



Attn: Manager P&S Dept./Traders/Cashier/Manager Reorganization/Manager Dividends
UNIFORM PRACTICE ADVISORY (UPC # 007-2001) January 18, 2001

Southern Pacific Funding Corporation - Common Stock (SFCFQ)

Notice has been received that the above Company's Second Amended Plan of Reorganization (Plan) filed under Chapter XI of the Federal Bankruptcy Code, became effective on July 30, 1999. Pursuant to the Plan, holders of the above referenced securities *will not* receive any distributions of property on account of their interests.

Members are reminded of their obligations under NASD Conduct Rule 2310 if they continue to engage in transactions in the above securities.

Members are further advised that deliveries in settlement of contracts in the **OLD** securities, which were executed prior to the announcement that the securities had been deemed worthless, shall be evidenced by either a) the **OLD** security; or b) a *Letter of Indemnity* which shall grant the purchaser any rights and privileges which might accrue to the holders of the physical securities. Such deliveries shall operate to close-out the contract and shall be settled at the existing contract price pursuant to Rule 11530 (formerly Uniform Practice Code Section 27) subsection (b) (1) and (b) (2) adopted November 1, 1991.

Southern Pacific Funding Corporation - 11.50% Senior Notes due 11/01/2004 (SFC.GA)

The above Company's Second Amended Plan of Reorganization (Plan) filed under Chapter XI of the Federal Bankruptcy Code, became effective on July 30, 1999. Pursuant to the Plan, holders of *record on December 15, 2000* will receive \$47.965 cash per \$1,000 p.a. and should be quoted ex-distribution on January 19, 2001. Surrender of the old certificates is not required and *are deemed worthless*.

Since the distribution will be made on January 19, 2001, members are advised that all *due bills should be redeemed on January 23, 2001*.

Members are further advised that effective January 19, 2001, each \$1,000 p.a. of the 11.50% notes will be converted into 998.63877 shares of beneficial interest of the SPFC Liquidating Trust for Class 5 claimants. Trades executed in the shares of beneficial interest should be reported under the symbol SPFCZ.

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

Dorothy L. Kennedy
Director

