

1 25. This Order shall not disqualify Morgan Stanley or any of its affiliates or current or
2 former employees from any business that they otherwise are qualified or licensed to perform under
3 applicable state law and this Order is not intended to form the basis for any disqualification.

4 26. To the extent applicable, this Order hereby waives any disqualification from relying
5 upon the registration exemptions or registration safe harbor provisions that may be contained in the
6 federal securities laws, the rules and regulations thereunder, the rules and regulations of self
7 regulatory organizations or any states' or U.S. Territories' securities laws. In addition, this Order is
8 not intended to form the basis for any such disqualifications. In addition, this Order is not intended
9 to form the basis of a statutory disqualification under Section 3(a)(39) of the Securities Exchange
10 Act of 1934.

11 27. This Order and any dispute related thereto shall be construed and enforced in
12 accordance with, and governed by, the laws of the State of Wisconsin without regard to any choice
13 of law principles.

14 28. Evidence of a violation of this Order proven in a court of competent jurisdiction
15 shall constitute prima facie proof of a violation of the Wisconsin Uniform Securities Law in any
16 civil action or proceeding hereafter commenced by the Division against Morgan Stanley.

17 29. Should the Division prove in a court of competent jurisdiction that a material breach
18 of this Order by Morgan Stanley has occurred, Morgan Stanley shall pay to the Division the cost, if
19 any, of such determination and of enforcing this Order including without limitation legal fees,
20 expenses, and court costs.

21 30. If Morgan Stanley fails to make the payment specified in paragraph 6, the Division
22 may, at its sole discretion, pursue any legal remedies, including but not limited to initiating an
23 action to enforce the Order, revoking Morgan Stanley's registration within the state, or terminating
24 this Order.

25 31. If in any proceeding, after notice and opportunity for a hearing, a court of competent
26 jurisdiction, including an administrative proceeding by a state securities administrator, finds that

1 there was a material breach of this Order, the Division, at its sole discretion, may terminate the
2 Order. If Morgan Stanley defaults on any other obligation under this Order, the Division may, at
3 its sole discretion, pursue legal remedies to enforce the Order or pursue an administrative action,
4 including but not limited to, an action to revoke Morgan Stanley's registration within the state.
5 Morgan Stanley agrees that any statute of limitations or other time related defenses applicable to
6 the subject of the Order and any claims arising from or relating thereto are tolled from and after the
7 date of this Order. In the event of such termination, Morgan Stanley expressly agrees and
8 acknowledges that this Order shall in no way bar or otherwise preclude the Division from
9 commencing, conducting or prosecuting any investigation, action, or proceeding, however
10 denominated, related to the Order, against Morgan Stanley, or from using in any way any
11 statements, documents or other materials produced or provided by Morgan Stanley prior to or after
12 the date of this Order, including, without limitation, such statements, documents or other materials,
13 if any, provided for purposes of settlement negotiations, except as may otherwise be provided in a
14 written agreement with the Division.

15 32. Morgan Stanley shall cooperate fully and promptly with the Division and shall use
16 its best efforts to ensure that all the current and former officers, directors, trustees, agents,
17 members, partners, and employees of Morgan Stanley (and of any of Morgan Stanley's parent
18 companies, subsidiaries, or affiliates) cooperate fully and promptly with the Division in any
19 pending or subsequently initiated investigation, litigation, or other proceeding relating to auction
20 rate securities and/or the subject matter of the Order. Such cooperation shall include, without
21 limitation, and on a best efforts basis:

22 a. production, voluntarily and without service of subpoena, upon the request of
23 the Division, of all documents or other tangible evidence requested by the Division and any
24 compilations or summaries of information or data that the Division requests that Morgan
25 Stanley (or the Morgan Stanley's parent companies, subsidiaries, or affiliates) prepare,
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1 except to the extent such production would require the disclosure of information protected
2 by the attorney-client and/or work product privileges;

3 b. without the necessity of a subpoena, having the current (and making all
4 reasonable efforts to cause the former) officers, directors, trustees, agents, members,
5 partners, and employees of Morgan Stanley (and of any of the Morgan Stanley's parent
6 companies, subsidiaries, or affiliates) attend any Proceedings (as hereinafter defined) in
7 Wisconsin or elsewhere at which the presence of any such persons is requested by the
8 Division and having such current (and making all reasonable efforts to cause the former)
9 officers, directors, trustees, agents, members, partners, and employees answer any and all
10 inquiries that may be put by the Division to any of them at any proceedings or otherwise,
11 except to the extent such production would require the disclosure of information protected
12 by the attorney-client and/or work product privileges. "Proceedings" include, but are not
13 limited to, any meetings, interviews, depositions, hearings, trials, grand jury proceedings, or
14 other proceedings;

15 c. fully, fairly, and truthfully disclosing all information and producing all
16 records and other evidence in its possession, custody, or control (or the possession, custody,
17 or control of the Morgan Stanley parent companies, subsidiaries, or affiliates) relevant to all
18 inquiries made by the Division concerning the subject matter of the Order, except to the
19 extent such inquiries call for the disclosure of information protected by the attorney-client
20 and/or work product privileges; and

21 d. making outside counsel reasonably available to provide comprehensive
22 presentations concerning any internal investigation relating to all matters in the Order and
23 to answer questions, except to the extent such presentations or questions call for the
24 disclosure of information protected by the attorney-client and/or work product privileges.

25 33. In the event Morgan Stanley fails to comply with paragraph 32 of the Order, the
26 Division shall be entitled to specific performance, in addition to any other available remedies.

Dated this 19th day of February, 2010.

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BY ORDER OF

Wisconsin Department of Financial Institutions

Division of Securities



Patricia D. Struck, Securities Division Administrator

1 **CONSENT TO ENTRY OF ADMINISTRATIVE ORDER BY MORGAN STANLEY & CO.**
2 **INCORPORATED**

3 Morgan Stanley & Co. Incorporated ("Morgan Stanley") hereby acknowledges that it has
4 been served with a copy of this Administrative Order, has read the foregoing Order, is aware of its
5 right to a hearing and appeal in this matter, and has waived the same.

6 Morgan Stanley admits the jurisdiction of the Division of Securities of the Wisconsin
7 Department of Financial Institutions, neither admits nor denies the Findings of Fact and Conclusions
8 of Law contained in this Order; and consents to entry of this Order by the Division as settlement of the
9 issues contained in this Order.

10 Morgan Stanley agrees that it shall not claim, assert, or apply for a tax deduction or tax
11 credit with regard to any state, federal or local tax for any administrative monetary penalty that
12 Morgan Stanley shall pay pursuant to this Order.

13 Morgan Stanley states that no promise of any kind or nature whatsoever was made to it to
14 induce it to enter into this Order and that it has entered into this Order voluntarily.

15 S. Anthony Taggart represents that he/she is Executive Director of Morgan
16 Stanley and that, as such, has been authorized by Morgan Stanley to enter into this Order for and on
17 behalf of Morgan Stanley.

18 Dated this 11th day of February, 2010

19 MORGAN STANLEY & CO. INCORPORATED

20 By: [Signature]

21 Title: Executive Director

22 STATE OF New York)

23 County of New York)

24 SUBSCRIBED AND SWORN TO before me this 11th day of February, 2010

25 [Signature]
26 Notary Public

My commission expires:
7/2/11