

exhibit 1

Timeline

Sequence of events on the KLSN's
and the blue sky law violations.

MS began representing the KLSN's to the
brokers in jan 2001.

No retail market had existed for these 1996-97
notes sold through a 144a filing prior to this
time

MS, as it turned out, manufactured and created
the retail market and was the only firm
participating in the pricing (self dealing, another
fraud) through the collapse of the notes in 2002-
3

Jan 2003, Mike Blankenship was summarily
dismissed following his assertion through the
MS legal department that the KLSNs were not a
suitable investment for his clients

Dana de Windt inherits some of mike's clients
and one client encouraged cauly geller to file an

action involving 6 plaintiffs and they did.

Feb 2005 mediation with MS, cauly geller announcing that they will no longer represent any of the plaintiffs following that mediation, caused 5 of 6 to settle for 50% of their cost. de windt walks without settling

2 days later, de windt, an industry arbitrator with the NASD, meets with mitch atkins director of florida NASD compliance and 2 weeks later the New Orleans office of the NASD, (mitch's former office) agrees to initiate an examination of the KLSN problem with MS. Our knowledge from the examiner before we were not allowed to communicate with him, gene davis, was that this was a simple find, was completed in may of 2005 and would be the largest single award in their history

2 ¼ years later on aug 2, 2007, the now newly formed FINRA releases it's findings and judgment of \$6,100,000 against MS primarily for pricing violations.

de windt informs fl that the investors should have received rescission and after a face to face meeting in Tallahassee in jan 2008. they take this suggestion under advisement

de windt walks away from MS in late april 2008 after exhausting all avenues within firm.

WSJ releases article may 24, 2008

de windt gets call from wayne dodds in ohio 2 days later, letting him know that his clients in tenn received unsolicited rescission from MS on the KLSN in jan 2007

Aug 2008, fla advises de windt that 738 florida investors will receive full rescission due to violation of 517.061 (17)...however the offers are to come out without certification and with no notice to investors from regulation or MS

de windt objects and goes after rex staples, general counsel in DC with the NASAA in jan 09. Cordial conversation but a seeming lack of sincerity.

de windt goes home and searches "nasaa rescission and MS" and up comes the \$8,500,000 settlement with the states that rex staples never mentioned in the face to face.

de windt calls staples to let him know that the document has now been seen. de windt asks "who will be providing oversight for the compliance of these rescission orders?" staples response was "you are charging me with malfeasance". this settlement was never made public by the NASAA nor MS or the individual states, thus not allowing any notice to those investors harmed by the multi year violations of the blue sky laws.

This document shows that MS's compliance dept was aware of the infractions for 8 years and chose not to address and that all of the agencies were made aware of the blue sky law infractions in mid 2005.

Couple of months later, de windt flies up again to DC to meet with Michael Fuchs and Natasha

Vij of the SEC, coordinated by Donna Norman of the SEC, first contacted in late 2004

2 hours of assertions, adjournment, then they went and met with the NASAA, presumable rex staples, and concluded that this was not a matter for the SEC but a states matter. Sent to me in writing

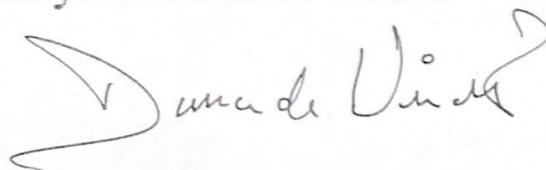
Middle of 2010, contacted Gretchen Morganton of the NYTimes for assistance in getting the story to the unknowing public.

Met several times with rose schindle for guidance during this time and found joe Kelley who should have received full rescission in fl and rose filed the case in dec 2010. Kelley prevailed with a \$40,000 judgment in late 2012

Late in 2011 after finally getting a real look at the prospectus, clearly MS did not sell a bond but a surplus note with no bond characteristics, indicating the real fraud perpetrated on both their brokers and investors.

I had continuously tried through MS channels and all of the regulatory agencies, that presumably were there to protect investors, since early 2003, to compliantly attempt to resolve the matter. Instead of assisting in this process, MS has shielded itself in a forum of arbitration entirely inappropriate for resolution of thousands of the same infractions. The investors deserve rescission as the documents show and a federal court action requesting performance that they are entitled to would seem to be an avenue for discussion. A request for compliance would compel MS to perform

Respectfully.....dana de windt

A handwritten signature in cursive script, reading "Dana de Windt". The signature is written in dark ink and is positioned below the typed name.