

DISTRIBUTED ENERGY SYSTEMS CORP  
 Form 4  
 March 05, 2008

**FORM 4**

UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
 Washington, D.C. 20549

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**STATEMENT OF CHANGES IN 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**

2. Issuer Name and Ticker or Trading Symbol  
**DISTRIBUTED ENERGY SYSTEMS CORP [DESC]**

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)  
 1585 BROADWAY  
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)  
 06/14/2007

\_\_\_\_ Director  
 \_\_\_\_ Officer (give title below)  
 10% Owner  
 \_\_\_\_ Other (specify below)

NEW YORK, NY 10036  
 (City) (State) (Zip)

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

6. Individual or Joint/Group Filing(Check Applicable Line)  
 Form filed by One Reporting Person  
 Form filed by More than One Reporting Person

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | 4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Indirect Beneficial Ownership (Instr. 4) |        |   |                         |
|---------------------------------|--------------------------------------|----------------------------------------------------|--------------------------------|-------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|----------------------------------------------------------|-------------------------------------------------------|--------|---|-------------------------|
|                                 |                                      |                                                    | Code                           | V                                                                 | Amount                                                                                        | (A) or (D)                                               | Price                                                 |        |   |                         |
| Common Stock                    | 06/14/2007                           |                                                    | P                              |                                                                   | 37,100                                                                                        | A                                                        | \$ 0.86<br>(1)                                        | 37,500 | I | By<br>Subsidiary<br>(2) |
| Common Stock                    | 06/18/2007                           |                                                    | P                              |                                                                   | 200                                                                                           | A                                                        | \$ 0.85<br>(1)                                        | 37,700 | I | By<br>Subsidiary<br>(2) |
| Common Stock                    | 06/21/2007                           |                                                    | S                              |                                                                   | 380                                                                                           | D                                                        | \$ 0.94<br>(1)                                        | 37,320 | I | By<br>Subsidiary<br>(2) |
| Common Stock                    | 06/25/2007                           |                                                    | S                              |                                                                   | 900                                                                                           | D                                                        | \$ 1.23                                               | 36,420 | I | By<br>Subsidiary        |

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|              |            |   |       |   | <u>(1)</u>               |        |   | <u>(2)</u>                     |
|--------------|------------|---|-------|---|--------------------------|--------|---|--------------------------------|
| Common Stock | 06/26/2007 | P | 80    | A | \$<br><u>(1)</u><br>1.16 | 36,500 | I | By<br>Subsidiary<br><u>(2)</u> |
| Common Stock | 06/26/2007 | P | 300   | A | \$<br><u>(1)</u><br>1.19 | 36,800 | I | By<br>Subsidiary<br><u>(2)</u> |
| Common Stock | 07/17/2007 | S | 760   | D | \$<br><u>(1)</u><br>1.11 | 36,040 | I | By<br>Subsidiary<br><u>(2)</u> |
| Common Stock | 07/19/2007 | P | 760   | A | \$<br><u>(1)</u><br>1.12 | 36,800 | I | By<br>Subsidiary<br><u>(2)</u> |
| Common Stock | 08/07/2007 | S | 1,140 | D | \$ 0.9<br><u>(1)</u>     | 35,660 | I | By<br>Subsidiary<br><u>(2)</u> |
| Common Stock | 08/09/2007 | P | 1,140 | A | \$<br><u>(1)</u><br>0.88 | 36,800 | I | By<br>Subsidiary<br><u>(2)</u> |
| Common Stock | 09/04/2007 | S | 1,520 | D | \$<br><u>(1)</u><br>0.97 | 35,280 | I | By<br>Subsidiary<br><u>(2)</u> |
| Common Stock | 09/06/2007 | P | 1,520 | A | \$<br><u>(1)</u><br>0.96 | 36,800 | I | By<br>Subsidiary<br><u>(2)</u> |
| Common Stock | 09/07/2007 | S | 380   | D | \$<br><u>(1)</u><br>0.92 | 36,420 | I | By<br>Subsidiary<br><u>(2)</u> |
| Common Stock | 09/12/2007 | P | 380   | A | \$<br><u>(1)</u><br>0.91 | 36,800 | I | By<br>Subsidiary<br><u>(2)</u> |
| Common Stock | 09/27/2007 | S | 380   | D | \$<br><u>(1)</u><br>0.83 | 36,420 | I | By<br>Subsidiary<br><u>(2)</u> |
| Common Stock | 10/01/2007 | P | 380   | A | \$<br><u>(1)</u><br>0.82 | 36,800 | I | By<br>Subsidiary<br><u>(2)</u> |
| Common Stock | 10/12/2007 | S | 760   | D | \$<br><u>(1)</u><br>0.75 | 36,040 | I | By<br>Subsidiary<br><u>(2)</u> |
| Common Stock | 10/23/2007 | P | 1     | A | \$<br><u>(1)</u><br>0.68 | 36,041 | I | By<br>Subsidiary<br><u>(2)</u> |

