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TRANSMONTAIGNE INC
Form SC 13D/A
May 18, 2006

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

SCHEDULE 13D

UNDER THE SECURITIES EXCHANGE ACT OF 1934
(AMENDMENT NO. 4)

TRANSMONTAIGNE INC.

(Name of Issuer)

COMMON STOCK, PAR VALUE \$0.01 PER SHARE

(Title of Class of Securities)

893934109

(CUSIP Number)

HERBERT THORNHILL
MORGAN STANLEY
2000 WESTCHESTER AVENUE, ONE SOUTH C
PURCHASE, NY 10577
(914) 225-5542

(Name, Address and Telephone Number of Person
Authorized to Receive Notices and Communications)

MAY 17, 2006

(Date of Event Which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of ss.ss.240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box. |_

Note: Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See ss.240.13d-7 for other parties to whom copies are to be sent.

* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

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Cusip No. 893934109

1. Names of Reporting Persons.
I.R.S. Identification Nos. of above persons (entities only)

MORGAN STANLEY

2. Check the Appropriate Box if a Member of a Group
(See Instructions) (a)
(b)

3. SEC Use Only

4. Source of Funds (See Instructions)

BK, 00

5. Check if Disclosure of Legal Proceedings Is Required Pursuant to
Items 2(d) or 2(e)

6. Citizenship or Place of Organization

DELAWARE

7. Sole Voting Power

-0-

NUMBER OF
SHARES
BENEFICIALLY
OWNED BY
EACH
REPORTING
PERSON WITH

8. Shared Voting Power

5,542,775

9. Sole Dispositive Power

-0-

10. Shared Dispositive Power

5,544,775

11. Aggregate Amount Beneficially Owned by Each Reporting Person

5,544,775 (SEE ITEMS 4 AND 5)

12. Check if the Aggregate Amount in Row (11) Excludes Certain
Shares (See Instructions)

13. Percent of Class Represented by Amount in Row (11)

10.07% (SEE ITEM 5)

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14. Type of Reporting Person (See Instructions)

HC, CO

Cusip No. 893934109

1. Names of Reporting Persons.
I.R.S. Identification Nos. of above persons (entities only)

MORGAN STANLEY CAPITAL GROUP INC.

2. Check the Appropriate Box if a Member of a Group
(See Instructions)

(a)
(b)

3. SEC Use Only

4. Source of Funds (See Instructions)

BK, OO

5. Check if Disclosure of Legal Proceedings Is Required Pursuant to
Items 2(d) or 2(e)

6. Citizenship or Place of Organization

DELAWARE

7. Sole Voting Power

-0-

NUMBER OF
SHARES
BENEFICIALLY
OWNED BY
EACH
REPORTING
PERSON WITH

8. Shared Voting Power

5,500,000

9. Sole Dispositive Power

-0-

10. Shared Dispositive Power

5,500,000

11. Aggregate Amount Beneficially Owned by Each Reporting Person

5,500,000 (SEE ITEMS 4 AND 5)

12. Check if the Aggregate Amount in Row (11) Excludes Certain
Shares (See Instructions)

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13. Percent of Class Represented by Amount in Row (11)

9.99% (SEE ITEM 5)

14. Type of Reporting Person (See Instructions)

CO

Cusip No. 893934109

1. Names of Reporting Persons.

I.R.S. Identification Nos. of above persons (entities only)

MORGAN STANLEY & CO. INCORPORATED

2. Check the Appropriate Box if a Member of a Group
(See Instructions)

(a)

(b)

3. SEC Use Only

4. Source of Funds (See Instructions)

BK, OO

5. Check if Disclosure of Legal Proceedings Is Required Pursuant to
Items 2(d) or 2(e)

6. Citizenship or Place of Organization

DELAWARE

7. Sole Voting Power

-0-

NUMBER OF
SHARES
BENEFICIALLY
OWNED BY
EACH
REPORTING
PERSON WITH

8. Shared Voting Power

400

9. Sole Dispositive Power

-0-

10. Shared Dispositive Power

400

11. Aggregate Amount Beneficially Owned by Each Reporting Person

400 (SEE ITEM 5)

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12. Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions)

