

CLIENT STATEMENT | For the Period November 1-30, 2014

STATEMENT FOR:

MSB FBO CLAUDE SIMON
534 WEST 42ND STREET #8

Morgan Stanley Smith Barney LLC. Member SIPC.

#BWNJGWM

MSB FBO CLAUDE SIMON
534 WEST 42ND STREET #8
NEW YORK NY 10036-6221

TOTAL VALUE OF YOUR ACCOUNT (as of 11/30/14)
Includes Accrued Interest

\$5,740,929.26

Your Financial Advisor Team

The Apollo Group
800-495-6844

Your Financial Advisors

Steve Condos

Managing Director, Wealth Mgmt
Steve.Condos@morganstanleypwm.com
212 492-6335

Kenneth Morris

Senior Vice President
Kenneth.Morris@morganstanleypwm.com
212 492-6337

Jared Katzman

Jared.Katzman@morganstanleypwm.com
212 492-6961

Your Branch

1290 AVE OF AMERICAS, 13TH FL
NEW YORK, NY 10104
Telephone: 212-492-6900; Alt. Phone: 800-917-9662; Fax: 212-492-6345

Access Your Account Online: www.morganstanley.com/online

Fiduciary Services Active Assets Account
052-078088-222

MSB FBO CLAUDE SIMON

Account Summary

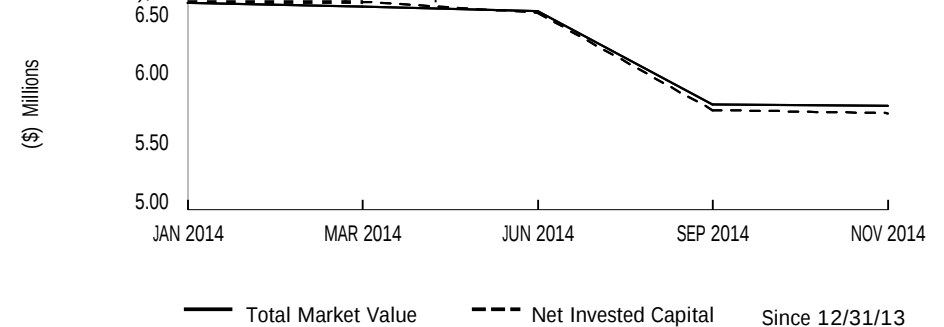
CHANGE IN VALUE OF YOUR ACCOUNTS (includes accrued interest)

	This Period (11/1/14-11/30/14)	This Year (1/1/14-11/30/14)
TOTAL BEGINNING VALUE	\$5,740,086.48	—
Credits	—	8,661,189.01
Debits	(0.13)	(2,971,404.98)
Security Transfers	—	—
Net Credits/Debits/Transfers	\$(0.13)	\$5,689,784.03
Change in Value	842.91	51,145.23
TOTAL ENDING VALUE	\$5,740,929.26	\$5,740,929.26

Net Credits / Debits include investment advisory fees as applicable. See Activity section for details.

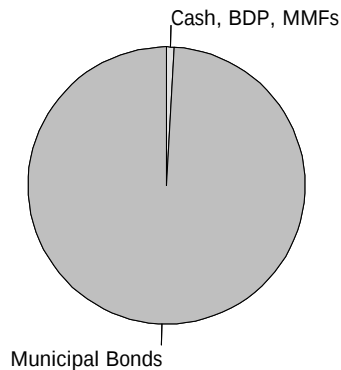
CHANGE IN VALUE OVER TIME

The display of market value (total account value) and net invested capital (total amount invested minus total withdrawn), demonstrates the impact of deposits and withdrawals.



This graph does not reflect corrections to Net Invested Capital or Market Value made subsequent to the dates depicted. It may exclude transactions in Annuities or positions where we are not the custodian, which could delay the reporting of Market Value or affect the Net Invested Capital.

