UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

DIVISION OF
CORPORATION FINANCE

November 16, 2011

Mr. David S. Huntington
Paul, Weiss, Rifkind, Wharton & Garrison LLP
1285 Avenue of the Americas
New York, NY 10019

Re: In the Matter of Morgan Stanley Investment Management, Inc. (FL-3607)
Morgan Stanley – Waiver Request of Ineligible Issuer Status under Rule 405 of the Securities Act

Dear Mr. Huntington:

This is in response to your letter dated October 20, 2011, written on behalf of Morgan Stanley (Company) and constituting an application for relief from the Company being considered an "ineligible issuer" under Rule 405(1)(vi) of the Securities Act of 1933 (Securities Act). The Company requests relief from being considered an "ineligible issuer" under Rule 405, due to the entry on November 16, 2011, of a Commission Order (Order) pursuant to Sections 203(e) and 203(k) of the Investment Advisers Act of 1940 (Advisers Act) and Sections 9(b) and 9(f) of the Investment Company Act of 1940 (Investment Company Act) naming Morgan Stanley Investment Management (MSIM), a subsidiary of the Company, as a respondent. The Order requires that, among other things, MSIM cease and desist from committing or causing any violations and any future violations of Sections 15(c) and 34(b) of the Investment Company Act, and Sections 206(2) and 206(4) of the Advisers Act and Rule 206(4)-7 thereunder.

Based on the facts and representations in your letter, and assuming the Company and MSIM comply with the Order, the Commission, pursuant to delegated authority has determined that the Company has made a showing of good cause under Rule 405(2) of the Securities Act and that the Company will not be considered an ineligible issuer by reason of the entry of the Order. Accordingly, the relief described above from the Company being an ineligible issuer under Rule 405 of the Securities Act is hereby granted. Any different facts from those represented or non-compliance with the Order might require us to reach a different conclusion.

Sincerely,

Mary Kosterlitz
Chief, Office of Enforcement Liaison
Division of Corporation Finance

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October 20, 2011

Via First Class Mail and Email

Mary J. Kosterlitz, Esq.
Chief, Office of Enforcement Liaison
Division of Corporation Finance, Stop 3628
Securities and Exchange Commission
100 F Street, N.E.
Washington, DC 20549

Re: In the Matter of Morgan Stanley Investment Management, Inc. (File No. FL-3607)

Dear Ms. Kosterlitz:

We submit this letter on behalf of Morgan Stanley Investment Management Inc. (the "Settling Firm") and Morgan Stanley, in connection with a contemplated settlement between the Settling Firm and the Securities and Exchange Commission (the "Commission") in the above-referenced administrative proceeding.

The Settling Firm is a subsidiary of Morgan Stanley. Though its subsidiaries, Morgan Stanley offers banking, brokerage, advisory and other financial services to institutional and individual customers worldwide.

Morgan Stanley hereby requests, pursuant to Rule 405 ("Rule 405") promulgated under the Securities Act of 1933, as amended (the "Securities Act"), that the Division of Corporation Finance (the "Division"), acting pursuant to delegated authority, grant a waiver to Morgan Stanley with respect to any "ineligible issuer" status (as defined in Rule 405) that may arise as a result of the entry of the Order (as defined below). We request that this waiver be made effective upon entry of the Order. It is the Settling Firm's understanding that the Division of Enforcement does not object to the grant of the requested waiver.

BACKGROUND

The Settling Firm has engaged in settlement discussions with the staff of the Division of Enforcement in connection with the administrative proceeding referenced above, which will be brought pursuant to Sections 203(e) and 203(k) of the Investment Advisers Act of 1940, as amended (the "Advisers Act"), and Sections 9(b) and 9(f) of the Investment Company Act of 1940, as amended (the "Investment Company Act"). As a result of these discussions, the Settling Firm has submitted an offer of settlement, pursuant to which it has consented to entry of an Order of the Commission (the "Order"). Under the terms of the offer of settlement, the Settling Firm will neither admit nor deny any of the findings in the Order, except as to jurisdiction.

