



## Information Circular: Capital Protected Notes

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

**From:** PHLX Listing Qualifications Department

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Appendix A contains links to information circulars regarding the Morgan Stanley Capital Protected Notes ("Notes") prepared by their listing market, The American Stock Exchange. BX members should consult these information circulars, which contain important information about the characteristics of the Notes and the principal risks of an investment in the Notes.

Trading in the Notes on PHLX's PSX system is on a UTP basis and is subject to PHLX rules. The Notes will trade on PSX from 9:00 a.m. until 5:00 p.m. Eastern Time. For trading during PSX'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.

PHLX will halt trading in the Notes in accordance with PHLX Rule 3100. 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, PHLX will also stop trading the Shares Notes if the primary market de-lists the Notes.

Members and member organizations recommending transactions in the Notes to customers should make a determination that the recommendation is suitable for the customer, as provided by PHLX Rule 763.

PSX members and member organizations also should review NASD Notice to Members 03-71 for guidance on trading these products. The Notice reminds broker-dealers 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. PHLX members and member organizations should consult the registration statement or prospectus for the Notes for additional information.**

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Inquiries regarding this Information Circular should be directed to:

- Will Slattery, PHLX Listing Qualifications, at 301.978.8088
- PHLX Market Sales at 800.846.0477

## Appendix A – Capital Protected Notes

### Index-Linked Notes    Symbol    CUSIP Number

Capital Protected Notes    GIC    61748A460  
[http://www.amex.com/amextrader/dailylist/data/relFiles/icGIC\\_102506.pdf](http://www.amex.com/amextrader/dailylist/data/relFiles/icGIC_102506.pdf)  
Linked to an  
International  
Index Basket, due  
July 20, 2010

Capital Protected Notes    GBI    61750V642  
[http://www.amex.com/amextrader/dailylist/data/relFiles/icGBI\\_022207.pdf](http://www.amex.com/amextrader/dailylist/data/relFiles/icGBI_022207.pdf)  
linked to the Value of an  
International Index Basket, due  
February 20, 2011

Capital Protected Notes    GIT    61746S273  
<http://www.amex.com/amextrader/dailylist/data/relFiles/GIT.pdf>  
linked to the Dow Jones  
Titans 50 Index, due  
October 30, 2011

Capital Protected Notes    HPB    61746Y155  
[http://www.amex.com/amextrader/dailylist/data/relFiles/icHPB\\_082505.pdf](http://www.amex.com/amextrader/dailylist/data/relFiles/icHPB_082505.pdf)  
linked to the PHLX Housing  
Sector Index, due  
August 30, 2010

Capital Protected Notes    MIB    61748A585  
[http://www.amex.com/amextrader/dailylist/data/relFiles/icMIB\\_042506.pdf](http://www.amex.com/amextrader/dailylist/data/relFiles/icMIB_042506.pdf)  
based on the Value  
of a Basket of  
Three Indices, due  
April 20, 2010

1.875% Capital                EFP    61746S190  
<http://www.amex.com/amextrader/dailylist/data/relFiles/EFP.pdf>  
Protected Notes  
based on the value  
of the MSCI EAFE Index,  
due March 30, 2011

1% Capital Protected        MST    61746Y478  
[http://www.amex.com/amextrader/dailylist/data/relFiles/MST\\_ic042505.pdf](http://www.amex.com/amextrader/dailylist/data/relFiles/MST_ic042505.pdf)  
Notes based on the  
S&P Midcap 400 Index,  
due October 30, 2010

Capital Protected Notes    DPP    61746S539  
<http://www.amex.com/amextrader/dailylist/data/relFiles/DPP%20ic.pdf>  
based on the value of the  
Dow Jones Industrial Average,  
due March 30, 2011

**Index-Linked Notes    Symbol    CUSIP Number**

Capital Protected Notes    SDM    61746S646

<http://www.amex.com/amextrader/dailylist/data/reIFiles/SDM.pdf>

based on the  
value of the S&P 500 Index,  
due January 30, 2011

Capital Protected Notes    IIL    61748A494

[http://www.amex.com/amextrader/dailylist/data/reIFiles/icIIL\\_072506.pdf](http://www.amex.com/amextrader/dailylist/data/reIFiles/icIIL_072506.pdf)

based on the  
value of Three Indices,  
due July 20, 2010

Capital Protected Notes    BEM    61746S422

<http://www.amex.com/amextrader/dailylist/data/reIFiles/BEMic.pdf>

based on the value  
of a Basket of 15 Companies  
in the Energy Industry, due  
September 30, 2012