ALLOCATION OF HOLDINGS



	Market Value	Percentage %
Cash, BDP, MMFs*	\$51,876.33	0.9
Municipal Bonds ^	5,689,052.93	99.1
TOTAL VALUE^	\$5,740,929.26	100.0%

This allocation represents holdings on a trade date basis, and projected settled Cash/ BDP and MMF balances. These classifications are not intended to serve as a suitability analysis. * FDIC rules apply and Bank Deposits are eligible for FDIC insurance but are not covered by SIPC. Cash and securities (including MMFs) are eligible for SIPC coverage. See Expanded Disclosures. ^ Includes Estimated Accrued Interest.

Fiduciary Services Active Assets Account
052-078088-222

MSB FBO CLAUDE SIMON

Account Summary

BALANCE SHEET (^ includes accrued interest)

	Last Period (as of 10/31/14)	This Period (as of 11/30/14)
Cash, BDP, MMFs	\$0.13	\$51,876.33
Municipal Bonds ^	5,740,086.35	5,689,052.93
Total Assets	\$5,740,086.48	\$5,740,929.26
Total Liabilities (outstanding balance)	—	—
TOTAL VALUE	\$5,740,086.48	\$5,740,929.26
Portfolio Loan Account (754XXXX449)	(5,733,760.53)	(5,733,760.53)
Total Other Liabilities (not included in Total Value)	\$(5,733,760.53)	\$(5,733,760.53)

The Portfolio Loan Account is a securities-based loan that may not be used to purchase, trade or carry marketable securities, or to repay margin debt. The Portfolio Loan Account is offered by Morgan Stanley Bank, N.A., an affiliate of Morgan Stanley Smith Barney LLC.

INCOME AND DISTRIBUTION SUMMARY

	This Period (11/1/14-11/30/14)	This Year (1/1/14-11/30/14)
Interest	\$1.33	\$526.48
Total Taxable Income And Distributions	\$1.33	\$526.48
Interest	51,875.00	185,166.67
Total Tax-Exempt Income	\$51,875.00	\$185,166.67
TOTAL INCOME AND DISTRIBUTIONS	\$51,876.33	\$185,693.15

Taxable and tax exempt income classifications are based on the characteristics of the underlying securities and not the taxable status of the account.

ADDITIONAL ACCOUNT INFORMATION

Category	This Period (11/1/14-11/30/14)	This Year (1/1/14-11/30/14)
Municipal Accrued Interest Paid	—	\$59,767.35

CASH FLOW

	This Period (11/1/14-11/30/14)	This Year (1/1/14-11/30/14)
OPENING CASH, BDP, MMFs	\$0.13	—
Purchases	—	(5,823,600.85)
Income	51,876.33	185,693.15
Total Investment Related Activity	\$51,876.33	\$(5,637,907.70)
Electronic Transfers-Credits	—	8,661,189.01
Electronic Transfers-Debits	(0.13)	(2,922,621.83)
Other Debits	—	(48,783.15)
Total Cash Related Activity	\$(0.13)	\$5,689,784.03
Total Card/Check Activity	—	—
CLOSING CASH, BDP, MMFs	\$51,876.33	\$51,876.33

GAIN/(LOSS) SUMMARY

	Realized This Period (11/1/14-11/30/14)	Realized This Year (1/1/14-11/30/14)	Unrealized Inception to Date (as of 11/30/14)
Short-Term Gain	—	—	\$14,942.06
Short-Term (Loss)	—	—	(1,942.45)
Total Short-Term	—	—	\$12,999.61

The Gain/(Loss) Summary, which may change due to basis adjustments, is provided for informational purposes and should not be used for tax preparation. Refer to Gain/(Loss) in the Expanded Disclosures.

