Morgan Stanley

Fixed Income
North America

Interest Rate Structured Products

Structured Securities

20 Year - Callable Leveraged CMS Curve Linked Notes Due December 10, 2029

Term Sheet dated November 13, 2009

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Term Sheet

Summary:	As long as the Notes are outstanding, interest will accrue at a rate of: **Year 1**: 10.00% **Years 2-Maturity**: 4 x (10CMS – 2CMS); subject to a 0% minimum interest rate and a 10% maximum interest rate The Notes are callable quarterly after 1 Year.
The Notes:	20 Year - Callable Leveraged CMS Curve Linked Notes Due December 10, 2029
Issuer:	BNP Paribas
Issuer Rating:	Aa1 / AA
Agent:	Morgan Stanley & Co. Incorporated
Principal Amount:	USD 10,000,000
Pricing Date:	November 13, 2009
Issue Date:	December 10, 2009
Maturity Date:	December 10, 2029
Issue Price:	100%
Re-offer Price:	Variable
Proceeds to Issuer:	100%
Principal Protection:	100%
Call Feature:	The Notes are callable at Par by the Issuer on December 10, 2010 and quarterly thereafter on each March 10, June 10, September 10 and December 10 upon 15 New York Business Days notice.

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Reference Index: ***10CMS – 2CMS; where***

"10CMS" on any day is the 10-Year Constant Maturity Swap Rate; the fixed rate of interest payable on an interest rate swap with a 10-year maturity as published by the Federal Reserve Board in the Federal Reserve Statistical Release H.15 and reported on Reuters Page ISDAFIX1 or any successor page thereto at 11:00 a.m. New York City time on that day; and

"2CMS" on any day is the 2-Year Constant Maturity Swap Rate; the fixed rate of interest payable on an interest rate swap with a 2-year maturity as published by the Federal Reserve Board in the Federal Reserve Statistical Release H.15 and reported on Reuters Page ISDAFIX1 or any successor page thereto at 11:00 a.m. New York City time on that day.

Interest: Interest will be paid **Quarterly** on each Interest Payment Date, in arrears, at the applicable rate set forth below. The Interest Rate for each Interest Accrual Period will be calculated on a 30/360 day-count basis, with No Adjustment to Period End Dates and using the Following Business Day Payment Convention.

Interest Rate

Year 1: 10.00%

Years 2-Maturity (the "Variable Interest Rate Period"):

*Leverage Factor * Reference Index*; subject to the Minimum Interest Rate and Maximum Interest Rate.

For the purpose of determining the level of the Reference Index applicable to an Interest Accrual Period, the level of the Reference Index will be determined two (2) U.S. Government Securities Business Days prior to the related Interest Reset Date (each an "Interest Determination Date").

If the level of the Reference Index on the related Interest Determination Date is equal to or less 0.00%, interest will accrue at a rate of 0.00% for that Interest Accrual Period.

Leverage Factor:	4
Interest Payment Dates:	Each March 10, June 10, September 10 and December 10, commencing on March 2010 subject to adjustment in accordance with the Following Business Day Convention.
Interest Reset Dates:	Each March 10, June 10, September 10 and December 10 commencing on December 10, 2010
Interest Accrual Period:	The quarterly period from and including the Issue Date (in the case of the first Interest Payment Date) or previous Interest Payment Date, as applicable, to but excluding the next Interest Payment Date or Maturity Date, as applicable.
Maximum Interest Rate:	10.00%
Minimum Interest Rate:	0.00%
Day Count Convention:	30/360

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Business Day Convention:	Following
Period End Dates:	Unadjusted
U.S. Government Securities Business Day:	Any day except for a Saturday, Sunday or a day on which The Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities.
CMS Rate Fallback Provisions:	If 10CMS or 2CMS is not displayed by 11:00 a.m. New York City time on the Reuters Screen ISDAFIX1 Page on any day on which the level of the Reference Index must be determined, the rate for such day will be determined on the basis of the mid-market semi-annual swap rate quotations to the Calculation Agent provided by five leading swap dealers in the New York City interbank market (the "Reference Banks") at approximately 11:00 a.m., New York City time, on such day, and, for this purpose, the mid-market semi-annual swap rate means the mean of the bid and offered rates for the semi-annual fixed leg, calculated on a 30/360 day count basis, of a fixed-for-floating U.S. Dollar interest rate swap transaction with a term equal to the applicable 10 year or 2 year maturity commencing on such day and in a representative amount with an acknowledged dealer of good credit in the swap market, where the floating leg, calculated on an actual/360 day count basis, is equivalent to USD-LIBOR-BBA with a designated maturity of three months. The Calculation Agent will request the principal New York City office of each of the Reference Banks to provide a quotation of its rate. If at least three quotations are provided, the rate for that day will be the arithmetic mean of the quotations, eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest). If fewer than three quotations are provided as requested, the rate will be determined by the Calculation Agent in good faith and in a commercially reasonable manner.

