the rights attached to all Preference Shares of a Class in issue are varied or are deemed to be varied in the same manner, then the holders of all Preference Shares of such Class in issue shall vote together as one Class and the consent or sanction of each Class of Preference Shares shall not be required.

*Each of Euroclear and Clearstream, Luxembourg will notify its accountholders in the event that any approval or consent referred to in the above paragraphs is requested from it. Each of Euroclear and Clearstream, Luxembourg will, upon receipt of timely requests, take appropriate action consistent with the above to enable rights in respect of the above to be exercised.*

## **Notices**

Notices shall be in writing and may be given by the Issuer to any holder of a Preference Share either personally or by sending it by post, cable, telex, fax or e-mail to him or to his address as shown in the Register of Members (or where the notice is given by e-mail by sending it to the e-mail address provided by such holder). Any notice, if posted from one country to another, is to be sent airmail.

Where a notice is sent by post, service of the notice shall be deemed to be effected by properly addressing, pre-paying and posting a letter containing the notice, and shall be deemed to have been received on the fifth day (not including Saturdays or Sundays or public holidays) following the day on which the notice was posted. Where a notice is sent by cable, telex or fax, service of the notice shall be deemed to be effected by properly addressing and sending such notice and shall be deemed to have been received on the same day that it was transmitted. Where a notice is given by e-mail, service shall be deemed to be effected by transmitting the e-mail to the e-mail address provided by the intended recipient and shall be deemed to have been received on the same day that it was sent, and it shall not be necessary for the receipt of the e-mail to be acknowledged by the recipient.

*In accordance with their published rules and regulations, each of Euroclear and Clearstream, Luxembourg will notify the holders of securities accounts with it to which any Preference Shares are credited of any such notices received by it.*

## **Form**

The Preference Shares will be issued in registered form. *Title to the Preference Shares will pass by registration of the transferee in the share register of the Issuer.*

*It is intended that a certificate representing the Preference Shares of each Class will be delivered by the Issuer to the common depositary for Euroclear and Clearstream, Luxembourg at the time the Preference Shares of each class are issued. The Preference Shares are also eligible for clearing and settlement through Euroclear and Clearstream, Luxembourg. As a result, accountholders should note that they will not themselves receive certificates representing Preference Shares but instead Preference Shares will be credited to their securities account with the relevant clearing system. It is anticipated that only in exceptional circumstances (such as the closure of Euroclear and Clearstream, Luxembourg and the non-availability of any alternative or successor clearing system) will certificates be issued directly to such accountholders.*

## **Restrictions**

Each proposed holder of a Preference Share of a Class shall produce evidence of such person's identity in order for the Issuer to comply with all anti-money laundering checks or verifications required by applicable law. The Issuer shall not be obligated to issue the Preference Shares of a Class until such checks and verifications are completed to the Issuer's satisfaction.

In accordance with Article 3.3(g) of the Articles of Association of the Issuer "Unless the Directors, by resolution, determine otherwise, no Preference Share may be listed on any stock exchange within one year of its issue and allotment and the Company shall not make, and any holder of any Preference Shares shall be deemed to undertake to the Company not to make, an offer to the public (as defined in the Collective Investment Funds (Jersey) Law, 1988) or an invitation to the public (as defined in the Law) in relation to such Preference Share.

Each holder of a Preference Share shall be deemed to have represented to, and agreed with, the Company that the Preference Shares may not be offered to, sold to, transferred to or purchased or held by or for the account of persons resident for income tax purposes in Jersey, unless the Directors, by resolution, determine otherwise.

## **Jersey Tax Considerations**

Prospective investors should consult their professional advisers on the possible tax consequences of buying, holding or selling any Preference Shares under the laws of their country of citizenship, residence or domicile.

The following is a discussion on certain Jersey income tax consequences of an investment in a Class of Preference Shares. The discussion is a general summary of present law, which is subject to prospective and retroactive change. It is not intended as tax advice, does not consider any investor's particular circumstances, and does not consider tax consequences other than those arising under Jersey law.

No stamp duties are payable in Jersey on the acquisition, ownership, exchange, sale or other disposition *inter vivos* of Preference Shares. Stamp duty of up to 0.75% is payable on the grant of probate or letters of administration in Jersey in respect of a deceased natural person (i) who died domiciled in Jersey, on the value of the entire estate (including any Preference Shares or interests therein) and (ii) otherwise, on the value of so much of the estate (including any Preference Shares or interests therein), if any, as is situated in Jersey.

### ***Income Tax***

Under the Income Tax (Jersey) Law 1961 (the **Income Tax Law**), Morgan Stanley Jersey will be regarded as resident in Jersey under Article 123C of the Income Tax Law and, accordingly, Morgan Stanley Jersey (being neither a financial services company nor a specified utility company under the Income Tax Law at the date hereof) is liable to be charged to tax at a rate of 0% under Schedule D under the Income Tax Law in respect of (i) the income or profits of any trade carried on by Morgan Stanley Jersey in Jersey or elsewhere, (ii) any interest of money, whether yearly or otherwise, or other annual payment paid to Morgan Stanley Jersey, whether such payment is made within or out of Jersey, (iii) dividends and other distributions of a company regarded as resident in Jersey paid to Morgan Stanley Jersey, (iv) income arising to Morgan Stanley Jersey from securities out of Jersey and (v) any other income of Morgan Stanley Jersey that is not derived from the ownership or disposal of land in Jersey. It is not expected that Morgan Stanley Jersey will be in receipt of income charged to tax under any Schedule under the Income Tax Law other than Schedule D.