Fiduciary Services Active Assets Account
052-078088-222

MSB FBO CLAUDE SIMON

Account Detail

Investment Objectives†: Capital Appreciation, Income, Aggressive Income, Speculation

Investment Advisory Account

Manager: BLACKROCK INVESTMENT MGMT, LLC

† Inform us if your investment objectives, as defined in the Expanded Disclosures, change.

HOLDINGS

This section reflects positions purchased/sold on a trade date basis, and includes positions purchased and omits positions sold in the current month. "Market Value" and "Unrealized Gain/(Loss)" are representative values as of the last business day of the statement period and may not reflect the value that could be obtained in the market. Fixed Income securities are sorted by maturity or pre-refunding date, and alphabetically within date. Estimated Annual Income (EAI) is calculated on a pre-tax basis and does not include any reduction for applicable non-US withholding taxes, if any. EAI for certain securities may include return of principal or capital gains which could overstate such estimates. For securities that have a defined maturity date within the next 12 months, EAI is reflected only through maturity date. Actual income or yield may be lower or higher than the estimates. Estimated yield reflects only the income generated by an investment, and does not reflect changes in its price. Structured products, identified in the Security Description column, appear in various statement product categories. When displayed, accrued interest, annual income and yield for structured products with a contingent income feature (such as Range Accrual Notes or Contingent Income Notes) are estimates and assume specified accrual conditions are met during the relevant period and payment in full of all contingent interest. For Floating Rate Securities, the accrued interest, annual income and yield are estimates based on the current floating coupon rate and may not reflect historic rates within the accrual period. Treasury regulations require that we report on Form 1099-B, after the close of the tax year, your adjusted cost basis on the sale of covered securities acquired on or after January 1, 2011, and classify the gain or loss as either long-term or short-term. These regulations also require that we make basis adjustments on covered securities due to wash sales, certain corporate actions and transfers by gift or inheritance, which will be reflected on your Form 1099-B. Cost basis is reflected on statements for informational purposes and should not be used in the preparation of your income tax returns. Refer to the Expanded Disclosures for additional information.

CASH, BANK DEPOSIT PROGRAM AND MONEY MARKET FUNDS

Cash, Bank Deposit Program, and Money Market Funds are generally displayed on a settlement date basis. You have the right to instruct us to liquidate your bank deposit balance(s) or shares of any money market fund balance(s) at any time and have the proceeds of such liquidation remitted to you. Estimated Annual Income, Accrued Interest, and APY% will only be displayed for fully settled positions.

Description	Value	Estimated Annual Income	7-Day Current Yield %	Annual Percentage Yield %
MORGAN STANLEY BANK N.A. #	\$51,876.33	\$26.00	—	0.050
	Percentage of Assets %	Market Value	Estimated Annual Income Accrued Interest	
CASH, BDP, AND MMFs	0.9%	\$51,876.33	\$26.00	\$0.00

Bank Deposits are held at either: (1) Morgan Stanley Bank, N.A., and/or Morgan Stanley Private Bank, National Association, affiliates of Morgan Stanley Smith Barney LLC, or (2) Citibank, N.A., each a national bank and FDIC member.

