



## Information Circular: Morgan Stanley Index-Linked Notes

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**To:** Head Traders, Technical Contacts, Compliance Officers, Heads of ETF Trading, Structured Products Traders

**From:** NASDAQ Listing Qualifications Department  
BX Listing Qualifications Department

**DATE:** March 26, 2009

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Index-Linked Notes	Symbol	CUSIP Number
Morgan Stanley Buffered Performance Leverage Upside Securities Based on the S&P 500 Index	BJI	61757J568

### Information on the Notes

Morgan Stanley (the "Issuer") has issued Performance Leverage Upside Securities ("PLUS") based on the S&P 500 Index (the "Index"). The Notes were priced at \$10 each and mature on March 20, 2011.

The PLUS offer leverage exposure to the Index while providing limited protection against negative performance by the Index. Once the Index has decreased below the specified buffer level, the investor is exposed to negative price performance, subject to a minimum payment at maturity. At maturity, if the asset has appreciated, investors will receive the stated principal amount plus leveraged upside performance of the Index, subject to the maximum payment level. If the Index has declined, but not below the specified buffer level, the investor will receive the stated principal amount. If the Index has declined below the buffer level, then investors will lose 1% for every 1% decline below the buffer level, subject to a minimum payment level.

If the final index level is greater than the initial index level, investors will receive:

$$\$10 + [\$10 \times 200\% \times \text{Index percent increase}]$$

If the final index level is lower than the initial index level, but has declined less than the buffer level (10%), then investors will receive:

$$\$10$$

If the final index level is lower than the initial index level and the buffer level, then investors will receive:

$$[\$10 \times (\text{final index value}/\text{initial index value})] + \$1.00$$

Please see the prospectus for the PLUS for more details regarding the calculations and details regarding the Index.

It is expected that the market value of the PLUS will depend substantially on the value of the Index and may be affected by a number of other interrelated factors including, among other things: the general level of interest rates, the volatility of the Index, the time remaining to maturity, the dividend yield of the stocks comprising the Index, and the credit ratings of the Issuer.

Trading in the PLUS on NASDAQ is on a UTP basis and is subject to NASDAQ equity trading rules. Trading in the PLUS on BX is on a UTP basis and is subject to BX equity trading rules. The PLUS will trade on NASDAQ from 7:00 a.m. until 8:00 p.m. Eastern Time. The PLUS will trade on BX from 8:00 a.m. until 7:00 p.m. Eastern Time. For trading during Nasdaq's and BX's Pre-Market and Post-Market Sessions, market participants should note that additional risks may exist with respect to trading the PLUS during these sessions, when the underlying index's value or similar value may not be disseminated.

NASDAQ will halt trading in the PLUS in accordance with NASDAQ Rule 4120. BX will halt trading in the PLUS in accordance with BX Equity Rule 4120. The grounds for a halt under these rules include a halt by the primary market because the value of the underlying index or a similar value is not being disseminated as required, or a halt for other regulatory reasons. In addition, NASDAQ and BX will also stop trading the PLUS if the primary market de-lists the PLUS.

Trading of the PLUS on NASDAQ is subject to the provisions of NASDAQ Rule 2310. Trading of the PLUS on BX is subject to the provisions of BX Rule 2310. Members recommending transactions in the PLUS to customers should make a determination that the securities are suitable for the customer. In addition, members must possess sufficient information to satisfy the "know your customer" obligation that is embedded in the NASDAQ Conduct Rules and BX Conduct Rules.

Nasdaq members and BX members also should review NASD Notice to Members 03-71 for guidance on trading these products. The Notice reminds members of their obligations to: (1) conduct adequate due diligence to understand the features of the product; (2) perform a reasonable-basis suitability analysis; (3) perform customer-specific suitability analysis in connection with any recommended transactions; (4) provide a balanced disclosure of both the risks and rewards associated with the particular product, especially when selling to retail investors; (5) implement appropriate internal controls; and (6) train registered persons regarding the features, risk and suitability of these products.

**This Information Circular is not a statutory prospectus. NASDAQ members and BX members should consult the registration statement or prospectus for the PLUS for additional information.**

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Inquiries regarding this Information Circular should be directed to:

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