Morgan Stanley Jersey is not entitled to make any deduction or withholding for or on account of Jersey income tax from any dividends, interest or other payments on the Preference Shares. The holders of Preference Shares (other than residents of Jersey) are not subject to any tax in Jersey in respect of the acquisition, ownership, sale, exchange or other disposition of their Preference Shares.

### ***Goods and Services Tax***

Morgan Stanley Jersey is an "international services entity" for the purposes of the Goods and Services Tax (Jersey) Law 2007 (the **GST Law**) and, accordingly, it is not required (i) to register as a taxable person pursuant to the GST Law, (ii) to charge goods and services tax in Jersey in respect of any supply made by it or (iii) subject to the following provisos, to pay goods and services tax in Jersey in respect of any supply made to it. The aforementioned provisos are as follows:

- (a) where a taxable supply made to Morgan Stanley Jersey by a person registered as a taxable person under the GST Law has a value of less than £1,000, Morgan Stanley Jersey will be required to pay goods and services tax in Jersey (at 3% of the value of the supply) on such supply if the supply is made under the retail scheme established under Article 43 of the GST Law and the supplier elects to charge goods and services tax on such supply. It is not expected that Morgan Stanley Jersey will be in receipt of supplies made under such retail

scheme and, to the extent that it is in receipt of such supplies, Morgan Stanley Jersey may be entitled to a refund of any such goods and services tax paid, subject to compliance with the relevant provisions of the GST Law; and

- (b) where a taxable supply made to Morgan Stanley Jersey by a person registered as a taxable person under the GST Law is a supply of goods for onward re-supply of such goods in Jersey in the same state in which they existed when supplied to Morgan Stanley Jersey, Morgan Stanley Jersey will be required to pay goods and services tax in Jersey (at 3% of the value of the supply) on such supply. It is not expected that Morgan Stanley Jersey will be in receipt of any taxable supplies of goods from a person registered as a taxable person under the GST Law.

### ***Jersey and the European Union Directive on the Taxation of Savings Income***

As part of an agreement reached in connection with the European Union directive on the taxation of savings income in the form of interest payments, and in line with steps taken by other relevant third countries, Jersey introduced with effect from 1 July 2005 a retention tax system in respect of payments of interest, or other similar income, made to an individual beneficial owner resident in an EU Member State by a paying agent established in Jersey. The retention tax system applies for a transitional period prior to the implementation of a system of automatic communication to EU Member States of information regarding such payments. During this transitional period, such an individual beneficial owner resident in an EU Member State will be entitled to request a paying agent not to retain tax from such payments but instead to apply a system by which the details of such payments are communicated to the tax authorities of the EU Member State in which the beneficial owner is resident.

The retention tax system in Jersey is implemented by means of bilateral agreements with each of the EU Member States, the Taxation (Agreements with European Union Member States) (Jersey) Regulations 2005 and Guidance Notes issued by the Policy & Resources Committee of the States of Jersey. Based on these provisions and our understanding of the current practice of the Jersey tax authorities (and subject to the transitional arrangements described above), Morgan Stanley Jersey would not be obliged to levy retention tax in Jersey under these provisions in respect of interest payments made by it to a paying agent established outside Jersey.

### **United States Tax Considerations**

The Issuer and each holder of any Class of Preference Shares intend that, solely for US federal income tax purposes, each Preference Share of any Class will be treated as indebtedness.

### **Miscellaneous**

No registrar or principal paying agent with respect to the Preference Shares of any Class has been appointed by the Issuer.

### **Undertaking of Morgan Stanley in respect of the Preference Shares**

Pursuant to a Subscription Undertaking Deed dated 30 October 2007, if the Issuer would not otherwise be permitted to redeem any Class of Preference Shares on their due date for redemption, Morgan Stanley covenants that it will subscribe for such number of ordinary shares or nominal shares in the capital of the Issuer as may be necessary to provide the Issuer with sufficient funds to permit it to redeem any such Class of Preference Shares.

## FINAL TERMS RELATING TO THE NOTES

Final Terms dated [ ]

**Morgan Stanley**

Issue of [ ] Notes due [ ]

linked to [ ] Warrants

**under the Program for the Issuance of Notes, Series A and B**

**THE NOTES ARE NOT BANK DEPOSITS AND ARE NOT INSURED BY THE U.S. FEDERAL DEPOSIT INSURANCE CORPORATION OR ANY OTHER GOVERNMENTAL AGENCY, NOR ARE THEY OBLIGATIONS OF, OR GUARANTEED BY, A BANK. IN ADDITION, THE NOTES ARE NOT GUARANTEED UNDER THE FEDERAL DEPOSIT INSURANCE CORPORATION'S TEMPORARY LIQUIDITY GUARANTEE PROGRAM.**