13. Percent of Class Represented by Amount in Row (11)
0.00% (SEE ITEM 5)

14. Type of Reporting Person (See Instructions)
CO

Cusip No. 893934109

1. Names of Reporting Persons.
I.R.S. Identification Nos. of above persons (entities only)
MORGAN STANLEY DW INC.

2. Check the Appropriate Box if a Member of a Group (See Instructions) (a)
(b)

3. SEC Use Only

4. Source of Funds (See Instructions)
BK, OO

5. Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e)

6. Citizenship or Place of Organization
DELAWARE

7. Sole Voting Power
-0-

NUMBER OF
SHARES
BENEFICIALLY
OWNED BY
EACH
REPORTING
PERSON WITH

8. Shared Voting Power
42,375

9. Sole Dispositive Power
-0-

10. Shared Dispositive Power
44,375

11. Aggregate Amount Beneficially Owned by Each Reporting Person

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44,375 (SEE ITEM 5)

12. Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions)

13. Percent of Class Represented by Amount in Row (11)

0.09% (SEE ITEM 5)

14. Type of Reporting Person (See Instructions)

CO

ITEM 1. SECURITY AND ISSUER

This Amendment No. 4 to Schedule 13D relates to the Common Stock, par value \$0.01 per share (the "Common Stock"), of TransMontaigne Inc., a Delaware corporation (the "Company"). The principal executive offices of the Company are located at 1670 Broadway, Suite 3100, Denver, Colorado 80202. Morgan Stanley ("MS"), Morgan Stanley Capital Group Inc. ("MSCGI"), Morgan Stanley & Co. Incorporated ("MS&Co."), and Morgan Stanley DW Inc. ("MSDW", and, together with MS, MSCGI, and MS&Co., the "Reporting Persons") hereby amend the Schedule 13D originally filed on January 10, 2005 and amended on March 22, 2006, April 26, 2006, and May 8, 2006.

ITEM 2. IDENTITY AND BACKGROUND

Item 2(e) is hereby amended in its entirety as follows:

During the last five years, none of the Reporting Persons, and to the knowledge of the Reporting Persons, any of the persons listed on Schedules A, B, C, or D, has (1) been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors) or (2) has been a party to a civil proceeding of a judicial or administrative body of competent jurisdiction and as a result of such proceeding was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities laws or finding any violation with respect to such laws, other than, in the case of clause (2), as described in Schedule E hereto.

ITEM 4. PURPOSE OF TRANSACTION

Item 4 is hereby amended by adding the following:

On May 17, 2006, MSCGI sent the following letter to the Company's board of directors:

[MSCGI Letterhead]

May 17, 2006

Mr. Donald H. Anderson
Vice Chairman, President, and CEO
TransMontaigne Inc.
1670 Broadway, Ste. 3100
Denver, CO 80202
U.S.A.

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Dear Don:

We are pleased to offer \$11.00 cash per TransMontaigne share for the acquisition of all of the outstanding shares of TransMontaigne, Inc. ("TransMontaigne"). We have changed the terms from our previous offer only to increase the price and to provide TransMontaigne and its shareholders greater assurance of the absence of any regulatory impediment to a transaction, and the payment by us of an

aggregate of \$25 million in the event of such an impediment. We believe this offer delivers better value than the revised transaction with SemGroup, and is a superior proposal as contemplated by the amended and restated merger agreement (the "SemGroup Agreement") by and among SemGroup, L.P., SemGroup Subsidiary Holding, L.L.C. ("SemGroup"), TMG Acquisition Company and TransMontaigne.

This letter constitutes a binding, irrevocable offer to enter into the attached merger agreement, which we have signed. If by 8:00 p.m. Denver time on Thursday, May 18, 2006 (the "Initial Expiration Time"), the Board of Directors of TransMontaigne has delivered to SemGroup the notice contemplated by Section 6.04(d)(i) of the SemGroup Agreement, then this offer will expire at 7:00 a.m. Denver time on Wednesday, May 24, 2006 unless previously accepted by TransMontaigne by execution and delivery to us of the attached merger agreement, together with the schedules and attachments thereto. If the Board of Directors has not delivered such notice by the Initial Expiration Time, this offer will terminate at the Initial Expiration Time.

