



Attn: Trading and Market Making / Legal and Compliance / Operations / Systems
UNIFORM PRACTICE ADVISORY (UPC # 029-2003) February 13, 2003

US Diagnostic, Inc. – Common Stock (OTC:USDL)

Notice has been received that the above Company's Second Amended Joint Plan of Liquidation (Plan) filed under Chapter XI of the Federal Bankruptcy Code, became effective on January 29, 2003. Pursuant to the Plan, holders of the above referenced securities are **not** to 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.

US Diagnostic, Inc. – 9 % Subordinated Convertible Debentures due March 31, 2003

Pursuant to the Plan of Liquidation, the above company has made an initial payment of principal (\$336.675) on February 12, 2003 to holders of record on January 29, 2003. The distribution will quoted "ex" on February 14, 2003 and due-bills redeemable on February 19, 2003.

Since the notes have been dealt in flat, members are advised that effective February 14, 2003, trades executed in the notes should be on a **"reduced principal basis"** of \$663.325 in lieu of \$1,000 principal amount and "ex" the pay-down of \$336.675 per \$1,000 note. Comparisons and/or confirmations should be marked to indicate the reduction in principal.

Members are advised that a future distribution is expected. Since the record date is undetermined for future distributions, trades executed on or after February 14, 2003 represent the right to receive future distributions. 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