### **PART A – CONTRACTUAL TERMS**

THE NOTES DESCRIBED HEREIN HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE IN THE UNITED STATES, AND ARE SUBJECT TO U.S. TAX LAW REQUIREMENTS. THE NOTES DESCRIBED HEREIN MAY NOT BE OFFERED, SOLD OR DELIVERED AT ANY TIME, DIRECTLY OR INDIRECTLY, WITHIN THE UNITED STATES OR TO OR FOR THE ACCOUNT OR BENEFIT OF U.S. PERSONS (AS DEFINED IN EITHER REGULATION S UNDER THE SECURITIES ACT OR THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED). SEE "SUBSCRIPTION AND SALE" AND "NO OWNERSHIP BY U.S. PERSONS" IN THE BASE PROSPECTUS DATED 6 AUGUST 2009. IN PURCHASING THE NOTES, PURCHASERS WILL BE DEEMED TO REPRESENT AND WARRANT THAT THEY ARE NEITHER LOCATED IN THE UNITED STATES NOR A U.S. PERSON AND THAT THEY ARE NOT PURCHASING FOR, OR FOR THE ACCOUNT OR BENEFIT OF, ANY SUCH PERSON. THE NOTES ARE NOT RATED.

This document constitutes Final Terms relating to the issue of Notes described herein. Terms used herein shall be deemed to be defined as such for the purposes of the Note Conditions incorporated by reference in the Base Prospectus dated 6 August 2009 [and the supplemented Base Prospectus, dated [●]] which [together] constitute[s] a Base Prospectus (the **Base Prospectus**) for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the **Prospectus Directive**). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Base Prospectus [as so supplemented]. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus. Copies of the Base Prospectus are available from the offices of Morgan Stanley & Co. International plc at 20 Bank Street, Canary Wharf, London E14 4AD.

*The following alternative language applies if the first tranche of an issue which is being increased was issued under a Base Prospectus with an earlier date.*

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the **Conditions**) set forth in the Base Prospectus dated [original date] [and the supplemental base

Prospectus dated [●]. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive (Directive 2003/71/EC) (the **Prospectus Directive**) and must be read in conjunction with the Base Prospectus dated [current date] [and the supplemental Base Prospectus dated [●]], which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive, save in respect of the Conditions which are extracted from the Base Prospectus dated [original date] and are incorporated by reference in the Base Prospectus. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus. [The Base Prospectus [and the supplemental Base Prospectuses] are available for viewing at [address] [and] [website] and copies may be obtained from [address].

### Information Concerning Investment Risk

[●]

*[Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or sub-paragraphs. Italics denote guidance for completing the Final Terms.]*

- |     |   |  |
|-----|---|--|
| 1.  | (i) Issuer:                                     | Morgan Stanley   |
|     | (ii) Guarantor:                                 | Not Applicable   |
| 2.  | (i) Series Number:                              | [ ]  |
|     | (ii) Tranche Number:                            | [ ]  |
| 3.  | Specified Currency or Currencies:               | [Pounds sterling ("£")/specify other]                            |
| 4.  | Aggregate Principal Amount of the Notes:        |  |
|     | Series:   | £[ ]   |
|     | Tranche:  | £[ ]   |
| 5.  | Issue Price                                     | [100 per cent. of par per Note/specify other]                    |
| 6.  | Specified Denominations (Par):<br>(Condition 3) | £[ ]   |
| 7.  | (i) Issue Date:                                 | [ ]  |
|     | (ii) Trade Date                                 | [ ]  |
| 8.  | Maturity Date:                                  | [ ]  |
| 9.  | Interest Basis:                                 | [Non-interest bearing]   |
| 10. | Redemption/Payment Basis:                       | [Redemption at par<br><br>(further particulars specified below)] |

11. Put/Call Options:
- (i) Redemption at the option of the Issuer: [Not Applicable]
  - (ii) Redemption at the option of the Noteholders:  
(Condition 15.9) [Not Applicable]
  - (iii) Other Put/Call Options: [Not Applicable]
12. Method of distribution: [Non-syndicated]
13. Equity Linked Note Provisions  
(Condition 10): [Not Applicable]
- Notwithstanding that the Notes are not Equity Linked Notes, Condition 10.5 (*Additional Disruption Events*) shall apply to the Notes.
- Additional Disruption Event: All (but not some only) of the Warrants (as defined at paragraph 16 (*Final Redemption Amount of each Note*) below) are purchased and cancelled pursuant to Condition 20 of the Warrants.]

