



Attn: Trading and Market Making / Legal and Compliance / Operations / Systems
UNIFORM PRACTICE ADVISORY (UPC # 033-2003) February 19, 2003

National Steel Corporation – 8 3/8 % First Mortgage Notes due August 1, 2006

Pursuant to an order granted by the U.S. Bankruptcy Court, the above company has made a fourth payment of principal (\$5.160604) on February 19, 2003 to holders of record on February 18, 2003. The distribution will quoted “ex” on February 20, 2003 and due-bills redeemable on February 24, 2003.

Since the notes have been dealt in flat, members are advised that effective Feb 20, 2002, trades executed in the notes should be on a **“reduced principal basis”** of \$975.757971 in lieu of \$1,000 principal amount and “ex” the pay-down of \$5.160604 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.

National Steel Corporation – 9 7/8 % First Mortgage Notes due May 1, 2009

Pursuant to an order granted by the U.S. Bankruptcy Court, the above company has made a fourth payment of principal (\$5.125944) on February 19, 2003 to holders of record on February 18, 2003. The distribution will quoted “ex” on February 20, 2003 and due-bills redeemable on February 24, 2003.

Since the notes have been dealt in flat, members are advised that effective February 20, 2002, trades executed in the notes should be on a **“reduced principal basis”** of \$975.920785 in lieu of \$1,000 principal amount and “ex” the pay-down of \$5.125944 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.

Dorothy L. Kennedy
Director