

**SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK**

IKB INTERNATIONAL S.A. IN LIQUIDATION
and IKB DEUTSCHE INDUSTRIEBANK AG,

Plaintiffs,

-against-

MORGAN STANLEY, MORGAN STANLEY & CO.
LLC (f/k/a MORGAN STANLEY & CO.
INCORPORATED), MORGAN STANLEY
MORTGAGE CAPITAL HOLDINGS LLC d/b/a
MORGAN STANLEY MORTGAGE CAPITAL INC.,
MORGAN STANLEY CAPITAL I INC., MORGAN
STANLEY ABS CAPITAL I INC., SAXON
FUNDING MANAGEMENT LLC (f/k/a SAXON
FUNDING MANAGEMENT, INC.), and SAXON
ASSET SECURITIES COMPANY,

Defendants.

Index No.

Summons with Notice**TO THE ABOVE NAMED DEFENDANTS:**

PLEASE TAKE NOTICE THAT YOU ARE HEREBY SUMMONED and required to serve upon Plaintiffs' attorneys a notice of appearance or demand for a complaint within twenty (20) days after service of this Summons, exclusive of the day of service, or within thirty (30) days after service is complete if this Summons is not personally delivered to you within the State of New York. In case of your failure to appear or answer, judgment will be taken against you on default for the relief demanded herein.

Plaintiffs designate New York County as the place of trial. Venue is proper because Defendants are principally located in this County, and many of the wrongful acts alleged herein occurred in this County.

NOTICE

This is an action for damages, or alternatively, rescission, and/or a declaratory judgment arising from Plaintiffs' investment in residential mortgage-backed securities (the "Securities"), which were securitized by Defendants and sold to Plaintiffs by Defendants. Plaintiffs purchased \$147,115,000 in Securities in the Offering listed on Exhibit A attached hereto (the "Offering"). The Securities were sold by Plaintiffs at a loss.

Defendants were actively involved in the securitization and sale of the Securities to Plaintiffs. Defendants acted as depositor, seller, sponsor, underwriter, counterparty, and/or broker-dealer for the Offerings.

The offering materials, including without limitation the prospectus, prospectus supplement, term sheets and free writing prospectuses (the "Offering Materials") issued by Defendants for the Offering contained material misrepresentations and omissions regarding the underwriting standards used to issue the mortgage loans that were allegedly pooled together into the Offerings. The Offering Materials also falsely represented that the loans and mortgage underlying the Securitizations would be transferred to the Trusts upon closing and misrepresented the legal validity of the trusts and their legal entitlement to receive interest and principal payments on the loans.

The Offering Materials also contained material misrepresentations and omissions regarding key statistical characteristics of the mortgage loans underlying the Securities, including the loans' loan-to-value ratios and combined loan-to-value ratios, as well as the percentage of owner-occupied properties. The Offering Materials also contained material misrepresentations about the Securities' credit ratings, which understated the Securities' risk profile.

Each of the Defendants knew, or at a minimum was reckless or negligent in not knowing, that its representations and omissions were false and/or misleading at the time they were made.

Each Defendant made the false and/or misleading statements with the intent for Plaintiffs to rely upon those statements.

Defendants obtained mortgage loans from certain originators and created securities from them. Defendants underwrote the Offering and sold the Securities to Plaintiffs by means of Offering Materials which they knew contained material misrepresentations and omissions. Alternatively, if Defendants did not know of material misrepresentation and omissions, then contracts of sale from the underwriter to Plaintiffs are void or voidable as a result of mutual mistake.

Plaintiffs did not know the true facts regarding Defendants' misrepresentations and omissions in the Offering Materials, and justifiably relied on those misrepresentations and omissions. Defendants' wrongdoing has led directly to Plaintiffs' damages.

Plaintiffs' causes of action against Morgan Stanley are at law and at equity for claims including common-law fraud, fraudulent inducement, fraudulent concealment, negligent misrepresentation, aiding and abetting fraud, declaratory judgment, and contract claims, including rescission, restitution and mutual mistake. The depositors identified in Exhibit A are liable for claims including common law fraud, fraudulent inducement, fraudulent concealment, and negligent misrepresentation. The sponsors identified in Exhibit A are liable for claims including common law fraud, fraudulent inducement, fraudulent concealment, and negligent misrepresentation. The underwriter identified in Exhibit A is liable for claims including common law fraud, fraudulent inducement, fraudulent concealment, aiding and abetting fraud, negligent misrepresentation, and contract claims.

Upon your failure to appear, judgment will be taken against you by default for money damages in an amount of at least \$147,115,000, and interest thereon, together with punitive damages of \$147,115,000, rescission, rescissory damages, legal fees, and the costs of this action.

Dated: New York, New York
November 16, 2012

LABATON SUCHAROW LLP

By: /s/ Joel H. Bernstein
Joel H. Bernstein

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*Attorneys for IKB International S.A. in
Liquidation and IKB Deutsche Industriebank
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