#### PROVISIONS RELATING TO REDEMPTION

14. Call Option [Applicable/Not Applicable]
- (Condition 15.7) *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Optional Redemption Date(s): [●]
  - (ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): [●] per Calculation Amount
  - (iii) If redeemable in part:
    - (a) Minimum Redemption Amount: [●] per Calculation Amount
    - (b) Maximum Redemption Amount: [●] per Calculation Amount
  - (iv) Notice Period: [●]
15. Put Option [Applicable/Not Applicable]
- (Condition 15.9) *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Optional Redemption Date(s): [●]

- (ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): [●] per Calculation Amount
- (iii) Notice period: [●]
16. Final Redemption Amount of each Note (Condition 15.1) [£ ] per Note [unless on the Election Valuation Date the market value of a Warrant determined by the Determination Agent in good faith and in a commercially reasonable manner (the "Warrant Market Value") is more than £[insert denomination of Note] in which case the Final Redemption Amount shall be determined as follows:
- (a) if the Warrant Market Value is more than £[insert denomination of Note] but equal to or less than £[ ], the Note Redemption Amount shall be an amount equal to the Warrant Market Value; and
- (b) if the Warrant Market Value is more than £[ ], the Final Redemption Amount shall be £[ ]
- [specify other]
17. Warrants: [ ] Warrants linked to [ ], Series [ ], ISIN [ ], issued by Morgan Stanley (Jersey) Limited and guaranteed by Morgan Stanley. Each Warrant is exercisable for one Class [ ] Preference Share in Morgan Stanley (Jersey) Limited guaranteed by Morgan Stanley
- The terms of the Warrants are contained in Part C ("Final Terms Relating to the Warrants") of these Final Terms. The Preference Shares (including the Guarantee thereof) are described in part D "Terms of the Preference Shares") of these Final Terms.
18. Election Valuation Date: [ ]
19. Early Termination Amount and Redemption Amount upon early redemption (Condition 15.2, 15.5, 15.10 and 20)
- Early Redemption Amount(s) of each Note payable on redemption for taxation reasons or on event of default or other early redemption and/or the method of calculating the same (if required or if [An amount in cash equal to the fair market value of such Note on the date of such early termination less such Note's *pro rata* share of the reasonable cost to the Issuer and/or its affiliates of unwinding, or the loss realised by the Issuer and/or its

different from that set out in the Conditions): affiliates on, any related hedging arrangements, all as calculated by the Determination Agent in its sole and absolute discretion/*specify other*].

#### GENERAL PROVISIONS APPLICABLE TO THE NOTES

20. Form of Notes: (Condition 3) [Bearer Notes:  
Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note]
21. Additional Financial Centre or other special provisions relating to Payment Dates: [Not Applicable/*specify*]
22. Other final terms: [Not Applicable/*specify*]

#### DISTRIBUTION

23. (i) If syndicated, names and addresses of Managers and underwriting commitments; and names and addresses of the entities agreeing to place the issue without a firm commitment or on a "best efforts" basis if such entities are not the same as the Managers:) [Not Applicable/*specify*]
- (ii) Date of Subscription Agreement: [Not Applicable/*specify*]
- (iii) Stabilising Manager(s) (if any): [Not Applicable/*specify*]
24. If non-syndicated, name and address of Dealer: [Morgan Stanley & Co. International plc  
20 Bank Street  
London E14 4AD]
25. Whether TEFRA D or TEFRA C rules applicable or TEFRA rules not applicable: [TEFRA D]
- Total commission and concession: [Not Applicable/*specify*]
- Additional selling restrictions: [Not Applicable/*specify*]

**RESPONSIBILITY**

The Issuer accepts responsibility for the information contained in these Final Terms.

Signed on behalf of the Issuer:

By: .....  
Duly authorised

## PART B – OTHER INFORMATION

### 1. LISTING

- (i) Listing of the Notes: [London/*specify other*]
- (ii) Admission to trading of the Notes: [Application has been made for the Notes to be admitted to trading on the [London Stock Exchange plc's Regulated Market/*specify other*].]

### 2. RATINGS

Ratings of the Notes: [The Notes have not been rated.]

### 3. OPERATIONAL INFORMATION

ISIN Code: [ ]

Common Code: [ ]

New Global Note: No

Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream and the relevant identification number(s): [Not Applicable/*specify*]

Delivery: Delivery [against/free of] payment

Names and addresses of additional Paying Agent(s) (if any): [Not Applicable]

Intended to be held in a manner which would allow Eurosystem eligibility: No

4. **USE OF PROCEEDS** [ ]  
*[include details if different from that stated on page 48 of the Base Prospectus]*

5. **INFORMATION CONCERNING** Information concerning [*insert relevant underlying Reference*], including past and further performance and volatility can be found at [●].  
**[insert relevant underlying Reference]**

Information concerning the Securities can be found at [●].

## PART C – FINAL TERMS RELATING TO THE WARRANTS

FINAL TERMS dated [       ]

Series Number: [    ]        Common Code: [    ]  
Tranche: [    ]        ISIN: [    ]

**MORGAN STANLEY (JERSEY) LIMITED**  
as Issuer

*(incorporated with limited liability in Jersey, Channel Islands)*

**MORGAN STANLEY**  
as Guarantor

*PROGRAM FOR THE ISSUANCE OF  
WARRANTS AND CERTIFICATES*

Issue of [    ] Warrants  
linked to [    ]

