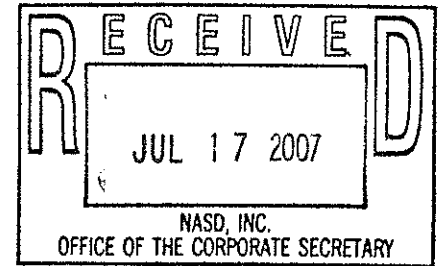


Morgan Stanley



July 16, 2007

William Jannace
Director of Rule and Interpretive Standards
Member Firm Regulation
New York Stock Exchange
20 Broad Street, 23rd Floor
New York, NY 10005

Barbara Z. Sweeney
Office of the Corporate Secretary
NASD
1735 K Street, NW
Washington, D.C. 20006-1500

**Re: NASD Notice to Members 07-30; NYSE Information Memo 7-54
Request for Comment on Proposed Joint Guidance Regarding
the Review and Supervision of Electronic Communications**

Dear Mr. Jannace and Ms. Sweeney:

Morgan Stanley & Co. Inc. ("Morgan Stanley") is pleased to comment on the above-referenced Notice to Members and Information Memo, which seek input on proposed Joint Guidance regarding the supervision and review of electronic communications.

Morgan Stanley fully supports the Joint Guidance. The Joint Guidance takes a balanced, risk-based approach to the review of electronic communications that would permit each firm to tailor its systems and procedures to reflect its own the unique business and risk characteristics. The Joint Guidance appropriately recognizes that a "one size fits all" approach is not effective for an industry with a range of business models and technology.

Morgan Stanley particularly wishes to commend the NYSE and NASD on their willingness to engage in a dialogue with the industry on these complex issues. The Joint Guidance originated from discussions within the NYSE's Compliance Advisory Group

Morgan Stanley

Ms. Barbara Z. Sweeney

Mr. William Jannace

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about the challenges involved in creating a program to supervise such communications effectively, ultimately leading to a joint effort by the NYSE and NASD that recognizes practical constraints while meeting important regulatory objectives.

We recognize that interpretive questions will inevitably arise as Morgan Stanley and other firms work to implement the Joint Guidance. We look forward to further dialogue with the NYSE and NASD concerning such questions, as well as to continuing the collaborative process in a single self-regulatory regime.

Again, thank you for the opportunity to comment on this significant initiative. If you have any questions, please do not hesitate to contact me at (212) 259-1068.

Sincerely,



Jill W. Ostergaard
Managing Director

CC: Elisse B. Walter, NASD, Senior Executive Vice President
Marc Menchel, NASD Executive Vice President and General Counsel
Richard G. Ketchum, NYSE Regulation, Chief Executive Officer
Grace B. Vogel, NYSE Regulation, Executive Vice President