

Colony Park Financial Services, LLC Business Continuity Plan (BCP) (2009)

General guidance and background: Please see *FINRA Notice to Members (NtM) 04-37*; General Accounting Office, “Report on Potential Terrorist Attacks: Additional Actions Needed to Better Prepare Critical Financial Market Participants,” “Report Nos. GAO-03-251 and GAO-03-414 (Feb.2003)(available at <http://www.gao.gov/>); The Securities and Exchange Commission/Board of Governors of the Federal Reserve System/Office of the Comptroller of the Currency Joint White Paper on Business Continuity Planning <http://www.sec.gov/>; and business continuity planning Web sites, including http://www.sia.com/business_continuity; www.thebci.org; www.business-continuity.com; www.bsi-global.com; www.fsvcc.org; and www.drii.org.

I. Emergency Contact Persons

Our firm’s two emergency contact persons are: Mark Reinstein, President (cell phone: (678) 362-0730, mreinstein@colonyparkfinancial.com) and Bjorn Jordan, CCO (cell phone: (404) 434-4270, bjordan@colonyparkfinancial.com) These names will be updated in the event of a material change, and our Executive Representative will review them within 17 business days of the end of each quarter.

Rule: FINRA Rule 3520.

II. Firm Policy

Our firm’s policy is to respond to a Significant Business Disruption (SBD) by safeguarding employees’ lives and firm property, making a financial and operational assessment, quickly recovering and resuming operations, protecting all of the firm’s books and records, and allowing our customers to transact business. In the event that we determine we are unable to continue our business, we will assure customers prompt access to their funds and securities.

A. Significant Business Disruptions (SBD’s)

Our plan anticipates two kinds of SBDs, internal and external. Internal SBDs affect only our firm’s ability to communicate and do business, such as a fire in our building. External SBDs prevent the operation of the securities markets or a number of firms, such

as a terrorist attack, a city flood, or a wide scale, regional disruption. In our response to an external SBD relies more heavily on other organizations and systems, especially on the capabilities of our clearing firm.

B. Approval and Execution Authority

Mark Reinstein, a registered principal, is responsible for approving the plan and for conducting the required annual review. Mark Reinstein has the authority to execute this BCP.

C. Plan Location and Access

Our firm will maintain copies of its BCP plan, and the changes that have been made to it for inspection. An electronic copy of our plan is located on www.colonyparkfinancial.com on the bottom of the main page. The link is titled “Business Continuity Plan”

III. Business Description

Our firm conducts business in equity, fixed income, and derivative securities. Our firm is an introducing firm and does not perform any type of clearing function for itself or others. Furthermore, we do not hold customer funds or securities. We do however accept customer checks and physical securities (certificates) and promptly forward them to our clearing firm. We accept and enter orders. All transactions are sent to our clearing firm, which executes our orders, compares them, allocates them, clears and settles them. Our clearing firm also maintains our customers’ accounts, can grant customers access to them, and delivers funds and securities. Our firm services retail and institutional customers. We also engage in private placements.

Our clearing firm is Western International Securities, Inc. (70 South Lake Ave. Suite 700, Pasadena, CA 91101 (626) 793-7717, www.wisdirect.com) and our contact person at that clearing firm is Andrew Kuo (626) 628-1811, akuo@wisdirect.com.

IV. Office Locations

Colony Park Financial Services, LLC has offices throughout the country. A list may be accessed through <http://www.colonyparkfinancial.com> and is attached to this document as Exhibit 1. The Corporate Office in Alpharetta, GA houses all mission critical systems and back office functions. All other offices have Internet access for order entry and account maintenance.

V. Alternative Physical Location(s) of Employees

In the event of an SBD, we will move our staff from affected offices to the closest of our unaffected office locations.

Rule: FINRA Rule 3510(c)(6)

VI. Customer's Access to Funds and Securities

Our firm does not maintain custody of customers' funds or securities, which are maintained at our clearing firm. In the event of an internal or external SBD, if telephone service is available, our registered persons will take customer orders or instructions and contact our clearing firm on their behalf, and if our Web access is available, our firm will post on our Web site that customers may access their funds and securities by contacting Andrew Kuo (626) 628-1811, akuo@wisdirect.com.