**THE WARRANTS DESCRIBED HEREIN HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE IN THE UNITED STATES, AND ARE SUBJECT TO U.S. TAX LAW REQUIREMENTS. THE WARRANTS DESCRIBED HEREIN MAY NOT BE OFFERED, SOLD OR DELIVERED AT ANY TIME, DIRECTLY OR INDIRECTLY, WITHIN THE UNITED STATES OR TO OR FOR THE ACCOUNT OR BENEFIT OF U.S. PERSONS (AS DEFINED IN EITHER REGULATION S UNDER THE SECURITIES ACT OR THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED). SEE "SUBSCRIPTION AND SALE" AND "NO OWNERSHIP BY U.S. PERSONS" IN THE BASE PROSPECTUS DATED 6 AUGUST 2009. IN PURCHASING THE WARRANTS, PURCHASERS WILL BE DEEMED TO REPRESENT AND WARRANT THAT THEY ARE NEITHER LOCATED IN THE UNITED STATES NOR A U.S. PERSON AND THAT THEY ARE NOT PURCHASING FOR, OR FOR THE ACCOUNT OR BENEFIT OF, ANY SUCH PERSON. THE WARRANTS ARE NOT RATED.**

This document constitutes Final Terms relating to the issue of Warrants described herein. Terms used herein shall be deemed to be defined as such for the purposes of the Warrant Conditions incorporated by reference in the Base Prospectus dated 6 August 2009 [and the supplemental Base Prospectus dated ●] which [together] constitute[s] the Base Prospectus (the **Base Prospectus**). This document constitutes the Final Terms of the Warrants described herein and must be read in conjunction with such Base Prospectus. The Warrants shall constitute Securities for the purposes of the Warrant Conditions. Full information on the Issuer, the Guarantor and the offer of the Warrants is only available on the basis of the combination of these Final Terms and the Base Prospectus.

*[Insert Index disclaimer if applicable]*

### **General**

1. Issuer: Morgan Stanley (Jersey) Limited

2. Guarantor: Morgan Stanley
3. Aggregate Number of Warrants in the Series: [ ]
4. Aggregate Number of Warrants in the Tranche: [ ]
5. Issue Date: [ ]
6. Issue Price: [The Issue Price per Warrant is £[ ] per Warrant payable on the Expiration Date subject to the Warrants being delivered upon redemption of the £[ ] Notes due [ ] linked to [ ] Warrants, Series No [ ], ISIN [ ], issued by Morgan Stanley on [ ] (the **Notes**). If the Warrants are not so delivered, the Warrants will be cancelled and the Issue Price will no longer be payable.]
7. Warrant Style: [European Style Warrants]  
(Condition 4)
8. Type: The Warrants are Share Warrants [and [Index/Commodity/Fund/specify other] Warrants]
- For Share Warrants only*
- (i) Underlying Security: [ ]
- (ii) Relevant Issuer: [ ]
- (iii) Exchange [ ]
- (iv) Related Exchange: [ ]
- (v) Exchange Business Day: [ ]
- (vi) Initial Date: [ ]
- (vii) Additional Disruption Events: [Change in Law, Hedging Disruption, Loss of Stock Borrow and Increased Cost of Hedging shall apply [specify if any are not applicable, or any further Additional Disruption Events]
- For Index Warrants only*
- (i) Index: [ ]. The Index [is/is not] a Multi-Exchange Index. [The Index is a Property Index and the Measurement Period is [ ].]
- (ii) Exchange(s): [ ]

- (iii) Related Exchange: [ ]
- (iv) Exchange Business Day: [ ]
- (v) Averaging Dates: [Not Applicable/*specify*]
- (vi) Additional Disruption Events: [Applicable:  
Change of Law  
Hedging Disruption  
Increased Cost of Hedging]

*For Commodity Warrants only*

- (i) Commodity/Commodity Basket/Commodity Index: [ ] [*if applicable, specify whether Non Metal, Base Metal or Precious Metal*]
- (ii) Commodity Reference Price: [ ]
- (iii) Specified Price: [[high][low][average of high and low][closing price][opening price][bid][asked][average of high and low prices][settlement price][official settlement price][official price][morning fixing][afternoon fixing][spot price][other (specify)]
- (iv) Delivery Date; [ ]
- (v) Pricing Date: [ ]
- (vi) Commodity Disruption Events: [Price Source Disruption][Trading Disruption][Disappearance of Commodity Reference Price][Material Change in Formula][Material Change in Content][Tax Disruption][Trading Limitation][specify any applicable additional Commodity Disruption Events][Not Applicable]
- (vii) Common Pricing: [Applicable/Inapplicable] (*where Commodity Basket only*)

*For Currency Warrants only*

- (i) Settlement Currency [ ]
- (ii) Reference Currency [ ]
- (iii) Specified Amount [ ]
- (iv) Specified Rate [*select one from definition of Specified Rate in Condition 9.5*]

- (v) Settlement Rate Option [Currency Reference Dealers]
- (vi) Valuation Date [ ]
- (vii) Averaging Dates [ ]/Not Applicable
- (viii) Other special terms and conditions [ ]

**Exercise**

- 9. Expiration Date: [ ]
- 10. Latest Exercise Time: [10:00 a.m. Brussels time (in the case of Euroclear) or 10:00 a.m. Luxembourg Time (in the case of Clearstream, Luxembourg)/*specify other*]
- 11. Minimum Exercise Number: Not Applicable  
*(Condition 5.10)*