MSB FBO CLAUDE SIMON

MUNICIPAL BONDS

Security Description	Trade Date	Face Value	Orig. Unit Cost Adj. Unit Cost	Orig. Total Cost Adj. Total Cost	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income Accrued Interest	Yield %
ONONDAGA CNTY NY GENL OBLIG SER-A CUSIP 682745N26	4/29/14	100,000.000	\$109.899 \$107.194	\$109,899.00 \$107,193.58			\$5,000.00 \$2,291.66	4.67
Unit Price: \$106.882; Coupon Rate 5.000%; Matures 06/15/2016; Int. Semi-Annually Jun/Dec 15; Yield to Maturity .513%; Federal Tax Exempt; Moody AA2 S&P AA+; Insurer:AGMC FORMERLY FSA; Issued 12/19/07								
NEW YORK CITY GENL OBLIG SERIES-D CUSIP 64966KDP5	1/27/14	300,000.000	111.231 107.493	333,693.00 322,480.21			15,000.00 4,958.33	4.64
Unit Price: \$107.608; Coupon Rate 5.000%; Matures 08/01/2016; Int. Semi-Annually Feb/Aug 01; Federal Tax Exempt; Moody AA2 S&P AA; Issued 01/03/13								
METROPOLITAN TRANS AUTH N Y DEDICATED TAX FUND REV B-2 CUSIP 59259NN66	2/4/14	250,000.000	112.154 108.531	280,385.00 271,327.98			12,500.00 1,006.94	4.59
Unit Price: \$108.749; Coupon Rate 5.000%; Matures 11/01/2016; Int. Semi-Annually May/Nov 01; Federal Tax Exempt; Moody AA2 S&P AA; Issued 03/28/12								
METRO TRANS AUTH N Y TRANS REV REF SER-C CUSIP 59259YJS9	2/26/14	200,000.000	112.023 108.724	224,046.00 217,447.63			10,000.00 416.66	4.59
Unit Price: \$108.803; Coupon Rate 5.000%; Matures 11/15/2016; Int. Semi-Annually May/Nov 15; Federal Tax Exempt; Moody A2 S&P AA-; Issued 11/10/11								
NEW YORK ST DORM AUTH ST PERS INCOME TAX REV CUSIP 649902K44	2/10/14	300,000.000	113.424 109.961	340,272.00 329,884.36			15,000.00 3,124.99	4.54
Unit Price: \$110.107; Coupon Rate 5.000%; Matures 03/15/2017; Int. Semi-Annually Mar/Sep 15; Yield to Maturity .555%; Federal Tax Exempt; Moody AA1 S&P AAA; Issued 10/20/09								
NEW YORK ST DORM AUTH REVS ST UNIV EDK FACS SER A CUSIP 64983RHC4	2/27/14	250,000.000	114.737 111.351	286,842.50 278,378.72			13,750.00 572.91	4.91
Unit Price: \$111.847; Coupon Rate 5.500%; Matures 05/15/2017; Int. Semi-Annually May/Nov 15; Yield to Maturity .635%; Federal Tax Exempt; Moody AA2 S&P AA; Insurer:NATIONAL PUBLIC FINANC; Issued 03/02/05								
EAST ISLIP N Y UN FREE SCH DIST CUSIP 273173JL9	6/4/14	150,000.000	112.749 110.748	169,123.50 166,121.74			7,500.00 3,437.49	4.53
Unit Price: \$110.369; Coupon Rate 5.000%; Matures 06/15/2017; Int. Semi-Annually Jun/Dec 15; Yield to Maturity .866%; Federal Tax Exempt; S&P AA; Issued 07/20/11								
ROCHESTER NY GENL OBLIG SER-I CUSIP 771694GM2	4/22/14	300,000.000	113.497 111.073	340,491.00 333,219.92			15,000.00 4,375.00	4.50
Unit Price: \$111.081; Coupon Rate 5.000%; Matures 08/15/2017; Int. Semi-Annually Feb/Aug 15; Yield to Maturity .852%; Federal Tax Exempt; Moody AA3 S&P A+; Issued 08/15/12								
BATTERY PK CITY AUTH NY SENIOR REV-A CUSIP 07133AGX4	3/5/14	300,000.000	116.061 112.888	348,183.00 338,663.16			15,000.00 1,208.33	4.44
Unit Price: \$112.554; Coupon Rate 5.000%; Matures 11/01/2017; Int. Semi-Annually May/Nov 01; Yield to Maturity .652%; Callable Extraordinary; Federal Tax Exempt; Moody AAA; Issued 10/23/13								
NEW YORK CITY TRANS FIN AUTH FUTURE TAX SECURE SUB REV-B-1 CUSIP 64971WAP5	1/30/14	300,000.000	115.400 112.043	346,200.00 336,129.44			15,000.00 1,208.33	4.44
Unit Price: \$112.400; Coupon Rate 5.000%; Matures 11/01/2017; Int. Semi-Annually May/Nov 01; Yield to Maturity .701%; Federal Tax Exempt; Moody AA1 S&P AAA; Issued 02/04/14								

