



Information Circular: Morgan Stanley Index-Linked Notes

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

Index-Linked Notes	Symbol	CUSIP Number
Morgan Stanley Protected Absolute Return Barrier Notes Based on the S&P 500 Index	SNZ	716483615

Information on the Notes

Morgan Stanley (the "Issuer") has issued Protected Absolute Return Barrier Notes ("Notes") based on the S&P 500 Index (the "Index"). The Notes were priced at \$10 each and mature on March 20, 2011.

The Notes provide principal protection as well as potential appreciation based on the absolute value of the return of the Index, but only if the Index remains within a specified range at all times during the term of the Notes. Investors will receive a positive return whether the value of the Index on the valuation date is higher or lower than the initial index value, as long as the value of the index remains within the specified range at all times. The specified range is larger on the upside than on the downside, and, accordingly, the maximum potential return on the Notes is greater if the Index appreciates rather than declines from the initial index value.

The specified range for the Index will be determined on the pricing date for the Notes. The upside barrier will be in the range of 44% - 49% greater than the initial index value, to be determined on the pricing date. The downside barrier will be in the range of 22.5% - 27.5% less than the initial index value, to be determined on the pricing date.

At maturity, investors will receive \$10 plus a supplemental redemption amount.

If the Index value remains within the range specified by the upside and downside barriers, investors will receive a supplemental redemption amount equal to \$10 times the absolute value of the Index return. If at any time the Index value is outside the barrier amounts, investors will receive a supplemental redemption amount of \$0.

The amount investors may receive is limited to \$14.40 - \$14.90 if the final index value increases from the initial index value. The amount is limited to \$12.25 - \$12.75 if the final index value decreases from the initial index value.

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

It is expected that the market value of the Notes 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 Notes on NASDAQ is on a UTP basis and is subject to NASDAQ equity trading rules. Trading in the Notes on BX is on a UTP basis and is subject to BX equity trading rules. The Notes will trade on NASDAQ from 7:00 a.m. until 8:00 p.m. Eastern Time. The Notes 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 Notes during these sessions, when the underlying index's value or similar value may not be disseminated.

NASDAQ will halt trading in the Notes in accordance with NASDAQ Rule 4120. BX will halt trading in the Notes 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 Notes if the primary market de-lists the Notes.

Trading of the Notes on NASDAQ is subject to the provisions of NASDAQ Rule 2310. Trading of the Notes on BX is subject to the provisions of BX Rule 2310. Members recommending transactions in the Notes 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 Notes for additional information.

Inquiries regarding this Information Circular should be directed to:

- Will Slattery, NASDAQ Listing Qualifications / BX Listing Qualifications, at 301.978.8088
- NASDAQ Market Sales / BX Market Sales at 800.846.0477