



**Information Circular 09-061**

**Date:** March 9, 2009

**Re: Morgan Stanley & Co., Inc. PLUS**

Pursuant to Rule 14.1(c)(2) of the Rules of BATS Exchange, Inc. (the "Exchange"), this Information Circular is being issued to advise you that the following securities have been approved for trading on the Exchange as UTP Derivative Securities pursuant to Chapter XIV of the Exchange's Rules.

<u>Security ("PLUS")</u>	<u>Symbol</u>
Morgan Stanley Performance Leveraged Upside Securities Based on the S&P 500 Index	SKE

**Commencement of Trading on the Exchange:** March 10, 2009

**Issuer/Trust:** Morgan Stanley & Co., Inc.

**Issuer Website:** <http://www.morganstanley.com>

**Primary Listing Exchange:** NYSE Arca

**Primary Exchange Circular:** RB-08-315 (November 24, 2008)

The purpose of this information circular is to outline various rules and policies that will be applicable to trading in this new product on the Exchange, as well as to provide certain characteristics and features of the PLUS.

**Background Information on the Notes**

The Issuer has issued PLUS based on the performance of the S&P 500 Index (the "Index"). The PLUS were priced at \$10 each and mature on April 20, 2008.

As more fully set forth in the Prospectus Supplement, at maturity, the PLUS will automatically redeem for cash based on the performance of the Index. The PLUS are not principal protected and will not be redeemable by the investor or the Issuer prior to maturity.

At maturity, if the Final Index Value is greater than the Initial Index Value, investors will receive:

$$\$10 + (\$10 \times 300\% \times \text{Index Percent Increase})$$

Subject to a maximum payment at maturity of \$11.90 per PLUS.

The Index Percent Increase equals:

$$\frac{\text{Final Index Value} - \text{Initial Index Value}}{\text{Initial Index Value}}$$

If the Final Index Value is less than or equal to the Initial Index Value, investors will receive:

$$\$10 \times (\text{Final Index Value} / \text{Initial Index Value})$$

This amount will be less than or equal to the stated \$10 principal amount.

The Initial Index Value is 1,329.51. The Final Index Value is the closing value of the Index on April 16, 2009.

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.

The Trustee for the securities is The Bank of New York.

### **Exchange Rules Applicable to Trading in the Notes**

Trading in the Notes on BATS is subject to BATS equity trading rules.

### **Trading Hours**

The Notes will trade on BATS between 8:00 a.m. and 4:00 p.m. ET.

Please note that trading in the Notes during the Exchange's pre-opening session may result in additional trading risks which include: (1) that the current underlying indicative value may not be updated during the pre-opening session, (2) the indicative value may not be updated during the pre-opening session, (3) lower liquidity in the pre-opening session may impact pricing, (4) higher volatility in the pre-opening session may impact pricing, (5) wider spreads may occur in the pre-opening session, and (6) because the indicative value is not calculated or widely disseminated during the pre-opening session, an investor who is unable to calculate an implied value for the Notes in that session may be at a disadvantage to market professionals.

### **Suitability**

Trading in the securities on BATS will be subject to the provisions of Exchange Rule 3.7. Members recommending transactions in the securities to customers should make a determination that the recommendation is suitable for the customer. Members should adopt appropriate procedures for the opening and maintaining of accounts, including the maintaining of records prescribed by any applicable regulatory organization and by the rules and regulations of the Commission.

### **Trading Halts**

BATS will halt trading in the shares of a security in accordance with BATS Rule 14.1(c)(4). The grounds for a halt under BATS Rule 14.1(c)(4) include a halt by the primary market because the intraday indicative value of the security and/or the value of its underlying index are not being disseminated as required, or a halt for other regulatory reasons. In addition, BATS will stop trading the shares of a security if the primary market de-lists the security.

**This Information Circular is not a statutory prospectus. BATS Members should consult the prospectus for a security and the security's website for relevant information.**

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