

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES ACT OF 1933
Release No. 8802 / May 9, 2007

SECURITIES EXCHANGE ACT OF 1934
Release No. 55727 / May 9, 2007

ADMINISTRATIVE PROCEEDING
File No. 3-12631

In the Matter of

**MORGAN STANLEY &
CO. INCORPORATED,**

Respondent.

CORRECTED
ORDER UNDER SECTION 27A(b) OF
THE SECURITIES ACT OF 1933 AND
SECTION 21E(b) OF THE
SECURITIES EXCHANGE ACT OF
1934 GRANTING WAIVERS OF THE
DISQUALIFICATION PROVISIONS
OF SECTION 27A(b)(1)(A)(ii) OF THE
SECURITIES ACT OF 1933 AND
SECTION 21E(b)(1)(A)(ii) OF THE
SECURITIES EXCHANGE ACT OF
1934

Morgan Stanley, the parent company of Morgan Stanley & Co., Incorporated (“MS & Co.”) has submitted a letter, dated March 7, 2007, requesting a waiver of the disqualification provisions of Section 27A(b)(1)(A)(ii) of the Securities Act of 1933 (“Securities Act”) and Section 21E(b)(1)(A)(ii) of the Securities Exchange Act of 1934 (“Exchange Act”) arising from MS & Co.’s settlement of an administrative proceeding commenced by the Commission.

On May 9, 2007, pursuant to MS & Co.’s Offer of Settlement, the Commission issued an Order Instituting Administrative and Cease-and-Desist Proceedings, Making Findings, and Imposing Remedial Sanctions and a Cease-and Desist Order Pursuant to Sections 15(b) and 21C of the Securities Exchange Act of 1934 against MS & Co. In the Order, the Commission ordered MS & Co. to cease-and-desist from committing or causing any violations and any future violations of Section 15(c)(1)(A) of the Securities Exchange Act of 1934 (“Exchange Act”). In the Order, the Commission also censured MS & Co. and ordered it to disgorge ill-gotten gains, pay a civil monetary penalty and comply with certain undertakings.

The safe harbor provisions of Section 27A(c) of the Securities Act and Section 21E(c) of the Exchange Act are not available for any forward looking statement that is “made with respect to the business or operations of the issuer, if the issuer . . . during the 3-year period preceding the date on which the statement was first made . . . has been made the subject of a judicial or administrative

decree or order arising out of a governmental action that (I) prohibits future violations of the antifraud provisions of the securities laws; (II) requires that the issuer cease and desist from violating the antifraud provisions of the securities laws; or (III) determines that the issuer violated the antifraud provisions of the securities laws[.]” Securities Act, Section 27A(b)(1)(A)(ii); Exchange Act, Section 21E(b)(1)(A)(ii). The disqualifications may be waived “to the extent otherwise specifically provided by rule, regulation, or order of the Commission.” Securities Act, Section 27A(b); Exchange Act, Section 21E(b).

Based upon the representations set forth in Morgan Stanley's March 7, 2007 request, the Commission has determined that under the circumstances, the request for a waiver of the disqualifications resulting from the entry of the Final Judgment and the Order is appropriate and should be granted.

Accordingly, IT IS ORDERED, pursuant to Section 27A(b) of the Securities Act and Section 21E(b) of the Exchange Act, that a waiver from the disqualification provisions of Section 27A(b)(1)(A)(ii) of the Securities Act and Section 21E(b)(1)(A)(ii) of the Exchange Act resulting from the entry of the Final Judgment and the Order are hereby granted.

By the Commission.

Nancy M. Morris
Secretary