**Settlement**

- 12. Settlement Basis: The Warrants are Full Physical Settlement Warrants.  
*(Condition 4)*
- 13. Ratio: 1 Warrant relates to 1 Underlying Security.
- 14. Strike Price Payment Date: [Expiration Date]
- 15. Strike Price: [*specify formula and appropriate definitions here*]
- 16. Settlement Price: Not Applicable
- 17. Physical Settlement Date: As defined in Condition 1

**Additional details**

- 18. Determination Agent: As defined in the Conditions
- 19. Listing: None
- 20. Clearance Systems: [Euroclear and Clearstream, Luxembourg/*specify other*]
- 21. Additional Selling Restrictions: [ ]

Signed on behalf of the Issuer:

By: .....  
Duly authorised

## PART D – TERMS OF THE PREFERENCE SHARES

### Description of Certain Rights

The following when read in conjunction with the Description of the Preference Shares set out on page 24 of the Base Prospectus dated 6 August 2009 is a description of certain rights attaching to the Preference Shares which are set out in full in, are subject to, and are qualified in their entirety by reference to, the Memorandum and Articles of Association of Morgan Stanley (Jersey) Limited (the **Issuer**) and the Statement of Rights in relation to the Preference Shares approved by the Board of Directors of the Issuer on [●] (together, the **Articles**).

1. Issue Date: [ ]
2. Issue Price: [ ]
3. Class: [ ]
4. Redemption Amount: £[specify formula and any additional definitions necessary]
5. Redemption Date: [ ]
6. Optional Early Redemption Period: From [and including/but excluding] [ ] to [and including/but excluding] [ ]

## SELLING RESTRICTIONS

### United States of America

The Securities have not been and will not be registered under the Securities Act and may not be offered, sold or delivered, at any time, within the United States or to, or for the account or benefit of, U.S. Persons. The Dealer (1) has acknowledged that the Notes have not been and will not be registered under the Securities Act, or any securities laws of any state in the United States, are subject to U.S. tax law requirements, and the Securities are not being offered or sold and may not be offered, sold or delivered at any time, directly or indirectly, within the United States or to or for the account or benefit of U.S. Persons (as defined either in Regulation S under the Securities Act or the Code); (2) has represented, as a condition to acquiring any interest in the Securities, that neither it nor any persons for whose account or benefit the Securities are being acquired is a U.S. Person, is located in the United States, or was solicited to purchase Securities while present in the United States; (3) has agreed not to offer, sell or deliver any of the Securities, directly or indirectly, in the United States to any U.S. Person; (4) has agreed that, at or prior to confirmation of sale of any Securities (whether upon original issuance or in any secondary transaction), it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Securities from it a written notice containing language substantially the same as the foregoing. As used herein, **United States** means the United States of America (including the states and the District of Columbia), its territories and possessions.

In addition, the Dealer has represented and agreed that it has not offered or sold Securities and will not offer or sell Notes at any time except in accordance with Rule 903 of Regulation S under the Securities Act. Accordingly, the Dealer has represented and agreed that neither it, its affiliates (if any) nor any person acting on its or their behalf has engaged or will engage in any directed selling efforts with respect to the Securities, and it and they have complied and will comply with the offering restrictions requirements of Regulation S. Terms used in this paragraph have the meanings given to them by Regulation S.

In compliance with United States federal income tax laws and regulations, bearer notes, including bearer notes in global form, are subject to U.S. tax law requirements and may not be offered, sold or delivered, directly or indirectly, within the United States or its possessions or to U.S. Persons. The Notes will be issued in accordance with the provisions of United States Treasury Regulation § 1.163-5(c)(2)(i)(D). Terms used in this paragraph have the meanings given to them by the Code.

### Public Offer Selling Restriction under the Prospectus Directive

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each a **Relevant Member State**), the Dealer has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the **Relevant Implementation Date**) it has not made and will not make an offer of the Securities which are the subject of the offering contemplated by this Base Prospectus as completed by the final terms in relation thereto to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make on or after of such Notes to the public in that Relevant Member State:

- (a) if the final terms in relation to the Securities specify that an offer of those Securities may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a **Non-exempt Offer**), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the

competent authority in that Relevant Member State, provided that any such prospectus has subsequently been completed by the final terms contemplating such Non-exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable;

- (b) at any time to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;
- (c) at any time to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000 and (3) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts; or
- (d) at any time to fewer than 100 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the Dealer or any other dealer nominated by the Issuer for any such offer; or
- (e) at any time in any other circumstances which do not require the publication by the Bank of a prospectus pursuant to Article 3 of the Prospectus Directive,

provided that no such offer of Securities referred to in (b) to (e) above shall require the Issuer or the Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an **offer of Securities to the public** in relation to any Securities in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Securities to be offered so as to enable an investor to decide to purchase or subscribe the Securities, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression **Prospectus Directive** means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

### **United Kingdom**

The Dealer has represented to, warranted and agreed with, Morgan Stanley that:

- (a) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and it has not offered or sold and will not offer or sell the Securities other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Securities would otherwise constitute a contravention of section 19 of the Financial Services and Markets Act 2000 (the **FSMA**) by Morgan Stanley;
- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Securities in circumstances in which section 21(1) of the FSMA would not, if it was not an authorised person, apply to Morgan Stanley; and

- (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Securities in, from or otherwise involving the United Kingdom.