MSB FBO CLAUDE SIMON

MUNICIPAL BONDS (CONTINUED)

Security Description	Trade Date	Face Value	Orig. Unit Cost Adj. Unit Cost	Orig. Total Cost Adj. Total Cost	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income Accrued Interest	Yield %
METROPOLITAN TRANSPORTATION AUTHORITY N Y TRANS REV REF-F	5/12/14	250,000.000	114.243	285,607.50			12,500.00	4.44
CUSIP 59259YTM1			112.055	280,137.70	281,020.00	882.30 ST	520.83	
Unit Price: \$112.408; Coupon Rate 5.000%; Matures 11/15/2017; Int. Semi-Annually May/Nov 15; Yield to Maturity .751%; Federal Tax Exempt; Moody A2 S&P AA-; Issued 09/28/12								
TRIBOROUGH BRIDGE & TUNNEL AUTH GENL REV-A	1/31/14	300,000.000	115.586	346,758.00			15,000.00	4.44
CUSIP 89602NV92			112.241	336,724.31	337,692.00	967.69 ST	625.00	
Unit Price: \$112.564; Coupon Rate 5.000%; Matures 11/15/2017; Int. Semi-Annually May/Nov 15; Yield to Maturity .701%; Federal Tax Exempt; Moody AA3 S&P AA-; Issued 02/06/14								
TOBACCO SETTLEMENT FING CORP N Y ASSET-BACKED REV SER-A	3/13/14	300,000.000	116.196	348,588.00			15,000.00	4.39
CUSIP 88880TMM5			113.536	340,608.54	340,998.00	389.46 ST	7,458.33	
Unit Price: \$113.666; Coupon Rate 5.000%; Matures 06/01/2018; Int. Semi-Annually Jun/Dec 01; Yield to Maturity 1.019%; Callable Extraordinary; Federal Tax Exempt; S&P AA; Issued 07/07/11								
NEW YORK ST ENV FACS CORP CLN WTR & DRNKNG WTR REV FDS REV-A	3/19/14	300,000.000	117.106	351,318.00			15,000.00	4.37
CUSIP 64986A3R0			114.397	343,190.52	343,245.00	54.48 ST	6,874.99	
Unit Price: \$114.415; Coupon Rate 5.000%; Matures 06/15/2018; Int. Semi-Annually Jun/Dec 15; Yield to Maturity .859%; Federal Tax Exempt; Moody AAA S&P AAA; Issued 03/27/14								
TRIBOROUGH BRDG & TUNL AUTH N Y REVS-A	4/22/14	200,000.000	117.087	234,174.00			10,000.00	4.32
CUSIP 89602NXU3			114.886	229,771.87	231,244.00	1,472.13 ST	416.66	
Unit Price: \$115.622; Coupon Rate 5.000%; Matures 11/15/2018; Int. Semi-Annually May/Nov 15; Yield to Maturity .968%; Federal Tax Exempt; Moody AA3 S&P AA-; Issued 06/06/12								
NEW YORK ST DORMITORY AUTH SALES TAX REV-A	3/5/14	300,000.000	119.189	357,567.00			15,000.00	4.29
CUSIP 64990AAY1			116.475	349,426.47	349,365.00	(61.47) ST	3,124.99	
Unit Price: \$116.455; Coupon Rate 5.000%; Matures 03/15/2019; Int. Semi-Annually Mar/Sep 15; Yield to Maturity 1.067%; Federal Tax Exempt; Moody AA1 S&P AAA; Issued 10/24/13								
NEW YORK ST LOC GOVT ASSISTANCE CORP	1/30/14	300,000.000	118.950	356,850.00			15,000.00	4.28
CUSIP 649876V89			115.995	347,985.31	350,280.00	2,294.69 ST	2,458.33	
Unit Price: \$116.760; Coupon Rate 5.000%; Matures 04/01/2019; Int. Semi-Annually Apr/Oct 01; Yield to Maturity 1.037%; Federal Tax Exempt; S&P AAA; Issued 12/01/10								
NEW YORK ST THRUWAY AUTH GEN REV JR	1/29/14	300,000.000	116.378	349,134.00			15,000.00	4.33
INDEBTNESS OBLIG REV-A			113.887	341,662.40	345,900.00	4,237.60 ST	6,208.33	
CUSIP 650010AD3								
Unit Price: \$115.300; Coupon Rate 5.000%; Matures 05/01/2019; Int. Semi-Annually Jan/Jul 01; Yield to Maturity 1.416%; Federal Tax Exempt; Moody A3 S&P A-; Issued 12/18/13								
NEW YORK ST DORM AUTH REVS NON ST SUPPORTED REV	2/28/14	300,000.000	118.234	354,702.00			15,000.00	4.28
CUSIP 649907YH9			116.401	349,203.03	350,031.00	827.97 ST	6,208.33	
Unit Price: \$116.677; Coupon Rate 5.000%; Matures 07/01/2020; Int. Semi-Annually Jan/Jul 01; Yield to Maturity 1.844%; Callable Extraordinary; Federal Tax Exempt; Moody A2 S&P A; Issued 04/03/14								

