

Prime Capital Services, Inc.  
Asset & Financial Planning, Ltd.  
Business Continuity (“BCP”) Disclosure Statement

Date: July 21, 2011
---------------------

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

PCS has developed its Business Continuity Plan in an effort to provide timely and reliable service in the event of a significant business disruption (“SBD”).

Corporate PCS & AFP Planning Guidelines:

PCS & AFP Plans address 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 essential functions according to their time criticality.

Key features of the PCS & AFP Corporate Business Continuity Plans 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 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 the function needs to successfully recover. Additionally, PCS & AFP will annually review business functions as they relate to time criticality and resource recovery.
- Business Continuity Plan – PCS & AFP will review, update and document 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 will address promoting employee awareness with regard to event management and emergency communication tools for employees and customers, and identifying employee roles in a contingency event.
- Alternate Site Recovery Validation – The best solution during an outage may be to relocate essential services to an alternate site.
- Home Office Location - Home office operations may be set up at an alternate site 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 until the disruption is resolved. Our primary alternate site is located at: 982 Main Street, Fishkill, NY 12524 (845) 896-2947.
- Field locations – Our field offices are primarily located in New York and Florida. In the event of a SBD, essential operational staff can be temporarily relocated from affected field offices to the

closest unaffected field office location. We do have isolated offices located in certain other states. In the event of an internal or external SBD, involving one of our isolated offices, we can temporarily relocate operations to the home office until another site can be established or the office becomes functional. We expect our services to our customers to be restored within 24-48 hours from our home office location.

- Critical systems services to our customers will be handled via the best means available: telephone, fax, written, internet, or via posting to the corporate web-site.
- Our technical abilities to be operational after a SBD are periodically tested by our IT department.

Our Business Continuity Plan is designed to permit our firm to resume operations as quickly as possible, depending upon the scope and severity of the significant business disruption (“SBD”). If due to the SBD we are unable to promptly continue our business, customers may access their accounts and transact business using the following means:

- 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.
- Non-brokerage customer’s accounts and funds are held directly at each sponsoring insurance company and/or fund company you have selected. 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 trust this Business Continuity Disclosure Statement will 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 events may be unavoidable, a rigorous contingency plan can help to alleviate 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 or your registered representative directly.

#### Frequently Asked Questions:

- Q. How do I contact Prime Capital Services, AFP, or my representative?
- A. Please attempt to 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 access your available funds. Customer ability to trade or have access to available funds could be impacted by events outside of our control, such as when the markets were closed following the attacks of 9/11/2001. Our contingency plans will result in necessary personnel being available to approve transactions submitted to National Financial Services, and/or the insurance and fund companies or to allow access to your funds.
- Q. Will I have access to my funds if a significant business interruption forces PCS and/or AFP to cease operations?
- A. In the event that PCS and/or AFP are unable to continue or decide to cease operations due to a significant business disruption, brokerage customers can contact our clearing firm, NFS (Customer Service) at 617-563-5977 for access to funds and account information. Please note that if a customer calls the NFS customer service line and PCS and/or AFP are still in operation they will be directed to call PCS and/or AFP directly. Non-brokerage customers can call each product specific insurance company and/or fund company whose name and number are included on your most recent client account statements. Contact information for non-brokerage vendors will also be included on our website at <http://www.primefs.com> We suggest that you maintain your own copy of this relevant contact information in an easily accessible place in the event you ever need it.