

January 16, 2016

**ADDITIONAL SUBMISSION TCR1422641796173**

At the request of David Karp, Senior Counsel to the Director  
Division of Enforcement in the included e-mail dated January 6, 2016,  
I am submitting irrefutable proof that Morgan Stanley sold Kemper  
Lumbermen's Surplus Notes beginning in early 2001 to investors  
without proper registration under the United States Blue Sky Laws.  
With this consequence, it is clear that every sale fell outside of Blue Sky  
requirements.

You will find included several signed rescission offers to investors in the  
State of Tennessee unsolicited in January of 2007, 7 months before the  
examination I caused through the NASD/FINRA came public. The  
Division of Securities representatives in their Division, Daphne Smith  
and Carmen Jones informed me that they were completely unaware  
that Morgan Stanley without any solicitation from these investors,  
offered a number of investors full rescission.

There clearly was a misrepresentation which Morgan Stanley was trying  
to cover over. I believe you know that for 8 years Morgan Stanley  
violated the Blue Sky laws which was outlined in the NASAA consent  
order in and around the 4<sup>th</sup> quarter of 2008.

I am including the January 16, 2007 rescission offer signed by MS  
representative Noland Cheng to the investors in Tennessee. These  
investors have agreed to allow me to send you this verification. I was



not their broker. Their broker called me after the WSJ article ran on May 24, 2008.

Morgan Stanley is guilty of two violations. The one I just mentioned and collaterally the sale of the KLSN's were a fraud. It was a surplus note represented as a bond. I have given you every piece of information necessary for you to retrieve the investors money through rescission.

No one there has taken the time to call and discuss any aspect of my filing. So here is another reason for you to re engage and protect the investors from this deliberate intentional act costing investors probably with interest penalty approximately \$350,000,000. There are easily about 30,000 transactions outside of Lumbermen's in play which could amount to a similar number. I have the list from Florida of 5,400 transactions.

This is not a states problem as was suggested by Michael Fuchs in 2008 when I made an on site visit in D.C. This is an SEC problem just like the Madoff and other frauds.

I am the Whistleblower and began informing the SEC with a call to Donna Norman in 2004. I have given you the maximum effort and am entitled to the full effort of the SEC for investor recovery.

Of course, if you are imagining a statute of limitations defense, all of these violations have been cloaked from my colleagues and their clients. No meetings, no releases from the NASAA in their press room and additionally not in Florida's where I am.

Look at my material and engage with me in conversation please. I am requesting you to reopen this matter as David Karp said would happen with additional material information. Having been solely responsible for all of the material uncoverings beginning with the FINRA order,



certainly, I have met the standards as a whistleblower and hundreds of millions of dollars should be heading back to the investors.

Thank you, Dana de Windt

*Dana de Windt*