

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 60568 / August 25, 2009

ADMINISTRATIVE PROCEEDING
File No. 3-12631

)	
In the Matter of)	
)	
Morgan Stanley & Co.)	ORDER APPROVING
Incorporated,)	PLAN OF
)	DISTRIBUTION
)	
Respondent.)	
)	

On May 9, 2007, the Securities and Exchange Commission (“Commission”) issued a settled 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 Morgan Stanley & Co. Incorporated (“MS & Co.”) for failing to seek to obtain best execution for certain orders for over-the-counter securities placed by retail customers of MS & Co., MS & Co.’s broker-dealer affiliate and third-party broker-dealers that routed orders to MS & Co. for execution. (See Exchange Act Rel. No. 34-55726.) Pursuant to the Order, MS & Co., among other things, paid a total of \$6,457,200 in disgorgement and prejudgment interest (the “Disgorgement Fund”) which is being held at the U.S. Treasury Bureau of Public Debt.

On June 23, 2009, the Commission published a “Notice of Proposed Plan of Distribution and Opportunity for Comment” (“Notice”) pursuant to Rule 1103 of the Commission’s Rules on Fair Fund and Disgorgement Plans, 17 C.F.R. § 201.1103. See Exchange Act Release No. 60160. The Notice advised all interested parties that they may obtain a copy of the Distribution Plan from the Commission’s public website, <http://www.sec.gov>, or by submitting a written request to Elaine C. Greenberg, Associate Regional Director, United States Securities and Exchange Commission, 701 Market Street, Suite 2000, Philadelphia, PA 19106.

The Notice also advised that all persons desiring to comment on the Distribution Plan could submit their views, in writing, no later than July 23, 2009, to the Office of the Secretary, United States Securities and Exchange Commission, 100 F Street, N.E., Washington, D.C. 20549-1090; by using the Commission’s Internet comment form; or by sending an email to rule-comments@sec.gov. The Commission received no

comments on the Distribution Plan and no modification has been made to the Distribution Plan since its publication.

The staff requests that the Commission approve the Distribution Plan as written.

Accordingly, IT IS HEREBY ORDERED, pursuant to Rule 1104 of the Commission's Rules on Fair Fund and Disgorgement Plans, 17 C.F.R. §201.1104, that the Distribution Plan is approved.

For the Commission, by its Secretary, pursuant to delegated authority.

Elizabeth M. Murphy
Secretary