



**Attn: Trading and Market Making/Legal and Compliance/Operations/Systems**  
**UNIFORM PRACTICE ADVISORY (UPC # 041-2003) March 4, 2003**

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**EXDS, Inc. (f/k/a Exodus Comm., Inc.) – 10.75% Sr. Notes due December 15, 2009**

**EXDS, Inc. (f/k/a Exodus Comm., Inc.) – 11.25% Sr. Notes due July 1, 2008**

**EXDS, Inc. (f/k/a Exodus Comm., Inc.) – 11.625% Sr. Notes due July 15, 2010**

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Pursuant to the Plan of Reorganization, the above company made a fourth payment of principal on March 4, 2003 to holders of record on June 5, 2002. The distribution will quoted "ex" on March 5, 2003 with due-bills redeemable on March 7, 2003.

Since the notes have been dealt in flat, members are advised that effective March 5, 2003, trades executed in the notes should be on a **"further reduced principal basis"** in lieu of \$1,000 p.a. as indicated below. Comparisons and/or confirmations should be marked to indicate the reduction in principal.

<b>Note</b>	<b>Previous Reduced Principal</b>	<b>March 4, 2003 Payment</b>	<b>Further Reduced Principal</b>
10.75%	\$ 857.571595	\$ 19.760272	\$ 837.811323
11.25%	\$ 858.070550	\$ 19.691048	\$ 838.379502
11.63%	\$ 858.573173	\$ 19.621315	\$ 838.951858

Members are further advised that any future distributions will be paid to holders of record of June 5, 2002. Deliveries after the record date should be accompanied by due-bills representing any future payments. Please note that any future distributions will be calculated on a reduced principal basis.

Members should take immediate steps to adjust their records and bookkeeping systems to reflect the reduction in principal.

Questions regarding this notice should be directed to: Market Integrity Department, (203) 375-9609.

Dorothy L. Kennedy  
Director