

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

ADMINISTRATIVE PROCEEDING
File No. 3-21825

In the Matter of

Morgan Stanley & Co. LLC,

Respondent.

ADMINISTRATIVE PROCEEDING
File No. 3-21826

In the Matter of

Pawan Kumar Passi,

Respondent.

PLAN NOTICE FOR THE MORGAN STANLEY PASSI FAIR FUND

TO: Persons and entities, or their lawful successors, who sold blocks of shares (the “Securities”) resulting from the misconduct of Morgan Stanley and Pawan Kumar Passi from June 2018 through August 2021, inclusive (the “Relevant Period”).

If you sold blocks of shares to Morgan Stanley during the Relevant Period as per transactions listed on Exhibit B of the Plan and you would like to be considered for eligibility to share in the Fair Fund distribution, you must complete and submit a Certification Form online at the Morgan Stanley Passi Fair Fund website www.MorganStanleyPassiFairFund.com or by email to the Morgan Stanley Passi Fair Third-Party at info@MorganStanleyPassiFairFund.com on or before 11:59 p.m. Eastern Standard Time on October 17, 2025 (the “Certification Form Deadline”). You may also submit a Certification Form by mail, in which case the completed Certification Form must be postmarked (or if not sent by U.S. Mail, received) by the Certification Form Deadline.

I. PURPOSE OF THIS PLAN NOTICE

The purpose of this Plan Notice is to inform you that you may be eligible to share in the proceeds of Morgan Stanley Passi Fair Fund described herein. To be considered for eligibility to share in the Morgan Stanley Passi Fair Fund, you must file a Certification Form in accordance with the steps set forth in this Plan Notice and in the SEC-approved Plan of Distribution (the “Plan”).¹

Copies of the Plan, this Plan Notice, the Certification Form, and other relevant documents are available for download on the Morgan Stanley Passi Fair Fund website at www.MorganStanleyPassiFairFund.com and on the SEC’s webpage for this matter: <https://www.sec.gov/enforcement-litigation/distributions-harmed-investors/matter-morgan-stanley-co-llc-admin-proc-file-no-3-21825-matter-pawan-kumar-passi-admin-proc-file-no>. You may also request a copy of the Plan, this Plan

¹ Capitalized terms used in this Plan Notice but not defined are defined in the Plan.

Notice, and/or the Certification Form by contacting the Third-Party by email at info@MorganStanleyPassiFairFund.com, or by calling 833-360-6848.

Certain persons are excluded from eligibility for distribution under the Plan, as summarized in Section III of this Plan Notice.

PLEASE NOTE: Receipt of this Plan Notice does not mean you are an Eligible Claimant; eligibility will be determined by the Fund Administrator in accordance with the Plan. Please read this Plan Notice carefully and in its entirety. This Plan Notice contains important information regarding your possible eligibility to share in the Morgan Stanley Passi Fair Fund if you timely complete and submit a Certification Form by the Certification Form Deadline of **October 17, 2025, by 11:59 p.m. EST**.

II. BACKGROUND

On January 12, 2024, the SEC issued two related settled orders (collectively, the “Orders”) against Morgan Stanley & Co. LLC (“Morgan Stanley”) and Pawan Kumar Passi (“Passi”) (collectively, the “Respondents”). In the Orders, the SEC found that, from at least June 2018 through August 2021 (the “Relevant Period”), Passi, the former head of Morgan Stanley’s Syndicate Desk, and another employee perpetrated a fraud involving large blocks of stock that the investment banking firm purchased from investors (the “Selling Shareholders”). The SEC found that these Morgan Stanley employees, in violation of their duties of confidentiality and Morgan Stanley’s policies, disclosed to certain buy-side investors non-public, potentially market-moving information, concerning impending “block trades” that the firm had been invited to bid on or was in the process of negotiating with the Selling Shareholders. The SEC further found that Morgan Stanley failed to enforce information barriers to prevent material non-public information involving the block trades from being discussed by the Syndicate Desk. The SEC found that, by this conduct, Morgan Stanley generated more than \$138 million in profits across 28 transactions. The SEC determined that, through this conduct, Morgan Stanley and Passi willfully violated Sections 10(b) and 15(g) of the Securities Exchange Act of 1934 (“Exchange Act”) and Rule 10b-5 thereunder, and that Morgan Stanley willfully violated Section 15(g) of the Exchange Act.

The SEC ordered Morgan Stanley to pay disgorgement and prejudgment interest totaling \$166,354,821, offset by the value of assets forfeited and restitution paid by Morgan Stanley pursuant to a non-prosecution agreement with the U.S. Attorney’s Office for the Southern District of New York in parallel criminal proceedings (the “Criminal Proceedings”). The SEC further ordered Morgan Stanley to pay a civil penalty of \$83 million. The SEC also ordered Passi to pay a civil penalty of \$250,000.

The Respondents have paid in full. They have paid a total of \$113,073,598.00 in disgorgement, prejudgment interest, and civil penalties after the offset of amounts that Morgan Stanley forfeited and paid in restitution in the Criminal Proceedings.

On September 27, 2024, the SEC issued an order establishing the Passi Fair Fund and the Morgan Stanley Fair Fund, for the \$113,073,598.00 in disgorgement, prejudgment interest, and penalties the Respondents paid. The order also consolidated the two Fair Funds for distribution.

On October 11, 2024, the SEC issued an order appointing Miller Kaplan Arase LLP (“MKA”) as the Tax Administrator of the Fair Fund.

