



Attn: Trading and Market Making / Legal and Compliance / Operations / Systems
UNIFORM PRACTICE ADVISORY (UPC # 170-2003) November 6, 2003

Essential Therapeutics, Inc. Common Stock (OTC:ETRXQ)

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 October 21, 2003. 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 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.

Phar-Mor, Inc. – 11.72 % Senior Notes due September 11, 2002

Pursuant to the Plan of Liquidation, the above company announced that they made a second payment of principal (\$79.113298) on November 6, 2003 to holders of record on March 11, 2003.

Since the notes should have been dealt in flat, members are advised that effective November 7, 2003 trades executed in the notes should be on a **“reduced principal basis”** of \$851.041956 in lieu of \$1,000 principal amount and “ex” \$79.113298 principal per \$1,000 note. Due-bills representing this distribution should be redeemed on November 12, 2003. Comparisons and/or confirmations should be marked to indicate the reduction in principal.

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.

Tara Petta
Associate Director