

Final Terms dated 17 September 2010

Morgan Stanley

Issue of up to EUR 10,000,000 Step up Notes

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

The Base Prospectus referred to below (as completed by these Final Terms) has been prepared on the basis that, except as provided in sub-paragraph (ii) below, any offer of Notes 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 the Notes. Accordingly any person making or intending to make an offer of the Notes may only do so:

- (i) in circumstances in which no obligation arises for the Issuer or any Distribution Agent 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; or
- (ii) in the Public Offer Jurisdiction mentioned in Paragraph 48 of Part A below, provided such person is one of the persons mentioned in Paragraph 48 of Part A below and that such offer is made during the Offer Period specified for such purpose therein.

Neither the Issuer nor any Distribution Agent has authorised, nor do they authorise, the making of any offer of Notes in any other circumstances.

THE NOTES ARE NOT BANK DEPOSITS AND ARE NOT INSURED OR GUARANTEED BY THE U.S. FEDERAL DEPOSIT INSURANCE CORPORATION OR ANY OTHER GOVERNMENTAL AGENCY, NOR ARE THEY OBLIGATIONS OF, OR GUARANTEED BY, A BANK.

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 REGULATIONS 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 15 JUNE 2010. 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 Terms and Conditions of the English Law Notes set forth in the Base Prospectus dated 15 June 2010 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, the Guarantor 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 25 Cabot Square, Canary Wharf, London, E14 4QA.

Information Concerning Investment Risk

Noteholders and prospective purchasers of Notes should ensure that they understand the nature of the Notes and the extent of their exposure to risk and that they consider the suitability of the Notes as an investment in the light of their own circumstances and financial condition. The relative performance of the 6m Euribor rate will affect the nature and value of the investment return on the Notes. Noteholders and prospective purchasers of Notes should conduct their own investigations and, in deciding whether or not to purchase Notes, prospective purchasers should form their own views of the merits of an investment linked to the 12m Euribor rate based upon such investigations and not in reliance on any information given in these Final Terms.

Given the highly specialised nature of these Notes, the Issuer and Morgan Stanley & Co. International plc ("MSI plc") consider that they are only suitable for sophisticated investors who are able to determine for themselves the risk of an investment linked to the 12m Euribor rate. Consequently, if you are not an investor who falls within the description above you should not consider purchasing these Notes without taking detailed advice from a specialised professional adviser.

Adjustments: The terms and conditions of the Notes will allow the Determination Agent to make adjustments or take any other appropriate action if circumstances occur where the Notes or any exchanges are affected by market disruption, corporate events or circumstances affecting normal activities.

Credit Risk: The holder of the Notes will be exposed to the credit risk of the Issuer.

Exit Risk: The secondary market price of the Notes will depend on many factors, including interest rates, time remaining to maturity and the creditworthiness of the Issuer. Therefore the holder may receive an amount which may be less than the then intrinsic market value of the Notes and which may also be less than the amount the holder would have received had the holder held the Notes through to maturity.

Hedging Risk: On or prior to and after the Trade Date, the Issuer, through its affiliates or others, will likely hedge its anticipated exposure under the Notes by taking positions, in option contracts on the 6m Euribor rate or positions in any other available securities or instruments.

Liquidity Risk: Any secondary market in the Notes made by the Dealer will be made on a reasonable efforts basis only and subject to market conditions, law, regulation and internal policy. Even whilst there may be a secondary market in the Notes it may not be liquid enough to facilitate a sale by the holder.

Potential Conflict of Interest: The Determination Agent (MSI plc) is an affiliate of the Issuer and the economic interests of the Determination Agent may be adverse to the interests of holders of the Notes. Determinations made by the Determination Agent, may affect the amount payable to holders pursuant to the terms of the Notes.

Underlying Rate Risk: The variable redemption amount depends on the performance of the 12m Euribor rate. The principal amount is protected only at maturity. If investors sell the notes prior to maturity, there is a risk that the secondary market price could be substantially less than 100%. The price of the notes prior to maturity will depend on numerous factors including interest rate movements, interest rate volatility, perception of the issuer's credit quality and time to maturity.

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

Assuming no change in market conditions or any other relevant factors, the price, if any, at which MSI plc is willing to purchase Notes in secondary market transactions will likely 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 Notes as well as the projected profit included in the cost of hedging the Issuer's obligations under the Notes. In addition, any such prices may differ from values determined by pricing models used by MSI plc, as a result of dealer discounts, mark-ups or other transaction costs.

