



Attn: Manager P&S Dept./Traders/Cashier/Manager Reorganization/Manager Dividends
UNIFORM PRACTICE ADVISORY (UPC # 077-2002) June 4, 2002

Color Tile, Inc. – 10 ¾% Senior Notes due December 15, 2001 (FIPS:CTLE.GA)

Notice has been received that the above company has made an initial payment of principal (\$5.15177) on May 8, 2002 to holders of record on April 8, 2002.

Since the notes have been dealt in flat, members are advised that effective June 5, 2002, trades executed in the notes should be on a “*reduced principal basis*” of \$994.84823 in lieu of \$1,000 principal amount and “ex” the pay-down of \$5.15177 per \$1,000 note. Comparisons and/or confirmations should be marked to indicate the reduction in principal.

Members are further advised that any future distributions will be paid to holders of record of April 8, 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 Data Integrity Department, (203) 375-9609.

Dorothy L. Kennedy
Director