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CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities Offered	*Maximum Aggregate Offering Price*	*An*
Non-Callable Contingent Coupon Notes due 2025	$17,521,000	

PROSPECTUS dated December 23, 2008
PROSPECTUS SUPPLEMENT dated December 23, 2008

Pri
Registration

$17,521,000

Morgan Stanley

GLOBAL MEDIUM-TERM NOTES, SERIES F
Senior Notes

Non-Callable Contingent Coupon Notes
Based on the Performance of the S&P 500® Index due December 22, 2025

Unlike ordinary debt securities, the Non-Callable Contingent Coupon Notes Based on the Performance of the S&P 500® Index which we refer to as the notes, only provide for the regular payment of interest for the first two years following the issuance of year and until maturity, the notes will pay a contingent monthly coupon ***but only if*** *the index closing value of the S&P 500® In underlying index, is* ***at or above*** *925, which we refer to as the barrier level, on the related observation date (as specified below is less than the barrier level on any observation date, we will pay no interest for the related interest period. It is possible that could remain below the barrier level for extended periods of time or even throughout the period from the third year following maturity so that you will receive no contingent monthly coupons. At maturity, the payment due under the notes will be the state note you hold and accrued and unpaid interest, if any. The notes are senior unsecured obligations of Morgan Stanley and all including the repayment of principal, are subject to the credit risk of Morgan Stanley.*

- *The principal amount and original issue price of each note is $1,000.*
- *During the first and second years following the issuance of the notes, which will be from and including the original December 22, 2012, the notes will pay a monthly coupon of 8.00% per annum.*
- *From the third year following the issuance of the notes until maturity, the notes will pay a contingent monthly coupon of the index closing value of the S&P 500® Index on the related observation date is at or above the barrier level.*
  If, on any observation date, the index closing value is less than the barrier level, we will pay no coupon for the applicab
- *The barrier level is 925.*
- *The interest payment dates are the 22nd day of each month, beginning January 22, 2011.*
- *The observation dates are the third business day preceding each interest payment date, beginning with the January 22, 20*
- *The maturity date and each interest payment date may be postponed as a result of the postponement of the related obser business days or certain market disruption events. No adjustment will be made to any interest payment made on that post*
- *The notes will not be listed on any securities exchange.*

- *The CUSIP number for the notes is 617482PU2 and the ISIN for the notes is US617482PU21.*

You should read the more detailed description of the notes in this pricing supplement. In particular, you should review and u
"Summary of Pricing Supplement" and "Description of Notes."

The notes are riskier than ordinary debt securities. See "Risk Factors" beginning on PS-6.

The Securities and Exchange Commission and state securities regulators have not approved or disapproved these securities
pricing supplement is truthful or complete. Any representation to the contrary is a criminal offense.

PRICE $1,000 PER NOTE

	Price to Public	Agent's Commissions(1)
Per note	$1,000	$35
Total	$17,521,000	$613,235

(1) Selected dealers, including Morgan Stanley Smith Barney LLC (an affiliate of the Agent), and their financial advisors will collectively receive from the A
Incorporated, a fixed sales commission of $35 for each note they sell. See "Description of Notes—Supplemental Information Concerning Plan of Distrib
pricing supplement. For additional information, see "Plan of Distribution" in the accompanying prospectus supplement.

The agent for this offering, Morgan Stanley & Co. Incorporated, is our wholly owned subsidiary. See "Description of Note
Information Concerning Plan of Distribution; Conflicts of Interest" in this pricing supplement.

The notes are not bank deposits and are not insured or guaranteed by the Federal Deposit Insurance Corporation or any ot
nor are they obligations of, or guaranteed by, a bank.

MORGAN STANLEY

For a description of certain restrictions on offers, sales and deliveries of the notes and on the distribution of this p accompanying prospectus supplement and prospectus relating to the notes, see the section of this pricing supplement ca Notes—Supplemental Information Concerning Plan of Distribution; Conflicts of Interest."

No action has been or will be taken by us, the Agent or any dealer that would permit a public offering of the notes o distribution of this pricing supplement or the accompanying prospectus supplement or prospectus in any jurisdiction, o States, where action for that purpose is required. Neither this pricing supplement nor the accompanying prospectus su may be used for the purpose of an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is person to whom it is unlawful to make such an offer or solicitation.

The notes have not been and will not be registered with the Comissão de Valores Mobiliários (The Brazilian Securi notes may not be offered or sold in the Federative Republic of Brazil except in circumstances which do not constitute a distribution under Brazilian laws and regulations.

The notes have not been registered with the Superintendencia de Valores y Seguros in Chile and may not be offered Chile. No offer, sales or deliveries of the notes or distribution of this pricing supplement or the accompanying prospect prospectus, may be made in or from Chile except in circumstances which will result in compliance with any applicable regulations.

No action has been taken to permit an offering of the notes to the public in Hong Kong as the notes have not been a and Futures Commission of Hong Kong and, accordingly, no advertisement, invitation or document relating to the note or elsewhere, shall be issued, circulated or distributed which is directed at, or the contents of which are likely to be acce in Hong Kong other than (i) with respect to the notes which are or are intended to be disposed of only to persons outsid professional investors within the meaning of the Securities and Futures Ordinance (Cap. 571) of Hong Kong ("SFO") a thereunder or (ii) in circumstances that do not constitute an invitation to the public for the purposes of the SFO.

The notes have not been registered with the National Registry of Securities maintained by the Mexican National Ba Commission and may not be offered or sold publicly in Mexico. This pricing supplement and the accompanying prospe prospectus may not be publicly distributed in Mexico.

The agent and each dealer represent and agree that they will not offer or sell the notes nor make the notes the subje subscription or purchase, nor will they circulate or distribute this pricing supplement or the accompanying prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the indirectly, to persons in Singapore other than:

(a) an institutional investor (as defined in section 4A of the Securities and Futures Act (Chapter 289 of Singapor

(b) an accredited investor (as defined in section 4A of the SFA), and in accordance with the conditions, specified

(c) a person who acquires the notes for an aggregate consideration of not less than Singapore dollars Two Hundr (or its equivalent in a foreign currency) for each transaction, whether such amount is paid for in cash, by exchange of sl unless otherwise permitted by law; or

(d) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

SUMMARY OF PRICING SUPPLEMENT

The following summary describes the notes in general terms only. You should read the summary together with the more d contained in the rest of this pricing supplement and in the accompanying prospectus and prospectus supplement. You should c other things, the matters set forth in "Risk Factors."

*The notes are medium-term debt securities of Morgan Stanley. The notes only provide for the regular payment of interest following the original issue date. After the second year and until maturity, the notes will pay a contingent monthly coupon **but** value of the S&P 500® Index is at or above 925, which we refer to as the barrier level, on the related observation date. The no investors who are willing to forgo market floating interest rates and accept the risk of no interest payments after the second ye opportunity to earn interest at a potentially above-market rate if the S&P 500® Index closes at or above the barrier level on ea date. All payments on the notes, including the repayment of principal, are subject to the credit risk of Morgan Stanley.*

"Standard & Poor's®", "S&P®", "S&P 500®", "Standard & Poor's 500" and "500" are trademarks of The McGraw-H been licensed for use by Morgan Stanley.

