

SHEAR NEAL A
Form 4
December 23, 2005

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 *
SHEAR NEAL A

(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 [MWD]

3. Date of Earliest Transaction
(Month/Day/Year)
12/23/2005

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

____ Director
____ Officer (give title below)
____ 10% Owner
__X__ Other (specify below)
Business Unit Head

6. Individual or Joint/Group Filing(Check Applicable Line)
X 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 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 Indirect Beneficial Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|---|
| | | | Code | V | Amount | (A) or (D) | Price |
| Common Stock | 12/23/2005 | | S | | 2,300 | D | \$ 58.3 |
| Common Stock | 12/23/2005 | | S | | 3,200 | D | \$ 58.31 |
| Common Stock | 12/23/2005 | | S | | 3,400 | D | \$ 58.32 |
| Common Stock | 12/23/2005 | | S | | 3,700 | D | \$ 58.33 |
| Common Stock | 12/23/2005 | | S | | 1,500 | D | \$ 58.34 |

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| | | | | | | | | |
|--------------|------------|---|--------|---|----------|------------|---|---------------------------|
| Common Stock | 12/23/2005 | S | 7,100 | D | \$ 58.35 | 748,688 | D | |
| Common Stock | 12/23/2005 | S | 200 | D | \$ 58.36 | 748,488 | D | |
| Common Stock | 12/23/2005 | S | 6,200 | D | \$ 58.37 | 742,288 | D | |
| Common Stock | 12/23/2005 | S | 1,400 | D | \$ 58.39 | 740,888 | D | |
| Common Stock | 12/23/2005 | S | 3,600 | D | \$ 58.4 | 737,288 | D | |
| Common Stock | 12/23/2005 | S | 700 | D | \$ 58.41 | 736,588 | D | |
| Common Stock | 12/23/2005 | S | 300 | D | \$ 58.44 | 736,288 | D | |
| Common Stock | 12/23/2005 | S | 10,000 | D | \$ 58.45 | 726,288 | D | |
| Common Stock | 12/23/2005 | S | 3,078 | D | \$ 58.49 | 723,210 | D | |
| Common Stock | | | | | | 10,889.115 | I | By 401(k) Plan/ESOP Trust |

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

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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 Securities (Instr. 3 and 4) | 8. Price of Derivative Security (Instr. 5) | 9. Number of Derivative Securities Beneficially Owned (Instr. 6) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--|--|
| | | | | Code | V (A) (D) | Date Exercisable | Expiration Date | Title | Amount or Number of Shares |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|---------|--------------------|
| | Director | 10% Owner | Officer | Other |
| SHEAR NEAL A MORGAN STANLEY 1585 BROADWAY NEW YORK, NY 10036 | | | | Business Unit Head |

Signatures

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

12/23/2005

__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).

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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