The firm will make this information available to customers through its disclosure policy.

If SIPC determines that we are unable to meet our obligations to our customers or if our liabilities exceed our assets in violation of Securities and Exchange Act Rule 15c3-1, SIPC may seek to appoint a trustee to disburse our assets to customers. We will assist SIPC and the trustee by providing our books and records identifying customer accounts subject to SIPC regulation.

Rules: FINRA Rule 3510(a); Securities Exchange Act Rule 15c3-1; 15 U.S.C. 78eee (2003).

VII. Data Back-Up and Recovery (Hard Copy and Electronic)

Our firm maintains its primary hard copy books and records and its electronic records at the Corporate Office in Alpharetta, GA. Mark Reinstein, President, (770) 886-3993 is responsible for the maintenance of these books and records. Trade blotters and new account forms are available online. The Checks and Securities Received and Forwarded Blotter is kept in hard copy form at our headquarters and is also available online through our clearing firm. Most important business and operations files are electronic.

Our firm maintains a back-up copy of our books and records. These records are electronic copies. Bjorn Jordan, CCO, IT Manager, (770) 886-3993 is responsible for maintenance of these back up books and records. We back up our records weekly.

In the event of an internal or external SBD that causes the loss of our paper records, we will physically recover them from our clearing firms back-up site. If our primary site is inoperable, we will continue operations from our back-up site or an alternate location. For the loss of electronic records, we will either physically recover the storage media or

electronically recover data from our back-up medium, or, if our primary site is inoperable, continue operations from our back-up site or an alternate location.

Rule: FINRA Rule 3510(c)(1).

VII. Financial and Operational Assessments

A. Operational Risk

In the event of an SBD, we will immediately identify what means will permit us to communicate with our customers, employees, critical business constituents, critical banks, critical counter-parties, and regulators. Although the effects of an SBD will determine the means of alternative communication, the communications options we will employ will include our website, telephone and email. In addition, we will retrieve our key activity records as described in the section above, Data Back-Up and Recovery (Hard Copy and Electronic).

Rules: FINRA Rules 3510 (c)(3) & (f) (2).

B. Financial and Credit Risk

In the event of an SBD, we will determine the value and liquidity of our investments and other assets to evaluate our ability to continue to fund our operations and remain in capital compliance. We will contact our clearing firm, critical banks, and investors to apprise them of our financial status. If we determine that we may be unable to meet our obligations to those counter-parties or otherwise continue to fund our operations, we will request additional financing from our bank or other credit sources to fulfill our obligations to our customers and clients. If we cannot remedy a capital deficiency, we will file appropriate notices with our regulators and immediately take appropriate steps.

Rules: FINRA Rules 3510 (c)(3), (c)(8) & (f)(2).

VIII. Mission Critical Systems

Our firm's "mission critical systems" are those that ensure prompt and accurate processing of securities transactions, including order taking, entry, execution, comparison, allocation, clearance and settlement of securities transactions, the maintenance of customer accounts, access to customer accounts, and the delivery of funds and securities.

We have primary responsibility for establishing and maintaining our business relationship with our customers and have sole responsibility for our mission critical functions of order taking and entry. Our clearing firm provides, through contract, the execution, comparison, allocation, clearance and settlement of securities transactions, the maintenance of customer accounts, access to customer accounts, and the delivery of funds and securities.

Our clearing firm contract provides that our clearing firm will maintain a business continuity plan and the capacity to execute that plan. Our clearing firm represents that it will advise us of any material changes to its plan that might affect our ability to maintain our business and presented us with an executive summary of its plan, which is attached. In the event our clearing firm executes its plan, it represents that it will notify us of such execution and provide us equal access to services as its other customers. If we reasonably determine that our clearing firm has not or cannot put its plan in place quickly enough to meet our needs, or is otherwise unable to provide access to such services, our clearing firm represents that it will assist us in seeking services from an alternative source.

