

Attn: Manager P&S Dept./Traders/Cashier/Manager Reorganization/Manager Dividends
UNIFORM PRACTICE ADVISORY (UPC # 075-97) October 6, 1997

UDC Homes Inc 14 1/2% Ser C Subordinated Notes November 1, 2000

<u>RATE</u>	<u>X/DATE</u>	<u>REC/DATE</u>	<u>PAYABLE/DATE</u>
\$72.50 PIK	October 10, 1997	October 15, 1997	November 1, 1997

Forstmann & Company Inc. 14.75% Senior Subordinated Notes due April 15, 1999

Forstmann Textiles Inc. 14.75% Senior Subordinated Notes due April 15, 1999

Notice has been received that the above Company's Plan of Reorganization (Plan) filed under Chapter XI of the Federal Bankruptcy Code became effective on July 23, 1997. Pursuant to the Plan, **only bondholders of record on July 9, 1997** of the above securities will be permitted to surrender their OLD bond certificates in order to receive the **New** common stock to which they are entitled. Bondholders who surrender their OLD bond certificates will receive 53.216 shares of **New** common stock for each \$1,000 P/A of bonds held. Bondholders shall be obligated to surrender their OLD bond certificates to the Company's exchange agent within two years of the Effective Date of the Plan.

Members are advised that, in lieu of certificates, due-bills for the appropriate number of **New** common stock, issuable under the Plan, should be delivered after July 23, 1997 in settlement of contracts in the OLD bonds. This procedure will act to close out fail contracts in the bond and thereby eliminate any requirements to issue a Notice of Intent to Buy-In.

Upon issuance of the **New** common stock, a when-issued settlement date and due-bill redemption date will be established.

Questions regarding this notice should be directed to: Market Data Integrity Dept., (203) 375-9609. Attn: O'Neil Blake, Manager.

Dorothy L. Kennedy

Assistant Director