

STOCK EXCHANGE			
Regulatory Information Circular			
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**Subject: Morgan Stanley - Market Vectors Euro ETNs**

**Background on the security**

As more fully explained in the Registration Statement No. 333-131266 for the Market Vectors linked to the performance of the relevant currency index, as described below. The purpose of this Information Circular is to outline various rules and policies that will be applicable to trading the Securities. The Securities are senior unsecured debt obligations of Morgan Stanley & Co. Incorporated (“Morgan Stanley”). The Securities will initially be issued in denominations of \$40. For a more complete description of the Securities and the payment at maturity, early repurchase provisions, early repurchase mechanics, valuation, fees and risk factors, consult the prospectuses (“Prospectus”).

**Description of the Securities**

The Market Vectors - Double Long Euro ETNs due April 30, 2020, are based on the performance of the Double Long Euro Index (the “Index”), which is designed to offer investors two-times-leveraged, long exposure to the value of the euro relative to the U.S. dollar and tracks the value of the spot exchange rate with financing adjustments. Excluding the interest rate differential and the total return accrual factor discussed above, if the euro *strengthens* by 1% relative to the U.S. dollar, the Index level will *increase* by 2%; while if the euro *weakens* by 1% relative to the U.S. dollar, the Index level will *decrease* by 2%. At maturity or upon earlier repurchase by Morgan Stanley of at least 50,000 ETNs, holders of the ETNs will receive a payment of an amount of cash based on the positive or negative performance of the Index less an aggregate investor fee.

Market Vectors - Double Short Euro ETNs due April 30, 2020 are based on the performance of the Double Short Euro Index (the “Index”), which is designed to offer investors two-times leveraged, short exposure to the value of the euro relative to the U.S. dollar and tracks the value of the spot exchange rate with financing adjustments. Excluding the interest rate differential and the total return accrual factor discussed above, if the euro *weakens* by 1% relative to the U.S. dollar, the Index level will *increase* by 2%; while if the euro *strengthens* by 1% relative to the U.S. dollar, the Index level will *decrease* by 2%. At maturity or upon earlier repurchase by Morgan Stanley of at least 50,000 ETNs, holders of the ETNs will receive a payment of an amount of cash based on the positive or negative performance of the Index less an aggregate investor fee.

## **Indicative Value**

An intraday "Indicative Value" meant to approximate the intrinsic economic value of the Securities will be published for the ETNs, as noted below:

<b><u>Exchange-Traded Note</u></b>	<b><u>Indicative Value</u></b>
Market Vectors - Double Long Euro ETNs	URR.IV
Market Vectors - Double Short Euro ETNs	DRR.IV

The actual trading price of the ETNs may vary significantly from their Indicative Value.

## **Early Redemption**

According to the Prospectus, the Securities may be repurchased prior to maturity at the option of Morgan Stanley or an investor. Offers to repurchase 50,000 ETN's or more to Morgan Stanley during the term of the ETNs on any repurchase date beginning May 16, 2008 by giving Morgan Stanley notice on the trading day prior to the applicable valuation date in accordance with the repurchase requirements, as described in the Prospectus. Upon repurchase, a cash payment equal to the principal amount of your ETNs *times* the index factor *minus* the aggregate investor fee, each as determined on the applicable valuation date. For a complete description of the repurchase process, see the Prospectus.

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

The Shares are considered equity securities, thus rendering trading in the Shares subject to the Exchange's existing rules governing the trading of equity securities.

## **Trading Hours**

Trading in the shares on ISE is on a UTP basis and is subject to ISE equity trading rules. The shares will trade from 8:00 a.m. until 8:00 p.m. Eastern Time. Equity EAMs trading the shares during the Extended Market Sessions are exposed to the risk of the lack of the calculation or dissemination of underlying index value or intraday indicative value ("IIV"). For certain derivative securities products, an updated underlying index value or IIV may not be calculated or publicly disseminated in the Extended Market hours. Since the underlying index value and IIV are not calculated or widely disseminated during Extended Market hours, an investor who is unable to calculate implied values for certain derivative securities products during Extended Market hours may be at a disadvantage to market professionals.

