



Information Circular: PLUS

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

From: William Slattery, Director, NASDAQ Listing Qualifications Department

DATE: February 27, 2007 **(Updated March 29, 2007)**

The NASDAQ Stock Market LLC (“NASDAQ”) began operating as a national securities exchange for trading non-NASDAQ listed securities on February 12, 2007. As a result, certain Morgan Stanley Performance Leveraged Upside Securities (“PLUS”) that previously traded through our systems on an over-the-counter basis are being traded by NASDAQ as an exchange on an unlisted trading privileges (UTP) basis for the first time. See Appendix A for a listing of select PLUS products that commenced trading on NASDAQ on a UTP basis on February 12, 2007.

Appendix A contains links to information circulars regarding the PLUS products prepared by their listing market, The American Stock Exchange. NASDAQ members should consult these information circulars, which contain important information about the characteristics of the PLUS products and the principal risks of an investment in PLUS.

Trading in PLUS on NASDAQ is subject to [NASDAQ equity trading rules](#). The PLUS products will trade from 7:00 a.m. until 8:00 p.m. SEC Rule 10a-1 (the SEC short sale rule) applies to trading in the PLUS products.

Trading of PLUS on NASDAQ is subject to the provisions of [NASDAQ Rule 2310](#). Members recommending transactions in PLUS 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 NASDAQ 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. NASDAQ members should consult the registration statement or prospectus for the PLUS products for additional information.

Inquiries regarding this Information Circular should be directed to:

- Will Slattery, Director, NASDAQ Listing Qualifications, at 301.978.8088

- NASDAQ Office of General Counsel at 301.978.8400
- NASDAQ Market Sales at 800.846.0477

Appendix A – PLUS

Index-Linked Notes Symbol CUSIP Number

Bear Market PLUS BMP 61747S157
http://www.amex.com/amextrader/dailylist/data/relFiles/icBMP_082506.pdf

Linked to the
S&P 500 Index, due
September 20, 2007

PLUS Linked to the NKP 61747Y832
http://www.amex.com/amextrader/dailylist/data/relFiles/icNKP_102505.pdf

Nikkei 225 Index,
due April 30, 2008

PLUS linked to the SND 61747S207
http://www.amex.com/amextrader/dailylist/data/relFiles/icSND_062606.pdf

S&P 500 Index,
due June 20, 2007

PLUS Linked to the NKD 61747Y121
http://www.amex.com/amextrader/dailylist/data/relFiles/icNKD_052406.pdf

Nikkei 225 Index,
due June 20, 2007

Bear Market PLUS MFP 61747W406
http://www.amex.com/amextrader/dailylist/data/relFiles/icMFP_012506.pdf

linked to the PHLX
Housing Sector Index,
due April 20, 2007

PLUS linked to the MPQ 61747Y378
http://www.amex.com/amextrader/dailylist/data/relFiles/icMPO_022206.pdf

PHLX Oil Service
Sector Index, due
March 20, 2007

PLUS based on the JPK 61746S711
<http://www.amex.com/amextrader/dailylist/data/relFiles/JPK.pdf>

Nikkei 225 Index, due
June 30, 2009

Index-Linked Notes Symbol CUSIP Number Relevant Link

PLUS linked to the DJL 61748A734
http://www.amex.com/amextrader/dailylist/data/relFiles/DJLic_042505.pdf

Dow Jones Industrial
Average, due April 30, 2007

PLUS Linked to the Dow EJS 61747S652
http://www.amex.com/amextrader/dailylist/data/relFiles/icEJS_092506.pdf

Jones Euro STOXX
50 Index, due
October 20, 2007

PLUS Based on the NIN 61748A197
http://www.amex.com/amextrader/dailylist/data/relFiles/icNIN_122206.pdf
value of the
Nikkei 225 Index, due
January 20, 2008

Bear Market PLUS based HPM 61747W885
http://www.amex.com/amextrader/dailylist/data/relFiles/icHPM_112706.pdf
on the value of the
PHLX Housing Sector
Index, due
February 20, 2008

PLUS Linked to the SPU 61748A379
http://www.amex.com/amextrader/dailylist/data/relFiles/icSPU_112706.pdf
S&P 500 Index,
due March 20, 2008

PLUS based on the XZO 61747S553
http://www.amex.com/amextrader/dailylist/data/relFiles/icXZO_102506.pdf
PHLX Oil Service
Sector Index,
due November 20, 2007

PLUS Linked to the CSM 61748A437
http://www.amex.com/amextrader/dailylist/data/relFiles/icCSM_102506.pdf
Amex China Index,
due November 20, 2007