



## Information Circular: PROPELS

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

**From:** BX Listing Qualifications Department

**DATE:** January 15, 2009

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Appendix A contains links to information circulars regarding the Morgan Stanley Protected Performance Equity Linked Securities ("PROPELS") prepared by their listing market, The American Stock Exchange. BX members should consult these information circulars, which contain important information about the characteristics of the PROPELS and the principal risks of an investment in the PROPELS.

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

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

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. BX members should consult the registration statement or prospectus for the PROPELS for additional information.**

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Inquiries regarding this Information Circular should be directed to:

- Will Slattery, BX Listing Qualifications, at 301.978.8088
- BX Office of General Counsel at 301.978.8400
- BX Market Sales at 800.846.0477

## Appendix A – PROPELS

Index-Linked Notes	Symbol	CUSIP Number	Relevant Link
0.50% PROPELS based on the value of the S&P 500 Index, due December 30, 2011	PEL	61746S877	<a href="http://www.amex.com/amextrader/dailylist/data/relFiles/PEL.pdf">http://www.amex.com/amextrader/dailylist/data/relFiles/PEL.pdf</a>
PROPELS based on the Value of a Basket of Three International Indices, due December 30, 2011	EBK	61746S778	<a href="http://www.amex.com/amextrader/dailylist/data/relFiles/EBK.pdf">http://www.amex.com/amextrader/dailylist/data/relFiles/EBK.pdf</a>
0.40% PROPELS based on the value of the Dow Jones Industrial Average, Due December 30, 2011	PDJ	61746S703	<a href="http://www.amex.com/amextrader/dailylist/data/relFiles/pdj.pdf">http://www.amex.com/amextrader/dailylist/data/relFiles/pdj.pdf</a>