

SECURITIES AND EXCHANGE COMMISSION

FORM 424B2

Prospectus filed pursuant to Rule 424(b)(2)

Filing Date: **2008-08-29**
SEC Accession No. **0000950103-08-002272**

([HTML Version](#) on secdatabase.com)

FILER

MORGAN STANLEY

CIK: **895421** | IRS No.: **363145972** | State of Incorporation: **DE** | Fiscal Year End: **1130**
Type: **424B2** | Act: **33** | File No.: **333-131266** | Film No.: **081049045**
SIC: **6211** Security brokers, dealers & flotation companies

Mailing Address
*1585 BROADWAY
NEW YORK NY 10036*

Business Address
*1585 BROADWAY
NEW YORK NY 10036
212-761-4000*

CALCULATION OF REGISTRATION FEE

<u>Title of Each Class of Securities Offered</u>	<u>Maximum Aggregate Offering Price¹</u>	<u>Amount of Registration Fee</u>
Performance Leveraged Upside Securities due 2009	\$70,200	\$2.76

(1) The maximum aggregate offering price relates to an additional \$70,200 of securities offered and sold pursuant to this Amendment No. 1 to Pricing Supplement No. 769 to Registration Statement No. 333-131266.

Morgan Stanley

August 2008
Amendment No. 1 dated August 29, 2008 to
Pricing Supplement No. 769
Registration Statement No. 333-131266
Dated August 22, 2008
Filed pursuant to Rule 424(b)(2)

STRUCTURED INVESTMENTS

Opportunities in Equities

PLUS Based on the Value of the Russell 2000[®] Index due September 20, 2009

Performance Leveraged Upside SecuritiesSM

The PLUS are senior unsecured obligations of Morgan Stanley, will pay no interest, do not guarantee any return of principal at maturity and have the terms described in the prospectus supplement for PLUS and the prospectus, as supplemented or modified by this pricing supplement. At maturity, you will receive for each stated principal amount of PLUS that you hold an amount in cash that may be more or less than the stated principal amount based upon the closing value of the underlying index on the valuation date.

FINAL TERMS

Issuer:	Morgan Stanley
Maturity date:	September 20, 2009
Underlying index:	Russell 2000 [®] Index
Aggregate principal amount:	\$2,963,150
Payment at maturity:	If final index value is <i>greater than</i> initial index value, \$10 + leveraged upside payment <i>In no event will the payment at maturity exceed the maximum payment at maturity.</i> If final index value is <i>less than or equal to</i> initial index value, \$10 x index performance factor <i>This amount will be less than or equal to the stated principal amount of \$10.</i>
Leveraged upside payment:	\$10 x leverage factor x index percent increase
Index percent increase:	(final index value – initial index value) / initial index value
Initial index value:	737.60, which is the index closing value of the underlying index on the pricing date
Final index value:	The index closing value on the valuation date
Valuation date:	September 17, 2009, subject to adjustment for certain market disruption events.
Leverage factor:	200%
Index performance factor:	final index value / initial index value
Maximum payment at maturity:	\$12.30 per PLUS (123% of the stated principal amount)
Stated principal amount:	\$10 per PLUS
Issue price:	\$10 per PLUS
Pricing date:	August 22, 2008
Original issue date:	August 29, 2008 (5 business days after the pricing date).
CUSIP:	617483706
Listing:	The PLUS will not be listed on any securities exchange.
Agent:	Morgan Stanley & Co. Incorporated

Commissions and Issue Price:	Price to Public	Agent's Commissions ⁽¹⁾	Proceeds to Company
Per PLUS	\$10	\$0.15	\$9.85
Total	\$2,963,150	\$44,447.25	\$2,918,702.75

(1) For additional information, see "Plan of Distribution" in the prospectus supplement for PLUS.

The PLUS involve risks not associated with an investment in ordinary debt securities. See "Risk Factors" beginning on page 6.

The Securities and Exchange Commission and state securities regulators have not approved or disapproved these securities, or determined if this pricing supplement or the accompanying prospectus supplement and prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

YOU SHOULD READ THIS DOCUMENT TOGETHER WITH THE RELATED PROSPECTUS SUPPLEMENT AND PROSPECTUS, EACH OF WHICH CAN BE ACCESSED VIA THE HYPERLINKS BELOW.

