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.


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