

CYPRESS BIOSCIENCE INC
 Form 3
 May 10, 2007

FORM 3 UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL

OMB Number: 3235-0104
 Expires: January 31, 2005
 Estimated average burden hours per response... 0.5

INITIAL STATEMENT OF BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934,
 Section 17(a) of the Public Utility Holding Company Act of 1935 or Section
 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *		2. Date of Event Requiring Statement	3. Issuer Name and Ticker or Trading Symbol	
Â MORGAN STANLEY		(Month/Day/Year)	CYPRESS BIOSCIENCE INC [CYPB]	
(Last)	(First)	(Middle)	05/07/2007	
1585 BROADWAY			4. Relationship of Reporting Person(s) to Issuer	5. If Amendment, Date Original Filed(Month/Day/Year)
(Street)			(Check all applicable)	
NEW YORK,Â NYÂ 10036			<input type="checkbox"/> Director <input checked="" type="checkbox"/> 10% Owner	6. Individual or Joint/Group Filing(Check Applicable Line)
(City)	(State)	(Zip)	<input type="checkbox"/> Officer <input type="checkbox"/> Other	<input checked="" type="checkbox"/> Form filed by One Reporting Person
			(give title below) (specify below)	<input type="checkbox"/> Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Beneficially Owned

1. Title of Security (Instr. 4)	2. Amount of Securities Beneficially Owned (Instr. 4)	3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	4. Nature of Indirect Beneficial Ownership (Instr. 5)
Common Stock	585,884	I	By Subsidiary

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly. SEC 1473 (7-02)

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Table II - Derivative Securities Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 4)	2. Date Exercisable and Expiration Date (Month/Day/Year)	3. Title and Amount of Securities Underlying Derivative Security (Instr. 4)	4. Conversion or Exercise Price of Derivative Security	5. Ownership Form of Derivative Security: Direct (D) or Indirect	6. Nature of Indirect Beneficial Ownership (Instr. 5)
	Date Exercisable	Title	Amount or Number of		

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				Shares		(I) (Instr. 5)	
Standardized Put Option (obligation to buy)	05/07/2007	01/19/2008	Common Stock	100,500	\$ 2.5	I	By Subsidiary
Standardized Call Option (right to buy)	05/07/2007	06/16/2007	Common Stock	2,996,400	\$ 7.5	I	By Subsidiary
Standardized Call Option (obligation to sell)	05/07/2007	01/19/2008	Common Stock	191,200	\$ 10	I	By Subsidiary
OTC Call Option (obligation to sell) - cash settled	05/07/2007	06/15/2007	Common Stock	3,000,000	\$ 7.5	I	By Subsidiary
OTC Put Option (right to sell) - physically settled	05/07/2007	01/18/2008	Common Stock	1,400,000	\$ 2.5	I	By Subsidiary

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
MORGAN STANLEY 1585 BROADWAY NEW YORK, NY 10036	Â	Â X	Â	Â

Signatures

Morgan Stanley, By: /s/ Dennine Bullard, Authorized Signatory

05/10/2007

**Signature of Reporting Person

Date

Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 5(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *See* Instruction 6 for procedure.

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