This offer and our other agreements set forth in this letter shall be governed by and construed in accordance with the laws of the State of Delaware without regard to the conflicts of laws principles thereof.

Sincerely yours,
/s/ John Shapiro
John Shapiro
President
Morgan Stanley Capital Group Inc.

The letter was accompanied by an agreement and plan of merger executed by MSCGI. This agreement is attached hereto as Exhibit 2.

* * * *

The Reporting Persons may at any time, or from time to time, acquire additional shares of Common Stock or dispose of their shares of Common Stock, propose, pursue, or choose not to pursue the transaction described in the above letter; change the terms of the transaction described in the above letter, including the price, conditions, or scope of the transaction; take any action in or out of the ordinary course of business to facilitate or increase the likelihood of consummation of the transaction described in the above letter; otherwise seek control or seek to influence the management and policies of the Company; or change their intentions with respect to any such matters. In connection with the proposed transaction, the Reporting Persons are considering other transactions with respect to the Company and its assets, including without limitation financing transactions, partnerships with third parties, or sales of assets to the Company's affiliated master limited partnership or third parties.

ITEM 7. MATERIAL TO BE FILED AS EXHIBITS

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- Exhibit 1 Joint Filing Agreement dated May 17, 2006 between MS, MSCGI, MS&Co, and MSDW.
- Exhibit 2 Plan and Agreement of Merger, dated as of May 17, 2006, between MSCGI, Buffalo Merger Sub Inc., and the Company, executed by MSCGI and Buffalo Merger Sub Inc.

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, the undersigned certifies that the information set forth in this statement is true, complete and correct.

Dated: May 17, 2006

MORGAN STANLEY

/S/ DENNINE BULLARD

Name: Dennine Bullard
Title: Authorized Signatory

MORGAN STANLEY CAPITAL GROUP INC.

/S/ ROBERT P. KINNEY

Name: Robert P. Kinney
Title: Vice President

MORGAN STANLEY & CO. INCORPORATED

/S/ DENNINE BULLARD

Name: Dennine Bullard
Title: Authorized Signatory

MORGAN STANLEY DW INC.

/S/ KIRK WICKMAN

Name: Kirk Wickman
Title: Managing Director, General Counsel
and Secretary

SCHEDULE A

EXECUTIVE OFFICERS AND DIRECTORS
OF
MORGAN STANLEY

The names of the directors and the names and titles of the executive officers of Morgan Stanley ("MS") and their principal occupations are set forth below. The business address of each of the directors or executive officers is

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that of MS at 1585 Broadway, New York, New York 10036. Unless otherwise indicated, each occupation set forth opposite an individual's name refers to MS and each individual is a United States citizen.

| NAME ----- | TITLE ----- |
|---------------------------------------|---|
| *John J. Mack | Chairman of the Board and Chief Executive Officer |
| *Roy J. Bostock | Chairman of the Partnership for a Drug-Free America |
| *Erskine B. Bowles | President-Elect of the University of North Carolina |
| *Sir Howard J. Davies ¹ | Director, The London School of Economics and Political Science |
| *C. Robert Kidder | Principal of Stonehenge Partners, Inc. |
| *Donald T. Nicolaisen | Director |
| *Charles H. Noski | Director |
| *Hutham S. Olayan | President, Chief Executive Officer and Director of Olayan America Corporation |
| *O. Griffith Sexton | Adjunct professor of finance at Columbia Business School |
| *Laura D'Andrea Tyson | Dean of the London Business School |
| *Klaus Zumwinkel ² | Chairman of the Board of Management of Deutsche Post AG |
| Walid Chammah | Head of Investment Banking |
| Jonathan Chenevix-Trench ³ | Chairman, Morgan Stanley International |
| Zoe Cruz | Co-President |
| Thomas Daula | Chief Risk Officer |
| James P. Gorman | President and COO, Global Wealth Management Group |
| David Heleniak | Vice Chairman |
| Roger C. Hochschild | President and COO, Discover Financial Services |
| Jerker Johansson ⁴ | Co-Head of Institutional Sales and Trading |
| Gary G. Lynch | Chief Legal Officer |
| Alasdair Morrison ⁵ | Chairman, Morgan Stanley Asia |
| Eileen Murray | Head of Global Operations and Technology |
| David W. Nelms | Chairman and CEO, Discover Financial Services |
| Thomas Nides | Chief Administrative Officer and Secretary |
| Robert W. Scully | Co-President |