General:

Business Days for Payments:	New York
Minimum Denomination:	USD 1,000 initially, USD 1,000 increments thereafter
Proceeds to Issuer:	100%
Settlement:	DTC
Type:	3(a)(2) Exempt MTN
Form of Note:	Book-entry
CUSIP / ISIN / Common Code:	05567LD38
Listing:	Not listed
Applicable Law:	New York

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The Reference Index

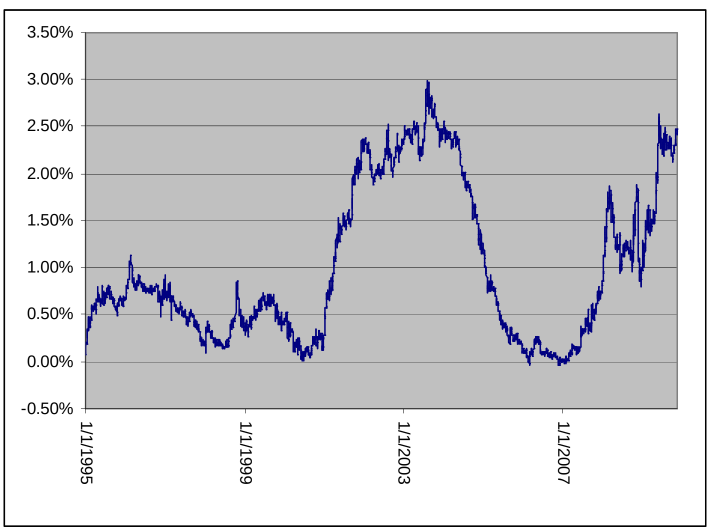
The 10-Year Constant Maturity Swap Rate (which we refer to as "10CMS") is, on any day, the fixed rate of interest payable on an interest rate swap with a 10-year maturity as published by the Federal Reserve Board in the Federal Reserve Statistical Release H.15 and reported on Reuters Page ISDAFIX1 or any successor page thereto at 11:00 a.m. New York City time on that day. This rate is one of the market-accepted indicators of longer-term interest rates.

The 2-Year Constant Maturity Swap Rate (which we refer to as "2CMS") is, on any day, the fixed rate of interest payable on an interest rate swap with a 2-year maturity as published by the Federal Reserve Board in the Federal Reserve Statistical Release H.15 and reported on Reuters Page ISDAFIX1 or any successor page thereto at 11:00 a.m. New York City time on that day. This rate is one of the market-accepted indicators of shorter-term interest rates.

An interest rate swap rate, at any given time, generally indicates the fixed rate of interest (paid semi-annually) that a counterparty in the swaps market would have to pay for a given maturity, in order to receive a floating rate (paid quarterly) equal to 3-month LIBOR for that same maturity.

Historical Information and Data

The following graph sets forth the historical difference between the 10 Year swap rate and the 2 Year swap rate for the period from January 1, 1995 to November 13, 2009 (the “Historical Period”). The historical difference between the 10 Year swap rate and the 2 Year swap rate should not be taken as an indication of the future performance of the Reference Index. The graph below does not reflect the return the notes would have had during the periods presented because it does not take into account the Leverage Factor or the Issuer’s redemption right. We cannot give you any assurance that the level of the Reference Index will be positive on any Interest Determination Date during the Variable Interest Rate Period. We obtained the information in the graph below from Bloomberg Financial Markets, without independent verification.



