



**Attn: Manager P&S Dept./Traders/Cashier/Manager Reorg/Manager Dividends**  
**UNIFORM PRACTICE ADVISORY (UPC # 191-2002) December 19, 2002**

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

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Pursuant to an order granted by the U.S. Bankruptcy Court, the above company has made a second payment of principal (\$4.128483) on December 19, 2002 to holders of record on December 17, 2002. The distribution will quoted "ex" on December 20, 2002 and due-bills redeemable on December 24, 2002.

Since the notes have been dealt in flat, members are advised that effective December 20, 2002, trades executed in the notes should be on a "**reduced principal basis**" of \$985.047058 in lieu of \$1,000 principal amount and "ex" the pay-down of \$4.128483 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.

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

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Pursuant to an order granted by the U.S. Bankruptcy Court, the above company has made a second payment of principal (\$4.100755) on December 19, 2002 to holders of record on December 17, 2002. The distribution will quoted "ex" on December 20, 2002 and due-bills redeemable on December 24, 2002.

Since the notes have been dealt in flat, members are advised that effective December 20, 2002, trades executed in the notes should be on a "**reduced principal basis**" of \$985.147485 in lieu of \$1,000 principal amount and "ex" the pay-down of \$4.100755 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