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FOR IMMEDIATE RELEASE
FRIDAY, MARCH 31, 2008
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Girard Gibbs LLP Announces Class Action Lawsuit Filed Against Morgan Stanley (NYSE: MS).

San Francisco, CA- The law firm of Girard Gibbs LLP (<http://www.girardgibbs.com>) announces that it has filed a class action lawsuit on behalf of persons who purchased Auction Rate Securities from Morgan Stanley (NYSE: MS) and Morgan Stanley & Co. Inc., between March 31, 2003 and February 13, 2008, inclusive (the “Class Period”), and who continued to hold such securities as of February 13, 2008.

The class action, captioned *Jamail v. Morgan Stanley, et al.*, 08-cv-3178-ua, is pending in the United States District Court for the Southern District of New York. The class action is brought against Morgan Stanley and its wholly-owned broker-dealer subsidiary, Morgan Stanley & Co. Inc.

The Complaint alleges that Morgan Stanley violated Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 by deceiving investors about the investment

characteristics of auction rate securities and the auction market in which these securities traded. Auction rate securities are either municipal or corporate debt securities or preferred stocks which pay interest at rates set at periodic “auctions.” Auction rate securities generally have long-term maturities or no maturity dates.

The Complaint alleges that, pursuant to uniform sales materials and top-down management directives, Morgan Stanley offered and sold auction rate securities to the public as highly liquid cash-management vehicles and as suitable alternatives to money market mutual funds. According to the Complaint, holders of auction rate securities sold by Morgan Stanley and other broker-dealers have been unable to liquidate their positions in these securities following the decision on February 13, 2008 of all major broker-dealers including Morgan Stanley to “withdraw their support” for the periodic auctions at which the interest rates paid on auction rates securities are set.

The Complaint alleges that Morgan Stanley failed to disclose the following material facts about the auction rate securities it sold to the class: (1) the auction rate securities were not cash alternatives, like money market funds, but were instead, complex, long-term financial instruments with 30 year maturity dates, or longer; (2) the auction rate securities were only liquid at the time of sale because Morgan Stanley and other broker-dealers were artificially supporting and manipulating the auction rate market to maintain the appearance of liquidity and stability; (3) Morgan Stanley and other broker-dealers routinely intervened in auctions for their own benefit, to set rates and prevent all-hold auctions and failed auctions; and (4) Morgan Stanley continued to market auction rate

securities as liquid investments after it had determined that it and other broker dealers were likely to withdraw their support for the periodic auctions and that a “freeze” of the market for auction rate securities would result.

If you purchased or otherwise acquired Auction Rate Securities from Morgan Stanley between March 31, 2003 and February 13, 2008, and continued to hold such securities as of February 13, 2008, you may, no later than INSERT DATE, request that the Court appoint you as lead plaintiff. A lead plaintiff is a representative party acting on behalf of other class members in directing the litigation. To be appointed lead plaintiff, the Court must decide that your claim is typical of the claims of other class members, and that you will adequately represent the class. Your ability to share in any recovery is not affected by the decision whether or not to serve as a lead plaintiff. You may retain Girard Gibbs LLP, or other attorneys, to serve as your counsel in this action.

If you wish to discuss your rights as an investor in auction rate securities through Morgan Stanley or any other brokerage, please contact Girard Gibbs LLP toll-free at (866) 981-4800. A copy of the complaint is available from the Court, or can be viewed on Girard Gibbs LLP’s website at: <http://www.girardgibbs.com/auctionrate.html>.

Girard Gibbs LLP is one of the nation’s leading firms representing individual and institutional investors in securities fraud class actions and litigation to correct abusive corporate governance practices, breaches of fiduciary duty and proxy violations. For more information, please access the firm’s web site,

www.girardgibbs.com/auctionrate.html. To discuss this class action with us, please contact the following attorneys:

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