Historical Period	
Total number of days in Historical Period	5,430
Number of days Reference Index was greater than 0.00%	5,397
Number of days Reference Index level was less than or equal to 0.00%	33

The historical performance shown above is not indicative of future performance. The Reference Index may be negative on one or more specific Interest Determination Dates during the Variable Interest Rate Period even if the Reference Index level is generally positive and, moreover, it has in the past and may in the future be negative for extended periods of time. If the Reference Index is negative on any Interest Determination Date, you will not receive any interest for the related Interest Payment Period.

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Hypothetical Examples

The table below presents examples of hypothetical interest that would accrue on the notes during the Variable Interest Rate Period. The example below is for purposes of illustration only. The actual interest payments will depend on the actual level of the Reference Index on each Interest Determination Date. The applicable interest rate for each Interest Accrual Period will be determined on a per-annum basis but will apply only to that Interest Accrual Period. Whether or not you would receive interest at the hypothetical interest rates below would depend on whether or not the issuer exercises its redemption right prior to the Interest Accrual Period in which such interest rates would take effect.

Example	Hypothetical Reference Index	Hypothetical Interest Rate (per annum)	Hypothetical Quarterly Interest Payment
1	-2.80%	0.00%	$0.00
2	-2.60%	0.00%	$0.00
3	-2.40%	0.00%	$0.00
4	-2.20%	0.00%	$0.00
5	-2.00%	0.00%	$0.00
6	-1.80%	0.00%	$0.00
7	-1.60%	0.00%	$0.00
8	-1.40%	0.00%	$0.00
9	-1.20%	0.00%	$0.00
10	-1.00%	0.00%	$0.00
11	-0.80%	0.00%	$0.00
12	-0.60%	0.00%	$0.00
13	-0.40%	0.00%	$0.00
14	-0.20%	0.00%	$0.00
15	0.00%	0.00%	$0.00
16	0.20%	0.80%	$2.00
17	0.40%	1.60%	$4.00
18	0.60%	2.40%	$6.00
19	0.80%	3.20%	$8.00
20	1.00%	4.00%	$10.00
21	1.20%	4.80%	$12.00
22	1.40%	5.60%	$14.00
23	1.60%	6.40%	$16.00
24	1.80%	7.20%	$18.00
25	2.00%	8.00%	$20.00
26	2.20%	8.80%	$22.00
27	2.40%	9.60%	$24.00
28	2.60%	10.00%	$25.00
29	2.80%	10.00%	$25.00
30	3.00%	10.00%	$25.00

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Risk Factors

Investing in the Notes involves a number of risks, including risks associated with an investment in ordinary fixed rate notes. An investment in CMS Curve Linked Notes such as the Notes entails significant risks not associated with similar investments in a conventional debt security, including, but not limited to, fluctuations in 10CMS and 2CMS, and other events that are difficult to predict and beyond the Issuer's control. Accordingly, prospective investors should consult their financial and legal advisors as to the risks entailed by an investment in the Notes and the suitability of the Notes in light of their particular circumstances.

Issuer Credit Risk

Investors are subject to the credit risk of the issuer. The credit ratings assigned to the Issuer represent the Rating Agencies' opinion regarding its credit quality and are not a guarantee of quality. Rating Agencies' attempts to evaluate the safety of principal and interest payments and do not evaluate the risks of fluctuations in market value. Therefore, the ratings assigned to the Issuer may not fully reflect the true risks of an investment in the Notes.

Yield Risk

The amount of interest payable on the notes is uncertain and could be 0.0%. Beginning December 10, 2010, the amount of interest payable on the Notes in any quarterly Interest Accrual Period will be dependent on whether and the extent to which 10CMS is greater than 2CMS on the related Interest Determination Date. If 2CMS is greater than 10CMS on any Interest Determination Date, the rate of interest payable for the related Interest Accrual Period will be 0%. In addition, to the extent that 10CMS does not sufficiently exceed 2CMS on any Interest Determination Date, the interest rate payable for the related Interest Accrual Period may be less than the rate of interest payable on an ordinary debt security of the Issuer with a comparable maturity.

The amount of interest payable on the notes in any quarter is capped. The interest rate on the notes for each Interest Payment Period during the Variable Interest Rate Period is capped for that period at the Maximum Interest Rate of 10% per annum, and, due to the Leverage Factor, you will not get the benefit of any increase in the Reference Index above a level of approximately 2.50% on any Interest Determination Date (equal to a maximum quarterly interest payment of $25.00 for each $1,000 stated principal amount of notes). Accordingly, you could receive less than 10% per annum interest for any given full year even when the Reference Index increases substantially in an Interest Accrual Period during that year if the Reference Index in the other periods in that year do not also increase substantially, as you will not receive the full benefit of the increase in the Reference Index in the outperforming period due to the Maximum Interest Rate.