The Order relates to alleged violations of the federal securities laws by the Settling Firm, which served as the primary investment adviser to the Malaysia Fund, Inc. (the "Fund"), in connection with investment advisory fees charged to the Fund by the Fund's Malaysian sub-adviser and representations made to investors and the Fund's board of directors (the "Board") regarding the nature of services provided by the sub-adviser. The Settling Firm did not receive any economic benefit from the conduct in question, and there has been no allegation of any scienter-based offenses. Under the terms of the Order, the Commission will:

1. Require the Settling Firm to cease and desist from committing or causing any violations and any future violations of Sections 15(c) and 34(b) of the Investment Company Act, and Sections 206(2) and 206(4) of the Advisers Act and Rule 206(4)-7 thereunder.

2. Censure the Settling Firm.

3. Require the Settling Firm to pay a civil money penalty in the amount of $1,500,000 to the United States Treasury.

4. Require the Settling Firm to comply with certain undertakings set forth in the Order, including making a payment to the Fund in the amount of $1,845,000 to reimburse the Fund for the amount of advisory fees the Fund paid to the sub-adviser during the relevant time period, less a credit of $543,000 for the portion the Settling Firm has already reimbursed to the Fund, and implementing and maintaining certain policies and procedures specifically governing the 15(c) process and its oversight of advisers and sub-advisers, principal underwriters, administrators, and transfer agents. These policies are described in detail in the Order.

DISCUSSION

In 2005, the Commission adopted rules that significantly modified the registration, communications, and offering processes under the Securities Act. See Securities Act Release No. 33-8591 (the "Offering Reform Release"). The changes eliminated certain restrictions on offerings and provide more timely investment information to investors without mandating delays in the offering process that were considered by the Commission to be inconsistent with the needs of issuers for timely access to capital. Among the changes were the creation of a new category of issuer, defined in Rule 405 as a "well-known seasoned issuer," and a new category of offering communication, defined in Rule 405 as a "free writing prospectus." The changes to Rule 405 also added a definition of another category of issuer, defined as an "ineligible issuer," which is excluded from the category of well-known seasoned issuer and which is not eligible to make communications by way of a free writing prospectus, except in limited circumstances. See Rules 164(e) and 433(b)(2) under the Securities Act.

An issuer is an ineligible issuer for the purposes of Rule 405 if, among other things, "[w]ithin the past three years . . . the issuer or any entity that at the time was a subsidiary of the issuer was made the subject of any judicial or administrative decree or order arising out of a governmental action that . . . [r]equires that the person cease and desist from violating the anti-fraud provisions of the federal securities laws." Ineligible issuer status may be waived if "the Commission determines, upon a showing of good cause, that it is not necessary under the circumstances that the issuer be considered an ineligible issuer." The Commission has delegated to the Division of Corporation Finance the authority to grant or deny applications requesting that an issuer not be considered an ineligible issuer as defined in Rule 405.

Accordingly, we hereby request that a waiver be granted to Morgan Stanley with respect to any "ineligible issuer" status that may arise under Rule 405 as a result of the entry of the Order, and that the waiver be effective upon entry of the Order. We do not believe that the protection of investors or the public interest would be served by denying Morgan Stanley the benefits afforded by the Securities Act to issuers that are not classified as ineligible issuers because the Settling Firm's conduct addressed in the Order does not relate to activities undertaken by Morgan Stanley or any of its subsidiaries

with respect to their own disclosures as issuers of securities or in any of their own disclosures in filings with the Commission.

In light of the foregoing, we respectfully submit that it is not necessary under the circumstances that Morgan Stanley be considered an ineligible issuer as a result of the entry of the Order, and that it has shown good cause that relief should be granted.

Please do not hesitate to contact the undersigned at (212) 373-3124 regarding this request.

Sincerely,

David S. Huntington

cc: Dina Romani, Esq.
Morgan Stanley
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