

STOCK EXCHANGE			
Regulatory Information Circular			
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**Subject: Morgan Stanley BRIDGES**

**Information on the Notes**

ISE today began trading Morgan Stanley BRoad InDex Guarded Equity-Linked Securities (“BRIDGES”) based upon the value of the common stock of Fifteen Companies in the Oil Industry. 2,950,000 million shares of the new seven-year BRIDGES were issued at \$10 principal amount, with a maturity date of June 15, 2010.

As more fully set forth in the Issuer’s Registration Statement (#333-83616), and Prospectus Supplement, the BRIDGES are medium term debt securities of Morgan Stanley, which are being offered at an original price of 100% of the principal amount (\$10) and will not bear any periodic payments of interest. BRIDGES will not be redeemable by the holder or callable by the Issuer prior to maturity. At maturity, each Unit will entitle the holder to receive the greater of (i) \$10 per BRIDGES and (ii) the final average basket value.

The final average basket value will be equal to the arithmetic average of the Basket Values on each of the Determination Dates as calculated by the calculation agent on the last determination date.

The Basket Value equals the sum of the products of the closing price and the exchange ratio for each basket stock, as determined on any date by the calculation agent. The determination dates are June 15, 2007, June 15, 2008, June 15, 2009 and June 11, 2010, in each case subject to adjustment in the event of certain market disruption events. At maturity, holders will receive no less than the principal amount of the BRIDGES securities.

**The Basket Stocks (Index Symbol: BOJ)**

The basket is composed of the common stocks of fifteen companies in the oil industry. The issuers of the basket stocks include domestic and foreign entities, have varying market capitalizations and have been selected from different segments of the oil and gas industry and related industries. The following table sets forth the issuer of each basket stock, the ticker symbol for each basket stock on the New York Stock Exchange, the proportion of the initial basket value represented by the shares of each basket stock contained in the basket, the exchange ratio for each basket stock, the initial price of each basket stock used to calculate its exchange ratio and the value of the fractional share of each basket stock contained in the basket based upon those initial prices:

Ticker Symbol	Proportion of Initial Basket Value	Exchange Ratio	Initial Stock Price	Initial Value per Stock
AHC	1/15 <sup>th</sup>	0.0136137770	\$48.97	\$0.66667
BHI	1/15 <sup>th</sup>	0.0194760930	\$34.23	\$0.66667
BP	1/15 <sup>th</sup>	0.0153151080	\$43.53	\$0.66667
COP	1/15 <sup>th</sup>	0.0121765600	\$54.75	\$0.66667
CVX	1/15 <sup>th</sup>	0.0090420000	\$73.73	\$0.66667
HAL	1/15 <sup>th</sup>	0.0272888530	\$24.43	\$0.66667
KMG	1/15 <sup>th</sup>	0.0146166780	\$45.61	\$0.66667
MRO	1/15 <sup>th</sup>	0.0251857450	\$26.47	\$0.66667
OXY	1/15 <sup>th</sup>	0.0198767640	\$33.54	\$0.66667
RD	1/15 <sup>th</sup>	0.0138456210	\$48.15	\$0.66667
REP	1/15 <sup>th</sup>	0.0401606430	\$16.60	\$0.66667
SLB	1/15 <sup>th</sup>	0.0139295170	\$47.86	\$0.66667
TOT	1/15 <sup>th</sup>	0.0084153830	\$79.22	\$0.66667
UCL	1/15 <sup>th</sup>	0.0220240060	\$30.27	\$0.66667
XOM	1/15 <sup>th</sup>	0.0180766450	\$36.88	\$0.66667

The exchange ratio for each basket stock is a fraction of a share calculated so that each basket stock represents approximately \$.66667, or one-fifteenth, of the \$10 initial basket value based on the closing prices of the basket stocks on the day the BRIDGES were priced for initial sale to the public.

The exchange ratio for each basket stock will remain constant for the term of the BRIDGES unless adjusted for certain corporate events relating to the issuer of that basket stock.

It is expected that the market value of the BRIDGES will be affected by the value of the Index and by the market price of each of the basket stocks at any time, by a number of other interrelated factors including, among other things: the general level of interest rates, the volatility of the basket stocks and index, the time remaining to maturity, the dividend yields on each of the basket stocks, and the credit rating of the Issuer.

The return a holder will receive on the BRIDGES, if any, will not be the same as the return that you would earn if you actually owned each of the common stocks in the basket and received the dividends paid on those stocks.

Ownership of the BRIDGES will be maintained in book-entry form by or through The Depository Trust Company.

BOI will be quoted and trade as an equity issue in round lots of 100, and will trade "flat" without accrued interest.

Trading in the shares on ISE is on a UTP basis and is subject to ISE equity trading rules. The shares will trade from 9:00 a.m. until 4:00 p.m. Eastern Time. Equity Electronic Access Members ("Equity EAMs") trading the shares during the Pre-Market Session are exposed to the risk of the lack of the calculation or dissemination of underlying index value or intraday indicative value ("IIV"). For certain derivative securities products, an updated underlying index value or IIV may not be calculated or publicly disseminated in

the Pre-Market hours. Since the underlying index value and IIV are not calculated or widely disseminated during Pre-Market hours, an investor who is unable to calculate implied values for certain derivative securities products during Pre-Market hours may be at a disadvantage to market professionals.

Equity EAMs 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 Regulatory Information Circular is not a statutory Prospectus. Equity EAMs should consult the Trust's Registration Statement, SAI, Prospectus and the Fund's website for relevant information.**

**Appendix A**  
**Exchange-Traded Fund Symbol CUSIP Number**

<b>Ticker</b>	<b>Fund Name</b>	<b>CUSIP Number</b>
BOI	Morgan Stanley BRoad InDex Guarded Equity-Linked Securities ("BRIDGES") based upon the value of the common stock of Fifteen Companies in the Oil Industry	617 48A 11 4