



Attn: Trading and Market Making / Legal and Compliance / Operations / Systems
UNIFORM PRACTICE ADVISORY (UPC # 052-2003) March 25, 2003

Rhythms NetConnections, Inc. – 12 ¾ % Senior Notes due 2009

Rhythms NetConnections, Inc. – 13 ½ % Senior Notes due 2008

Rhythms NetConnections, Inc. – 14 % Senior Notes due 2010

Pursuant to the Plan of Reorganization, the above company made a payment of principal on March 24, 2003 to holders of record on March 11, 2002. The distribution will quoted “ex” on March 26, 2003 with due-bills redeemable on March 28, 2003.

Since the notes have been dealt in flat, members are advised that effective March 26, 2003, trades executed in the notes should be on a **“further reduced principal basis”** in lieu of \$1,000 p.a. as indicated below. Comparisons and/or confirmations should be marked to indicate the reduction in principal.

Note	Previous Reduced Principal	March 24, 2003 Payment	Further Reduced Principal
12.75%	\$ 884.1914	\$ 9.555332	\$ 874.636068
13.50%	\$ 911.5919	\$ 7.293055	\$ 904.298845
14%	\$ 936.4672	\$ 10.641667	\$ 925.825533

Members are further advised that any future distributions will be paid to holders of record of March 11, 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 Integrity Department, (203) 375-9609.

Dorothy L. Kennedy
Director