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| | |
|------------------------------|--|
| Neal Shear | Co-Head of Institutional Sales and Trading |
| David H. Sidwell | Executive Vice President and Chief Financial Officer |
| Cordell Spencer ⁶ | Deputy Head of Investment Banking |
| Owen D. Thomas | President and COO, Investment Management |

- 1 Sir Howard Davies is an English citizen
- 2 Klaus Zumwinkel is a German citizen
- 3 Jonathan Chenevix-Trench is an English citizen
- 4 Jerker Johansson is a Swedish citizen
- 5 Alasdair Morrison is an English citizen
- 6 Cordell Spencer is a Canadian citizen
- * Director

SCHEDULE B

EXECUTIVE OFFICERS AND DIRECTORS
OF
MORGAN STANLEY CAPITAL GROUP, INC

The names of the directors and the names and titles of the executive officers of Morgan Stanley Capital Group, Inc ("MSCGI") and their principal occupations are set forth below. The business address of each of the directors or executive officers is that of MSCGI at 2000 Westchester Avenue, Floor 01, Purchase, NY 10577. Unless otherwise indicated, each occupation set forth opposite an individual's name refers to MSCGI and each individual is a United States citizen.

| NAME ----- | TITLE ----- |
|--------------------------------------|------------------------|
| *John A. Shapiro | Chairman and President |
| G. William Brown | Vice President |
| Colin Brycel | Vice President |
| Kenneth Carlino | Vice President |
| Benjamin Cross | Vice President |
| Michael H. Drury | Vice President |
| Simon T.W. Greenshields ² | Vice President |
| Deborah L. Hart | Vice President |
| Nancy A. King | Vice President |
| Robert P. Kinney | Vice President |
| Christopher Marmo | Vice President |
| Stephen P. Mettler | Vice President |
| *Philip V. Newcomb | Vice President |

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*Mary Lou Peters Vice President
 Ian Henry Franklin Potter³ Vice President
 Olav N. Refvik⁴ Vice President
 Brian J. Armstrong Treasurer
 William F. McCoy Secretary

* Director

1 Colin Bryce is an English citizen
 2 Simon T.W. Greenshields is an English citizen
 3 Ian Henry Franklin Potter is a Canadian citizen
 4 Olav N. Refvik is a Norwegian citizen

SCHEDULE C

EXECUTIVE OFFICERS AND DIRECTORS
 OF
 MORGAN STANLEY & CO. INCORPORATED

The names of the directors and the names and titles of the executive officers of Morgan Stanley & Co. Incorporated ("MS&Co.") and their principal occupations are set forth below. The business address of each of the directors or executive officers is that of MS&Co. at 1585 Broadway, New York, New York 10036. Unless otherwise indicated, each occupation set forth opposite an individual's name refers to MS&Co. and each individual is a United States citizen.

| NAME ----- | PRESENT PRINCIPAL OCCUPATION ----- |
|----------------------------------|---|
| *Walid A. Chamamah | Managing Director of MS&Co. and Head of Investment Banking of MS |
| *Charles Chasin | Managing Director of MS&Co. and Chief of Staff to the Co-Presidents of MS |
| *Zoe Cruz | Managing Director, Chief Executive Officer and President of MS&Co. and Co-President of MS |
| *Richard Portogallo | Managing Director of MS&Co. and Head of U.S. Equity Division of MS |
| *Neal A. Shear | Managing Director of MS&Co. and Co-Head of Institutional Sales and Trading of MS |
| *Cordell G. Spencer ¹ | Managing Director of MS&Co. and Deputy Head of Investment Banking of MS |
| John H. Faulkner | Managing Director, General Counsel and Secretary of MS&Co. |
| Paul C. Wirth | Managing Director and Chief Financial Officer of MS&Co. and Controller and Principal Accounting Officer of MS |
| Jill W. Ostergaard | Managing Director and Chief Compliance Officer of |

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MS&Co.

