



Attn: Trading and Market Making/Legal and Compliance/Operations/Systems
UNIFORM PRACTICE ADVISORY (UPC # 090-2003) May 27, 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 payment of principal (\$5.948903) on May 19, 2003 to holders of record on May 16, 2003. The distribution will quoted "ex" on May 27, 2003 and due-bills redeemable on May 29, 2003.

Since the notes have been dealt in flat, members are advised that effective May 27, 2003, trades executed in the notes should be on a **"reduced principal basis"** of \$951.319238 in lieu of \$1,000 principal amount and "ex" the pay-down of \$5.948903 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 payment of principal (\$6.200304) on May 19, 2003 to holders of record on May 16, 2003. The distribution will quoted "ex" on May 27, 2003 and due-bills redeemable on May 29, 2003.

Since the notes have been dealt in flat, members are advised that effective May 27, 2002, trades executed in the notes should be on a **"reduced principal basis"** of \$949.261986 in lieu of \$1,000 principal amount and "ex" the pay-down of \$6.200304 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