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|              |            |   |       |   |                       |        |   |                                |
|--------------|------------|---|-------|---|-----------------------|--------|---|--------------------------------|
| Common Stock | 10/23/2007 | S | 1     | D | \$<br><u>(1)</u> 0.68 | 36,040 | I | By<br>Subsidiary<br><u>(2)</u> |
| Common Stock | 10/29/2007 | P | 600   | A | \$<br><u>(1)</u> 0.6  | 36,640 | I | By<br>Subsidiary<br><u>(2)</u> |
| Common Stock | 10/29/2007 | P | 420   | A | \$<br><u>(1)</u> 0.6  | 37,060 | I | By<br>Subsidiary<br><u>(2)</u> |
| Common Stock | 10/29/2007 | P | 300   | A | \$<br><u>(1)</u> 0.6  | 37,360 | I | By<br>Subsidiary<br><u>(2)</u> |
| Common Stock | 10/29/2007 | P | 200   | A | \$<br><u>(1)</u> 0.6  | 37,560 | I | By<br>Subsidiary<br><u>(2)</u> |
| Common Stock | 10/29/2007 | S | 380   | D | \$<br><u>(1)</u> 0.6  | 37,180 | I | By<br>Subsidiary<br><u>(2)</u> |
| Common Stock | 10/29/2007 | S | 760   | D | \$<br><u>(1)</u> 0.6  | 36,420 | I | By<br>Subsidiary<br><u>(2)</u> |
| Common Stock | 11/12/2007 | P | 380   | A | \$<br><u>(1)</u> 0.45 | 36,800 | I | By<br>Subsidiary<br><u>(2)</u> |
| Common Stock | 11/13/2007 | S | 3,040 | D | \$<br><u>(1)</u> 0.55 | 33,760 | I | By<br>Subsidiary<br><u>(2)</u> |
| Common Stock | 11/16/2007 | P | 3,040 | A | \$<br><u>(1)</u> 0.52 | 36,800 | I | By<br>Subsidiary<br><u>(2)</u> |
| Common Stock | 11/27/2007 | S | 380   | D | \$<br><u>(1)</u> 0.35 | 36,420 | I | By<br>Subsidiary<br><u>(2)</u> |
| Common Stock | 11/29/2007 | P | 380   | A | \$<br><u>(1)</u> 0.34 | 36,800 | I | By<br>Subsidiary<br><u>(2)</u> |

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

**Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.**

SEC 1474  
(9-02)

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned**  
(e.g., puts, calls, warrants, options, convertible securities)

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| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Securities (Instr. 3 and 4) | 8. Price of Derivative Security (Instr. 5) | 9. Number of Derivative Securities Owned Following Transaction (Instr. 5) |
|--------------------------------------------|--------------------------------------------------------|--------------------------------------|----------------------------------------------------|--------------------------------|-----------------------------------------------------------------------------------------|----------------------------------------------------------|---------------------------------------------------------------|--------------------------------------------|---------------------------------------------------------------------------|
|--------------------------------------------|--------------------------------------------------------|--------------------------------------|----------------------------------------------------|--------------------------------|-----------------------------------------------------------------------------------------|----------------------------------------------------------|---------------------------------------------------------------|--------------------------------------------|---------------------------------------------------------------------------|

## Reporting Owners

| Reporting Owner Name / Address                        | Relationships |           |         |       |
|-------------------------------------------------------|---------------|-----------|---------|-------|
|                                                       | Director      | 10% Owner | Officer | Other |
| MORGAN STANLEY<br>1585 BROADWAY<br>NEW YORK, NY 10036 |               | X         |         |       |

## 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 4(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) Prices are rounded to the nearest 1/100th.
- (2) Morgan Stanley will disgorge short swing profits to Distributed Energy Systems Corp. in the amount of \$2,900.54 in connection with Section 16(b) of the Securities Exchange Act of 1934, with respect to trades reported on this Form 4 and one other Form 4 being filed by Morgan Stanley on the date hereof.

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.