Early Redemption Risk

The Issuer retains the option to redeem the notes on any Interest Payment Date on or after December 10, 2010. It is more likely that the Issuer will redeem the notes prior to their stated maturity date to the extent that the Reference Index level during the term of the notes results in an amount of interest payable that is greater than instruments of a comparable maturity and credit rating trading in the market. If the notes are redeemed prior to their stated maturity date, you will receive no further benefit from the Leverage Factor and you may have to re-invest the proceeds in a lower rate environment.

Market Risk

The price at which the notes may be resold prior to maturity will depend on a number of factors and may be substantially less than the amount for which they were originally purchased. Some of these factors include, but are not limited to: (i) changes in the levels of 10CMS and 2CMS, (ii) volatility of 10CMS and 2CMS, (iii) changes in U.S. interest and swap rates, (iv) issuer credit quality, (v) time remaining to maturity.

Inclusion of commissions and projected profit from hedging is likely to adversely affect secondary market prices. Assuming no change in market conditions or any other relevant factors, the price, if any, at which the Agent is willing to purchase Notes in secondary market transactions will likely be lower than the original issue price, since the original issue price included, and secondary market prices are like to exclude the projected profit included in the cost of hedging the obligations under the Notes. In addition, any such prices may differ from values determined by pricing models used by the Agent, as a result of dealer discounts, mark-ups or other transaction costs.

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Liquidity Risk

Secondary trading may be limited. The Notes will not be listed on an organized securities exchange. Though the Agent intends to make a secondary market in the Notes, it is not obligated to do so and there may be little or no secondary market for the Notes. Even if there is a secondary market, it may not provide enough liquidity to allow a holder to trade or sell Notes easily. Where the Agent does purchase Notes, the bid/offer spread in most cases may be wider than plain-vanilla corporate and agency bonds. Due to the above factors, 100% of the principal amount is only protected at maturity. There is a risk that investors may receive substantially less that 100% should they wish to redeem prior to maturity.

Conflicts of Interest

Morgan Stanley, the Issuer or one or more of their respective affiliates may, at present or in the future, publish research reports with respect to movements in interests rates generally or each of the components making up the Reference Index specifically. This research is modified from time to time without notice and may express opinions or provide recommendations that are inconsistent with purchasing or holding the Notes. Any of these activities may affect the market value of the Notes.

Other

The historical performance of 10CMS and 2CMS are not an indication of their future performance. Historical performance of 10CMS and 2CMS should not be taken as an indication of the future performance during the term of the Notes. Changes in the levels of 10CMS and 2CMS will affect the trading price of the Notes, but it is impossible to predict whether such levels will rise or fall.

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Tax Considerations

Morgan Stanley's understanding is that the Issuer will treat the Notes as "contingent payment debt instruments" for U.S. federal income tax purposes. There can be no assurance that the IRS will accept, or a court will uphold, this characterization.

Under this treatment, if you are a U.S. taxable investor, you generally will be subject to annual income tax (regardless of whether you use the cash or accrual method of accounting) based on the "comparable yield" of the notes determined by the Issuer, adjusted upward or downward to reflect the difference, if any, between the actual and the projected amount of any contingent payments on the notes. Under this treatment, you may be required to include interest in taxable income each year even if there are no actual interest payments made in that year. In addition, any gain recognized by U.S. taxable investors on the sale or exchange, or at maturity, of the notes generally will be treated as ordinary income. The comparable yield and the projected payment schedule for the notes will be provided in the final pricing supplement.

The comparable yield and the projected payment schedule will not be provided for any purpose other than the determination of U.S. Holders' accruals of original issue discount and adjustments in respect of the notes, and we nor the Issuer make any representation regarding the actual amounts of payments that will be made on a note.

You should consult your tax advisers regarding all aspects of the U.S. federal income tax consequences of an investment in the notes as well as any tax consequences arising under the laws of any state, local or foreign taxing jurisdiction.

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