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# Davis Polk

## Mischa Travers

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**Re: Morgan Stanley Smith Barney – Notification**

September 14, 2009

Division of Corporation Finance  
Office of the Chief Counsel and Office of Mergers and Acquisitions  
Division of Investment Management  
Office of the Chief Counsel  
Securities and Exchange Commission  
100 F Street N.E.  
Washington, DC 20549

Ladies and Gentlemen:

We are writing on behalf of Citigroup Inc. ("**Citigroup**") and Morgan Stanley ("**Morgan Stanley**"). We refer to (i) the letter from Mr. John R. Utzschneider of Bingham McCutchen LLP to the Office of the Chief Counsel and Office of Mergers and Acquisitions, Division of Corporation Finance and the Office of the Chief Counsel, Division of Investment Management of the Securities and Exchange Commission (the "**Commission**") dated May 29, 2009, requesting confirmation that no enforcement action will be recommended against Morgan Stanley Smith Barney LLC ("**MSSB**"), the Morgan Stanley Parties or the Citigroup Parties (as such terms are defined therein) under Section 13 and Section 16 of the Securities Exchange Act of 1934 (the "**Exchange Act**") and Rule 10a-3T thereunder, if MSSB, the Morgan Stanley Parties and the Citigroup Parties temporarily report positions on the basis described therein (such letter, the "**Sections 13/16 Letter**"); and (ii) the letter from Mr. John R. Utzschneider of Bingham McCutchen LLP to the Office of the Chief Counsel, Division of Corporation Finance dated May 29, 2009, requesting confirmation that no enforcement action will be recommended against MSSB, the Morgan Stanley Parties or the Citigroup Parties (as such terms are defined therein) if, without registration under Section 5 of the Securities Act of 1933, as amended (the "**Securities Act**"), or compliance with Rule 144 thereunder, such parties temporarily sell securities on a principal trading basis or for discretionary customer accounts on the basis described therein (such letter, the "**Rule 144 Letter**", and together with the Sections 13/16 Letter, the "**Letters**").

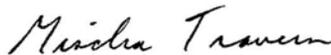
The Sections 13/16 Letter indicated that either Morgan Stanley or Citigroup could potentially be in a position to begin reporting on a basis which does not require relief earlier than the other and earlier than September 30, 2009, if certain information technology integration issues were resolved, in which case the party able to begin reporting without relief earlier would inform the Staff of the Division of Corporation Finance and the Division of Investment Management in writing. The Sections 13/16 Letter also indicated that when either Morgan Stanley or Citigroup began disaggregating MSSB in accordance with the Disaggregation Guidance (as defined in the Sections 13/16 Letter), it would inform the Staff in writing. We hereby notify the Staff of the Division of Corporation Finance and the Division of Investment Management that each of Morgan Stanley and Citigroup is able to monitor and report its positions on a basis which does not require the relief requested in the Sections 13/16 Letter, and that each of them has begun to do so

effective as of the date of this letter. We hereby further notify the Staff that, effective as of the date of this letter, Citigroup has begun to disaggregate MSSB in accordance with the Disaggregation Guidance for purposes of the reporting requirements described in the Sections 13/16 letter.

The Rule 144 Letter indicated that either Morgan Stanley or Citigroup could potentially be in a position to aggregate its position monitoring to enable compliance with Rule 144 on a basis which no longer requires relief earlier than the other and earlier than September 30, 2009 if certain information technology integration issues were resolved, in which case the party able to aggregate its position monitoring and reporting with, or disaggregate its position monitoring and reporting from, MSSB without relief earlier would inform the Staff of the Division of Corporation Finance in writing. We hereby notify the Staff of the Division of Corporation Finance that each of Morgan Stanley and Citigroup is now able to aggregate its position monitoring and reporting with MSSB and to comply with Rule 144 on a basis which does not require the relief requested in the Rule 144 Letter.

If you have any questions regarding this notification or require any additional information, please feel free to contact the undersigned at (650) 752-2014.

Very truly yours,



Mischa Travers

cc: Ali Karshan, Citigroup Inc.  
Karyn Polak, Citigroup Inc.  
Lanny Schwartz, Davis Polk & Wardwell LLP  
Dennine Bullard, Morgan Stanley  
John Utzschneider, Bingham McCutcheon LLP  
Laurie Cerveney, Bingham McCutcheon LLP