



**Attn: Trading and Market Making/Legal and Compliance/Operations/Systems**  
**UNIFORM PRACTICE ADVISORY (UPC # 034-2004) March 19, 2004**

**Color Tile, Inc. – 10¾% Sr. Notes due December 15, 2001**

Notice has been received that the above company has made a third payment of principal (\$5.7200427) on March 19, 2004 to holders of record on March 18, 2004 with due bills redeemable on March 24, 2004.

Since the notes have been dealt in flat, members are advised that effective March 22, 2004, trades executed in the notes should be on a "**reduced principal basis**" of \$984.7677003 in lieu of \$1,000 principal amount and "ex" the pay-down of \$5.7200427 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.

Tara Petta  
Associate Director