Each note costs $1,000

We, Morgan Stanley, are offering the Non-Callable Contingent Coupon Notes B the S&P 500® Index due December 22, 2025, which we refer to as the notes. Th original issue price of each note is $1,000.

The original issue price of the notes includes the agent's commissions paid with as the cost of hedging our obligations under the notes. The cost of hedging inclu our subsidiaries may realize in consideration for assuming the risks inherent in m transactions. The secondary market price, if any, at which Morgan Stanley & C refer to as MS & Co., is willing to purchase the notes is expected to be affected a these commissions and hedging costs in the original issue price. In addition, the may be lower due to the costs of unwinding the related hedging transactions at th market transaction. See "Risk Factors—The inclusion of commissions and proje the original issue price is likely to adversely affect secondary market prices" and Use of Proceeds and Hedging."

The notes provide for regular interest payments only during the first and second years following their issuance

Unlike ordinary debt securities, the notes only provide for the regular payment o annum during the two-year period following the original issue date.

From the third year following the issuance, the notes will pay a contingent coupon based on the level of the S&P 500® Index

After the second year and until maturity, the notes will pay a contingent monthly index closing value of the S&P 500® Index is **at or above the barrier level** on t date. If, on any monthly observation date from the third year following the issua maturity, which will be from and including December 22, 2012 to but excluding closing value of the underlying index is at or above the barrier level, we will pay annum (computed on the basis of a year of 360 days and twelve 30-day months) payment date for the applicable interest period.

If, however, the index closing value of the underlying index is lower than th monthly observation date, we will pay no coupon for the applicable interest the index closing value could remain below the barrier level for extended p throughout

**the period from the third year following the original issue date until maturi
no contingent monthly coupons.**

We refer to the coupon on the notes as contingent, because there is no guarantee
coupon payment on any interest payment date. Even if the underlying index we
barrier level on some monthly observation dates, it may fluctuate below the barr

The barrier level is 925.

The interest payment dates are the 22nd day of each month, beginning January 2
dates are the third business day preceding each interest payment date, beginning
interest payment date, subject to postponement for non-index business days and
events.

Each interest period will be the monthly period from and including the original i
first interest period) or the previous scheduled interest payment date, as applicab
following scheduled interest payment date, with no adjustment for any postpone

The maturity date and each interest payment date may be postponed as a result o
related observation date due to non-index business days or certain market disrup
will be made to any interest payment made on that postponed date.

100% of the principal amount due at maturity	At maturity, the payment due under the notes will be the stated principal amoun unpaid interest, if any, subject to issuer credit risk. Please review the historical performance of the underlying index for the period f through December 17, 2010 in this pricing supplement under "Description of No Information." You cannot predict the future performance of the underlying inde performance.
Morgan Stanley & Co. Incorporated will be the calculation agent	We have appointed our affiliate, Morgan Stanley & Co. Incorporated, which we as calculation agent for The Bank of New York Mellon, a New York banking co trustee to JPMorgan Chase Bank, N.A. (formerly known as JPMorgan Chase Ba senior notes. As calculation agent, MS & Co. will determine the payment that y interest payment date and at maturity.
Morgan Stanley & Co. Incorporated will be the agent; conflicts of interest	The agent for the offering of the notes, MS & Co., our wholly-owned subsidiary in compliance with the requirements of NASD Rule 2720 of the Financial Indus Inc., which is commonly referred to as FINRA, regarding a FINRA member firm securities of an affiliate and related conflicts of interest. MS & Co. or any of ou make sales in this offering to any discretionary account. See "Description of No Information Concerning Plan of Distribution; Conflicts of Interest" on PS-21.
The notes will be treated as	The notes will be treated as "contingent payment debt instruments" for U.S. fede

contingent payment debt instruments for U.S. federal income tax purposes	described in the section of this pricing supplement called "Description of Notes Income Taxation." Under this treatment, if you are a U.S. taxable investor, you annual income tax based on the comparable yield (as set forth in this pricing sup adjusted upward or downward to reflect the difference, if any, between the actua any contingent payments on the notes. In addition,

any gain recognized by U.S. taxable investors on the sale or exchange, or at mat
will be treated as ordinary income. Please read the section of this pricing supple
Notes — United States Federal Income Taxation" and the sections called "Unite
— Tax Consequences to U.S. Holders — Notes — Optionally Exchangeable No
Taxation — Tax Consequences to U.S. Holders — Backup Withholding and Inf
"United States Federal Taxation — Tax Consequences to U.S. Holders — Discl
accompanying prospectus supplement.

If you are a non-U.S. investor, please read the section of this pricing supplement
Notes — United States Federal Income Taxation — Tax Consequences to Non-U

**You should consult your tax advisers regarding all aspects of the U.S. feder
investment in the notes as well as any tax consequences arising under the la
foreign taxing jurisdiction**.

Where you can find more information on the notes

The notes are unsecured senior notes issued as part of our Series F medium-term
find a general description of our Series F medium-term note program in the acco
supplement dated December 23, 2008 and in the prospectus dated December 23,
basic features of this type of note in the sections of the prospectus supplement ca
Notes—Notes Linked to Commodity Prices, Single Securities, Baskets of Secur
section of the prospectus called "Description of Debt Securities—Fixed Rate De

**Because this is a summary, it does not contain all the information that may
a detailed description of the terms of the notes, you should read the "Descri
this pricing supplement. You should also read about some of the risks invol
notes in the section called "Risk Factors." The tax treatment of investment
such as these differs from that of investments in ordinary debt securities. S
pricing supplement called "Description of Notes—United States Federal Inc
should consult with your investment, legal, tax, accounting and other adviso
proposed or actual investment in the notes.**

How to reach us

You may contact your local Morgan Stanley Smith Barney branch office or our
at 1585 Broadway, New York, New York 10036 (telephone number (212) 761-4

RISK FACTORS

The notes are not secured debt, are riskier than ordinary debt securities and, unlike ordinary debt securities, the notes only pro of interest for the first two years following their issuance. After the second year and until maturity, the notes will pay a con **only if** the index closing value of the S&P 500® Index is at or above the barrier level on the related observation date. In addit not equivalent to investing in a fixed rate debt security due to the fact that any interest payments after the second year contingent on the performance of the S&P 500® Index. This section describes the most significant risks relating to the notes.

The notes provide for regular interest payments only during the first and second years following their issuance

The terms of the notes differ from those of ordinary debt securities in that they c payment of interest during the two-year period following the original issue date. until maturity, the notes will pay a contingent monthly coupon **but only if** the in S&P 500® Index is **at or above** 925, which we refer to as the barrier level, on th date. **If, on the other hand, the index closing value of the underlying index i level on the relevant observation date for any interest period, we will pay no interest payment date. It is possible that the index closing value could rema for extended periods of time or even throughout the period from the third y issue date until maturity so that you will receive no contingent monthly cou** sufficient contingent coupons over the term of the notes, the overall return on th amount that would be paid on a conventional debt security of the issuer of comp

The contingent coupon is based only on the value of the underlying index on the related monthly observation date at the end of the related interest period

Whether the contingent coupon will be paid on any interest payment date will be the relevant interest period based on the closing value of the underlying index on observation date. As a result, you will not know whether you will receive the co interest payment date until near the end of the relevant interest period. Moreove coupon is based solely on the value of the underlying index on monthly observa value of the underlying index on any observation date is below the barrier level, for the related interest period even if the level of the underlying index was at or other days during that interest period.

