

The Next Level of Success

As the owner of a successful business, you've invested your capital and untold hours of dedication. Along the way, you've faced stiff competition and difficult market conditions. In return for your long hours and hard work, you deserve to work with a firm that can help you overcome obstacles, uncover opportunities and make your business the best that it can be.

Whether you are looking for a more effective way to manage cash, borrow funds or pass on your business, we have the insight and experience to help you meet your financial needs. Morgan Stanley BusinessScape can help you make strategic and well-informed financial decisions.

With Morgan Stanley BusinessScape, we work hard to understand your business as well as bring our specific industry knowledge to the table to help you manage and grow your business. We focus on your goals and then strive to deliver results by looking beyond conventional solutions.

Morgan Stanley is a registered broker-dealer, not a bank. Where appropriate, we have entered into arrangements with licensed banks to assist us in offering certain services to you, such as lockbox services, debit cards, checkwriting, payroll services and more. Some services offered through Morgan Stanley require separate applications and may entail additional costs.

*Term loans, lines of credit and other credit facilities, including loans to finance the purchase of stock in ESOP transactions and to monetize qualified replacement property, may be made available by Morgan Stanley Commercial Financial Services, Inc. ("CFS") or by other independent third parties with which CFS maintains a referral relationship. CFS may earn compensation for referring transactions to other financial institutions and CFS, Morgan Stanley and their affiliates may have business relationships with these other financial institutions. Morgan Stanley shall not be responsible for the content of any services or any advice or recommendations that may result from such referrals. In California, CFS offers lending products pursuant to a California Department of Corporations Finance Lender License.

All loans are subject to internal standards and credit approval. Pricing may vary based on a variety of factors. Corporate finance, transactional, advisory and valuation services are provided by independent third parties. Morgan Stanley is not the provider of any such services and will not have any input concerning such services. Morgan Stanley shall not be responsible for the content of any services or any advice or recommendations that may result from such services. Morgan Stanley may have other business dealings with the providers of such services and may participate in a transaction that results from the recommendation and/or advice provided by such provider. Morgan Stanley will receive compensation from the providers mentioned above in connection with referrals made to these companies. Compensation received by Morgan Stanley in connection with services offered through the BusinessScape program, including compensation received from third parties for referrals, will be shared with your Financial Advisor. Ask your Financial Advisor for additional information about how Morgan Stanley, its affiliates and your Financial Advisor are compensated. Morgan Stanley is part of a diversified financial institution with many affiliates. Morgan Stanley and its affiliates provide brokerage, portfolio management, execution and other financial services to many individual and business clients around the world. In addition, we act as principals in various markets.

Morgan Stanley and its Financial Advisors do not provide tax or legal advice. Please consult your personal tax advisors for all tax-related matters and your legal advisor for all legal matters.

Investments and services are offered through Morgan Stanley & Co. Incorporated, member SIPC. All rights reserved.

© 2007 Morgan Stanley

Morgan Stanley

www.morganstanley.com

NY CS 5559752 08/07
CLF# 46722



Morgan Stanley

BUSINESSCAPE SM

FINANCIAL FLEXIBILITY TO MAXIMIZE
YOUR BUSINESS' POTENTIAL

Improving Your Bottom Line with Better Cash Management Services

Having the right amount of cash at the right time can maximize the interest you earn and minimize the interest you pay. Morgan Stanley BusinessScape can help you integrate your business finances so your money can work harder, but still be available when you need it.

Whether you need comprehensive cash management services for your business or a basic investment account, Morgan Stanley can help you streamline your cash management process, including the ability to:

- > Provide easy access to funds in your account
- > Maintain appropriate liquidity levels
- > Maximize earnings on short-term cash
- > Financing available when you need it
- > Implement a customized investment strategy

Depending on your specific needs, Morgan Stanley offers two business accounts:

The Morgan Stanley BusinessScapeSM Account combines cash management services and investing in a single account. It helps businesses unlock the value of their cash flow by integrating investing and financing with a comprehensive cash management platform.

The Business Active Assets Account[®] is a cost-effective account for businesses that primarily require investment services.

CREATING A COMPLETE BUSINESS SOLUTION WITH BUSINESSCAPE

Last year, BusinessScape met with a client who was planning to sell part of his small boat retail business in order to create liquidity for expansion. Before we began crunching numbers to place a valuation on the company, we reviewed various options in light of all the business and personal issues. Ultimately, the client decided the best solution was to recapitalize the business, enabling him to maintain a large stake in the company while reducing his related debt and increasing his liquidity. We also helped him to refinance the debt that remained. After

conducting a personal review that took into account this new liquidity, we scheduled meetings with our investment, insurance and private banking specialists. The client was extremely satisfied that we could assemble a team that understood exactly what he wanted, and were able to explore strategies that were consistent with his goals and values. Since then, we have streamlined his cash management, worked with his lawyers to set up a trust, and crafted a plan to help his family deal with succession issues in the business.

(This hypothetical case study is based on actual clients.)

The Credit You Deserve

Access to credit at the right time can be crucial to the continued growth of your business. Morgan Stanley can help you identify the most appropriate financing solutions to accommodate your business needs. Whether you need to pay seasonal expenses, purchase new equipment, expand your facilities or establish a line of credit, Morgan Stanley can help you tap into a broad range of flexible financing vehicles.

Morgan Stanley offers flexible lending solutions, from traditional loans to innovative strategies, short-term to long-term. These include:

- > Lines of credit
- > Customized term loans
- > Reducing revolving credit facilities
- > Commercial mortgages

Morgan Stanley also lets you expand your borrowing opportunities by pledging eligible marketable securities¹ as collateral for your loan. Borrow only what you need and, with our reducing revolving credit facility, you can prepay without penalty. Our lending solutions can help you capitalize on new opportunities, manage your finances and, most importantly, maximize your business potential — now and in the future.*



Comprehensive Business Succession Advisory

As Morgan Stanley's premier service for individual and family-owned businesses, Business Succession Advisory specializes in providing clients with custom-tailored financial solutions designed to create shareholder liquidity and transfer equity to key management (including family members). We understand that when expectations are clear in advance, there will be less disruption to your business and a smoother transition for owners, employees, and family members.

¹ Pledged securities will be subject to trading restrictions and held in a separate Morgan Stanley account.

*See important disclosures at the end of this brochure.

Morgan Stanley can help you:

- > Diversify wealth accumulated in a business
- > Transfer control of the business to key management and/or the next family generation
- > Further estate and trust planning objectives

With a track record marked by integrity and excellence, we offer a level of sophistication, expertise and advice typically reserved for large corporations, financial institutions and governments.

Our experience in highly customized succession events includes:

- > Shareholder Liquidity Strategies
- > Management Buyout Strategies
- > Leveraged Recapitalizations/Dividends

Extensive ESOP Expertise

Business Succession Advisory also has wide-ranging experience in managing the transaction process for employee-owned companies, including:

- > Initial Employee Stock Ownership Plan (“ESOP”) buyouts
- > Follow-on transactions within the ESOP-owned capital structure
- > ESOP diversification and exit strategies

Whatever your business succession needs, Morgan Stanley can help you craft a solution tailored to meet your objectives.

To Find Out More

Talk to your Morgan Stanley Financial Advisor about the advantages of Morgan Stanley BusinessScape solutions. Whatever your company’s stage of development, financial flexibility and strategic preparation can make all the difference. Let us help you gain greater control. From cash management and lending services, to business succession planning, we can help you achieve success with innovative financial solutions.