



DIVISION OF
CORPORATION FINANCE

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

May 11, 2007

Mr. Kevin McEnery
Wilmer Cutler Pickering Hale and Dorr, LLP
1875 Pennsylvania Avenue, NW
Washington, D.C. 20006

Re: Order Routing Practices of Certain Broker-Dealers (P-01220)
**Morgan Stanley – Waiver Request of Ineligible Issuer Status under Rule 405
of the Securities Act**

Dear Mr. McEnery:

This is in response to your letter dated March 23, 2007, written on behalf of Morgan Stanley (Company) and constituting an application for relief from the Company being considered an “ineligible issuer” under Rule 405(1)(vi) of the Securities Act of 1933 (Securities Act). The Company requests relief from being considered an “ineligible issuer” under Rule 405, due to the entry on May 9, 2007, of a Commission Order (Order) pursuant to Sections 15(b) and 21C of the Securities Exchange Act of 1934 (Exchange Act), naming Morgan Stanley & Co., Incorporated (MS & Co.), a subsidiary of the Company, as a respondent. The Order finds, among other things, that the MS & Co. violated Section 15(c)(1)(A) of Exchange Act and requires that MS & Co. cease and desist from committing or causing any violations and any future violations of Section 15(c)(1)(A) of the Exchange Act.

Based on the facts and representations in your letter, and assuming the Company and MS & Co. comply with the Order, the Commission, pursuant to delegated authority has determined that the Company has made a showing of good cause under Rule 405(2) and that the Company will not be considered an ineligible issuer by reason of the entry of the Order. Accordingly, the relief described above from the Company being an ineligible issuer under Rule 405 of the Securities Act is hereby granted and the effectiveness of such relief is May 9, 2007. Any different facts from those represented or non-compliance with the Order might require us to reach a different conclusion.

Sincerely,

Mary Kostelitz

Chief, Office of Enforcement Liaison
Division of Corporation Finance

March 23, 2007

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BY HAND DELIVERY

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Re: In the Matter of Order Routing Practices of Certain Broker-Dealers (P-01220)

Dear Ms. Kosterlitz:

I am writing on behalf of our client, Morgan Stanley, in connection with the anticipated settlement of the above-referenced investigation by the Securities and Exchange Commission (the "Commission"). The anticipated settlement will result in the issuance of an order that is described below against Morgan Stanley & Co. Incorporated ("MS&Co."), a subsidiary of Morgan Stanley (the "Order").

Morgan Stanley seeks a determination by the Commission that it will not be deemed an ineligible issuer under Rule 405 of the Securities Act of 1933 ("Securities Act"), 17 C.F.R. § 230.405, for any purposes, including the definition of "well-known seasoned issuer," as a result of the Order. Relief from the ineligible issuer provisions is appropriate in the circumstances of this case for the reasons given below. Morgan Stanley further requests that this determination be effective upon the entry of the Order. It is our understanding that the Philadelphia District Office does not object to the Division of Corporation Finance providing the requested determination.

BACKGROUND

The staff of the Philadelphia District Office has engaged in settlement discussions with MS&Co. in connection with the contemplated administrative proceedings arising out of the above-captioned investigation, which will be brought pursuant to Sections 15(b) and 21C of the Securities Exchange Act of 1934 ("Exchange Act"). As a result of these discussions, MS&Co. has submitted an Offer of Settlement of Morgan Stanley & Co. Incorporated (the "Offer") to be presented to the Commission.

In the Offer, solely for the purpose of proceedings brought by or on behalf of the Commission or in which the Commission is a party, MS&Co. agreed to consent to the entry of

