

DISTRIBUTED ENERGY SYSTEMS CORP

Form 3

March 05, 2008

FORM 3 UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

OMB APPROVAL

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INITIAL STATEMENT OF BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934,
Section 17(a) of the Public Utility Holding Company Act of 1935 or Section
30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *

MORGAN STANLEY

(Last) (First) (Middle)

1585 BROADWAY

(Street)

NEW YORK, NY 10036

(City) (State) (Zip)

2. Date of Event Requiring Statement

(Month/Day/Year)

06/01/2007

3. Issuer Name and Ticker or Trading Symbol

DISTRIBUTED ENERGY SYSTEMS CORP [DESC]

4. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

____ Director ____X____ 10% Owner
____ Officer ____ Other
(give title below) (specify below)

5. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group

Filing(Check Applicable Line)

____X____ Form filed by One Reporting Person

____ Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Beneficially Owned

1. Title of Security (Instr. 4)

2. Amount of Securities Beneficially Owned (Instr. 4)

3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)

4. Nature of Indirect Beneficial Ownership (Instr. 5)

Common Stock

400

I

By Subsidiary

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

SEC 1473 (7-02)

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Table II - Derivative Securities Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 4)

2. Date Exercisable and Expiration Date (Month/Day/Year)

Date Exercisable

Expiration Date

3. Title and Amount of Securities Underlying Derivative Security (Instr. 4)

Title

Amount or Number of

4. Conversion or Exercise Price of Derivative Security

5. Ownership Form of Derivative Security: Direct (D) or Indirect

6. Nature of Indirect Beneficial Ownership (Instr. 5)

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Shares (I)
(Instr. 5)

Warrant (right to buy) 03/07/2007 03/07/2009(1) Common Stock 4,555,311 \$ 2.1 I By Subsidiary
(1)

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
MORGAN STANLEY 1585 BROADWAY NEW YORK, NY 10036	Â	Â X	Â	Â

Signatures

By: Morgan Stanley, /s/ Dennine Bullard, Authorized Signatory 03/03/2008

Signature of Reporting Person Date

Explanation of Responses:

* If the form is filed by more than one reporting person, see Instruction 5(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) Represents rights to purchase common stock under a warrant entitling Morgan Stanley Wind LLC ("MS Wind") to purchase up to 8% of the common stock of Distributed Energy Systems Corp. ("DESC") on a fully diluted basis from time to time, including shares of common stock issuable upon the exercise of stock options, warrants and other convertible or exchangeable securities. MS Wind is not entitled to exercise the warrant if immediately following such exercise MS Wind's beneficial ownership (as calculated pursuant to Rule 13d-3) would exceed 19.9% of the outstanding shares of DESC. The expiration date of the warrant is March 7, 2009 unless the fair market value of the common stock on that date is below a certain threshold in which case the expiration date will be extended out until March 7, 2010.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, See Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.