Our clearing firm represents that it backs up our records at a remote site. Our clearing firm represents that it operates a back-up operating facility in a geographically separate area with the capability to conduct the same volume of business as its primary site. Our clearing firm has also confirmed the effectiveness of its back-up arrangements to recover from a wide scale disruption by testing, and it has confirmed that it tests its back-up arrangements every day.

Recovery-time objectives provide concrete goals to plan for and test against. They are not, however, hard and fast deadlines that must be met in every emergency situation, and various external factors surrounding a disruption, such as time of day, scope of disruption, and status of critical infrastructure—particularly telecommunications—can affect actual recovery times. Recovery refers to the restoration of clearing and settlement activities after a wide-scale disruption; resumption refers to the capacity to accept and process new transactions and payments after a wide-scale disruption. Our clearing firm has the following SBD recovery time and resumption objectives: recovery time period of within 12 hours.

A. Our Firm's Mission Critical Systems

1. Order Taking

Currently, our firm receives orders from customers via telephone/fax/e-mail/in person visits by the customer. During an SBD, either internal or external, we will continue to take orders through any of these methods that are available and reliable, and in addition, as communications permit, we will inform our customers when communications become available to tell them what alternatives they have to send their orders to us. Customers will be informed of alternatives by their registered representative via any means

available. If necessary, we will advise our customers to place orders directly with our clearing firm at (626) 793-7717.

2. Order Entry

Currently, our firm enters orders by recording them on paper and electronically and sending them to our clearing firm electronically or telephonically.

In the event of an internal SBD, we will enter and send records to our clearing firm by the fastest alternative means available, which include via the web or telephone. In the event of an external SBD, we will maintain the order in electronic or paper format, and deliver the order to the clearing firm by the fastest means available when it resumes operation. In addition, during an internal SBD, we may need to refer our customers to deal directly with our clearing firm for order entry.

3. Checks and Securities Receipt and Delivery

Our firm may receive checks and securities directly from our customers and promptly forward them to our clearing firm for deposit.

In the event of an internal or external SBD, we will instruct customers to send all checks and/or securities directly to our clearing firm.

B. Mission Critical Systems Provided by Our Clearing Firm

Our firm relies, by contract, on our clearing firm to provide order execution, order comparison, order allocation, and the maintenance of customer accounts, delivery of funds and securities, and access to customer accounts.

Rules: FINRA Rules 3510 (c) & (f)(1).

IX. Alternate Communications Between the Firm and Customers, Employees, and Regulators

A. Customers

We now communicate with our customers using telephone, email, fax, U.S. mail, and in person visits at our firm or at the other's location. In the event of an SBD, we will assess which means of communication are still available to us, and use the means closest in speed and form (written or oral) to the means that we have used in the past to communicate with the other party. For example, if we have communicated with the other

party by e-mail but the Internet is unavailable, we will call them on the telephone and follow up where a record is needed with paper copy in the U.S. mail.

Rule: FINRA Rules 3510 (c)(4)

B. Employees

We now communicate with our employees using the telephone, e-mail, fax, U.S. mail, and in person. In the event of an SBD, we will assess which means of communication are still available to us, and use the means closest in speed and form (written or oral) to the means that we have used in the past to communicate with the other party.

Rule: FINRA Rules 3510 (c)(5)

C. Regulators

We are currently members of the following SROs: FINRA and individual states. We communicate with our regulators using the telephone, e-mail, fax, U.S. mail, and in person. In the event of an SBD, we will assess which means of communication are still available to us, and use the means closest in speed and form (written or oral) to the means that we have used in the past to communicate with the other party.

Rule: FINRA Rules 3510 (c)(9)

XI. Critical Business Constituents, Banks, and Counter-Parties

A. Business Constituents

We have contacted our critical business constituents (businesses with which we have an ongoing commercial relationship in support of our operating activities, such as vendors providing us critical services), and determined the extent to which we can continue our business relationship with them in light of the internal or external SBD. We will quickly establish alternative arrangements if a business constituent can no longer provide the needed goods or services when we need them because of a SBD to them or our firm. The vendors Colony Park Financial utilizes for outsourcing certain business functions are listed in Exhibit 2 of this document.