David K. Wong Treasurer of MS&Co.

Alexander C. Frank Chief Operations Officer of MS&Co.

* Director

1 Cordell G. Spencer is a Canadian citizen

SCHEDULE D

EXECUTIVE OFFICERS AND DIRECTORS
OF
MORGAN STANLEY DW INC.

The names of the directors and the names and titles of the executive officers of Morgan Stanley DW Inc. ("MSDW") and their principal occupations are set forth below. The business address of each of the directors or executive officers is that of MSDW at 2000 Westchester Avenue, Floor 01, Purchase, NY 10577. Unless otherwise indicated, each occupation set forth opposite an individual's name refers to MSDW and each individual is a United States citizen.

| NAME | PRESENT PRINCIPAL OCCUPATION |
|-----------------------|--|
| ---- | ----- |
| *James P. Gorman | President, Chief Executive Officer, Chief Operating Officer, Managing Director |
| *Shelley S. Hanan | Managing Director |
| *Raymond A. Harris | Managing Director |
| *Kirk Wickman | Managing Director, General Counsel and Secretary |
| Jeffrey L. Adams | Managing Director |
| Ian Bernstein | Managing Director |
| Michael A. Burke, Sr. | Managing Director |
| Ronald T. Carman | Managing Director and Assistant Secretary |
| Noland Cheng | Managing Director |
| Michael R. Durbin | Managing Director |
| Jeffrey A. Gelfand | Managing Director, Controller and Chief Financial Officer |
| Scott R. Graflund | Managing Director |
| Thomas K. Harms | Managing Director |
| Donald A. Herrema | Managing Director |
| Henry E. Kaplan | Managing Director |
| Douglas J. Ketterer | Managing Director |

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| | |
|--------------------|-------------------|
| Steven G. Magee | Managing Director |
| William A. McMahon | Managing Director |
| James Mahon | Managing Director |
| Jerry W. Miller | Managing Director |
| Kevin Morano | Managing Director |
| Thomas P. O'Brien | Managing Director |

| | |
|-------------------------|--------------------------|
| Michelle B. Oroschakoff | Chief Compliance Officer |
|-------------------------|--------------------------|

| | |
|-----------------|-------------------|
| Daniel Petrozzo | Managing Director |
|-----------------|-------------------|

| | |
|----------------------|-------------------|
| Andrew M. Saperstein | Managing Director |
|----------------------|-------------------|

| | |
|-----------------|-------------------|
| Richard A. Skae | Managing Director |
|-----------------|-------------------|

| | |
|--------------------|-------------------|
| Sriram Subramaniam | Managing Director |
|--------------------|-------------------|

| | |
|--------------------|-------------------|
| George D. Sullivan | Managing Director |
|--------------------|-------------------|

| | |
|-------------------|-------------------|
| Jeffrey S. Swartz | Managing Director |
|-------------------|-------------------|

| | |
|----------------|-------------------|
| Todd R. Taylor | Managing Director |
|----------------|-------------------|

| | |
|------------------|-------------------|
| Chris Van Aeken1 | Managing Director |
|------------------|-------------------|

| | |
|---------------|-----------|
| David K. Wong | Treasurer |
|---------------|-----------|

* Director

1 Chris Van Aeken is a Belgian citizen

SCHEDULE E

Unless the context otherwise requires, the term "Morgan Stanley" means Morgan Stanley and its consolidated subsidiaries.

(a) In April 2003, Morgan Stanley & Co. Incorporated ("MS&Co."), along with nine other financial services firms operating in the U.S., reached a settlement with the Securities and Exchange Commission ("SEC"), the New York State Attorney General's Office, the New York Stock Exchange ("NYSE"), the National Association of Securities Dealers, Inc. ("NASD"), and the North American Securities Administrators Association (on behalf of state securities regulators) to resolve their investigations relating to alleged research conflicts of interest. Without admitting or denying allegations with respect to violations of certain rules of the NYSE and NASD relating to investment research activities (there were no allegations of fraud or federal securities law violations made against MS&Co.), Morgan

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Stanley agreed, among other things, to (1) pay \$25 million as a penalty, (2) pay \$25 million as disgorgement of commissions and other monies, (3) provide \$75 million over five years to make available independent third-party research to clients and (4) be permanently enjoined from violating certain rules of the NYSE and NASD relating to investment research activities.