Market price will be influenced by many unpredictable factors

Several factors, many of which are beyond our control, will influence the value o market and the price at which MS & Co. may be willing to purchase or sell the n market. We expect that generally the level of interest rates available in the mark 500® Index on any day will affect the value of the notes more than any other fac influence the value of the notes include:

- the volatility (frequency and magnitude of changes in value) of the S&P 500
- whether the index closing value of the S&P 500® Index has been below the observation date,
- geopolitical conditions and economic, financial, political, regulatory or judic component stocks of the underlying index or securities markets generally and w the underlying index,

- dividend rates on the securities underlying the S&P 500® Index,
- the time remaining until the notes mature,

- interest and yield rates in the market,
- the availability of comparable instruments,
- the composition of the S&P 500® Index and changes in the constituent stock
- any actual or anticipated changes in our credit ratings or credit spreads.

Some or all of these factors will influence the price that you will receive if you s maturity. For example, you may have to sell your notes at a substantial discount amount of $1,000 per note if the value of the S&P 500® Index at the time of sale if market interest rates rise.

You cannot predict the future performance of the S&P 500® Index based on its h value of the underlying index may decrease and be below the barrier level on ea you will receive no return on your investment aside from the 8.00% per annum c the first and second years following the issuance of the notes. There can be no a value of the underlying index will be at or above the barrier level on any observa receive a coupon payment on the notes for the applicable interest period. See "I Historical Information" on PS-15.

The notes are subject to the credit risk of Morgan Stanley, and any actual or anticipated changes to its credit ratings or credit spreads may adversely affect the market value of the notes

Under the terms of the notes, Morgan Stanley is obligated to return to you the st maturity. However, as with an ordinary debt security, you are dependent on Mo all amounts due on the notes at maturity and therefore you are subject to the cred Stanley. The notes are not guaranteed by any other entity. If Morgan Stanley de under the notes, your investment would be at risk and you could lose some or al result, the market value of the notes prior to maturity will be affected by changes Morgan Stanley's creditworthiness. Any actual or anticipated decline in Morgan increase in the credit spreads charged by the market for taking Morgan Stanley c adversely affect the market value of the notes.

The notes will not be listed on any securities exchange and secondary trading may be limited

The notes will not be listed on any securities exchange. Therefore, there may be market for the notes. MS & Co. may, but is not obligated to, make a market in t secondary market, it may not provide enough liquidity to allow you to trade or s we do not expect that other broker-dealers will participate significantly in the se notes, the price at which you may be able to trade your notes is likely to depend which MS & Co. is willing to transact. If, at any time, MS & Co. were not to m is likely that there would be no secondary market for the notes. Accordingly, yo your notes to maturity.

The inclusion of commissions and projected profit from hedging in the original issue price is likely to adversely affect secondary market prices

Assuming no change in market conditions or any other relevant factors, the price is willing to purchase the notes at any time in secondary market transactions wil lower than the original issue price, since secondary market prices are likely to ex with respect to the notes and the cost of hedging our obligations under the notes original issue price. The cost of hedging includes the projected profit that our su

consideration for assuming the risks inherent in managing the hedging transactio
market prices are also likely to be reduced by the costs of unwinding the related
subsidiaries may realize a profit from the expected hedging activity even if inves

receive a favorable investment return under the terms of the notes or in any seco
transaction. In addition, any secondary market prices may differ from values de
used by MS & Co., as a result of dealer discounts, mark-ups or other transaction

Hedging and trading activity by our subsidiaries could potentially affect the value of the notes

One or more of our subsidiaries expect to carry out hedging activities related to instruments linked to the underlying index or its component stocks), including tr constitute the underlying index as well as in other instruments related to the und subsidiaries also trade the stocks that constitute the underlying index and other f to the underlying index on a regular basis as part of their general broker-dealer a these hedging or trading activities during the term of the notes could affect whet closes at or above the barrier level on the observation dates and, accordingly, wh contingent coupon on the notes.

The calculation agent, which is a subsidiary of the issuer, will make determinations with respect to the notes

As calculation agent, MS & Co. will determine the payment that you will receiv date and at maturity. Any of these determinations made by MS & Co. in its capa including with respect to the occurrence or non-occurrence of market disruption a successor index or calculation of the index closing value in the event of a mark discontinuance of the underlying index, may adversely affect the payout to you a of this pricing supplement called "Description of Notes—Market Disruption Eve of the Index; Alteration of Method of Calculation."

Adjustments to the underlying index could adversely affect the value of the notes

The publisher of the underlying index may add, delete or substitute the compone index or make other methodological changes that could change the value of the these actions could adversely affect the value of the notes. The publisher of the discontinue or suspend calculation or publication of the underlying index at any circumstances, MS & Co., as the calculation agent, will have the sole discretion index that is comparable to the discontinued index. MS & Co. could have an ec different than that of investors in the notes insofar as, for example, MS & Co. is indices that are calculated and published by MS & Co. or any of its affiliates. If there is no appropriate successor index on any observation date, the determinatio be payable on the notes on the applicable interest payment date will be based on underlying index based on the closing prices of the stocks constituting the under such discontinuance, without rebalancing or substitution, computed by MS & Co accordance with the formula for calculating the underlying index last in effect pr is less than the barrier level.

DESCRIPTION OF NOTES

Terms not defined herein have the meanings given to such terms in the accompanying prospectus supplement. The term "
Stated Principal Amount of our Non-Callable Contingent Coupon Notes Based on the Performance of the S&P 500® Index
this pricing supplement, the terms "we," "us" and "our" refer to Morgan Stanley.

Aggregate Principal Amount	$17,521,000
Pricing Date	December 17, 2010
Original Issue Date (Settlement Date)	December 22, 2010 (3 Business Days after the Pricing Date)
Maturity Date	December 22, 2025, subject to extension as described below If, due to a Market Disruption Event or otherwise, the final Observation Date less than two Business Days prior to the scheduled Maturity Date, the Matur Business Day following that final Observation Date as postponed, and no adju interest payment made on that postponed date. See "—Observation Date" below
Specified Currency	U.S. dollars
CUSIP Number	617482PU2
ISIN Number	US617482PU21
Minimum Purchase Amount	$1,000 and integral multiples of $1,000 in excess thereof
Original Issue Price	$1,000 (100%)
Stated Principal Amount	$1,000
Underlying Index	The S&P 500® Index (the "Index")
Index Publisher	Standard & Poor's, a Division of The McGraw-Hill Companies, Inc. ("S&P")
Contingent Interest Rate	During the first and second years following the Original Issue Date, which wi Original Issue Date to but excluding December 22, 2012, the Notes will pay a (computed on the basis of a year of 360 days and twelve 30-day months). From the third year following the Original Issue Date until maturity, which December 22, 2012 to but excluding the Maturity Date, the Notes will pay a co 8.00% per annum (computed on the basis of a year of 360 days and twel applicable Interest Period **but only if** the Index Closing Value on the relate **above the Barrier Level**.

