I.

Morgan Stanley & Co, Incorporated (“Morgan Stanley”) has submitted a letter on behalf of itself and its affiliates, dated February 17, 2006, requesting a waiver of the disqualification from the exemption from registration under Regulation E arising from Morgan Stanley’s settlement of an injunctive proceeding in federal court.


II.

Rule 602(b)(4) makes the Regulation E exemption unavailable to an issuer if, among other things, such issuer or any of its affiliates is subject to any “order, judgment, or decree of any court of competent jurisdiction, entered within five years prior to the filing of such [Regulation E] notification, temporarily or permanently restraining or enjoining such person from engaging in or continuing any conduct or practice in connection with the purchase or sale of securities.” Rule 602(c)(2) also makes the exemption unavailable to an issuer if, among other things, any investment advisor to or underwriter of securities to be issued is “temporarily or permanently restrained or enjoined by any court from engaging in or continuing any conduct or practice in connection with the purchase or sale of any security or arising out of such person’s
conduct as an underwriter, broker, dealer or investment adviser.” Rule 602(e) provides, however, that the disqualification “shall not apply . . . if the Commission determines, upon a showing of good cause, that it is not necessary under the circumstances that the exemption be denied.

III.

Based on the representations set forth in Morgan Stanley’s February 17, 2006 request, the Commission has determined that, pursuant to Rule 602(e), a showing of good cause has been made and that it is not necessary under the circumstances that the exemption be denied.

Accordingly, **IT IS ORDERED**, pursuant to Rule 602(e) under the Securities Act of 1933 (“Securities Act”), that a waiver of the disqualification provisions of Rule 602(b)(4) and 602(c)(2) under the Securities Act resulting from the entry of the Final Judgment is hereby granted.

By the Commission.

Nancy M. Morris
Secretary