Account Detail

Fiduciary Services Active Assets Account
052-078088-222

MSB FBO CLAUDE SIMON

	Face Value Percentage of Assets %	Orig. Total Cost Adj. Total Cost	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income Accrued Interest	Yield %
MUNICIPAL BONDS	5,000,000.000	\$5,763,833.50 \$5,619,556.89	\$5,632,556.50	\$12,999.61 ST	\$251,250.00 \$56,496.43	4.46%
TOTAL MUNICIPAL BONDS (incl. accr. int.)	99.1%		\$5,689,052.93			
	Percentage of Assets %	Total Cost	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income Accrued Interest	Yield %
TOTAL MARKET VALUE	100.0%	\$5,619,556.89	\$5,684,432.83	\$12,999.61 ST	\$251,276.00 \$56,496.43	4.38%

TOTAL VALUE (includes accrued interest)

\$5,740,929.26

Unrealized Gain/(Loss) totals only reflect positions that have cost basis and/or market value information available. Cash, MMF, Deposits and positions stating 'Please Provide' are not included.

ACTIVITY

INVESTMENT RELATED ACTIVITY

TAXABLE INCOME AND DISTRIBUTIONS

Date	Activity Type	Description	Comments	Credits/(Debits)
11/28	Interest Income	MORGAN STANLEY BANK N.A. (Period 11/01-11/30)		\$1.33

TOTAL TAXABLE INCOME AND DISTRIBUTIONS

\$1.33

TOTAL INTEREST

\$1.33

TAX EXEMPT INCOME

Date	Activity Type	Description	Comments	Credits/(Debits)
11/1	Tax Exempt Interest Income	BATTERY PK CIT BE 5000 17NV01	CUSIP: 07133AGX4	\$7,500.00
11/1	Tax Exempt Interest Income	NEW YORK CITY BE 5000 17NV01	CUSIP: 64971WAP5	7,500.00
11/1	Tax Exempt Interest Income	METROPOLITAN T BE 5000 16NV01	CUSIP: 59259NN66	6,250.00
11/15	Tax Exempt Interest Income	TRIBOROUGH BRI BE 5000 17NV15	CUSIP: 89602NV92	7,500.00
11/15	Tax Exempt Interest Income	NYS DORM AU-A BE 5500 17MY15	CUSIP: 64983RHC4	6,875.00
11/15	Tax Exempt Interest Income	METROPOLITAN T BE 5000 17NV15	CUSIP: 59259YTM1	6,250.00
11/15	Tax Exempt Interest Income	TRIBOROUGH BRD BE 5000 18NV15	CUSIP: 89602NXU3	5,000.00
11/15	Tax Exempt Interest Income	MTA TRANS-C BE 5000 16NV15	CUSIP: 59259YJS9	5,000.00

