



Attn: Trading and Market Making/Legal and Compliance/Operations/Systems
UNIFORM PRACTICE ADVISORY (UPC # 046-2003) March 12, 2003

Talton Holdings, Inc. – 11% Series B Senior Notes due June 30, 2007

Notice has been received that the above note defaulted on its June 30, 2002 and December 30, 2002 interest payments.

Members are advised that effective March 12, 2003, the above notes should be dealt in "flat".

The previously due June 30, 2002 and December 30, 2002 interest payment was paid on February 28, 2003 to holders of record February 27, 2003 in the amount of \$120.00 per \$1,000 p.a. The distribution will be quoted ex-interest on March 13, 2003, and the notes should continue to be dealt in "flat".

Questions regarding this notice should be directed to: Market Integrity Department, (203) 375-9609.

Dorothy L. Kennedy
Director