In purchasing any Notes, purchasers will be deemed to represent and undertake to the Issuer, the Dealer and each of their affiliates that (i) such purchaser understands the risks and potential consequences associated with the purchase of the Notes, (ii) that such purchaser has consulted with its own legal, regulatory, investment, accounting, tax and other advisers to extent it believes is appropriate to assist it in understanding and evaluating the risks involved in, and the consequences of, purchasing the Notes and (iii) in accordance with the terms set out in Annex 1.

Morgan Stanley is not qualified to give legal, tax or accounting advice to its clients and does not purport to do so in this document. Clients are urged to seek the advice of their own professional advisers about the consequences of the proposals contained herein.

US Treasury Circular 230 Notice - Morgan Stanley does not render advice on tax and tax accounting matters to clients. This material was not intended or written to be used, and it cannot be used by any taxpayer, for the purpose of avoiding penalties that may be imposed on the taxpayer under U.S. federal tax laws.

1.	(i)	Issuer:	Morgan Stanley
	(ii)	Guarantor:	Not Applicable
2.	(i)	Series Number:	4072
	(ii)	Tranche Number:	1
3.		Specified Currency or Currencies:	Euro (“EUR”)
4.		Aggregate Nominal Amount of the Notes:	
	(i)	Series:	Up to EUR 10,000,000
	(ii)	Tranche:	Up to EUR 10,000,000
5.		Issue Price	100 per cent. of par per Note
6.	(i)	Specified Denominations (Par):	EUR 100
	(ii)	Calculation Amount:	Par
7.	(i)	Issue Date:	17 September 2010
	(ii)	Trade Date:	10 September 2010
	(iii)	Interest Commencement Date:	Issue Date
8.		Maturity Date:	17 September 2014, subject to adjustment in accordance with the Following Business Day Convention
9.		Interest Basis:	Fixed Rate Interest
10.		Redemption/Payment Basis:	Redemption at par + Variable Redemption Amount

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| 11. | Change of Interest or Redemption/Payment Basis: | Not Applicable |
| 12. | Put/Call Options: | |
| | (i) Redemption at the option of the Issuer:

(Condition 15.7) | Not Applicable |
| | (ii) Redemption at the option of the Noteholders:

(Condition 15.9) | Not Applicable |
| | (iii) Other Put/Call Options: | Not Applicable |
| 13. | (i) Status of the Notes:

(Condition 4) | Unsecured and unsubordinated, which rank <i>pari passu</i> among themselves and all other outstanding unsecured and unsubordinated obligations |
| | (ii) Status of the Guarantee: | Not Applicable |
| 14. | Method of distribution: | Non-syndicated |

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

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| 15. | Fixed Rate Note Provisions

(Condition 5) | Applicable |
| | (i) Rate of Interest: | Year 1: 2.20%

Year 2: 2.30%

Year 3: 2.40%

Year 4: 2.60%

per annum payable annually in arrear |
| | (ii) Interest Period: | Annually in arrears ending on each scheduled Interest Payment Date, Unadjusted, from and including the Interest Commencement Date to but excluding the Maturity Date. |
| | (iii) Interest Payment Date(s): | 17 th of September in each year from and including 17 September 2011 to and including the Maturity Date, subject to Following Business Day Convention |
| | (iv) Fixed Coupon Amount[(s)]: | Not Applicable |
| | (v) Broken Amount(s): | Not Applicable |
| | (vi) Day Count Fraction: | 30/360 |
| | (vii) Other terms relating to the method of calculating interest for Fixed Rate Notes: | Not Applicable |

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| 16. | Floating Rate Note Provisions
(Condition 6) | Not Applicable |
| 17. | Zero Coupon Note Provisions
(Condition 7) | Not Applicable |
| 18. | Dual Currency-Linked Note Interest Provisions
(Condition 8) | Not Applicable |
| 19. | Equity Linked Note Interest Provisions | Not Applicable |
| 20. | Commodity Linked Note Interest Provisions | Not Applicable |
| 21. | Currency Linked Interest Note Provisions | Not Applicable |
| 22. | Inflation-Linked Note Interest Provisions | Not Applicable |
| 23. | Credit-Linked Interest Note Provisions | Not Applicable |
| 24. | Property-Linked Interest Note Provisions | Not Applicable |