Barrier Level	925
Index Closing Value	The Index Closing Value on any Index Business Day will be determined by the equal the official closing value of the Index, or any Successor Index (as defined the Index; Alteration of Method of Calculation" below), published at the regul trading on such Index Business Day by the Index Publisher. In certain circur Value will be based on the alternate calculation of the Index described unde Index; Alteration of Method of Calculation."
Interest Payment Dates	The 22nd day of each month, beginning January 22, 2011; *provided* that if any Date is not a Business Day, that interest payment, if any, will be made on the ne and no adjustment will be made to any interest payment made on that succeed *further* that the payment of interest, if any, with respect to the final Observatic Maturity Date. In addition, during the third year following the Original Issue D a Market Disruption Event or otherwise, any Observation Date is postponed s Business Days prior to the scheduled Interest Payment Date, the Interest Paym Business Day following that Observation Date as postponed, and no adjustment payment made on that postponed date. See "—Observation Dates" below.
Interest Period	The monthly period from and including the Original Issue Date (in the case of the previous scheduled Interest Payment Date, as applicable, to but excludi Interest Payment Date, with no adjustment for any postponement thereof.
Record Date	The Record Date for each Interest Payment Date, including the Interest Paymen the Maturity Date, will be the date 15 calendar days prior to such scheduled Int or not that date is a Business Day.
Observation Dates	The third Business Day preceding each Interest Payment Date, commencing wi of January 22, 2013, or if any such day is not an Index Business Day or if t Event on such day, the relevant Observation Date shall be the next succeeding In there is no Market Disruption Event; provided that if a Market Disruption Event five Index Business Days immediately succeeding any of the scheduled Obse fifth succeeding Index Business Day will be deemed to be the relevant Observ the occurrence of a Market Disruption Event on such day and (ii) with resp Business Day on which a Market Disruption Event occurs, the Calculation Ag Closing Value on such fifth Index Business Day in

accordance with the formula for and method of calculating the Index commencement of the Market Disruption Event, using the closing price (o securities has been materially suspended or materially limited, its good faith that would have prevailed but for such suspension or limitation) at the close of of the Relevant Exchange on such Index Business Day of each security most re without any rebalancing or substitution of such securities following the co Disruption Event.

With respect to any Interest Period, the related Observation Date is the Observa period.

Payment at Maturity	The payment due per Note at maturity will be the Stated Principal Amount of any accrued but unpaid interest with respect to the Notes. We shall, or shall cause the Calculation Agent to (i) provide written notice Depository Trust Company ("DTC"), on which notice the Trustee and DTC n amount of cash to be delivered with respect to each Stated Principal Amount 10:30 a.m. (New York City time) on the Business Day preceding the Maturi aggregate cash amount due with respect to the Notes to the Trustee for delive Notes, on the Maturity Date. We expect such amount of cash will be distributed Date in accordance with the standard rules and procedures of DTC a participants. See "—Book Entry Note or Certificated Note" below and Depositary" in the accompanying prospectus.
Index Business Day	Index Business Day means a day, as determined by the Calculation Agent, o conducted on each of the Relevant Exchange(s) for the Index, other than a da exchange(s) is scheduled to close prior to the time of the posting of its regular fi
Business Day	Any day, other than a Saturday or Sunday, that is neither a legal holiday n institutions are authorized or required by law or regulation to close in the City o
Relevant Exchange	Relevant Exchange means, with respect to the Index or its Successor Index, market(s) of trading for (i) any security then included in such index and (ii) an related to such index or to any security then included in such index.
Market Disruption Event	Market Disruption Event means: (i) the occurrence or existence of a suspension, absence or material limit then constituting

20 percent or more of the value of the Index (or the Successor Index) on t
such securities for more than two hours of trading or during the one-hal
close of the principal trading session on such Relevant Exchange(s); or a
price and trade reporting systems of any Relevant Exchange as a result o
prices for securities then constituting 20 percent or more of the value of
Index) during the last one-half hour preceding the close of the princip
Relevant Exchange(s) are materially inaccurate; or the suspension, mater
trading on any major U.S. securities market for trading in futures or opt
traded funds related to the Index (or the Successor Index) for more than tw
the one-half hour period preceding the close of the principal trading sess
case as determined by the Calculation Agent in its sole discretion; and

(ii) a determination by the Calculation Agent in its sole discretion that any
above materially interfered with our ability or the ability of any of our affi
or a material portion of the hedge position with respect to the Notes.

For the purpose of determining whether a Market Disruption Event exists at any
included in the Index is materially suspended or materially limited at that time,
contribution of that security to the value of the Index shall be based on a compar
value of the Index attributable to that security relative to (y) the overall valu
immediately before that suspension or limitation.

For the purpose of determining whether a Market Disruption Event exists at any
hours or number of days of trading will not constitute a Market Disruption
announced change in the regular business hours of the Relevant Exchange o
permanently discontinue trading in the relevant futures or options contract or ex
constitute a Market Disruption Event, (3) a suspension of trading in futu
exchange-traded funds on the Index by the primary securities market trading i
reason of (A) a price change exceeding limits set by such securities exchange or
orders relating to such contracts or funds or (C) a disparity in bid and ask quotes
funds will constitute a suspension, absence or material limitation of trading in fu
exchange-traded funds related to the Index and (4) a "suspension, absence or m
on any Relevant Exchange or on the primary market on which futures or opt
traded funds related to the Index are traded

will not include any time when such securities market is itself closed for trading
circumstances.

Discontinuance of the Index;
Alteration of Method of Calculation

If the Index Publisher discontinues publication of the Index and the Index
(including Morgan Stanley & Co. Incorporated ("MS & Co.")) publishes a succ
MS & Co., as the Calculation Agent, determines, in its sole discretion, to be co
Index (such index being referred to herein as the "Successor Index"), then an
Value will be determined by reference to the published value of such Suc
weekday close of trading on any Index Business Day that the Index Closing Val

Upon any selection by the Calculation Agent of the Successor Index, the C
written notice thereof to be furnished to the Trustee, to us and to DTC, as hold
Business Days of such selection. We expect that such notice will be made ava
owner of the Notes, in accordance with the standard rules and procedures of D
participants.

If the Index Publisher discontinues publication of the Index or the Success
discontinuance is continuing on, any Observation Date or the date of accelera
Calculation Agent, determines, in its sole discretion, that no successor index is
the Calculation Agent will determine the Index Closing Value for such date.
the Index or the Successor Index will be computed by the Calculation Agent in
for and method of calculating such index last in effect prior to such discontinu
(or, if trading in the relevant securities has been materially suspended or mate
estimate of the closing price that would have prevailed but for such suspension
the principal trading session of the Relevant Exchange on such date of e
constituting such index without any rebalancing or substitution of such
discontinuance. Notwithstanding these alternative arrangements, discontinuan
Index may adversely affect the value of the Notes.