## **Trading Halts**

ISE will halt trading in the Shares of a Trust in accordance with ISE Rule 2101(a)(2)(iii). The grounds for a halt under this Rule include a halt by the primary market because it stops trading the Shares and/or a halt because dissemination of the IIV or applicable currency spot price has ceased, or a halt for other regulatory reasons. In addition, ISE will stop trading the Shares of a Trust if the primary market de-lists the Shares.

## **Delivery of a Prospectus**

Pursuant to federal securities laws, investors purchasing Shares must receive a prospectus prior to or concurrently with the confirmation of a transaction. Investors purchasing Shares directly from the Fund (by delivery of the Deposit Amount) must also receive a prospectus.

Prospectuses may be obtained through the Distributor or on the Fund's website. The Prospectus does not contain all of the information set forth in the registration statement (including the exhibits to the registration statement), parts of which have been omitted in accordance with the rules and regulations of the SEC. For further information about the Fund, please refer to the Trust's registration statement.

### **No-Action Relief Under Federal Securities Regulations**

The Securities and Exchange Commission has issued no-action relief from certain provisions of and rules under the Securities Exchange Act of 1934 (the "Exchange Act"), regarding trading in Barclays iPath Exchange Traded Notes (SEC Letter dated July 27, 2006) and Deutsche Bank AG Exchange-Traded Notes (SEC Letter dated October 17, 2007) for securities with structures similar to that of the securities described herein (the "Letters"). As what follows is only a summary of the relief outlined in the Letters, the Exchange also advises interested members to consult the Letters, for more complete information regarding the matters covered therein.

### **Regulation M Exemptions**

Generally, Rules 101 and 102 of Regulation M is an anti-manipulation regulation that, subject to certain exemptions, prohibits a "distribution participant" and the issuer or selling security holder, in connection with a distribution of securities, from bidding for, purchasing, or attempting to induce any person to bid for or purchase, any security which is the subject of a distribution until after the applicable restricted period, except as specifically permitted in Regulation M. The provisions of the Rules apply to underwriters, prospective underwriters, brokers, dealers, and other persons who have agreed to participate or are participating in a distribution of securities, and affiliated purchasers of such persons.

The Letters state that the SEC Division of Trading and Markets will not recommend enforcement action under Rule 101 of Regulation M against persons who may be deemed to be participating in a distribution of the notes to bid for or purchase the notes during their participation in such distribution.

Rule 102 of Regulation M prohibits issuers, selling security holders, or any affiliated purchaser of such person from bidding for, purchasing, or attempting to induce any person to bid for or purchase a covered security during the applicable restricted period in connection with a distribution of securities effected by or on behalf of an issuer or selling security holder. Rule 100 of Regulation M defines "distribution" to mean any offering of securities that is distinguished from ordinary trading transactions by the magnitude of the offering and the presence of special selling efforts and selling methods.

The Letters state that the SEC Division of Trading and Markets will not recommend enforcement action under Rule 102 of Regulation M against Barclays and its affiliated purchasers who bid for or purchase or redeem notes during the continuous offering of the notes.

**Section 11(d)(1) of the Exchange Act; Exchange Act Rule 11d1-2**

Section 11(d)(1) of the Exchange Act generally prohibits a person who is both a broker and a dealer from effecting any transaction in which the broker-dealer extends credit to a customer on any security which was part of a new issue in the distribution of which he or she participated as a member of a selling syndicate or group within thirty days prior to such transaction.

The Letters state that the SEC Division of Trading and Markets will not recommend enforcement action under Section 11(d)(1) of the Exchange Act against broker-dealers who treat the notes, for purposes of Rule 11d1-2, as “securities issued by a registered . . . open-end investment company as defined in the Investment Company Act” and thereby, extend credit or maintain or arrange for the extension or maintenance of credit on the notes that have been owned by the persons to whom credit is provided for more than 30 days, in reliance on the exemption contained in the rule.

**This Regulatory Information Circular is not a statutory Prospectus. Equity EAMs should consult the Trust’s Registration Statement, SAI, Prospectus and the Fund’s website for relevant information.**

## Appendix A

<b>Ticker</b>	<b>Fund Name</b>
URR	Market Vectors - Double Long Euro ETNs due April 30, 2020
DRR	Market Vectors - Double Short Euro ETNs due April 30, 2020