PROVISIONS RELATING TO REDEMPTION

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| 25. | Call Option
(Condition 15.7) | Not Applicable |
| 26. | Put Option
(Condition 15.9) | Not Applicable |
| 27. | Final Redemption Amount of each Note
(Condition 16.1) | Redemption at Par + Supplemental Redemption Amount

Where:

“ Supplemental Redemption Amount ” means (i) if the 12m Euribor is above the Strike on the Determination Date 0.50% of Par, (ii) otherwise 0.00%;

“ 12m Euribor ” means the rate fixed at 11.000 am Brussels time on the Determination Date, referencing Reuters page EURIBOR01;

“ Strike ” means 4.00%;

“ Determination Date ” means 10 September 2014, subject to adjustment in accordance with the Following Business Day Convention |
| 28. | Dual Currency Redemption Provisions
(Condition 8) | Not Applicable |

29.	Equity-Linked Redemption Provisions (Condition 10)	Redemption	Not Applicable
30.	Commodity-Linked Provisions (Condition 11)	Redemption	Not Applicable
31.	Currency-Linked Provisions (Condition 12)	Redemption	Not Applicable
32.	Inflation-Linked Provisions (Condition 13)	Redemption	Not Applicable
33.	Credit Linked Redemption Provisions (Condition 19)		Not Applicable
34.	Property-Linked Provisions (Condition 14)	Redemption	Not Applicable
35.	Early Redemption Amount upon early redemption Early Redemption Amount payable upon redemption following an event of default: (Condition 21) Early Redemption Amount(s) payable on redemption for taxation reasons: (Conditions 15.2, 15.3, 15.4 and 15.5)	Redemption	As defined in Condition 2 An amount which the Determination Agent, in its sole and absolute discretion, determines is equal to the fair value of a Note, on such day as is selected by the Determination Agent in its sole and absolute discretion (provided that such day is not more than 15 days before the date fixed for redemption of the Note), less the proportion attributable to that Note of the reasonable cost to the Issuer and/or any Affiliate of, or the loss realized by the Issuer and/or any Affiliate on, unwinding any related underlying hedging arrangements, the amount of such cost or loss being as determined by the Determination Agent in its sole and absolute discretion.
36.	Governing Law:		English law
GENERAL PROVISIONS APPLICABLE TO THE NOTES			
37.	Form of Notes: (Condition 3)		Bearer Notes Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes on 30 days' notice in the limited circumstances specified in the Permanent Global

		Note
38.	Additional Business Centre(s) or other special provisions relating to Payment Dates:	Applicable Financial Centres are London, Frankfurt and TARGET
39.	Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature):	No
40.	Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment:	Not Applicable
41.	Details relating to Instalment Notes: amount of each instalment, date on which each payment is to be made:	Not Applicable
42.	Redenomination, renominatisation and reconventioning provisions:	Not Applicable
43.	Restrictions on free transferability of the Notes:	None
44.	Other final terms:	Not Applicable

DISTRIBUTION

45.	(i) If syndicated, names of Managers:	Not Applicable
	(ii) Date of [Subscription] Agreement:	Not Applicable
	(iii) Stabilising Manager(s) (if any):	Not Applicable
46.	If non-syndicated, name and address of Dealer:	Morgan Stanley & Co. International plc 25 Cabot Square London E14 4QA
47.	U.S. Selling Restrictions:	Reg. S Compliance Category; / TEFRA D
48.	Non-exempt offer:	An offer of the Notes may be made by the Distribution Agents other than pursuant to Article 3(2) of the Prospective Directive in Germany and Austria (Public Offer Jurisdictions), during the period from 15 August 2010 until 10 September 2010 (Offer Period).
49.	Total commission and concession:	Not Applicable
50.	Additional selling restrictions:	Not Applicable

PURPOSE OF FINAL TERMS

These Final Terms comprise the final terms required for issue and public offer in Germany and Austria and Admission to trading on the regulated unofficial market of the Frankfurt Stock Exchange (“Frankfurt Freiverkehr”) and Stuttgart (“EUWAX”) of the Notes described herein pursuant to the Program for the Issuance of Notes, Series A and B of Morgan Stanley.

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

Listing and admission to Trading: Application will be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the regulated unofficial market of the Frankfurt Stock Exchange (“**Frankfurt Freiverkehr**”) and Stuttgart (“**EUWAX**”). No assurance can be given as to whether or not, or when, such application will be granted.