If at any time, the method of calculating the Index or the Successor Index, or the
a material respect, or if the Index or the Successor Index is in any other way
does not, in the opinion of MS & Co., as the Calculation Agent, fairly represent
such changes or modifications not been made, then, from and after such time, t
the close of business in New York City on each date on which the Index Closin
make such calculations and adjustments as, in the good faith judgment of the Ca

Agent, may be necessary in order to arrive at a value of a stock index com
Successor Index, as the case may be, as if such changes or modifications h
Calculation Agent will calculate the Index Closing Value with reference to the I
as adjusted. Accordingly, if the method of calculating the Index or the Success
the value of such index is a fraction of what it would have been if it had not b
split in the index), then the Calculation Agent will adjust such index in order to
or the Successor Index as if it had not been modified (e.g., as if such split had no

Book Entry Note or Certificated Note	Book Entry. The Notes will be issued in the form of one or more fully regist will be deposited with, or on behalf of, DTC and will be registered in t DTC. DTC's nominee will be the only registered holder of the Notes. Your be will be evidenced solely by entries on the books of the securities intermediary direct or indirect participant in DTC. In this pricing supplement, all reference you will mean payments or notices to DTC, as the registered holder of th participants in accordance with DTC's procedures. For more information reg notes, please read "The Depositary" in the accompanying prospectus s Securities—Global Securities—Registered Global Securities" in the accompany
Senior Note or Subordinated Note	Senior
Trustee	The Bank of New York Mellon, a New York banking corporation (as successor Bank, N.A.)
Agent	MS & Co.
Alternate Exchange Calculation in Case of an Event of Default	In case an Event of Default with respect to the Notes shall have occurred an declared due and payable for each Note upon any acceleration of the Notes (will be determined by the Calculation Agent and will be an amount in cash e Amount of the Notes plus any applicable interest payment calculated using the then current Interest Period and as if the date of acceleration were the related Ob If the maturity of the Notes is accelerated because of an Event of Default as d shall cause the Calculation Agent to, provide written notice to the Trustee at its notice the Trustee may conclusively rely, and to DTC of the Acceleration Am amount due with respect to the Notes as promptly as possible and in no event l after the date of acceleration.

Calculation Agent

MS & Co. and its successors.

All determinations made by the Calculation Agent will be at the sole discretion
will, in the absence of manifest error, be conclusive for all purposes and binding

All calculations related to determination of the amount of cash payable per
nearest ten-thousandth, with five one hundred-thousandths rounded upward (e.g
up to .7655); and all dollar amounts paid on the aggregate number of Notes w
cent, with one-half cent rounded upward.

Because the Calculation Agent is our affiliate, the economic interests of th
affiliates may be adverse to your interests as an investor in the Notes, inclu
determinations and judgments that the Calculation Agent must make in detern
will receive on each Interest Payment Date and at maturity or whether a M
occurred. See "—Market Disruption Event" and "—Discontinuance of the Ind
Calculation" above. MS & Co. is obligated to carry out its duties and functi
good faith and using its reasonable judgment.

Historical Information

The following table sets forth the published high, low and end-ofquarter closing
calendar quarter in the period from January 1, 2005 through December 17, 20
table sets forth the daily closing values of the Index for the same period. On D
Closing Value for the Index was 1,243.91. We obtained the information in
Bloomberg Financial Markets, without independent verification. The historica
should not be taken as an indication of its future performance. The Index ma
and we can give you no assurance that the volatility will lessen.

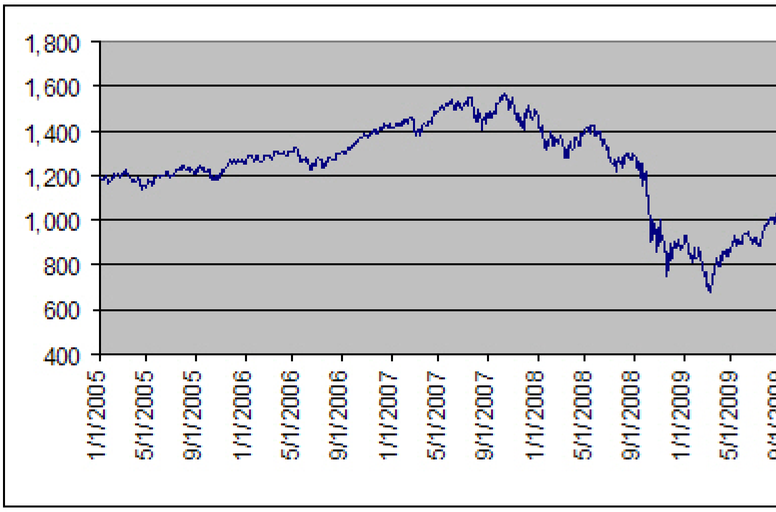
The S&P 500® Index
Historical High, Low and Period End Closing Valu
January 1, 2005 through December 17, 2010

S&P 500® Index	High	L
2005		
First Quarter	1,225.31	1,1
Second Quarter	1,216.96	1,1
Third Quarter	1,245.04	1,1
Fourth Quarter	1,272.74	1,1
2006		
First Quarter	1,307.25	1,2
Second Quarter	1,325.76	1,2
Third Quarter	1,339.15	1,2
Fourth Quarter	1,427.09	1,3
2007		
First Quarter	1,459.68	1,3

Second Quarter	1,539.18	1,4

S&P 500® Index	High	L
Third Quarter	1,553.08	1,4
Fourth Quarter	1,565.15	1,4
2008		
First Quarter	1,447.16	1,2
Second Quarter	1,426.63	1,2
Third Quarter	1,305.32	1,1
Fourth Quarter	1,161.06	75
2009		
First Quarter	934.70	67
Second Quarter	946.21	81
Third Quarter	1,071.66	87
Fourth Quarter	1,127.78	1,0
2010		
First Quarter	1,174.17	1,0
Second Quarter	1,217.28	1,0
Third Quarter	1,148.67	1,0
Fourth Quarter (through December 17, 2010)	1,243.91	1,1

S&P 500® Index
Daily Closing Values
January 1, 2005 through December 17, 2010



The S&P 500® Index

We have derived all information contained in this pricing supplement rega including, without limitation, its make-up, method of calculation and chang publicly available information, and we have not participated in the preparation available information. Such information reflects the policies of, and is subject t

The S&P 500® Index is intended to provide a performance benchmark for th calculation of the value of the S&P 500® Index (discussed below in further de value of the aggregate Market Value (as defined below) of the common sto "Component Stocks") as of a particular time as compared to the aggregate a common stocks of 500 similar companies during the base period of the yea "Market Value" of any Component Stock is the product of the market price per

then outstanding shares of such Component Stock. The 500 companies are no
listed on the NYSE and not all 500 companies are listed on such exchange.
inclusion in the S&P 500® Index with an aim of achieving a distribution by b
approximates the distribution of these groupings in the common stock pop
market. S&P may from time to time, in its sole discretion, add companies to, o
S&P 500® Index to achieve the objectives stated above. Relevant criteria em
viability of the particular company, the extent to which that company represents
it is assigned, the extent to which the company's common stock is widely-hel
trading activity of the common stock of that company.

The S&P 500® Index has adopted a float adjustment methodology so that the S
those shares that are generally available to investors in the market rather than al
shares. The float adjustment methodology excludes shares that are closely h
companies, venture capital firms, private equity firms, strategic partners o
government entities; or other control groups, such as a company's own curre
members, founders, employee stock ownership plans or other investment
company or such other persons.

The S&P 500® Index is calculated using a base-weighted aggregate methodolog
Index reflects the total Market Value of all 500 Component Stocks relative to
period of 1941-43 (the "Base Period").

An indexed number is used to represent the results of this calculation in order
work with and track over time.

