



Attn: Trading and Market Making / Legal and Compliance / Operations / Systems
UNIFORM PRACTICE ADVISORY (UPC # 113-2003) July 2, 2003

Encompass Services Corporation – 10 ½ % Senior Subordinated Notes due May 1, 2009

Pursuant to the Plan of Reorganization, the above company made a payment of principal (\$6.93552) and interest (\$0.40052776) on July 1, 2003 to holders of record on June 9, 2003. The distribution will be quoted “ex” on July 2, 2003 with due-bills redeemable on July 8, 2003.

Since the notes have been dealt in flat, members are advised that effective July 2, 2003, trades executed in the notes should be on a **“reduced principal basis”** of \$993.06448 in lieu of \$1,000 principal amount and “ex” the pay-down of \$7.33604776 per \$1,000 note. 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