

CYPRESS BIOSCIENCE INC

Form 4

May 10, 2007

FORM 4**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

Check this box
if no longer
subject to
Section 16.
Form 4 or
Form 5
obligations
may continue.
See Instruction
1(b).

**STATEMENT OF CHANGES IN 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

OMB APPROVAL

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(Print or Type Responses)

1. Name and Address of Reporting Person *
MORGAN STANLEY

2. Issuer Name **and** Ticker or Trading
Symbol
CYPRESS BIOSCIENCE INC
[CYPB]

5. Relationship of Reporting Person(s) to
Issuer

(Check all applicable)

(Last) (First) (Middle)

1585 BROADWAY

(Street)

3. Date of Earliest Transaction
(Month/Day/Year)
05/08/2007

____ Director ____X____ 10% Owner
____ Officer (give title below) ____ Other (specify below)

NEW YORK, NY 10036

(City) (State) (Zip)

4. If Amendment, Date Original
Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check
Applicable Line)
__X__ Form filed by One Reporting Person
____ Form filed by More than One Reporting
Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)			
			Code	V	Amount	(A) or (D)	Price			
Common Stock	05/08/2007		S		200	D	\$ 8.38	585,354	I	By Subsidiary
Common Stock	05/08/2007		P		2,040	A	\$ 8.39	587,394	I	By Subsidiary
Common Stock	05/08/2007		P		39,349	A	\$ 8.4	626,743	I	By Subsidiary
Common Stock	05/08/2007		S		212	D	\$ 8.4	626,531	I	By Subsidiary
Common Stock	05/08/2007		P		1,077	A	\$ 8.41	627,608	I	By Subsidiary

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Common Stock	05/08/2007	P	500	A	\$ 8.42	628,108	I	By Subsidiary
Common Stock	05/08/2007	S	3,100	D	\$ 8.42	625,008	I	By Subsidiary
Common Stock	05/08/2007	P	36,211	A	\$ 8.43	661,219	I	By Subsidiary
Common Stock	05/08/2007	P	32,820	A	\$ 8.44	694,039	I	By Subsidiary
Common Stock	05/08/2007	S	2,800	D	\$ 8.44	691,239	I	By Subsidiary
Common Stock	05/08/2007	P	9,400	A	\$ 8.47	700,639	I	By Subsidiary
Common Stock	05/08/2007	S	9,400	D	\$ 8.47	691,239	I	By Subsidiary
Common Stock	05/08/2007	P	12,600	A	\$ 8.48	703,839	I	By Subsidiary
Common Stock	05/08/2007	P	53,400	A	\$ 8.5	757,239	I	By Subsidiary
Common Stock	05/08/2007	S	1,988	D	\$ 8.51	755,251	I	By Subsidiary
Common Stock	05/08/2007	P	200	A	\$ 8.52	755,451	I	By Subsidiary
Common Stock	05/08/2007	S	1,100	D	\$ 8.54	754,351	I	By Subsidiary
Common Stock	05/08/2007	S	110,000	D	\$ 8.6	644,351	I	By Subsidiary
Common Stock	05/09/2007	P	100	A	\$ 8.32	644,451	I	By Subsidiary
Common Stock	05/09/2007	S	57	D	\$ 8.37	644,394	I	By Subsidiary
Common Stock	05/09/2007	S	5,000	D	\$ 8.46	639,394	I	By Subsidiary
Common Stock	05/09/2007	P	6,900	A	\$ 8.47	646,294	I	By Subsidiary
Common Stock	05/09/2007	S	6,900	D	\$ 8.47	639,394	I	By Subsidiary
Common Stock	05/09/2007	S	1,900	D	\$ 8.49	637,494	I	By Subsidiary
Common Stock	05/09/2007	S	100	D	\$ 8.57	637,394	I	By Subsidiary

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Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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(9-02)

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

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Security (Instr. 3 and 4)			
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount of Underlying Shares
Standardized Put Option (obligation to buy)	\$ 5	05/08/2007		P		8,900		05/08/2007	06/16/2007	Common Stock	890
OTC Put Option (obligation to buy) - cash settled	\$ 10	05/08/2007		P		6,600		05/08/2007	06/15/2007	Common Stock	660
Standardized Put Option (right to sell)	\$ 10	05/08/2007		P		1,300		05/08/2007	06/16/2007	Common Stock	130
Standardized Put Option (right to sell)	\$ 10	05/08/2007		P		4,450		05/08/2007	06/16/2007	Common Stock	445
OTC Put Option (right to sell) - cash settled	\$ 5	05/08/2007		P		10,000		05/08/2007	06/15/2007	Common Stock	1,000

Reporting Owners

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

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 4(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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