The actual total Market Value of the Component Stocks during the Base Peri
indexed value of 10. This is often indicated by the notation 1941-43=10. In p
of the S&P 500® Index is computed by dividing the total Market Value of t
number called the "Index Divisor." By itself, the S&P 500® Index
number. However, in the context of the calculation of the S&P 500® Index, it is
base period value of the S&P 500® Index. The S&P 500® Index Divisor
comparable over time and is the manipulation point for all adjustments to th
Maintenance").

Index maintenance includes monitoring and completing the adjustments f
deletions, share changes, stock splits, stock dividends, and stock price ad
restructurings or spin-offs.

To prevent the value of the S&P 500® Index from changing due to corporate a
which affect the total Market Value of the S&P 500® Index require an Inc
adjusting the S&P 500® Index Divisor for the change in total Market Value,
Index remains constant. This helps maintain the value of the S&P 500® Index
stock market performance and ensures that the movement of the S&P 500®
corporate actions of individual companies in the S&P 500® Index. All Index D
after the close of trading and after the calculation of the closing value of t
corporate actions, such as stock splits and stock dividends, require simple cha
outstanding and the stock prices of the companies in the S&P 500® Index and
adjustments.

The table below summarizes the types of Index maintenance adjustments and
Index Divisor adjustment is required.

Type of Corporate Action	Adjustment Factor
Stock split (*e.g.*, 2-for-1)	Shares Outstanding multiplied by 2; Stock Price divided by 2
Share issuance (*i.e.*, change ≥ 5%)	Shares Outstanding plus newly issued Shares
Share repurchase (*i.e.*, change ≥ 5%)	Shares Outstanding minus Repurchased Shares
Special cash dividends	Share Price minus Special Dividend
Company Change	Add new company Market Value minus old com Market Value
Rights Offering	Price of parent company minus $\frac{\text{Price of Rights}}{\text{Right Ratio}}$
Spin-Off	Price of parent company minus $\frac{\text{Price of Spin-off Co.}}{\text{Share Exchange Ratio}}$

Stock splits and stock dividends do not affect the Index Divisor of the Index,
dividend both the stock price and number of shares outstanding are adjusted
change in the Market Value of the Component Stock. All stock split and div
after the close of trading on the day before the ex-date.

Each of the corporate events exemplified in the table requiring an adjustment
effect of altering the Market Value of the Component Stock and consequent
Market Value of the Component Stocks (the "Post-Event Aggregate Market Va
of the Index (the "Pre-Event Index Value") not be affected by the altered Marke
decrease) of the

affected Component Stock, a new Index Divisor ("New Divisor") is derived as f

$$\frac{\text{Post-Event Aggregate Market Value}}{\text{New Divisor}} = \text{Pre-Event Index Value}$$

$$\text{New Divisor} = \frac{\text{Post-Event Market Value}}{\text{Pre-Event Index Value}}$$

A large part of the Index maintenance process involves tracking the chang outstanding of each of the Index companies. Four times a year, on a Friday clos quarter, the share totals of companies in the Index are updated as required by a shares outstanding. After the totals are updated, the Index Divisor is adjuste change in the total Market Value of the Index. In addition, any changes over shares outstanding for the Index companies are carefully reviewed on a weekly an immediate adjustment is made to the Index Divisor.

License Agreement between S&P and Morgan Stanley

S&P and Morgan Stanley have entered into a non-exclusive license agreement Morgan Stanley, and certain of its affiliated or subsidiary companies, in excha use the S&P 500® Index, which is owned and published by S&P, in connection Notes.

The license agreement between S&P and Morgan Stanley provides that the fol forth in this pricing supplement:

The Notes are not sponsored, endorsed, sold or promoted by S&P. S&P warranty, express or implied, to the owners of the Notes or any member advisability of investing in securities generally or in the Notes particularly or Index to track general stock market performance. S&P's only relationship to trademarks and trade names of S&P and of the S&P 500® Index, which is calculated by S&P without regard to us or the Notes. S&P has no obligation to of the owners of the Notes into consideration in determining, composing or Index. S&P is not responsible for and has not participated in the determination quantities of the Notes to be issued or in the determination or calculation of the are to be converted into cash. S&P has no obligation or liability in connect marketing or trading of the Notes.

S&P DOES NOT GUARANTEE THE ACCURACY AND/OR THE CO S&P 500® INDEX OR ANY DATA INCLUDED THEREIN. S&P MA EXPRESS OR IMPLIED, AS TO RESULTS

TO BE OBTAINED BY MORGAN STANLEY, OWNERS OF THE N PERSON OR ENTITY FROM THE USE OF THE S&P 500® INDEX OR THEREIN IN CONNECTION WITH THE RIGHTS LICENSED AGREEMENT DESCRIBED HEREIN OR FOR ANY OTHER USE. S& OR IMPLIED WARRANTIES, AND HEREBY EXPRESSLY DISCLA OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PU RESPECT TO THE S&P 500® INDEX OR ANY DATA INCLUDE LIMITING ANY OF THE FOREGOING, IN NO EVENT SHALL S&P FOR ANY SPECIAL, PUNITIVE, INDIRECT OR CONSEQUENTIAL LOST PROFITS), EVEN IF NOTIFIED OF THE POSSIBILITY OF SUC

"Standard & Poor's®", "S&P®", "S&P 500®", "Standard & Poor's 500" and " McGraw-Hill Companies, Inc. and have been licensed for use by Morgan Stanl passed on by S&P as to their legality or suitability. The Notes are not issued, e S&P. S&P MAKES NO WARRANTIES AND BEARS NO LIABILITY NOTES.

Use of Proceeds and Hedging

The net proceeds we receive from the sale of the Notes will be used for gener part, in connection with hedging our obligations under the Notes thro subsidiaries. The Original Issue Price of the Notes includes the Agent's co cover page of this pricing supplement) paid with respect to the Notes and the co under the Notes. The cost of hedging includes the projected profit that our sub consideration for assuming the risks inherent in managing the hedging tran obligations entails risk and may be influenced by market forces beyond our or o hedging may result in a profit that is more or less than initially projected, or co "Use of Proceeds" in the accompanying prospectus.

During the term of the Notes, we, through our subsidiaries or others, expe exposure in connection with the Notes by taking positions in the stocks cons and/or options contracts on the Index or its component stocks listed on major se in any other available securities or instruments that we may wish to us hedging. Such purchase activity could potentially affect whether the Index will Level on each Observation Date and, accordingly, whether you will receive Notes for the related Interest Period. We cannot give any assurance that ou affect the value of the Index and, therefore, adversely affect the value of the No payments you will receive over the term of your investment in the Notes.

Supplemental Information Concerning Plan of Distribution; Conflicts of Interest

Under the terms and subject to the conditions contained in the U.S. distribution
prospectus supplement under "Plan of Distribution," the Agent, acting as princ
agreed to purchase, and we have agreed to sell, the aggregate principal amou
cover of this pricing supplement. The Agent proposes initially to offer the Note
public offering price set forth on the cover page of this pricing supplement. T
Notes through Morgan Stanley Smith Barney LLC ("MSSB"), as selected de
may include Morgan Stanley & Co. International plc ("MSIP") and Bank M
MSIP and Bank Morgan Stanley AG are affiliates of Morgan Stanley. Select
and their financial advisors will collectively receive from the Agent, a fixed s
each Note they sell.

