

Date: April 30, 2010

At Prime Capital Services, Inc. and AFP, Ltd., we recognize how heavily our clients rely on our systems and services. We also recognize that the unexpected can and do occur – from simple situations to major outages. Our clearing firm National Financial Services, LLC Fidelity Company has successfully supported critical business activities during hurricanes, tornados, blizzards, and other natural and man-made disasters. Prior events clearly have tested their readiness across virtually all dimensions: safety, systems and telecommunications, physical space, policy, process, and procedures.

With respect to a significant business disruption either internal or external PCS has developed the following Business Continuity Plan in an effort to provide services to our employees and our customers alike in a timely manner.

Corporate PCS & AFP Planning Guidelines:

PCS & AFP plans include the ability to recover from situations including, but not limited to, unplanned evacuations, power outages, major water leaks, fire, and loss of water, severe weather, and any facilities failures that may cause business interruption. Plans are designed to account for business interruptions of various lengths and scope and require that PCS & AFP business units are able to recover critical functions according to their time criticality.

Key features of PCS & AFP corporate disaster recovery planning include annual reviews of the following:

- Identification of all mission critical systems and system backup and recovery for such systems.
- A review of financial and operational risks.
- Alternate communications between PCS and our clients.
- Employee safety strategies and communications.
- Systems and telecommunications accessibility.
- Alternate physical site locations and preparedness.

Prime Capital Services, Inc. & AFP, Ltd., Business Continuity Plan:

- Business Impact Analysis – PCS & AFP are required to identify the time criticality of each business function, as well as the resources that the function needs to successfully recover. Additionally, PCS & AFP must review annually its business functions as they relate to time criticality and resource recovery.
- Business Continuity Plan – PCS & AFP will review, update and document annually a review of the company's requirements with respect to its Business Continuity Plan. The Business Continuity Plan will include such strategies as: event management procedures, employee safety and communication strategies, alternate site requirements, procedures for notifying clients, recovery management, and protection of the firm's books and records. Senior executive staff approval of the plan and its updates and implementation are required.
- Employee Training and Awareness: Contingency plans also address promoting employee awareness with regards to event management and emergency communication tools for employees and customers, and identifying employee roles in a contingency event.
- Alternate Site Recovery Validation – Sometimes the best solution during an outage is to move services to an alternate site.
- Home Office Location - Home office operations could be set up at one or two alternate sites if the SBD were internal and confined to the home office building location only. In the event of an external SBD our home office operations could be moved to one of our unaffected field office locations. We expect home office operations to be restored within 24-48 hours.
- Field locations – Our field offices are primarily in New York and Florida. In the event of an SBD we will move our staff from affected field offices to the closest of our unaffected field office locations. We do have a few isolated offices in other states. In the event of an internal or external

SBD, to one of our isolated offices, we will move operations to the home office until another site can be located or the office becomes functional. We expect our services to our customers to be restored within 24-48 hours from our home office location.

- Our critical systems services to our customers will be handled via the best means available either written or oral via the type of communication best available such as: telephone, fax, written, Internet, or via posting to the web site.
- Our technical abilities to be operational after a SBD are tested by our IT department on a quarterly basis.

Our Business Continuity Plan is designed to permit our firm to resume operations as quickly as possible, given the scope and severity of the significant business disruption, if we are unable to continue our business, customers may access their accounts and transact business by the following:

- Our brokerage account holders will have access to their accounts and funds via our clearing firm National Financial Services, LLC a fidelity company @ 617-563 5977.
- Our non-brokerage customer's accounts and funds are held directly with the insurance company and/or fund company their account is with. All service and access to funds will be handled directly with the insurance company and/or fund company. In the event of a SBD we will provide phone numbers and contact personnel to our customers via telephone, mail, fax, or web-site posting at <http://www.primefs.com/>

Conclusion:

We hope this Contingency Planning Statement helps address any questions you may have about Prime Capital Services, Inc. & Asset & Financial Planning, Ltd., preparedness in the event of an outage or other disaster. We are committed to safeguarding your assets and our business. While some disasters may be unavoidable, a rigorous contingency plan can often reduce the financial risk. To that end, we recognize that contingency planning demands not only consistency, but also a continued willingness to listen and improve. If you are a client and have questions, please contact your relationship manager at 800-552-0067 at our home office at 845-485-3330.

Frequently Asked Questions:

- Q. How do I contact Prime Capital Services, AFP, or my representative?
- A. Please contact your relationship manager or your representative using your regular method of communication. Processes are in place to provide current information regarding an outage either by telephone, mail or Internet services. PCS & AFP will also send important notices to customers to notify them of a significant issue or change. These notices would advise of any procedures or contact methods different than those typically followed.
- Q. Will I have access to my funds?
- A. A site outage to Prime Capital Services, Inc. & AFP will not impact your ability to have access to your available funds. Customer ability to trade to raise available funds could be impacted by market events outside of PCS & AFP control, such as when the market were closed the week of the 9/11 disaster. The contingency plans will result in necessary personnel being available to approve transactions submitted for National Financial Services, and the insurance and/or fund companies necessary to access funds.
- Q. Will I have access to my funds if a significant business interruption forces PCS & AFP to cease operations?
- A. In the event that PCS & AFP are unable or decides to cease operations due to a significant business interruption, brokerage customers can call the NFS customer Services line at 617-563-5977 which field's call regarding "orphaned" accounts. Please note that if a customer calls the NFS customer service line and PCS & AFP are still in operation they will be directed to call PCS & AFP directly. Non-brokerage customers can call the insurance company and/or fund company whose name and number is located on their most recent or any statement.