UNITED STATES DISTRICT COURT SOUTHERN DISTRICT OF NEW YORK

ROBERT A. SHAHEEN and PATRICIA S. SHAHEEN,

08 Civ. 4264 (SHS)

Plaintiffs.

-against-

MORGAN STANLEY & CO. INCORPORATED. and MORGAN STANLEY DW INC.,

Defendants.

RULE 7.1 DISCLOSURE STATEMENT

Pursuant to Federal Rule of Civil Procedure 7.1, the undersigned counsel of record for Defendants Morgan Stanley & Co. Incorporated and Morgan Stanley DW Inc. hereby states that Morgan Stanley & Co. Incorporated is a wholly owned subsidiary of Morgan Stanley, which is a publicly-traded corporation with no parent corporation. State Street Bank and Trust Company holds, as an institutional investment manager, more than 10% of Morgan Stanley's common stock. Morgan Stanley DW Inc. was, until April 1, 2007, a wholly-owned subsidiary of Morgan Stanley. Morgan Stanley DW Inc. merged with Morgan Stanley & Co. Incorporated on April 1, 2007, with Morgan Stanley & Co. Incorporated being the surviving corporation.

Dated: July 23, 2008

New York, New York

GREENBERG TRACING LLP

By:

Parmelee The MetLife Building 200 Park Avenue

New York, New York 10166

Telephone: (212) 80-3181 Facsimile: (212) 224-6131

Attorneys for Defendants Morgan Stanley & Co. Incorporated and Morgan Stanley DW Inc.