MS & Co. is our wholly-owned subsidiary. MS & Co. will conduct this offe
requirements of NASD Rule 2720 of the Financial Industry Regulatory Author
referred to as FINRA, regarding a FINRA member firm's distribution of the
related conflicts of interest. MS & Co. or any of our other affiliates may not n
any discretionary account.

In order to facilitate the offering of the Notes, the Agent may engage in transac
or otherwise affect the price of the Notes. Specifically, the Agent may sell more
purchase in connection with the offering, creating a naked short position
account. The Agent must close out any naked short position by purchasing the
naked short position is more likely to be created if the Agent is concerned t
pressure on the price of the Notes in the open market after pricing that could a
purchase in the offering. As an additional means of facilitating the offering,
purchase, the Notes or the securities underlying the Index in the open market
Notes. Any of these activities may raise or maintain the market price of th
market levels or prevent or retard a decline in the market price of the Notes.
engage in these activities, and may end any of these activities at any time. A
entered into a hedging transaction with us in connection with this offering
Proceeds and Hedging" above.

General

No action has been or will be taken by us, the Agent or any dealer that would p
Notes or possession or

distribution of this pricing supplement or the accompanying prospectus suppl
jurisdiction, other than the United States, where action for that purpose is re
deliveries of the Notes, or distribution of this pricing supplement or the
supplement or prospectus or any other offering material relating to the Notes, m
jurisdiction except in circumstances which will result in compliance with
regulations and will not impose any obligations on us, the Agent or any dealer.

The Agent has represented and agreed, and each dealer through which we
represented and agreed, that it (i) will comply with all applicable laws and regu
U.S. jurisdiction in which it purchases, offers, sells or delivers the Notes or
pricing supplement and the accompanying prospectus supplement and prospec
consent, approval or permission required by it for the purchase, offer or sale
laws and regulations in force in each non-U.S. jurisdiction to which it is su
purchases, offers or sales of the Notes. We shall not have responsibility for
compliance with the applicable laws and regulations or obtaining any req
permission.

Brazil

The Notes have not been and will not be registered with the Comissão de
Brazilian Securities Commission). The Notes may not be offered or sold in
Brazil except in circumstances which do not constitute a public offering or distr
and regulations.

Chile

The Notes have not been registered with the Superintendencia de Valores y Seg
offered or sold publicly in Chile. No offer, sales or deliveries of the Notes o
supplement or the accompanying prospectus supplement or prospectus, may
except in circumstances which will result in compliance with any applicable Chi

Hong Kong

No action has been taken to permit an offering of the Notes to the public in H
not been authorized by the Securities and Futures Commission of Hong
advertisement, invitation or document relating to the Notes, whether in Hong
issued, circulated or distributed which is directed at, or the contents of which
read by, the public in Hong

Kong other than (i) with respect to the Notes which are or are intended to be
outside Hong Kong or only to professional investors within the meaning of
Ordinance (Cap. 571) of Hong Kong ("SFO") and any rules made thereunder or
not constitute an invitation to the public for the purposes of the SFO.

Mexico

The Notes have not been registered with the National Registry of Securities
National Banking and Securities Commission and may not be offered or sol
pricing supplement and the accompanying prospectus supplement and prosp
distributed in Mexico.

Singapore

The Agent and each dealer represent and agree that they will not offer or sell th
the subject of an invitation for subscription or purchase, nor will they circul
supplement or the accompanying prospectus supplement or prospectus or any o
connection with the offer or sale, or invitation for subscription or purchase, of th
indirectly, to persons in Singapore other than:

(a) an institutional investor (as defined in section 4A of the Securities and F
Singapore (the "SFA"));

(b) an accredited investor (as defined in section 4A of the SFA), and in acco
specified in Section 275 of the SFA;

(c) a person who acquires the Notes for an aggregate consideration of not less
Hundred Thousand (S$200,000) (or its equivalent in a foreign currency) for ea
amount is paid for in cash, by exchange of shares or other assets, unless otherwi

(d) otherwise pursuant to, and in accordance with the conditions of, any other
SFA.

Benefit Plan Investor Considerations

Each fiduciary of a pension, profit-sharing or other employee benefit pla
Retirement Income Security Act of 1974, as amended ("ERISA"), which we
consider the fiduciary standards of ERISA in the context of the plan's part
authorizing an investment in the Notes. Accordingly, among other factors, th
whether the investment would satisfy the prudence and diversification requirem
consistent with the documents and instruments governing the plan.

In addition, we and certain of our subsidiaries and affiliates, including MS & C
"parties in interest" within the meaning of ERISA, or "disqualified persons"
Internal Revenue Code of 1986, as amended (the "Code"), with respect to m
individual retirement accounts and Keogh plans (also "plans"). ERISA Section
generally prohibit transactions between plans and parties in interest or disq
transactions within the meaning of ERISA or the Code would likely arise, fo
acquired by or with the assets of a plan with respect to which MS & Co. or an
provider or other party in interest, unless the Notes are acquired pursuant
"prohibited transaction" rules. A violation of these "prohibited transaction" ru
tax or other liabilities under ERISA and/or Section 4975 of the Code for suc
relief is available under an applicable statutory or administrative exemption.

The U.S. Department of Labor has issued five prohibited transaction class exe
provide exemptive relief for direct or indirect prohibited transactions resulting f
of the Notes. Those class exemptions are PTCE 96-23 (for certain transactions
managers), PTCE 95-60 (for certain transactions involving insurance company
38 (for certain transactions involving bank collective investment funds), PTCE
involving insurance company separate accounts) and PTCE 84-14 (for certain
independent qualified professional asset managers). In addition, ERISA Sect
4975(d)(20) of the Code may provide an exemption for the purchase and sale
lending transactions, provided that neither the issuer of the securities nor any of
any discretionary authority or control or renders any investment advice with res
involved in the transaction, and provided further that the plan pays no more
"adequate consideration" in connection with the transaction (the so-
exemption). There can be no assurance that any of these class or statutory exem
respect to transactions involving the Notes.

Because we may be considered a party in interest with respect to many pl
purchased, held or disposed of by any plan, any entity whose underlying ass
reason of any plan's investment in the entity (a "plan asset entity") or any pers
any plan, unless such purchase, holding or disposition is eligible for exem
available under PTCEs 96-23, 95-60, 91-38, 90-1, 84-14 or the service p
purchase, holding or disposition is otherwise not prohibited. Any purchas
purchasing on behalf of a plan, transferee or holder of the Notes will be deemed

represented, in its corporate and its fiduciary capacity, by its purchase and hol
(a) it is not a plan or a plan asset entity and is not purchasing such Notes on be
of any plan, or with any assets of a governmental, non-U.S. or church plan th
state, local or non-U.S. law that is substantially similar to the provisions of Secti
4975 of the Code ("Similar Law") or (b) its purchase, holding and dispositio
relief or such purchase, holding and disposition are not prohibited by ERISA or
any Similar Law.

Due to the complexity of these rules and the penalties that may be imposed up
exempt prohibited transactions, it is particularly important that fiduciaries o
purchasing the Notes on behalf of or with "plan assets" of any plan consult wit
availability of exemptive relief.

