



**Attn: Manager P&S Dept./Traders/Cashier/Manager Reorg/Manager Dividends**  
**UNIFORM PRACTICE ADVISORY (UPC # 163-2002) November 8, 2002**

**Rhythms Netconnections Inc. - 12¾ % Sr. Notes due April 15, 2009**

Pursuant to the Plan of Reorganization, the above company will make a fourth payment of principal (\$0.4471) on November 8, 2002 to holders of record on March 11, 2002. The distribution will quoted "ex" on November 12, 2002 and due-bills redeemable on November 14, 2002.

Since the notes have been dealt in flat, members are advised that effective November 12, 2002, trades executed in the notes should be on a "**reduced principal basis**" of \$884.1914 in lieu of \$1,000 principal amount and "ex" the pay-down of \$0.4471 per \$1,000 note. Comparisons and/or confirmations should be marked to indicate the reduction in principal.

**Rhythms Netconnections Inc. - 13½ % Sr. Discount Notes due April 15, 2008**

Pursuant to the Plan of Reorganization, the above company will make a fourth payment of principal (\$0.3482) on November 8, 2002 to holders of record on March 11, 2002. The distribution will quoted "ex" on November 12, 2002 and due-bills redeemable on November 14, 2002.

Since the notes have been dealt in flat, members are advised that effective November 12, 2002, trades executed in the notes should be on a "**reduced principal basis**" of \$911.5919 in lieu of \$1,000 principal amount and "ex" the pay-down of \$0.3482 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, for *each* of the above referenced issues, 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