[Amendment No. 2 to Prospectus Supplement for PLUS dated October 24, 2007](#)
[Prospectus dated January 25, 2006](#)

PLUS Based on the Value of the Russell 2000[®] Index due September 20, 2009Performance Leveraged Upside SecuritiesSM

Fact Sheet

The PLUS offered are senior unsecured obligations of Morgan Stanley, will pay no interest, do not guarantee any return of principal at maturity and have the terms described in the prospectus supplement for PLUS and the prospectus, as supplemented or modified by this pricing supplement. At maturity, an investor will receive for each stated principal amount of PLUS that the investor holds, an amount in cash that may be more or less than the stated principal amount based upon the closing value of the underlying index at maturity. The PLUS are senior notes issued as part of Morgan Stanley's Series F Global Medium-Term Notes program.

Key Dates	
Pricing date:	Original issue date (settlement date):
August 22, 2008	August 29, 2008 (5 business days after the pricing date)
	Maturity date:
	September 20, 2009, subject to postponement due to a market disruption event
Key Terms	
Issuer:	Morgan Stanley
Underlying index:	Russell 2000 [®] Index
Underlying index publisher:	Frank Russell Company
Issue price:	\$10 per PLUS
Stated principal amount:	\$10 per PLUS
Denominations:	\$10 per PLUS and integral multiples thereof
Interest:	None
Bull market or bear market PLUS:	Bull market PLUS
Payment at maturity:	If final index value is <i>greater than</i> initial index value, \$10 + leveraged upside payment <i>In no event will the payment at maturity exceed the maximum payment at maturity.</i> If final index value is <i>less than or equal to</i> initial index value, \$10 x index performance factor <i>This amount will be less than or equal to the stated principal amount of \$10.</i>
Leveraged upside payment:	\$10 x leverage factor x index percent increase
Index percent increase:	(final index value – initial index value) / initial index value
Leverage factor:	200%
Index performance factor:	final index value / initial index value
Initial index value:	737.60, which is the index closing value of the underlying index on the pricing date.
Final index value:	The index closing value of the underlying index on the valuation date as published on Bloomberg under the ticker symbol “RTY” or any successor symbol.
Valuation date:	September 17, 2009, subject to adjustment for certain market disruption events.
Maximum payment at maturity:	\$12.30 per PLUS (123% of the stated principal amount)
Postponement of maturity date:	If the scheduled valuation date is not an index business day or if a market disruption event occurs on that day so that the valuation date as postponed falls less than two scheduled index business days prior to the scheduled maturity date, the maturity date of the PLUS will be postponed until the second scheduled index business day following that valuation date as postponed.
Risk factors:	Please see “Risk Factors” on page 6.

PLUS Based on the Value of the Russell 2000[®] Index due September 20, 2009Performance Leveraged Upside SecuritiesSM

General Information

Listing: The PLUS will not be listed on any securities exchange.

CUSIP: 617483706

Minimum ticketing size: 100 PLUS

Tax considerations:

Although the issuer believes that, under current law, the PLUS should be treated as a single financial contract that is an “open transaction” for U.S. federal income tax purposes, there is uncertainty regarding the U.S. federal income tax consequences of an investment in the PLUS.

Assuming this treatment of the PLUS is respected and subject to the discussion in “United States Federal Taxation” in the accompanying prospectus supplement for PLUS, the following U.S. federal income tax consequences should result based on current law:

- A U.S. Holder should not be required to recognize taxable income over the term of the PLUS prior to maturity, other than pursuant to a sale or exchange.
- Upon sale, exchange or settlement of the PLUS at maturity, a U.S. Holder should recognize gain or loss equal to the difference between the amount realized and the U.S. Holder’s tax basis in the PLUS. Such gain or loss should be long-term capital gain or loss if the U.S. Holder has held the PLUS for more than one year.

On December 7, 2007, the Treasury Department and the Internal Revenue Service (the “IRS”) released a notice requesting comments on the U.S. federal income tax treatment of “prepaid forward contracts” and similar instruments, such as the PLUS. The notice focuses in particular on whether to require holders of these instruments to accrue income over the term of their investment. It also asks for comments on a number of related topics, including the character of income or loss with respect to these instruments; whether short-term instruments should be subject to any such accrual regime; the relevance of factors such as the exchange-traded status of the instruments and the nature of the underlying property to which the instruments are linked; the degree, if any, to which income (including any mandated accruals) realized by non-U.S. investors should be subject to withholding tax; and whether these instruments are or should be subject to the “constructive ownership” regime, which very generally can operate to recharacterize certain long-term capital gain as ordinary income that is subject to an interest charge. While the notice requests comments on appropriate transition rules and effective dates, any Treasury regulations or other guidance promulgated after consideration of these issues could materially and adversely affect the tax consequences of an investment in the PLUS, possibly with retroactive effect.