2. RATINGS

Ratings: The Notes to be issued have not been rated.

3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER

"Save as discussed in "*Subscription and Sale*", so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer".

4. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

(i) Reasons for the offer: The net proceeds from the sale of Notes will be used by the Issuer for general corporate purposes, in connection with hedging the Issuer’s obligations under the Notes, or both

(ii) Estimated net proceeds: Up to EUR 10,000,000

5. PERFORMANCE OF INDEX/FORMULA/OTHER VARIABLE, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE UNDERLYING

Past and future performance including the volatility of the 12m Euribor rate can be obtained from Reuters (EURIBOR01).

6. OPERATIONAL INFORMATION

ISIN Code: DE000MS0J7H2

WKN: MS0J7H

New Global Note: Yes

Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking *société anonyme* and the relevant identification number(s): Clearstream Banking, Frankfurt AG

Delivery: Delivery free of payment

Names and addresses of initial Paying Agent(s): As per the Conditions

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

Intended to be held in a manner which would allow Eurosystem eligibility: Yes

7. **TERMS AND CONDITIONS OF THE OFFER**

Offer Price: The Issue Price + a subscription surcharge at the discretion of each distributor of up to 0.50%.

Conditions to which the offer is subject: Offers of the Securities are conditional upon their issue.

Description of the application process: Not Applicable

Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants: The Issuer has the right to terminate the Offer Period and not pursue with the issuance of the Notes at any time prior to the Issue Date.

Details of the minimum and/or maximum amount of application: Not Applicable

Details of the method and time limited for paying up and delivering the Notes: The Notes will be issued on the Issue Date against payment to the Issuer of the net subscription moneys.

Manner in and date on which results of the offer are to be made public: The results of the offer will be communicated to applicants by the Issuer by means of a notice to be published on the website of the Issuer

Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised: Not Applicable

Categories of potential investors to which the Notes are offered and whether tranche(s) have been reserved for certain countries: Not Applicable

Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made: Not Applicable

Amount of any expenses and taxes specifically charged to the subscriber or purchaser: Not Applicable

Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place: Not Applicable

ANNEX 1

Any investment in the Notes made with the intention to offer, sell or otherwise transfer (together, “distribute” and each a “distribution”) such Notes to prospective investors will be deemed to include, without limitation, the following representations, undertakings and acknowledgements:

- a) (i) you are purchasing the instruments as principal (and not as agent or in any other capacity); (ii) none of the Issuer, the Dealer or their affiliates is acting as a fiduciary or an advisor to it in respect of the instruments; (iii) you are not relying upon any representations made by the Issuer, the Guarantor or any of their affiliates; (iv) you have consulted with your own legal, regulatory, tax, business, investments, financial, and accounting advisers to the extent that you have deemed necessary, and you have made your own investments, hedging and trading decisions based upon your own judgement and upon any advice from such advisors as you have deemed necessary and not upon any view expressed by the Issuer or any of its affiliates or agents and (v) you are purchasing the instruments with a full understanding of the terms, conditions and risks thereof and you are capable of and willing to assume those risks;
- b) you shall only distribute as principal or, alternatively, acting on a commission basis in your own name for the account of your investors and will not do so as agent for any Morgan Stanley entity (together “Morgan Stanley”) who shall assume no responsibility or liability whatsoever in relation to any such distribution. You shall distribute the product in your own name and to such customers as you identify in your own discretion, at your own risk and under your sole responsibility. You shall make such enquiries you deem relevant in order to satisfy yourself that prospective investors have the requisite capacity and authority to purchase the product and that the product is suitable for those investors;
- c) you shall not make any representation or offer any warranty to investors regarding the product, the Issuer or Morgan Stanley or make any use of the Issuer’s or Morgan Stanley’s name, brand or intellectual property which is not expressly authorised and you shall not represent you are acting as an agent of Morgan Stanley in such distribution. You acknowledge that neither the Issuer nor Morgan Stanley assume any responsibility or liability whatsoever in relation to any representation or warranty you make in breach hereof;
- d) if you distribute any material prepared and transmitted by the Issuer or by Morgan Stanley, you shall only distribute the entire material and not parts thereof. Any material you, or any third party you engage on your behalf, prepare shall be true and accurate in all material respects and consistent in all material respects with the content of the Base Prospectus and the Final Terms and shall not contain any omissions that would make them misleading. You shall only prepare and distribute such material in accordance with all applicable laws, regulations, codes, directives, orders and/or regulatory requirements, rules and guidance in force from time to time (“Regulations”). You acknowledge that neither the Issuer nor Morgan Stanley shall have any liability in respect of such material which shall, for the avoidance of doubt, at all times be your sole responsibility;
- e) you will not, directly or indirectly, distribute or arrange the distribution of the product or disseminate or publish (which for the avoidance of doubt will include the dissemination of any such materials or information via the internet) any materials or carry out any type of solicitation in connection with the product in any country or jurisdiction, except under circumstances that will result in compliance with all applicable Regulations and selling practices, and will not give rise to any liability for the Issuer or Morgan Stanley. For the avoidance of doubt, this includes compliance with the selling restrictions mentioned herein;
- f) if you receive any fee, rebate or discount, you shall not be in breach of any Regulation or customer or contractual requirements or obligations and you shall, where required to do so (whether by any applicable Regulation, contract, fiduciary obligation or otherwise), disclose such fees, rebates and discounts to your investors. You acknowledge that where fees are payable, or rebates or discounts applied, the Issuer and Morgan Stanley are obliged to disclose the amounts and/or basis of such fees, rebates or discounts at the request of any of your investors or where required by any applicable Regulations.