(b) In November 2003, Morgan Stanley DW Inc. ("MSDWI") consented, without admitting or denying the findings, to an entry of an order (the "Order") that resolved the SEC's and NASD's investigations into certain practices relating to MSDWI's offer and sale of certain mutual funds from January 1, 2000 to the date of the Order. Pursuant to the Order, MSDWI was ordered to (1) cease and desist from committing any violations and any future violations of Section 17(a)(2) of the Securities Act of 1933, as amended, and Rule 10b-10 under the Securities Exchange Act of 1934, as amended, (2) distribute for the benefit of certain customers who purchased funds through MSDWI pursuant to marketing arrangements between MSDWI and certain mutual fund complexes the amount of \$50 million and (3) make certain disclosures and take certain other actions with respect to proprietary mutual funds.

(c) In November 2004, Morgan Stanley reached a settlement with the SEC to resolve an informal accounting investigation by executing an offer of settlement and agreeing to entry of a cease-and-desist order. The SEC found that Morgan Stanley valued certain impaired aircraft in its aircraft leasing business in late 2001, late 2002 and early 2003, and certain bonds in its high-yield bond portfolio in late 2000, in a manner that did not comply with generally accepted accounting principles, and thus violated financial reporting, recordkeeping and internal control provisions of the federal securities laws. The resolution did not involve any restatement of past financial statements, any monetary penalty or any allegation of fraud.

(d) In December 2004, MS&Co. and MSDWI reached a settlement with the NYSE under which Morgan Stanley executed two stipulations of facts and consent to penalty. The first stipulation was with respect to Morgan Stanley's failure to comply with certain prospectus delivery requirements, operational deficiencies and other matters, and

included a fine of \$13 million. The second stipulation was with respect to employee defalcations, and included a fine of \$6 million.

(e) In January 2005, the SEC announced a settlement with MS&Co. and Goldman Sachs & Co. resolving the SEC's investigation relating to initial public offering ("IPO") allocation practices. The SEC filed a settled civil injunction action in the United States District Court for the District of Columbia against MS&Co. relating to the allocation of stock to institutional customers in IPOs underwritten during 1999 and 2000. Under the terms of the settlement, Morgan Stanley agreed, without admitting or denying the allegations, to the entry of a judgment enjoining it from violating Rule 101 of Regulation M and the payment of a \$40 million civil penalty. The court approved the settlement on February 4, 2005. The complaint alleges that MS&Co. violated Rule 101 of Regulation M by attempting to induce certain customers who received allocations of IPOs to place purchase orders for additional shares in the aftermarket.

(f) In May 2006, MS&Co. reached a settlement with the SEC, NYSE and NASD relating to its production of email in the research analyst and IPO investigations from December 2000 through at least July 2005. The complaint alleges that Morgan Stanley did not timely produce emails in

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response to requests in those matters because it did not diligently search for back-up tapes containing responsive emails until 2005, and because it over-wrote back-up tapes potentially containing responsive email until at least December 2002. Without admitting or denying the allegations of the complaint, Morgan Stanley consented to (1) a permanent injunction barring future violations of ss.17(b) of the Exchange Act (which requires, among other things, that Morgan Stanley respond promptly to SEC subpoenas and requests) and the relevant regulations promulgated thereunder and (2) the payment of a \$15 million civil penalty, \$5 million of which will be paid to NASD and the NYSE.

In addition, MS&Co. and MSDWI have been involved in a number of civil proceedings which concern matters arising in connection with the conduct of its business. Certain of such proceedings have resulted in findings of violation of federal or state securities laws. Each of these proceedings was settled by MS&Co. and MSDWI consenting to the entry of an order without admitting or denying the allegations in the complaint. All of such proceedings are reported and summarized in the MS&Co. Form BD and the MSDWI Form BD filed with the SEC, which descriptions are hereby incorporated by reference.