Both U.S. and non-U.S. investors considering an investment in the PLUS should read the discussion under “Risk Factors — Structure Specific Risk Factors” in this document and the discussion under “United States Federal Taxation” in the accompanying prospectus supplement for PLUS and consult their tax advisers regarding all aspects of the U.S. federal income tax consequences of an investment in the PLUS, including possible alternative treatments, the issues presented by the aforementioned notice and any tax consequences arising under the laws of any state, local or foreign taxing jurisdiction.

Trustee: The Bank of New York Mellon (as successor trustee to JPMorgan Chase Bank, N.A.)

Calculation agent: Morgan Stanley & Co. Incorporated (“MS & Co.”)

Use of proceeds and hedging: The net proceeds we receive from the sale of the PLUS will be used for general corporate purposes and, in part, in connection with hedging our obligations under the PLUS through one or more of our subsidiaries.

On or prior to the pricing date, we, through our subsidiaries or others, hedged our anticipated exposure in connection with the PLUS by taking positions in futures and options contracts on the underlying index. Such purchase activity could have increased the value of the underlying index, and therefore the value at which the underlying index must close on the valuation date before investors would receive at maturity a payment that exceeds the principal amount of the PLUS. For further information on our use of proceeds and hedging, see “Use of Proceeds and Hedging” in the prospectus supplement for PLUS.

ERISA: See “ERISA” in the prospectus supplement for PLUS.

Contact:

Morgan Stanley clients may contact their local Morgan Stanley branch office or our principal executive offices at 1585 Broadway, New York, New York 10036 (telephone number (866) 477-4776). All other clients may contact their local brokerage representative. Third-party distributors may contact Morgan Stanley Structured Investment Sales at (800) 233-1087.

This offering summary represents a summary of the terms and conditions of the PLUS. We encourage you to read the accompanying prospectus supplement for PLUS and prospectus for this offering, which can be accessed via the hyperlinks on the front page of this document.

August 2008

Page 3

PLUS Based on the Value of the Russell 2000[®] Index due September 20, 2009Performance Leveraged Upside SecuritiesSM

How PLUS Work

Payoff Diagram

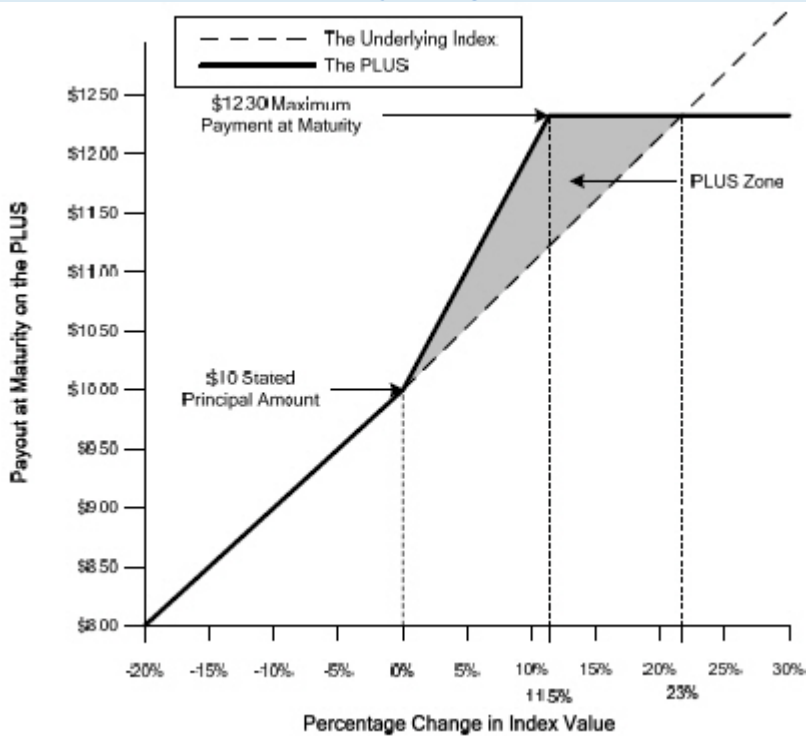
The payoff diagram below illustrates the payment at maturity on the PLUS based on the following terms:

