



**Attn: Trading and Market Making/Legal and Compliance/Operations/Systems**  
**UNIFORM PRACTICE ADVISORY (UPC # 076-2003) May 1, 2003**

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**Dynacq International, Inc. – Common Stock (NASDAQ:DYII)**

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On January 21, 2003, Dynacq International, Inc. (Dynacq or DYII) announced that they would distribute on March 31, 2003 one (1) non-transferable share of Series A Preferred stock for every one hundred (100) common shares held on the record date of February 10, 2003. Dynacq originally intended to issue the preferred shares only in the name of the beneficial holder, however, this mandate has been revised and they will permit registration in "street name".

Members are advised that holders of the preferred shares may present their shares for redemption at \$14.50 per share, commencing May 10, 2003 and expiring June 10, 2003. Shares not redeemed will **automatically be converted** into DYII common stock on a share-for-share basis.

Inquiries regarding the redemption or conversion process may be directed to the transfer agent:

United Stock Transfer  
Mr. Jack Donnelly  
3615 South Huron Street, Suite 104  
Englewood, CO 80110  
Tel: 303.783.9055

Questions regarding this notice should be directed to: Market Integrity Department, 203.375.9609.

Dorothy L. Kennedy  
Director