



Attn: Trading and Market Making/Legal and Compliance/Operations/Systems
UNIFORM PRACTICE CODE ADVISORY (UPC # 065-2009) December 23, 2009
Cape Fear Bank Corporation – (OTC: CAPEQ)

Notice has been received that the above Company's Joint Plan of Reorganization (Plan) filed under Chapter XI of the Federal Bankruptcy Code, became effective on December 21, 2009. Pursuant to the Plan, all equity interests are extinguished as of the Effective Date. This class will receive a distribution from the Debtor only in the event that all senior classes are paid in full; however, the Debtor does not expect that any distributions will be made to this Class.

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

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 Uniform Practice Code Rule 11530.

Questions regarding this notice should be directed to: FINRA Operations, 866.776.0800.