Each purchaser and holder of the Notes has exclusive responsibility for ensuri
and disposition of the Notes does not violate the prohibited transaction rules o
Similar Law. The sale of any Notes to any plan or plan subject to Simil
representation by us or any of our affiliates or representatives that such an in
legal requirements with respect to investments by plans generally or any par
investment is appropriate for plans generally or any particular plan.

However, individual retirement accounts, individual retirement annuities an
employee benefit plans that permit participants to direct the investment of
permitted to purchase or hold the securities if the account, plan or annuity is fo
of Citigroup Global Markets Inc., MSSB or a family member and the employe
(such as, for example, an addition to bonus) based on the purchase of securi
annuity.

Client accounts over which Citigroup Inc., Morgan Stanley, MSSB or any of
have investment discretion are not permitted to purchase the securities, either di

United States Federal Income Taxation

The Notes will be treated as "contingent payment debt instruments" for U.S. fed

Tax Consequences to U.S. Holders

Please read the discussions in the sections called "United States Federal Taxa
U.S. Holders – Notes – Optionally Exchangeable Notes," "United State
Consequences to U.S. Holders – Backup Withholding and

Information Reporting" and "United States Federal Taxation – Tax Conse
Disclosure Requirements" of the accompanying prospectus supplement. The s
prospectus supplement referred to above are hereafter referred to as the "Tax Di

In summary, U.S. Holders generally will, regardless of their method of accoun
tax purposes, be subject to annual income tax based on the "comparable
accompanying prospectus supplement) of the Notes, adjusted upward or downw
if any, between the actual and projected amount of any contingent payments or
gain recognized by U.S. Holders on the sale or exchange, or at maturity, of
treated as ordinary income.

We have determined that the comparable yield is a rate of 6.2550%
monthly. Based on the comparable yield set forth above, the projected paym
following payments:

DATE	PROJECTED PAYMENT	PROJECTED PAYM
January 22, 2011	$6.67	July 22, 2018
February 22, 2011	$6.67	August 22, 2018
March 22, 2011	$6.67	September 22, 201
April 22, 2011	$6.67	October 22, 2018
May 22, 2011	$6.67	November 22, 201
June 22, 2011	$6.67	December 22, 201
July 22, 2011	$6.67	January 22, 2019
August 22, 2011	$6.67	February 22, 2019
September 22, 2011	$6.67	March 22, 2019
October 22, 2011	$6.67	April 22, 2019
November 22, 2011	$6.67	May 22, 2019
December 22, 2011	$6.67	June 22, 2019
January 22, 2012	$6.67	July 22, 2019
February 22, 2012	$6.67	August 22, 2019
March 22, 2012	$6.67	September 22, 201
April 22, 2012	$6.67	October 22, 2019
May 22, 2012	$6.67	November 22, 201
June 22,2012	$6.67	December 22, 201
July 22, 2012	$6.67	January 22, 2020
August 22, 2012	$6.67	February 22, 2020
September 22, 2012	$6.67	March 22, 2020
October 22, 2012	$6.67	April 22, 2020
November 22, 2012	$6.67	May 22, 2020
December 22, 2012	$6.67	June 22, 2020
January 22, 2013	$6.16	July 22, 2020
February 22, 2013	$6.12	August 22, 2020
March 22, 2013	$6.10	September 22, 202

April 22, 2013	$6.06	October 22, 2020
May 22, 2013	$6.02	November 22, 202
June 22,2013	$5.99	December 22, 202
July 22, 2013	$5.97	January 22, 2021
August 22, 2013	$5.93	February 22, 202
September 22, 2013	$5.90	March 22, 2021
October 22, 2013	$5.88	April 22, 2021
November 22, 2013	$5.84	May 22, 2021
December 22, 2013	$5.81	June 22, 2021

DATE	PROJECTED PAYMENT	PROJECTED PAYMENT
January 22, 2014	$5.78	July 22, 2021
February 22, 2014	$5.76	August 22, 2021
March 22, 2014	$5.74	September 22, 202
April 22, 2014	$5.71	October 22, 2021
May 22, 2014	$5.68	November 22, 202
June 22, 2014	$5.66	December 22, 202
July 22, 2014	$5.64	January 22, 2022
August 22, 2014	$5.62	February 22, 2022
September 22, 2014	$5.59	March 22, 2022
October 22, 2014	$5.55	April 22, 2022
November 22, 2014	$5.54	May 22, 2022
December 22, 2014	$5.51	June 22, 2022
January 22, 2015	$5.49	July 22, 2022
February 22, 2015	$5.47	August 22, 2022
March 22, 2015	$5.45	September 22, 202
April 22, 2015	$5.43	October 22, 2022
May 22, 2015	$5.39	November 22, 202
June 22, 2015	$5.38	December 22, 202
July 22, 2015	$5.37	January 22, 2023
August 22, 2015	$5.35	February 22, 2023
September 22, 2015	$5.33	March 22, 2023
October 22, 2015	$5.30	April 22, 2023
November 22, 2015	$5.27	May 22, 2023
December 22, 2015	$5.26	June 22,2023
January 22, 2016	$5.25	July 22, 2023
February 22, 2016	$5.23	August 22, 2023
March 22, 2016	$5.21	September 22, 202
April 22, 2016	$5.20	October 22, 2023
May 22, 2016	$5.18	November 22, 202
June 22, 2016	$5.17	December 22, 202
July 22, 2016	$5.14	January 22, 2024
August 22, 2016	$5.13	February 22, 2024
September 22, 2016	$5.11	March 22, 2024
October 22, 2016	$5.10	April 22, 2024
November 22, 2016	$5.08	May 22, 2024
December 22, 2016	$5.07	June 22, 2024
January 22, 2017	$5.07	July 22, 2024
February 22, 2017	$5.05	August 22, 2024
March 22, 2017	$5.04	September 22, 202
April 22, 2017	$5.03	October 22, 2024
May 22, 2017	$5.00	November 22, 202
June 22, 2017	$4.98	December 22, 202

July 22, 2017	$4.97	January 22, 2025
August 22, 2017	$4.96	February 22, 202
September 22, 2017	$4.95	March 22, 2025
October 22, 2017	$4.94	April 22, 2025
November 22, 2017	$4.90	May 22, 2025
December 22, 2017	$4.89	June 22, 2025
January 22, 2018	$4.87	July 22, 2025
February 22, 2018	$4.87	August 22, 2025
March 22, 2018	$4.86	September 22, 202
April 22, 2018	$4.84	October 22, 2025
May 22, 2018	$4.84	November 22, 202
June 22, 2018	$4.83	December 22, 202

The comparable yield and the projected payment schedule are not provi than the determination of U.S. Holders' accruals of original issue discount of the Notes, and we make no

representation regarding the actual amounts of the payments that will be m

Tax Consequences to Non-U.S. Holders

If you are a non-U.S. investor, please read the discussion under "United Stat Consequences to Non-U.S. Holders" in the accompanying prospectus suppl federal income and withholding tax consequences of an investment in the Notes also note that the discussion in the accompanying prospectus supplement consequences to non-U.S. investors for whom income or gain in respect connected with the conduct of a trade or business in the United States. Suc consult their tax advisers regarding the potential tax consequences of an investm