



Attn: Trading and Market Making/Legal and Compliance/Operations/Systems
UNIFORM PRACTICE ADVISORY (UPC #27-13) 8/19/2013
KIT Digital, Inc. (KITDQ)

Notice has been received that the above Company's Plan of Bankruptcy filed under Chapter XI of the Federal Bankruptcy Code, became effective on 08/16/2013. Pursuant to the Plan, as of the Effective Date, all Interests in the Debtor (i.e., KDI Common Stock), including, without limitation, any and all options or rights to exercise warrants or options or to otherwise acquire any KDI Common Stock or any other Interest in the Debtor shall be canceled and be deemed terminated and of no force and effect and the certificates that previously evidenced ownership of those Interests shall be deemed canceled (all without further action by any person or the Bankruptcy Court) and shall be null and void and such certificates shall evidence no rights or interests in the Debtor or Reorganized KDI. Except to the extent that a Holder of an Allowed Interest in Class 7 has agreed to a different treatment, on the Effective Date, or as soon as practicable thereafter, each Holder of an Allowed Interest in Class 7 shall receive from the Debtor in full satisfaction, settlement, release, discharge of, and in exchange for such Interest, its Pro Rata Share of Available Cash, after payment of General Unsecured Claims in full, and shall be entitled to receive one Reorganized KDI Warrant for each outstanding share of KDI Common Stock held by such Holder as of the Distribution Record Date; provided, however, that any options, warrants, or rights, contractual or otherwise, to acquire an Interest that are not exercised by the Distribution Record Date will be cancelled effective as of the Distribution Record Date and shall receive no distributions therefore under the Plan.

Members are reminded of their obligations under FINRA Rule 2111 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.

Questions regarding this notice should be directed to: FINRA Operations- 1-866-776-0800.