TOTAL TAX EXEMPT INCOME

\$51,875.00

TOTAL INTEREST

\$51,875.00

Fiduciary Services Active Assets Account
052-078088-222

MSB FBO CLAUDE SIMON

Account Detail

CASH RELATED ACTIVITY

ELECTRONIC TRANSFERS

Check disbursements from branch offices are displayed as Electronic Transfers.

Date	Activity Type	Description	Comments	Credits/(Debits)
11/3	Cash Transfer - Debit	TRANSFER AS OF 11/01	CONFIRMATION # 25011856 TO 052-062431	\$(0.13)

TOTAL ELECTRONIC TRANSFERS	\$(0.13)
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TOTAL ELECTRONIC TRANSFERS-DEBITS	\$(0.13)
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MONEY MARKET FUND (MMF) AND BANK DEPOSIT PROGRAM ACTIVITY

Date	Activity Type	Description	Credits/(Debits)
11/3	Automatic Redemption	BANK DEPOSIT PROGRAM	\$(0.13)
11/4	Automatic Investment	BANK DEPOSIT PROGRAM	21,250.00
11/18	Automatic Investment	BANK DEPOSIT PROGRAM	30,625.00
11/28	Automatic Investment	BANK DEPOSIT PROGRAM	1.33

NET ACTIVITY FOR PERIOD	\$51,876.20
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MESSAGES

Important Information About Advisory Accounts

Please notify your Financial Advisor if there have been any changes in your financial situation or investment objectives, or if you wish to impose any reasonable restrictions on the management of your Investment Advisory accounts, or to reasonably modify existing restrictions.

For a copy of the applicable ADV Brochure for Morgan Stanley Smith Barney LLC, or for any Investment Adviser with whom we contract to manage your investment advisory account, please contact your Financial Advisor. These ADV Brochures contain important information about advisory programs.

Standard Disclosures

The following Disclosures are applicable to the enclosed statement(s). Expanded Disclosures are attached to your most recent June and December statement (or your first Statement if you have not received a statement for those months). The Expanded Disclosures are also available by selecting Account Documents when you log on to www.morganstanley.com/online or, call 800-869-3326.

Questions?

Questions regarding your account may be directed to your Financial Advisor or the Branch Manager for the branch office where you maintain your account. If you require further assistance, call Client Service Center at (800) 869-3326 or for account-related concerns call our Client Advocate at (866) 227-2256.

Errors and Inquiries

It is your responsibility to review your statement promptly and to seek immediate clarification about entries that you do not understand or believe were made in error by contacting the Branch Manager of the office where you maintain your account. Oral communications regarding any inaccuracy or discrepancy in this statement should be re-confirmed in writing to further protect your rights, including rights under the Securities Investor Protection Act (SIPA). Your statement will be deemed correct unless we receive a written inquiry of a suspected error. See your account documentation for special rules regarding your rights and responsibilities with respect to erroneous electronic fund transfers, including a description of the transfers covered.

Availability of Free Credit Balances and Financial Statements

Under the customer protection rules of the SEC [17 CFR §240.15c3-3], we may use funds comprising free credit balances carried for customer accounts here, provided that these funds are payable to customers on demand (i.e., are free of a lien or right of set-off in our favor or on behalf of some third party to whom you have given control). A financial statement of this organization is available for your personal inspection at its offices, or a copy will be mailed to you upon your written request.