- g) (i) except to the extent permitted under United States Treasury Regulations Section 1.163-5(c)(2)(i)(D) (the D Rules), you have not (A) offered or sold and will not offer or sell during the Restricted Period any Securities to a person who is within the United States or its possessions or to any United States person and (B) delivered and will not deliver within the United States or its possessions definitive Securities that are sold during the Restricted Period; (ii) you have, and throughout the Restricted Period will have, in effect procedures reasonably designed to ensure that your employees or agents who are directly engaged in selling Securities are aware that such Securities may not be offered or sold during the Restricted Period to a person who is within the United States or its possessions or to a United States person, except as permitted by the D Rules; (iii) if you are a United States person, you are acquiring Securities for purposes of resale in connection with their original issuance and if you retain Securities for your own account, you will only do so in accordance with the requirements of United States Treasury Regulations Section 1.163-5(c)(2)(i)(D)(6); (iv) if you transfer Securities to any affiliate for the purpose of offering or selling such securities during the Restricted Period, you will either (A) obtain from such affiliate for the benefit of the Issuer the representations and agreements contained in clauses (i), (ii) and (iii) above or (B) repeat and confirm the representations and agreements contained in clauses (i), (ii) and (iii) above on such affiliate's behalf and obtain from such affiliate the authority to so obligate you; and (v) you will obtain for the benefit of the Issuer the representations and agreements contained in clauses (i), (ii), (iii) and (iv) above from any person other than your affiliate with whom you enter into a written contract, within the meaning of United States Treasury Regulations Section 1.163-5(c)(2)(i)(D)(4), for the offer or sale of Securities during the Restricted Period. For the purposes of this paragraph an offer or sale of Securities will be considered to be made to a person who is within the United States or its possessions if the offeror or seller of such Securities has an address within the United States or its possessions for the offeree or purchaser of such Securities with respect to the offer or sale. Terms used in this paragraph shall have the meaning given to them by the U.S. Internal Revenue Code and the United States Treasury Regulations thereunder, including the D Rules;
- h) you will be committed to purchase at the issue price stated in the term sheet (or at the price otherwise agreed between us) instruments, when issued, in the agreed quantity and having terms, as provided in the definitive documentation, consistent with those in this term sheet (subject to any modifications agreed between us);
- i) we may enter into hedging or other arrangements in reliance upon your commitment, and, if you fail to comply with your commitment, your liability to us shall include liability for our costs and losses in unwinding such hedging or other arrangements;
- j) you agree and undertake to indemnify and hold harmless and keep indemnified and held harmless the Issuer, the Dealer and each of their respective affiliates and their respective directors, officers and controlling persons from and against any and all losses, actions, claims, damages and liabilities (including without limitation any fines or penalties and any legal or other expenses incurred in connection with defending or investigating any such action or claim) caused directly or indirectly by you or any of your affiliates or agents to comply with any of the provisions set out in (a) to (i) above, or acting otherwise than as required or contemplated herein.
- k) You are not purchasing the Notes as an extension of credit to Morgan Stanley pursuant to a loan agreement entered into in the ordinary course of your trade or business.