

Disclosure of Business Continuity Plan

Northeast Securities, Inc. is dedicated to protecting the interests of our counter-parties and customers in the event of an emergency or Significant Business Disruption (SBD).

The Business Continuity Plan Disclosure summarizes our efforts to lessen the risks inherent with unexpected business interruptions. Our in-depth business continuity strategy has been designed to allow us to meet our existing obligations to our counter-parties and customers even in the event of an emergency or significant business disruption; however it is not infallible. While the plan is designed to address and respond to many different emergency conditions, such events, by nature are unpredictable and therefore it is not possible to anticipate every scenario and how it could cause an SBD. Additionally, even though we are secure in our own preparedness, Northeast Securities cannot control the various entities that we must depend upon in the event of an emergency. Our BCP's are periodically tested to confirm their efficiency; nevertheless, such tests may not completely duplicate the actual conditions experienced in a real emergency. This summary is subject to modification, and if modified, will be promptly posted on the Northeast Securities website, as well as the alternate website. Customers may at any time request a hard copy of this summary by mail. We will disclose in writing a summary of our BCP to customers at account opening and annually via U.S. Mail service. We also post the summary on our website www.nesec.com/bcpd.pdf.

The following telephone numbers should be used only in the event of an SBD:

Northeast Securities Uniondale

<u>Alt Trading Line 1</u>	516-222-0175	<u>Alt Operations 1</u>	516-222-2054
<u>Alt Trading Line 2</u>	516-222-5337	<u>Alt Operations 2</u>	516-222-0155
<u>Alt Trading Line 3</u>	516-222-5374	<u>Alt Trading Line 4</u>	516-222-5376

Northeast Securities Wall St.

<u>Alt Trading Line 1</u>	212-968-0054	<u>Alt Trading Line 2</u>	212-968-0034
<u>Alt Operations Line 1</u>	212-809-3171		

Northeast Securities Miami

<u>Alt Trading Line 1</u>	305-760-6532	<u>Alt Trading Line 2</u>	305-760-6535
<u>Alt Trading Line 3</u>	305-760-6537	<u>Alt Trading Line 4</u>	305-760-6538
<u>Alt Trading Line 5</u>	305-760-6539	<u>Alt Trading Line 6</u>	305-760-6540
<u>Alt Operations Line 1</u>	305-760-6500		

Pershing LLC.

<u>Alt Trading Line 1</u>	201-413-4920
<u>Customer Support Line 1</u>	201-413-3635

If SIPC determines that we are unable to meet our obligations to customers, or if our liabilities exceed our assets in violation of Securities Exchange Act Rule 15c3-1, SIPC may seek to appoint a trustee to disburse customer assets.

Our summary addresses the levels of varying severity and planned recovery time, and also discloses the existence of back up facilities and alternate contact information, but does not specify location.

DISASTER RECOVERY FLOW

Disaster type	Implement
<p><u>Interruption of Service</u></p> <p>An Interruption of Service /Services is defined as a situation whereby a computer system, peripheral devices, services provided by vendors / carriers (voice, video, data, Internet etc.) is down preventing normal operation of business for less than 24 hours. In this assumption no facility / building damage would have occurred. Examples for this type of disaster could be a server failure; Market Data feed loss, a power failure, Circuit outage, etc.</p>	<p>Since this type of disruption is not severe and involves failure of system / services, the following can be implemented. This type of disruption is usually resolved within 24 hours.</p> <ol style="list-style-type: none"> 1. Server failure (hard drive) – restore data either via the Snapserver configuration or from tape backup 2. Server failure (system) – swap out defective hardware or use backup server and relocate drives 3. Market data services – use alternate market data services or manually process orders via phone 4. WAN connection – restore network via VPN connection or via Internet 5. Voice – use analog pots services
<p><u>Minor Disaster</u></p> <p>A Minor Disaster is defined as a situation whereby Northeast Securities may suffer multiple failures that render some of their systems / services inoperable between a period of 24 to 48 hours. Examples for this type of disaster could be failure of multiple servers (accounting, email, etc.), a flood, a minor fire, elevator services, etc. In this assumption little or no facility / building damages would have occurred</p>	<p>Since this type of disruption can be resolved between 24 to 48 hours, the following can be implemented</p> <ol style="list-style-type: none"> 1. Server failure (hard drive) – restore data either via the Snapserver configuration or from tape backup 2. Server failure (system) – swap out defective hardware or use backup server and relocate drives 3. Market data services – use alternate market data services or manually process orders via phone 4. WAN connection – restore network via VPN connection or via Internet 5. Voice – use analog pots services 6. Building Power / AC – a small group of trading personnel can be relocated to the Wall Street facility and utilize the services there
<p><u>Major Disaster</u></p> <p>A Major Disaster is defined as a situation whereby Northeast Securities may suffer multiple failures or the escalation of a Minor Disaster leading to system / service outages between a period of 48 to 72 hours. Examples for this type of disaster could be a long-term loss of trading and administrative systems, accounting systems, electrical and air conditioning systems, a total building / facility outage, an extensive fire or flood etc.</p>	<p>This is a more severe disruption of services and since the restoration time can be between 48 to 72 hours, the following can be implemented.</p> <ol style="list-style-type: none"> 1. Building Power / AC – a small group of trading personnel can be relocated to the Wall Street facility and utilize the services there 2. Building facility – personnel can be relocated to the Wall Street
<p><u>Catastrophic Disaster</u></p> <p>A Catastrophic Disaster is defined as a situation where by Northeast Securities may suffer total failure / access or the escalation of a major Disaster leading to an extensive period of inoperability exceeding 72 hours. Examples for this type of disaster could be a major earthquake, terrorist activity, loss of access to the city, damages to the building, etc.</p>	<p>In this scenario since the duration for the disruption is undetermined the following can be implemented.</p> <ol style="list-style-type: none"> 1. Building Power / AC – a small group of trading personnel can be relocated to the Wall Street facility 2. Building facility – personnel can be relocated to the Wall Street facilities 3. Access to the NYC – personnel can work from their homes providing that they have Internet access and all applicable hardware / software