On February 26, 2025, the SEC published a notice of the proposed plan of distribution and opportunity for comment and simultaneously published the proposed plan of distribution (“Proposed Plan”). The Proposed Plan provides that the distribution of the Fair Fund shall be made to those injured investors the Plan seeks to compensate the Selling Shareholders for losses on their sales of blocks of shares of the Securities in the transactions identified in Exhibit B to the Plan (the “Transactions”).

On April 22, 2025, the SEC issued an order approving the Proposed Plan and simultaneously posted the approved modified plan of distribution.

On August 27, 2025, the Commission issued an order approving and simultaneously posted the approved (further) modified plan of distribution (the “Plan”)².

² The Plan was further modified to reflect the engagement of Simpluris as a Third-Party to assist the Fund Administrator and perform some of the administrative tasks associated with implementing the Plan. This modification is immaterial, and inurs to the benefit of investors as it will expedite the distribution process

III. ELIGIBILITY CRITERIA

To be eligible for a payment from the Morgan Stanley Passi Fair Fund, you must satisfy certain eligibility criteria that are described in detail in the Plan. The Plan is available on the Morgan Stanley Passi Fair Fund website at www.MorganStanleyPassiFairFund.com and the SEC's website at <https://www.sec.gov/enforcement-litigation/distributions-harmed-investors/matter-morgan-stanley-co-llc-admin-proc-file-no-3-21825-matter-pawan-kumar-passi-admin-proc-file-no>. You may also request a copy of the Plan from the Third-Party by email at info@MorganStanleyPassiFairFund.com or by calling 833-360-6848. The eligibility criteria include the following:

1. **You must be a selling shareholder, or their lawful successors, and suffered losses on the sales of blocks of shares of the Securities, during the Relevant Period, of Transactions listed in Exhibit B to the Plan of Distribution.**
2. **You submit a signed, valid Certification Form by the Certification Deadline of October 17, 2025.**
3. **You are not an Excluded Party, defined in the Plan as:**
 - a. The Respondents, and the Respondents' advisers, agents, nominees, assigns, creditors, heirs, distributees, spouse, parents, children or controlled entities;
 - b. Any Person who has been the subject of criminal charges related to the conduct described in the Order or any related SEC action;
 - c. The Third-Party retained to assist the Fund Administrator, or its employees; and
 - d. Any purchaser or assignee of another Person's right to obtain recovery from the Morgan Stanley Passi Fair Fund for value; provided, however, that this provision shall not be construed to exclude those Persons who obtained such a right by gift, inheritance or devise.

IV. PLAN OF ALLOCATION

The Plan of Allocation, available for review as Exhibit A of the Plan, states how the Recognized Losses and Distribution Payments will be calculated.

The Plan of Allocation is designed to compensate the Selling Shareholders for losses on their sales of blocks of shares of the Securities in the Transactions (listed on Exhibit B to the Plan) resulting from the conduct described in the Orders. Investors who did not suffer losses on sales of blocks of shares of the Securities in the Transactions are ineligible to recover under this Plan. An investor who is determined to have suffered a Recognized Loss, who is not an Unresponsive Preliminary Claimant or an Excluded Party under paragraphs 16(a)-(d) of the Plan, who submits a valid Certification Form, and who will receive a Distribution Payment will be deemed a Payee.

V. THE CERTIFICATION PROCESS

THE DEADLINE TO SUBMIT A CERTIFICATION FORM IS OCTOBER 17, 2025.

ONLINE SUBMISSIONS: Online submissions are encouraged. To submit a Certification Form online, please visit the Morgan Stanley Passi Fair Fund website at www.MorganStanleyPassiFairFund.com and follow the instructions provided. To submit a Certification Form via email, please send the completed Certification Form to the Morgan Stanley Fair Fund Third-Party at info@MorganStanleyPassiFairFund.com. **Certification Forms submitted online and/or via email must be submitted on or before 11:59 p.m. Eastern Standard Time on October 17, 2025.**

MAIL SUBMISSIONS: If you are unable to submit a Certification Form online or via email, you may request a copy of the paper Certification Form from the Third-Party by email at info@MorganStanleyPassiFairFund.com or by calling 833-360-6848. **Certification Forms submitted by mail must be sent to the address provided on the Certification Form and postmarked (or if not sent by U.S. Mail, received) by October 17, 2025.**

If the Third-Party is unable to verify the address of a Preliminary Claimant and/or a Preliminary Claimant does not timely respond to the Third-Party's attempts to obtain information, including any information sought in the Plan Notice, may be deemed an Unresponsive Preliminary Claimant. Unresponsive Preliminary Claimants will not be eligible for distribution under the Plan.

VI. ADDITIONAL INFORMATION

The Certification Form provides your Recognized Loss, calculated in accordance with the Plan of Allocation. You can also view your Recognized Loss by logging into your account on the Submit a Certification Form page of the website: www.MorganStanleyPassiFairFund.com using the User ID and PIN provided in your Certification Form.

Additional information regarding Morgan Stanley Passi Fair Fund, including copies of the Plan, this Plan Notice, and other relevant documents may be found at www.MorganStanleyPassiFairFund.com. You may request a copy of the Plan, this Plan Notice, the Certification Form, or seek additional information, by contacting the Third-Party by email at info@MorganStanleyPassiFairFund.com, or by calling 833-360-6848.

PLEASE CHECK THE WEBSITE WWW.MORGANSTANLEYPASSIFAIRFUND.COM FREQUENTLY FOR UPDATES.