



## Information Circular: Capital Protected Notes

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**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**)

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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 Capital Protected Notes (“Notes”) that have 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 Notes that commenced trading on NASDAQ on a UTP basis on February 12, 2007.

Appendix A contains links to information circulars regarding the Notes 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 Notes and the principal risks of an investment in the Notes.

Trading in the Notes on NASDAQ is subject to [NASDAQ equity trading rules](#). The Notes 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 Notes.

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

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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 – 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    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    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    EEC    61746Y361  
[http://www.amex.com/amextrader/dailylist/data/relFiles/icEEC\\_052405.pdf](http://www.amex.com/amextrader/dailylist/data/relFiles/icEEC_052405.pdf)  
based on the  
Morgan Stanley  
Capital International EAFE Index,  
Due December 30, 2008

Capital Protected Notes    SDM    61746S646  
<http://www.amex.com/amextrader/dailylist/data/relFiles/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