

To: Head of NASDAQ Trading; Structured Products Traders; Compliance Officers

From: BX Listing Qualifications Department

Date: January 15, 2009

Overview

The Capital Protected Notes (the "Notes") based upon the value of the Nasdaq-100 Index® (the "Index") will trade with the ticker symbol MSNQ, and the CUSIP number is 61746Y 65 0.

Description

The Notes are designed for investors who want to participate in possible increases in the Index and who are willing to forego market interest payments on the Notes during the Notes' term. The Index is a modified market-capitalization weighted index of 100 of the largest stocks of non-financial companies listed on the NASDAQ National Market. The Notes are unsecured debt securities of Morgan Stanley. As such, the Notes have certain unique characteristics, and investors must receive an explanation of such special characteristics and risks, including, but not limited to, the following:

- The Notes combine features of equity and debt instruments. The terms of the Notes differ from those of ordinary debt securities in that they do not pay a fixed income at maturity. At maturity, the beneficial holder will receive the principal amount, and if the value of the Index has increased, the holder will be entitled to receive a payment on the Notes based on the amount of that percentage increase. The payment that the holder will be entitled to receive depends entirely on the relation of the arithmetic average of the closing values of the Index on September 1, 2005, September 1, 2006, September 1, 2007, September 1, 2008 and August 30, 2010 to the closing value of the Index on the date that the Notes are priced for initial sale to the public.
- Investing in the Notes is not equivalent to investing in the component stocks of the Index.
- As an owner of the Notes, the holder will not have any voting rights or rights to receive dividends or other distributions, or any other rights with respect to the stocks underlying the Index.
- The Notes will not pay interest. Instead, holders will receive a payment on the Notes at maturity.

Other Important Information

There can be no assurances as to how the Notes will trade in the secondary market or whether such market will be liquid or illiquid. Securities with characteristics similar to the Notes are unique securities, and there is currently no secondary market for the Notes. The market value for the Notes will be affected by a number of factors including, but not limited to:

- The value of the Index.
- The volatility of the Index.
- Interest and dividend yield rates in the market.
- The dividend rate on the stocks underlying the Index.

- Events that affect the stocks underlying the Index or stock markets generally that may affect the value of the Index.
- The time remaining until the Notes mature.
- Morgan Stanley's creditworthiness.

Before a member may recommend a transaction in the Notes to a customer, the member must have reasonable grounds for believing (and must reasonably believe) that the recommendation is suitable for such customer based on the facts disclosed by such customer as to his other security holdings and as to his financial situation and needs. A member is required to make reasonable efforts to obtain information concerning the customer's financial status, tax status and investment objectives, and such other information used or considered reasonable by the member in making recommendations to the customer. Members are requested to communicate this information to all branches.

Trading Hours

The values of each index underlying the Notes are disseminated to data vendors every 15 seconds. The Notes will trade on BX between 8:00 a.m. and 7:00 p.m. ET. For trading during 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 values may not be disseminated.

Contact Information

For additional information regarding the Notes, please see:

- The Prospectus Supplement, filed with the Securities and Exchange Commission (SEC) by Morgan Stanley on or about February 22, 2005.
- The Prospectus of Morgan Stanley relating to this transaction was filed with the SEC on November 10, 2004.

Any additional questions can be directed to:

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

*** The CUSIP Number on this notice is not provided by the American Banking Association and has been independently gathered.**