



Attn: Trading and Market Making/Legal and Compliance/Operations/Systems
UNIFORM PRACTICE ADVISORY (UPC # 105-2003) June 19, 2003

Encompass Services Corporation – Common Stock (OTC:ESVNQ)

Notice has been received that the above Company's Joint Plan of Reorganization (Plan) filed under Chapter XI of the Federal Bankruptcy Code became effective on June 9, 2003. Pursuant to the Plan, holders of the above referenced securities are **not** to receive any distributions of property on account of their interests.

Members are reminded of their obligations under NASD Conduct Rule 2310 if they continue to engage in transactions in the above security after the effective date.

Members are further advised that deliveries in settlement of contracts in the **OLD** securities, which were executed prior to the announcement that the securities had been deemed worthless, shall be evidenced by either a) the **OLD** security; or b) a *Letter of Indemnity* which shall grant the purchaser any rights and privileges which might accrue to the holders of the physical securities. Such deliveries shall operate to close-out the contract and shall be settled at the existing contract price pursuant to Uniform Practice Code Rule 11530.

Pentacon, Inc. – 12 ¼% Senior Subordinated Notes due April 1, 2009

Pursuant to the Plan of Reorganization, the above company will make a second payment of principal (\$21.765) on June 20, 2003 to holders of record on June 10, 2003. The distribution will be quoted "ex" on June 23, 2003 with due-bills redeemable on June 25, 2003.

Since the notes have been dealt in flat, members are advised that effective June 23, 2003, trades executed in the notes should be on a **"reduced principal basis"** of \$528.8322 in lieu of \$1,000 principal amount and "ex" the pay-down of \$21.765 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