### **Ireland**

The Dealer has represented and agreed that to the extent applicable, it will not underwrite the issue of or place the Securities otherwise than in conformity with the provisions of the Irish Investment Intermediaries Act, 1995 (as amended), including, without limitation, Sections 9 and 50 and will conduct itself in accordance with any code of conduct drawn up pursuant to Section 37.

### **Jersey**

The Dealer has represented to, and agreed with, Morgan Stanley Jersey that it will not take any action on behalf of Morgan Stanley Jersey that would result in Morgan Stanley Jersey being required to become registered under the Financial Services (Jersey) Law 1998, as amended.

The Dealer has represented to, and agreed with, the Issuer that:

- (a) it has not offered or sold and will not offer or sell any Warrants or Preference Shares in any jurisdiction in circumstances which have resulted or will result in an invitation to the public having been made within the meaning of the Companies (Jersey) Law 1991, as amended or in a manner that would cause Morgan Stanley Jersey to be in breach of the covenants granted to it by the Jersey Financial Services Commission; and
- (b) neither the Warrants nor the Preference Shares may be offered to, sold to, transferred to or purchased or held by or for the account of individuals resident for income tax purposes in Jersey.

The Dealer has further represented to, and agreed with, the Issuer that if it sells any of the Warrants (or Preference Shares received by it on exercise of the Warrants) to any other person, it will only do so on terms that the purchaser from it provides an undertaking in substantially these terms to the Issuer.

## **NO OWNERSHIP BY U.S. PERSONS**

**The Securities may not be legally or beneficially owned by U.S. Persons at any time. Each holder and each beneficial owner of a Security hereby represents, as a condition to purchasing or owning the Security or any beneficial interest therein, that neither it nor any person for whose account or benefit the Securities are being purchased is located in the United States, is a U.S. Person or was solicited to purchase the Securities while present in the United States. Each holder and each beneficial owner of a Security hereby agrees not to offer, sell or deliver any of the Securities, at any time, directly or indirectly in the U.S. or to any U.S. Person. The term *U.S. Person* will have the meaning ascribed to it in both Regulation S under the Securities Act and the Code.**

## GENERAL INFORMATION

### Authorisation

The issue of the Notes under the Program for the Issuance of Notes, Series A and B, has been duly authorised by Morgan Stanley pursuant to resolutions adopted at a meeting of the Board of Directors of Morgan Stanley held on 17 June 2003, as amended and updated pursuant to resolutions adopted at a meeting of the Board of Directors of Morgan Stanley held on 14 December 2004 and further amended by resolutions dated 20 September 2005, 12 December 2006, 19 June 2007, 17 September 2007 and 16 June 2008. The issue of the Warrants under the Program for the Issuance of Warrants and Certificates has been duly authorised by Morgan Stanley Jersey by resolutions of the Board of Directors of Morgan Stanley Jersey passed on 17 June 2003 as amended and updated pursuant to resolutions adopted at a meeting of the Board of Directors of Morgan Stanley held on 14 December 2004 and further amended by resolutions dated 20 September 2005, 12 December 2006, 19 June 2007, 17 September 2007 and 16 June 2008.

### Listing of Notes

The admission of Notes to the Official List will be expressed as a percentage of their nominal amount (excluding accrued interest). It is expected that Notes will be admitted as and when issued. Application is being made to the UK Listing Authority for Notes to be admitted to the Official List and to the London Stock Exchange for Notes to be admitted to trading on the Market. The listing of the Notes is expected to be granted on or about the issue date of the Notes.

No application has been or will be made to list or admit to trading Warrants or Preference Shares on any Stock Exchange.

### Documents Available

For so long as any Notes are outstanding, copies of the following documents will be available, during usual business hours on any week day, for inspection at The Bank of New York Mellon, One Canada Square, London, E14 5AL and also at the principal executive offices of Morgan Stanley and the registered offices of Morgan Stanley Jersey:

- (a) *in relation to the Notes*: copies of the Distribution Agreement, the Issue and Paying Agency Agreement and the Morgan Stanley Deed of Covenant;
- (b) *in relation to the Warrants*: copies of the Distribution Agreement, the Securities Agency Agreement, the accession agreement dated as of 10 June 2002 relating to Morgan Stanley Jersey, the Morgan Stanley Deed of Covenant, the Morgan Stanley Jersey Deed of Covenant and the guarantee dated 19 June 2008 provided by Morgan Stanley;
- (c) *in relation to the Preference Shares*: the Morgan Stanley Subscription Undertaking Deed;
- (d) all of Morgan Stanley Jersey's future published financial statements;
- (e) all of Morgan Stanley's future Annual, Quarterly and Current Reports; Morgan Stanley's Quarterly Reports on Form 10 Q contain unaudited quarterly financial statements;
- (f) the Certificate of Incorporation and Memorandum and Articles of Association of Morgan Stanley Jersey;
- (g) the Certificate of Incorporation and Amended and Restated By-laws of Morgan Stanley;

