

## Business Continuity

The following information concerns First Clearing, LLC (hereinafter referred to as "FCLLC") efforts to ensure that impact to your business is minimized as in the event of an emergency or disaster.

Securities Industry regulations require each member firm to create and maintain a business continuity plan reasonably designed to meet its obligations to its clients or other counter-parties. In accordance with these requirements, FCLLC has designed a business continuity plan to address possible scenarios in efforts to minimize any service impact to our introducing firms or their clients.

In keeping with the regulatory requirements, the business continuity plan for FCLLC is designed to address key areas of concern - including but not limited to the following:

- Data back-up and recovery
- Mission critical systems
- Financial and operational assessments
- Alternate means of communication between FCLLC and its customers
- Alternate means of communication between FCLLC and its employees
- Alternate physical locations of employees
- Critical business constituent, bank and counter-party impact
- Regulatory reporting
- Communications with regulators
- How FCLLC will ensure that customers have access to their funds and securities in the event FCLLC determines it is unable to continue its business

Since events creating business disruptions may vary in nature and scope, FCLLC has anticipated scenarios in which the following are affected:

- A primary FCLLC building at its headquarter location
- An FCLLC branch location
- A city wide area
- A regional area

Regardless of the scope of potential disruption, FCLLC intends to continue to provide service to its introducing firms and their clients. In the event where a primary building or business district is affected, the firm is fortunate to have a divided corporate presence in the Richmond, VA and St Louis, MO areas. The facilities in both areas are also served by UPS systems and have 24-hour security services. If one of the primary buildings in Richmond or St. Louis were to be affected by a disruption, alternate facilities exist in each area that can be used to help restore operations.

In the unlikely event of a citywide or regional disruption, FCLLC has established recovery sites approximately 150 miles from the Richmond area and 28 miles from its St Louis headquarters that can be used to restore time sensitive functions as soon as key employees are relocated to the facility. Additionally, as a subsidiary of Wells Fargo, FCLLC would intend to take advantage of any available facilities of Wells Fargo that may be located in other geographic regions. In the event that any such disruption occurs, we have developed alternative service arrangements, systems, locations, and contingency plans to ensure that any service affected is quickly restored.

FCLLC has identified several computer applications with Mission Critical or High criticality ratings and has documented this within the business continuity plans. Our primary application provider, Thomson Transaction Services, Inc. has conducted successful testing with FCLLC, generally two times per year since November 2000. Finally, through its parent company, FCLLC utilizes data centers, located in other states, which regularly perform disaster recovery testing.

At a minimum, the FCLLC business continuity plan is reviewed, updated and tested on an annual basis. Additionally, our primary internal and external application providers periodically conduct testing of their own back-up capabilities to ensure that, in the event of an emergency or significant business disruption, they will be able to provide us with the critical information and applications we need to continue or promptly resume our business. When testing our plan, we review the recovery time and resumption time period for all mission critical systems.

Making sure that any type of disruption does not unduly impact our introducing firms or their clients is extremely important to us, and our business continuity plan is designed to allow us to continue to provide the quality service you have come to expect from FCLLC.