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 to the Commission and selected Elizabeth Coley, President and Chief Executive Officer of ComplianceRx LLC, as an Independent Distribution Consultant ("IDC"), to develop a distribution plan for the distribution of disgorgement and interest (the “Disgorgement Fund”). Since then, the IDC has developed a proposed distribution plan (the “Distribution Plan”) in consultation with the staff and MS & Co.

In accordance with the Commission’s Rules on Fair Fund and Disgorgement Plans, 17 C.F.R. § 201.1100, et seq., the Distribution Plan proposes a Plan Administrator and sets forth, among other things, procedures for the distribution of proceeds to funds or shareholders of funds; procedures for the administration of Disgorgement Fund, including provisions for filing tax returns; and a proposed timeframe for the termination of the Distribution Plan.

Rust Consulting, Inc., proposed in the Plan as the Plan Administrator, has not posted the bond generally required of third parties under Fair Fund Rule 1105(c). Rather, the Plan incorporates several layers of protection for the Disgorgement Fund. Among other things, under the Plan: (1) the Plan Administrator will have no custody, and only limited control, of the Disgorgement Fund; (2) the Disgorgement Fund will be held by
Accordingly, IT IS HEREBY ORDERED that:

A. Pursuant to the Commission’s Rules on Fair Fund and Disgorgement Plans, 17 C.F.R. § 201.1105(a), Rust Consulting, Inc. is appointed as Plan Administrator; and

B. The bond requirement of Rule 1105(c) of the Commission’s Rules on Fair Fund and Disgorgement Plans, 17 C.F.R. § 201.1105(c), is waived for good cause shown.

By the Commission.

Elizabeth M. Murphy
Secretary

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1 The “Escrow Bank” refers to Deutsche Bank as defined in paragraph 16 and described in paragraph 20 of the Distribution Plan.