



Member FINRA/SIPC/Reg'd MSRB

BUSINESS CONTINUITY PLAN (BCP)

Shareholders Service Group (SSG) has a Business Continuity Plan with detailed policies and procedures in the event of a significant business disruption (SBD). SSG will take appropriate measures to safeguard employees and property, to assess financial and operational processes, and to protect the books and records. SSG will continue to serve customers in the event of an internal or external SBD through its own means and/or with assistance of our clearing provider, Pershing.

Depending upon the type of internal SBD (such as a fire or power outage), SSG may relocate its primary office to its designated alternative site. Business and operational services will continue through normal means with communications via telephone, cell phone, e-mail and the SSG website.

In the event of an external SBD (such as a terrorist attack or a natural disaster), SSG and Pershing have back-up facilities and specific arrangements in place to provide continued service. Our clearing agent, Pershing, has its own BCP in place to ensure continuous, reliable delivery of service to customers while maintaining regulatory compliance. Alternative phone numbers to use in the event of a SBD are (858) 229-5535 or for Pershing, (201) 413-3635 or fax (201) 413-5368.

This Business Continuity Plan may be modified at any time as needed. A current Business Continuity Plan summary is available on the SSG website, www.ssginstitutional.com, under "Important Legal Information" on the home page. A written hard copy is available via mail upon request.

THE USA PATRIOT ACT

The USA PATRIOT Act is designed to detect, deter, and punish terrorists in the United States and abroad. The Act imposes new anti-money laundering requirements on brokerage firms and financial institutions. By April 24, 2002, all brokerage firms were required to have new, comprehensive anti-money laundering programs. To help you understand these efforts, we provide you this information about money laundering and our steps to implement the USA PATRIOT Act.

What is money laundering? Money laundering is the process of disguising illegally obtained money so that the funds appear to come from legitimate sources or activities. Money laundering occurs in connection with a wide variety of crimes, including illegal arms sales, drug trafficking, robbery, fraud, racketeering, and terrorism.

How big is the problem and why is it important? The use of the U.S. financial system by criminals to facilitate terrorism or other crimes could well taint our financial markets. According to the U.S. State Department, one recent estimate puts the amount of worldwide laundering activity at \$1 trillion a year.

What are we required to do to eliminate money laundering? Under rules required by the USA PATRIOT Act, our anti-money laundering program designates a special compliance officer, conducts employee training, conducts independent audits, and establishes policies and procedures to verify the identity of customers, detect and report suspicious transactions, and ensure compliance with the new laws. As part of our required program, we may ask you to provide various identification documents or other information. Until you provide the information or documents we need, we may not be able to open an account or effect any transactions for you. If you have questions, you may contact our Compliance Department at (858) 530-1031.

Sharing information with other financial institutions. We will share information with other financial institutions, including our clearing firm, about persons suspected of terrorist financing and money laundering, for the purpose of identifying and reporting activities that may involve terrorist acts or money laundering and to determine whether or not to establish an account or effect a transaction. We will employ certain procedures to ensure only relevant information is shared.