Stated principal amount: \$10

Leverage factor: 200%

Maximum payment at maturity: \$12.30 (123% of the stated principal amount)

PLUS Payoff Diagram



How it works

- If the final index value is greater than the initial index value, then investors receive the \$10 stated principal amount plus 200% of the appreciation of the underlying index over the term of the PLUS, subject to the maximum payment at maturity. In the payoff diagram, an investor will realize the maximum payment at maturity at a final index value of 111.5% of the initial index value.
 - If the underlying index appreciates 5%, the investor would receive a 10% return, or \$11.00.
 - If the underlying index appreciates 25%, the investor would receive only the maximum payment at maturity of \$12.30, or 123% of the stated principal amount.
 - If the final index value is less than or equal to the initial index value, the investor would receive an amount less than or equal to the \$10 stated principal amount, based on a 1% loss of principal for each 1% decline in the underlying index.
 - If the underlying index depreciates 10%, the investor would lose 10% of their principal and receive only \$9 at maturity, or 90% of the stated principal amount.



PLUS Based on the Value of the Russell 2000[®] Index due September 20, 2009Performance Leveraged Upside SecuritiesSM

Payment at Maturity

At maturity, investors will receive for each \$10 stated principal amount of PLUS that they hold an amount in cash based upon the value of the underlying index, determined as follows:

If the final index value is greater than the initial index value:

\$10 + Leveraged Upside Payment:
subject to the *maximum payment at maturity* for each PLUS,

Principal	Leveraged Upside Payment		
	Principal	Leverage	Index Percent Increase
\$10	\$10	200%	$\left(\frac{\text{final index value} - \text{initial index value}}{\text{initial index value}} \right)$

If the final index value is less than or equal to the initial index value:

\$10 X Index Performance Factor

Principal	Index Performance Factor
\$10	$\frac{\text{final index value}}{\text{initial index value}}$

Because the index performance factor will be less than or equal to 1.0, this payment will be less than or equal to \$10.

Risk Factors

The following is a non-exhaustive list of certain key risk factors for investors in the PLUS. For further discussion of these and other risks, you should read the section entitled "Risk Factors" beginning on page S-18 of the prospectus supplement for PLUS. We also urge you to consult your investment, legal, tax, accounting and other advisers before you invest in the PLUS.

Structure Specific Risk Factors

- **PLUS do not pay interest nor guarantee return of principal.** The terms of the PLUS differ from those of ordinary debt securities in that the PLUS do not pay interest nor guarantee payment of the principal amount at maturity. If the final index value is less than the initial index value, the payout at maturity will be an amount in cash that is less than the \$10 stated principal amount of each PLUS by an amount proportionate to the decrease in the value of the underlying index.
- **Appreciation potential is limited.** The appreciation potential of PLUS is limited by the maximum payment at maturity of \$12.30, or 123% of the stated principal amount. Although the leverage factor provides 200% exposure to any increase in the value of the underlying index at maturity, because the payment at maturity will be limited to 123% of the stated principal amount for the PLUS, the percentage exposure provided by the leverage factor is progressively reduced as the final index value exceeds 111.5% of the initial index value.
- **Market price influenced by many unpredictable factors.** Several factors will influence the value of the PLUS in the secondary market and the price at which MS & Co. may be willing to purchase or sell the PLUS in the secondary market, including: the value, volatility and dividend yield of the underlying index, interest and yield rates, time remaining to maturity, geopolitical conditions and economic, financial, political and regulatory or judicial events and creditworthiness of the issuer.
- **Not equivalent to investing in the underlying index.** Investing in the PLUS is not equivalent to investing in the underlying index or its component stocks. Investors in the PLUS will not have voting rights or rights to receive dividends or other distributions or any other rights with respect to stocks that constitute the underlying index.
- **Adjustments to the underlying index could adversely affect the value of the PLUS.** The underlying index publisher may discontinue or suspend calculation or publication of the underlying index at any time. In these circumstances, the calculation agent will have the sole discretion to substitute a successor index that is comparable to the discontinued underlying index and is not precluded from considering indices that are calculated and published by the calculation agent or any of its affiliates.
- **The inclusion of commissions and projected profit from hedging in the original issue price is likely to adversely affect secondary market prices.** Assuming no change in market conditions or any other relevant factors, the price, if any, at which MS & Co. is willing to purchase PLUS in secondary market transactions will likely be lower than the original issue price, since the original issue price included, and secondary market prices are likely to exclude, commissions paid with respect to the PLUS, as well as the projected profit included in the cost of hedging the issuer's obligations under the PLUS. In addition, any such prices may differ from values determined by pricing models used by MS & Co., as a result of dealer discounts, mark-ups or other transaction costs.
- **The U.S. federal income tax consequences of an investment in the PLUS are uncertain.** Please read the discussion under "Fact Sheet — General Information — Tax Considerations" in this document and the discussion under "United States Federal Taxation" in the accompanying prospectus supplement for PLUS (together the "Tax Disclosure Sections") concerning the U.S. federal income tax consequences of an investment in the PLUS. If the Internal Revenue Service (the "IRS") were successful in asserting an alternative treatment, the timing and character of income on the PLUS might differ significantly from the tax treatment described in the Tax Disclosure Sections. For example, under one treatment, U.S. Holders could be required to accrue original issue discount on the PLUS every year at a "comparable yield" determined at the time of issuance and recognize all income and gain in respect of the PLUS as ordinary income. The issuer does not plan to request a ruling from the IRS regarding the tax treatment of the PLUS, and the IRS or a court may not agree with the tax treatment described in the Tax Disclosure

