



Information Circular: Morgan Stanley Stock Participation Accreting Quarterly-pay Securities

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

From: William Slattery, Director, NASDAQ Listing Qualifications Department

DATE: April 24, 2007

Equity-Linked Notes	Symbol	CUSIP Number
Morgan Stanley 8% Stock Participation Accreting Redemption Quarterly-Pay Securities Linked to Deere & Company Common Stock	DSK	61750V329

Morgan Stanley (the "Issuer") has issued 8% Stock Participation Accreting Redemption Quarterly-Pay Securities ("SPARQS") linked to Deere & Company Common Stock ("DE Stock"). The new securities were issued at a price of \$14.08875 per unit with a maturity date of May 20, 2008. The SPARQS will pay 8% coupon per annum, payable quarterly beginning August 20, 2007.

If not previously called by the Issuer, investors will receive 0.125 share of DE Stock per SPARQS at maturity (subject to adjustments for corporate events). SPARQS are not principal protected and Deere & Company is not involved in the offering of SPARQS in any way and will have no obligation with respect to the SPARQS.

Beginning November 20, 2007, the Issuer may call all of the SPARQS for a cash call price that, together with coupons paid from the Original Issue Date through the Call Date, gives the Yield to Call of 16% of the Issue Price.

All payments which may be due to investors in SPARQS are the sole responsibility of the Issuer; it is the credit of the Issuer and not Deere & Company that stands behind the securities. Investors in SPARQS will not be entitled to any rights with respect to Deere & Company until such time as the Issuer shall deliver Deere & Company shares to investors in the SPARQS at maturity.

There can be no assurances as to how the SPARQS will trade in the secondary market or whether such market will be liquid or illiquid. Securities with characteristics similar to the SPARQS are unique securities.

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

Trading of SPARQS on NASDAQ is subject to the provisions of [NASDAQ Rule 2310](#). Members recommending transactions in SPARQS 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 SPARQS product for additional information.

Inquiries regarding this Information Circular should be directed to:

- [Will Slattery](#), Director, NASDAQ Listing Qualifications, at 301.978.8088
- [NASDAQ Market Sales](#) at 800.846.0477