Listed Options

Information with respect to commissions and other charges related to the execution of options transactions has been included in confirmations of such transactions previously furnished to you and such information will be made available to you promptly at your request. Promptly advise us of any material change in your investment objectives or financial situation.

Important Information if you are a Margin Customer(not available for certain retirement accounts)

If you have margin privileges, you may borrow money from us in exchange for pledging assets in your accounts as collateral for any outstanding margin loan. The amount you may borrow is based on the

value of the eligible securities in your margin accounts. If a security has eligible shares, the number of shares pledged as collateral will be indicated below the position.

Margin Interest Charges

We calculate interest charges on margin loans as follows: (1) multiply the applicable margin interest rate by the daily close of business net settled debit balance, and (2) divide by 360 (days). Margin interest accrues daily throughout the month and is added to your debit balance at month-end. The month-end interest charge is the sum of the daily accrued interest calculations for the month. We add the accrued interest to your debit balance and start a new calculation each time the applicable interest rate changes and at the close of every statement month. For current margin loan interest rates, go to www.morganstanley.com/online/MIRates.

Information regarding Special Memorandum Account

If you have a Margin Account, this is a combined statement of your Margin Account and Special Memorandum Account maintained for you under Section 220.5 of Regulation T issued by the Board of Governors of the Federal Reserve System. The permanent record of the Special Memorandum Account as required by Regulation T is available for your inspection at your request.

Important Information About Auction Rate Securities

Due to market conditions, certain Auction Rate Securities experience no or limited liquidity. Therefore, the price(s) for any Auction Rate Securities shown on this statement may not reflect the price(s) you would receive upon a sale at auction or in a secondary market transaction, and are not an indication of any offer to purchase at such price.

Structured Products

Structured Products are complex products and may be subject to special risks. Investors should consider the concentration risk of owning the related security and their total exposure to any underlying asset. Structured Products may not perform in a manner consistent with the statement product category in which they appear and therefore may not satisfy portfolio asset allocation needs for that category.

Security Measures

This statement features several embedded security elements to safeguard its authenticity. One is a unique security mark--a blue rectangle printed in heat-sensitive ink on the back of every page. When exposed to warmth, the blue rectangle will disappear, and then reappear.

SIPC Protection

We are a member of Securities Investor Protection Corporation (SIPC), which protects securities of its customers up to \$500,000 (including \$250,000 for claims for cash). An explanatory brochure is available

upon request or at www.sipc.org. Losses due to market fluctuation are not protected by SIPC and assets not held with us may not be covered by SIPC protection. To obtain information about SIPC, including an explanatory SIPC brochure, contact SIPC at 1-202-371-8300 or visit www.sipc.org.

Transaction Dates and Conditions

Upon written request, we will furnish the date and time of a transaction and the name of the other party to a transaction. We and/or our affiliates may accept benefits that constitute payment for order flow. Details regarding these benefits and the source and amount of any other remuneration received or to be received by us in connection with any transaction will be furnished upon written request.

Equity Research Ratings Definitions and Consulting Group Investment Advisory Statuses

Some equity securities may have research ratings from Morgan Stanley & Co. LLC or Standard & Poor's. Research ratings are the research providers' opinions and not representations or guarantees of performance. For more information about each research provider's rating system, see the Research Ratings and CG IAR Status Definitions on your most recent June or December statement (or your first statement if you have not received a statement for those months), go to www.morganstanley.com/online or refer to the research provider's research report. Research reports contain more complete information concerning the analyst's views and you should read the entire research report and not infer its contents from the rating alone. If your account contains an advisory component or is an advisory account, CG IAR statuses apply.

Credit Ratings from Moody's Investors Service and Standard & Poor's
The credit rating from Moody's Investors Service and Standard & Poor's may be shown for certain securities. All credit ratings represent the opinions of the provider and are not representations or guarantees of performance. Your Financial Advisor will be pleased to provide you with further information or assistance in interpreting these credit ratings.

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