- (h) all reports, letters and other documents, historical financial information, valuations and statements by any expert any part of which is included or referred to herein;
- (i) the audited accounts of Morgan Stanley Jersey for the financial years ended 30 November 2007, 31 December 2008;
- (j) Morgan Stanley's Annual Report on Form 10-K for the fiscal years ended 30 November 2007 and 30 November 2008, including any amendments thereto, which contain the audited consolidated financial statements of Morgan Stanley for the fiscal years ended 30 November 2007 and 30 November 2008;
- (k) a copy of this Base Prospectus and any document incorporated by reference herein;
- (l) any supplement to this Base Prospectus, the Note Base Prospectus or the Warrant and Certificate Base Prospectus; and
- (m) any Final Terms (relating to listing and outstanding issues of Notes, issued after the date of this Base Prospectus).

Any statement contained in this Base Prospectus or in a document incorporated or deemed to be incorporated by reference in this Base Prospectus will be deemed to be modified or superseded for purposes of this Base Prospectus, to the extent that a statement contained in this Prospectus modifies or supersedes the statement. Any statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute a part of this Base Prospectus.

### **Clearing Systems**

The Securities have been accepted for clearance through Euroclear and Clearstream, Luxembourg. Transactions will normally be effected for settlement not earlier than two business days after the date of the transaction.

The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels and the address of Clearstream, Luxembourg is Clearstream Banking, 42 Avenue JF Kennedy, L-1855 Luxembourg.

### **Conditions for determining price**

The price and amount of the Notes has been determined by Morgan Stanley and the Dealer in accordance with prevailing market conditions.

### **Litigation**

Save as disclosed in the paragraphs beginning with "IPO Allocation Matters" in item 3 entitled "Legal Proceedings" from Morgan Stanley's Annual Report on Form 10-K for the fiscal year ended 30 November 2008 and in the paragraphs beginning with "IPO Allocation Matters" in item 1 entitled "Legal Proceedings" from Morgan Stanley's Quarterly Report on Form 10-Q for the quarterly period ended 31 March 2009, there are no, nor have there been, any governmental, legal or arbitration proceedings involving Morgan Stanley (including any such proceedings which are pending or threatened of which Morgan Stanley is aware) during the 12-month period before the date of this Base Prospectus which may have, or have had in the recent past, a significant effect on the financial position or profitability of Morgan Stanley.

There are no, nor have there been any, legal, governmental or arbitration proceedings (including any such proceedings which are pending or threatened of which Morgan Stanley Jersey is aware), during

the 12 month period before the date of this Base Prospectus, involving Morgan Stanley Jersey which may have or have had in the recent past, a significant effect on the financial position or profitability of Morgan Stanley Jersey.

### **Auditors**

Deloitte & Touche LLP, an independent registered public accounting firm, of Two World Financial Center, New York, New York 10281, USA, have audited the financial statements of Morgan Stanley for the years ended 30 November 2007 and 2008.

Deloitte & Touche, Chartered Accountants and Registered Auditors, of PO Box 403, Lord Coutanche House, 66-68 Esplanade, St Helier, Jersey JE4 8WA have audited the financial statements of Morgan Stanley Jersey for the years ended 30 November 2007 and 31 December 2008 and unqualified opinions have been reported thereon. The financial statements of Morgan Stanley Jersey were prepared in accordance with applicable accounting principles in the United Kingdom, as permitted by Jersey law. Morgan Stanley Jersey does not publish interim financial figures.

### **Jersey Financial Services Commission**

Morgan Stanley Jersey has obtained all necessary consents, approvals and authorisations in connection with the issue and performance of the Warrants and the Preference Shares. In particular, the Jersey Financial Services Commission (the **Commission**) has given, and has not withdrawn, its consent under the Control of Borrowing (Jersey) Order 1958 to the issue of the Warrants and the Preference Shares by Morgan Stanley Jersey. The Commission is protected by the Control of Borrowing (Jersey) Law 1947 against liability arising from the discharge of its functions under that law.

### **Post-issuance information**

Subject to the relevant Final Terms, Morgan Stanley and Morgan Stanley Jersey do not intend to provide any post-issuance information in relation to the Securities.

### **Dealer transacting with Morgan Stanley**

The Dealer and its affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services to Morgan Stanley and its affiliates in the ordinary course of business.

### **Use of Proceeds**

The net proceeds from the sale of the Notes will be used by the Issuer in connection with hedging its obligations under the Notes. If, in respect of any particular issue there is a particular identified use of proceeds, this will be stated in the applicable Final Terms.

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STANLEY IN DELAWARE**

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**REGISTERED OFFICE OF MORGAN STANLEY (JERSEY) LIMITED**

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**PRINCIPAL PAYING AGENT AND FISCAL AGENT FOR THE NOTES  
PRINCIPAL SECURITIES AGENT FOR THE WARRANTS**

The Bank of New York Mellon  
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London E14 5AL  
U.K.

**ADDITIONAL PAYING AGENT FOR THE NOTES  
ADDITIONAL SECURITIES AGENT FOR THE WARRANTS**

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Ireland

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*in respect of Jersey law:*

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