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In the Matter of:)	
)	
Morgan Stanley & Co. LLC,)	CFE 20-0001
)	USFI 681/404
)	
Subject.)	
)	

This proceeding was instituted by the Business Conduct Committee (“BCC”) of the Cboe Futures Exchange LLC (“CFE”), following an investigation by CFE Regulation. In order to resolve this matter, Morgan Stanley & Co. LLC has submitted a CFE Rule 703 Letter of Consent for purposes of this proceeding without admitting or denying that a violation of Exchange Rules has been committed. With due regard to the stipulated facts and findings and proposed sanction, the BCC believes it appropriate to accept the Letter of Consent, summarized below, attached hereto, and made a part of this decision.

Business Conduct Committee

**BEFORE THE BUSINESS CONDUCT COMMITTEE
OF THE
CBOE FUTURES EXCHANGE, LLC**

In the Matter of:)	
)	
)	
Morgan Stanley and Co. LLC)	File No. CFE 20-0001
)	USFI 681/404
Subject.)	
)	

LETTER OF CONSENT

In order to resolve these proceedings pursuant to the CBOE Futures Exchange, LLC (“CFE”) Rule 703, Expedited Proceeding, Morgan Stanley and Co. LLC (“MS”), hereby submits this Letter of Consent in the above captioned matter. For purposes of this proceeding and without admitting or denying that a violation of CFE Rules has been committed, MS consents to the Stipulation of Facts and Findings and the Sanction set forth below.

Stipulation of Facts and Findings:

1. During all relevant periods herein, MS was a CFE Trading Privilege Holder and Clearing Member.
2. During all relevant periods herein, CFE Rule 602 – Fictitious Transactions was in full force and effect, as follows:

Rule 602: Neither a Trading Privilege Holder nor any of its Related Parties shall create fictitious transactions or execute any Order for a fictitious transaction with knowledge of its nature.

3. During all relevant periods herein, the following CFE Policy and Procedure was in full force and effect, in relevant part, as follows:

Chapter XVIII, Part S.: The Exchange provides a testing environment and test symbols in the CFE System for Trading Privilege Holders to use for the purpose of testing. The entering of an Order(s) other than in a test environment or test symbol without the intent to execute a bona fide transaction, including for the purpose of verifying connectivity or checking a data feed, is not permissible. This prohibition does not preclude a market participant from entering a bona fide Order that is intended to be executed and where such execution may also serve some other risk management purpose, such as verifying the flow of the executed trades through the market participant’s back-office systems.

4. On July 23, 2018, MS placed a test order in the live August 2018 2017 VX futures market that had no

reasonable likelihood of execution. MS should have utilized CFE's testing environment and test symbols.

5. The conduct described above constitutes a violation of CFE Rule 602.

Sanction: \$7,500 fine

MS acknowledges it has read the foregoing Letter of Consent, that no promise or inducement of any kind has been made to it by CFE or its staff, and that this Letter of Consent is voluntary on its part.

MS understands and acknowledges that the Business Conduct Committee's ("BCC") decision in this matter will become part of its disciplinary record and published, and may be considered in any future Exchange proceeding.

MS also acknowledges the BCC's decision to accept or reject this Letter of Consent is final, and it may not seek review thereof in accordance with Exchange Rule 703.

Date

By: /s/ Morgan Stanley & Co. LLC

Morgan Stanley & Co. LLC