PLUS Based on the Value of the Russell 2000[®] Index due September 20, 2009**Performance Leveraged Upside SecuritiesSM**

Sections. On December 7, 2007, the Treasury Department and the IRS released a notice requesting comments on the U.S. federal income tax treatment of “prepaid forward contracts” and similar instruments, such as the PLUS. The notice focuses in particular on whether to require holders of these instruments to accrue income over the term of their investment. It also asks for comments on a number of related topics, including the character of income or loss with respect to these instruments; whether short-term instruments should be subject to any such accrual regime; the relevance of factors such as the exchange-traded status of the instruments and the nature of the underlying property to which the instruments are linked; the degree, if any, to which income (including any mandated accruals) realized by non-U.S. investors should be subject to withholding tax; and whether these instruments are or should be subject to the “constructive ownership” regime, which very generally can operate to recharacterize certain long-term capital gain as ordinary income that is subject to an interest charge. While the notice requests comments on appropriate transition rules and effective dates, any Treasury regulations or other guidance promulgated after consideration of these issues could materially and adversely affect the tax consequences of an investment in the PLUS, possibly with retroactive effect. Both U.S. and Non-U.S. Holders should consult their tax advisers regarding the U.S. federal income tax consequences of an investment in the PLUS, including possible alternative treatments, the issues presented by this notice and any tax consequences arising under the laws of any state, local or foreign taxing jurisdiction.

Other Risk Factors

- **Secondary trading may be limited.** The PLUS will not be listed on any securities exchange. Therefore, there may be little or no secondary market for the PLUS. Even if there is a secondary market, it may not provide significant liquidity. Accordingly, you should be willing to hold your PLUS to maturity.

- **Potential adverse economic interest of the calculation agent.** The hedging or trading activities of the issuer’s affiliates on or prior to the pricing date and prior to maturity could adversely affect the value of the underlying index and, as a result, could decrease the amount an investor may receive on the PLUS at maturity. Any of these hedging or trading activities on or prior to the pricing date could have affected the initial index value and, therefore, could have increased the value at which the underlying index must close before an investor receives a payment at maturity that exceeds the issue price of the PLUS. Additionally, such hedging or trading activities during the term of the PLUS, including on the valuation date, could potentially affect the value of the underlying index on the valuation date and, accordingly, the amount of cash an investor will receive at maturity.

PLUS Based on the Value of the Russell 2000[®] Index due September 20, 2009Performance Leveraged Upside SecuritiesSM

Information about the Underlying Index

The Russell 2000[®] Index. The Russell 2000 Index, which is calculated, maintained and published by the Frank Russell Company, consists of 2,000 component stocks and is designed to track the performance of the small capitalization segment of the U.S. equity market. The Russell 2000[®] Index is described under the heading “Underlying Indices and Underlying Index Publishers Information—Russell 2000[®] Index” in Annex A of the prospectus supplement for PLUS.

License Agreement between Frank Russell Company and Morgan Stanley. The “Russell 2000[®] Index” is a trademark of the Frank Russell Company and has been licensed for use by Morgan Stanley. See “Underlying Indices and Underlying Index Publishers Information— Russell 2000[®] Index — License Agreement between Frank Russell Company and Morgan Stanley” in Annex A of the prospectus supplement for PLUS.

