

First New York Securities LLC Business Continuity Plan Disclosure

General

Pursuant to NASD Rule 3510, the Firm has set forth below a disclosure to all customers regarding the Firm's Business Continuity Plan to address the possibility of future significant business disruptions and how the Firm will respond to events of varying scope. As significant business disruptions ("SBD") may vary in their severity, the Firm has set forth what customers can do in case of an SBD by the magnitude of the disruption:

Firm Procedures

In cases of a Firm-only or local disruption outside short-term systems issues that may occur in the regular course of business, the Firm's staff shall determine which mode of communication is left available for contact with its customers. Once the lines of communication to be used and the specifics of the Firm's response is determined, the Firms shall post instructions on the Firm's website (www.fnysllc.com) as a guidance for our customers. We have taken this approach as each disruption, its cause, length and impediment to operations can vary greatly. As such, the Firm feels that response should be formed on an individual basis. For those without internet access, the Firm will attempt to keep its customer support phone line operating. In the alternative, a message shall be left with instructions for customers. In the case of a disruption that goes beyond the local area, the Firm will post instructions as soon as possible on its website for its customers. Depending on the severity of the disruption, general operations may be ceased for an indefinite time until resolution in cases where the disruption is not limited to the Firm. In addition, please be advised that in the event of a business interruption, our clearing firm, Bear Stearns Securities Corp, has authority to disperse funds and initiate securities transactions upon appropriate authentication of the account owner.

Back-up Facilities and Arrangements

The Firm backs up its electronic records daily at a remote secondary location maintained by the Firm. The back-up location shall maintain all critical data for the best possibility of continued operation of the Firm in times of disruptions. Secondly, the alternate site shall serve as the central operation of business for the Firm until the disruption is contained. A second alternate location may be the company's facilities in New Jersey.

Lastly, the Firm advises all customers that as the cause, effect and length of a significant business disruption cannot be determined with certainty, the customer should plan in advance his/her actions which can mitigate and minimize any adverse effect such an interruption may cause. Adequate customer planning will include maintaining current account records as well as taking steps to gain an understanding of how to maintain critical communications with the Firm and its clearing correspondent firm, Bear Stearns Securities Corp. in the event of a business interruption. The Firm's business continuity plan is subject to modification and an updated copy shall be promptly posted on the Firm's internet site. A copy of its plan can also be obtained via a request to the Firm.