



**Attn: Manager P&S Dept./Traders/Cashier/Manager Reorg/Manager Dividends**  
**UNIFORM PRACTICE ADVISORY (UPC # 143-2002) October 3, 2002**

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**Rhythms Netconnections, Inc. – 12¾ % Senior Notes due April 15, 2009**

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Pursuant to the Plan of Reorganization, the above company will make a third payment of principal (\$48.0673) on October 3, 2002 to holders of record on March 11, 2002. The distribution will quoted "ex" on October 4, 2002 and due-bills redeemable on October 8, 2002.

Since the notes have been dealt in flat, members are advised that effective October 4, 2002, trades executed in the notes should be on a **"reduced principal basis"** of \$884.6385 in lieu of \$1,000 principal amount and "ex" the pay-down of \$48.0673 per \$1,000 note. Comparisons and/or confirmations should be marked to indicate the reduction in principal.

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.

**Rhythms Netconnections, Inc. – 13 ½% Sen Discount Notes due April 15, 2008**

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Pursuant to the Plan of Reorganization, the above company will make a third payment of principal (\$36.6916) on October 3, 2002 to holders of record on March 11, 2002. The distribution will quoted "ex" on October 4, 2002 and due-bills redeemable on October 8, 2002.

Since the notes have been dealt in flat, members are advised that effective October 4, 2002, trades executed in the notes should be on a **"reduced principal basis"** of \$911.9401 in lieu of \$1,000 principal amount and "ex" the pay-down of \$36.6916 per \$1,000 note. Comparisons and/or confirmations should be marked to indicate the reduction in principal.

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 Data Integrity Department, (203) 375-9609.

Dorothy L. Kennedy  
Director