Historical Information

The following table sets forth the published high and low closing values, as well as end-of-quarter closing values, of the underlying index for each quarter in the period from January 1, 2003 through August 22, 2008. The graph following the table sets forth the weekly closing values of the underlying index for the period from January 3, 2003 through August 22, 2008. The closing value of the underlying index on August 22, 2008 was 737.60. We obtained the information in the table below from Bloomberg Financial Markets, without independent verification. The historical values of the underlying index should not be taken as an indication of future performance, and no assurance can be given as to the level of the underlying index on the valuation date. The payment of dividends on the stocks that constitute the underlying index are not reflected in its level and, therefore, have no effect on the calculation of the payment at maturity.

Russell 2000 [®] Index	High	Low	Period End
2003			
First Quarter	398.45	345.94	364.54
Second Quarter	458.01	368.69	448.37
Third Quarter	520.20	449.17	487.68
Fourth Quarter	565.47	500.32	556.91
2004			
First Quarter	601.50	557.63	590.31
Second Quarter	606.39	535.34	591.52
Third Quarter	582.72	517.10	572.94
Fourth Quarter	654.57	564.88	651.57
2005			
First Quarter	644.95	604.53	615.07
Second Quarter	644.19	575.02	639.66
Third Quarter	688.51	643.04	667.80
Fourth Quarter	690.57	621.57	673.22
2006			
First Quarter	765.14	684.05	765.14
Second Quarter	781.83	672.72	724.67
Third Quarter	734.48	671.94	725.59
Fourth Quarter	797.73	718.35	787.66
2007			
First Quarter	829.44	760.06	800.71
Second Quarter	855.09	803.22	833.70
Third Quarter	855.77	751.54	805.45
Fourth Quarter	845.72	735.07	766.03
2008			
First Quarter	753.55	643.97	687.97
Second Quarter	763.27	686.07	689.66
Third Quarter (through August 22, 2008)	754.38	658.26	737.60

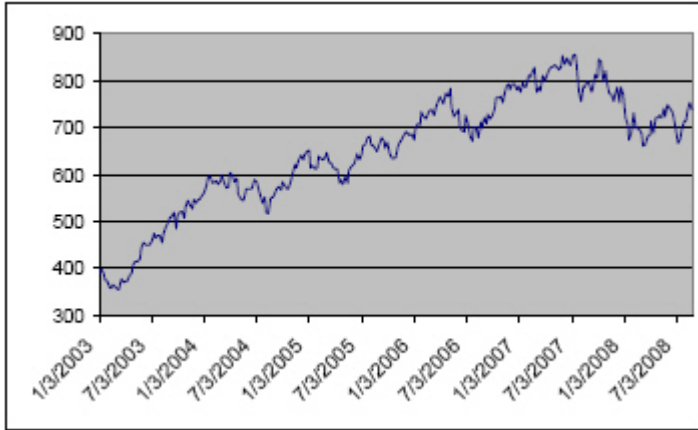
August 2008

Page 8

PLUS Based on the Value of the Russell 2000® Index due September 20, 2009

Performance Leveraged Upside SecuritiesSM

Underlying Index Historical Performance – End of Week Values
January 3, 2003 to August 22, 2008



August 2008

Page 9

PLUS Based on the Value of the Russell 2000[®] Index due September 20, 2009**Performance Leveraged Upside SecuritiesSM**

Where You Can Find More Information

Morgan Stanley has filed a registration statement (including a prospectus, as supplemented by an amendment No. 2 to prospectus supplement for PLUS) with the Securities and Exchange Commission, or SEC, for the offering to which this pricing supplement relates. Before you invest, you should read the prospectus in that registration statement, the prospectus supplement for PLUS and any other documents relating to this offering that Morgan Stanley has filed with the SEC for more complete information about Morgan Stanley and this offering. You may get these documents without cost by visiting EDGAR on the SEC web site at www.sec.gov. Alternatively, Morgan Stanley will arrange to send you the prospectus and the prospectus supplement for PLUS if you so request by calling toll-free 800-584-6837.

You may access these documents on the SEC web site at www.sec.gov as follows:

[Amendment No. 2 to Prospectus Supplement for PLUS dated October 24, 2007](#)

[Prospectus dated January 25, 2006](#)

Terms used in this pricing supplement are defined in the prospectus supplement for PLUS or in the prospectus. As used in this pricing supplement, the “Company,” “we,” “us,” and “our” refer to Morgan Stanley.

“Performance Leveraged Upside SecuritiesSM” and “PLUSSM” are our service marks.

August 2008

Page 10