

MORGAN STANLEY
Form 4
July 10, 2007

FORM 4

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
TYSON LAURA D

(Last) (First) (Middle)

MORGAN STANLEY, 1585
BROADWAY

(Street)

NEW YORK, NY 10036

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
MORGAN STANLEY [MS]

3. Date of Earliest Transaction
(Month/Day/Year)
07/06/2007

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director 10% Owner
 Officer (give title below) Other (specify below)

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | 4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
| | | | Code | V Amount (A) or (D) Price | | | |
| Common Stock | 07/06/2007 | | M | 9,399 A \$ 32.64 | 32,950.867 (1) | D | |
| Common Stock | 07/06/2007 | | M | 3,153 A \$ 33.27 | 36,103.867 | D | |
| Common Stock | 07/06/2007 | | S | 100 D \$ 72.42 | 36,003.867 | D | |
| Common Stock | 07/06/2007 | | S | 200 D \$ 72.47 | 35,803.867 | D | |
| Common Stock | 07/06/2007 | | S | 100 D \$ 72.5 | 35,703.867 | D | |

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| | | | | | | | |
|--------------|------------|---|-----|---|----------|------------|---|
| Common Stock | 07/06/2007 | S | 100 | D | \$ 72.52 | 35,603.867 | D |
| Common Stock | 07/06/2007 | S | 100 | D | \$ 72.54 | 35,503.867 | D |
| Common Stock | 07/06/2007 | S | 100 | D | \$ 72.62 | 35,403.867 | D |
| Common Stock | 07/06/2007 | S | 100 | D | \$ 72.64 | 35,303.867 | D |
| Common Stock | 07/06/2007 | S | 100 | D | \$ 72.65 | 35,203.867 | D |
| Common Stock | 07/06/2007 | S | 200 | D | \$ 72.66 | 35,003.867 | D |
| Common Stock | 07/06/2007 | S | 500 | D | \$ 72.67 | 34,503.867 | D |
| Common Stock | 07/06/2007 | S | 100 | D | \$ 72.68 | 34,403.867 | D |
| Common Stock | 07/06/2007 | S | 400 | D | \$ 72.69 | 34,003.867 | D |
| Common Stock | 07/06/2007 | S | 200 | D | \$ 72.7 | 33,803.867 | D |
| Common Stock | 07/06/2007 | S | 100 | D | \$ 72.71 | 33,703.867 | D |
| Common Stock | 07/06/2007 | S | 100 | D | \$ 72.72 | 33,603.867 | D |
| Common Stock | 07/06/2007 | S | 200 | D | \$ 72.73 | 33,403.867 | D |
| Common Stock | 07/06/2007 | S | 300 | D | \$ 72.75 | 33,103.867 | D |
| Common Stock | 07/06/2007 | S | 100 | D | \$ 72.76 | 33,003.867 | D |
| Common Stock | 07/06/2007 | S | 500 | D | \$ 72.77 | 32,503.867 | D |
| Common Stock | 07/06/2007 | S | 100 | D | \$ 72.78 | 32,403.867 | D |
| Common Stock | 07/06/2007 | S | 100 | D | \$ 72.79 | 32,303.867 | D |
| Common Stock | 07/06/2007 | S | 400 | D | \$ 72.81 | 31,903.867 | D |
| Common Stock | 07/06/2007 | S | 100 | D | \$ 72.82 | 31,803.867 | D |
| | 07/06/2007 | S | 200 | D | | 31,603.867 | D |

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| | | | | | | | | |
|--------------|------------|--|---|-----|---|----------|------------|---|
| Common Stock | | | | | | \$ 72.84 | | |
| Common Stock | 07/06/2007 | | S | 200 | D | \$ 72.86 | 31,403.867 | D |
| Common Stock | 07/06/2007 | | S | 200 | D | \$ 72.87 | 31,203.867 | D |
| Common Stock | 07/06/2007 | | S | 100 | D | \$ 72.88 | 31,103.867 | D |
| Common Stock | 07/06/2007 | | S | 200 | D | \$ 72.89 | 30,903.867 | D |

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

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(9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Security (Instr. 3 and 4) | 8. Amount or Number of Shares |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|-------------------------------|
| Non-Qualified Stock Option (Right to Buy) | \$ 32.64 <u>(1)</u> | 07/06/2007 | | M | 9,399 <u>(1)</u> | 09/25/1998 03/23/2008 | Common Stock | 9,399 |
| Non-Qualified Stock Option (Right to Buy) | \$ 33.27 <u>(1)</u> | 07/06/2007 | | M | 3,153 <u>(1)</u> | 10/25/1998 04/23/2008 | Common Stock | 3,153 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---------------------------------|---------------|-----------|---------|-------|
| | Director | 10% Owner | Officer | Other |
| TYSON LAURA D MORGAN STANLEY | X | | | |

1585 BROADWAY
NEW YORK, NY 10036

Signatures

/s/ Charlene R. Herzer,
Attorney-in-Fact

07/10/2007

__Signature of Reporting Person

Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).
- ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) Reflects the application of mandatory anti-dilution adjustments to the Reporting Person's Stock Units and Stock Options as a result of the issuer's spin-off of Discover Financial Services on June 30, 2007.
- (2) 1 of 3 Forms 4 filed to report the sale of a total of 15,000 shares of Common Stock on July 6, 2007 at stock prices ranging from \$72.42 to \$73.54 per share.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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