

FEDERAL RESERVE BANK *of* NEW YORK

33 LIBERTY STREET, NEW YORK, NY 10045-0001

June 19, 2020

Luigi L. De Ghenghi, Esq.
Davis Polk & Wardwell LLP
450 Lexington Avenue
New York, New York 10017

Dear Mr. De Ghenghi:

In connection with (1) the notice by Morgan Stanley, New York, New York, to acquire E*TRADE Financial Corporation (“E*TRADE”), E*TRADE Bank, and E*TRADE Savings Bank, all of Arlington, Virginia, and thereby operate savings associations, pursuant to sections 4(c)(8) and (j) of the Bank Holding Company Act of 1956 (“BHC Act”); (2) the notice by Morgan Stanley to acquire E*TRADE pursuant to section 4(k)(6)(B)(ii) of the BHC Act; and (3) the notice by Morgan Stanley to acquire E*TRADE pursuant to section 163(b) of the Dodd-Frank Wall Street Reform and Consumer Protection Act, the following additional information is requested. Provide a response to each item below, including those in the confidential annex. Supporting documentation should be provided as appropriate.

To the extent the information requested below is not yet available, provide a date by which the requested information is expected to be made available to the Board of Governors of the Federal Reserve System (“Board”).

1. Please notify the Federal Reserve if Morgan Stanley develops any plans to merge the subsidiary banks of Morgan Stanley or E*TRADE.
2. Does the COVID-19 crisis increase the financial stability risks and vulnerabilities posed by the Morgan Stanley E*TRADE merger? What steps would Morgan Stanley take to address such risks?
3. Schedule D for the FR Y-15 for E*TRADE is missing from your submission. Please provide the schedule.
4. Please respond to questions 19.a.iii and 24 from the additional information request dated April 17, 2020.
5. We understand that E*TRADE will hold a special meeting of its stockholders on July 17, 2020, to consider and vote on the proposal to adopt the merger agreement with Morgan Stanley. Please inform the Federal Reserve of the vote outcome, when available.

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Please provide your response addressed to the undersigned within eight business days of the date of this letter. Any information for which confidential treatment is desired should be so labeled and separately bound in accordance with Section 261.15 of the Board's Rules Regarding Availability of Information.

If you have any questions regarding this matter, please contact Cecilia Caglio (202-452-3084) of the Board's Division of Research and Statistics; Surjeet Sidhu (202-728-5888) of the Board's Division of Supervision and Regulation; Ken Williams (202-452-3136) of the Board's Division of Consumer and Community Affairs; or Evans Muzere (202-536-7019), David Imhoff (202-452-2249), or Nate Balk (202-872-7517), all of the Board's Legal Division.

Sincerely,

A handwritten signature in black ink, appearing to be 'B. Steffey', with a long horizontal flourish extending to the right.

Brian S. Steffey
Assistant Vice President
Bank Applications Function

Attachment

Confidential Annex

cc: Board of Governors