Colony Park Financial Services, LLC uses the web-based versions of software where the programs and data are backed up by the vendor. Each software program has multiple users.

Rules: FINRA Rules 3510 (c)(7)

B. Banks

We have contacted our banks and lenders to determine if they can continue to provide the financing that we will need in light of the internal or external SBD. The bank maintaining our operating account is Wachovia N.A. The Proprietary Account of Introducing Brokers/Dealers (PAIB account) is held at our clearing firm. If our banks and other lenders are unable to provide the financing, we will seek alternative financing immediately from other sources available to us.

Rule: FINRA Rules 3510 (c)(7)

C. Counter-Parties

We have contacted our critical counter-parties, such as other broker-dealers or institutional customers, to determine if we will be able to carry out our transactions with them in light of the internal or external SBD. Where the transactions cannot be completed, we will work with our clearing firm or contact those counter-parties directly to make alternative arrangements to complete those transactions as soon as possible.

Rules: FINRA Rules 3510(a) & (c)(7)

XII. Regulatory Reporting

Our firm is subject to regulation by: SEC, FINRA, and all states. We now file reports with our regulators using paper copies in the U.S. mail, and electronically using fax, e-mail, and the Internet. In the event of an SBD, we will check with the SEC, FINRA, and other regulators to determine which means of filing are still available to us. And use the means closest in speed and form (written or oral) to our previous filing method. In the event that we cannot contact our regulators, we will continue to file required reports using the communication means available to us. FINRA 3490 Piedmont Rd. N.E. Suite 500 Atlanta, GA 30305

Rule: FINRA Rules 3510 (c)(8)

XIII. Disclosure of Business Continuity Plan

We disclose in writing the availability to view our Business Continuity Plan to customers at account opening. We also mail it to our customers upon request. The most updated

version of the Plan is also located on our website (www.colonyparkfinancial.com) as a link.

Rule: FINRA Rules 3510 (e).

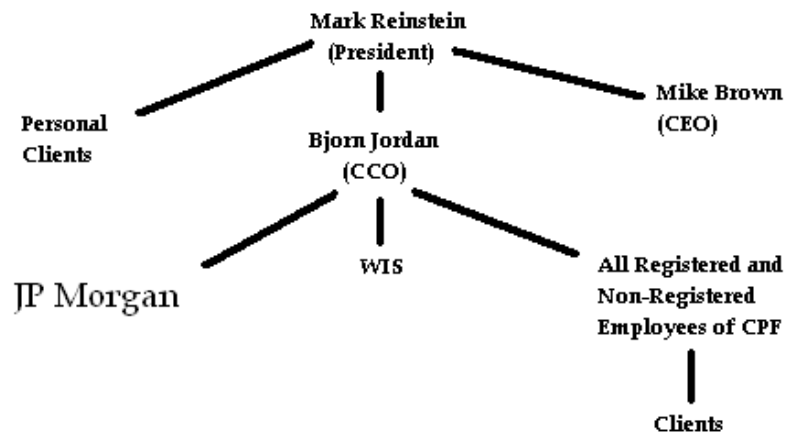
XIV. Updates and Annual Review

Our firm will update this plan whenever we have a material change to our operations, structure, business or location or to those of our clearing firm. In addition, our firm will review this BCP annually, to modify it for any changes in our operations, structure, business, or location or those of our clearing firm.

Rule: FINRA Rules 3510 (b).

XV. Calling Tree

In the event of a SBD, the following “calling tree” illustrates who is responsible for calling/notifying each party.



XVI. Senior Manager Approval

I have approved this Business Continuity Plan as reasonably designed to enable our firm to meet its obligations to customers in the event of an SBD.

Rule: FINRA Rules 3510 (d).

Signed: _____

Title: _____

Date: _____

Exhibit 1

Home Office OSJ:

320 Maxwell Rd. Suite 600
Alpharetta, GA 30004
Phone: 770-886-3993
Toll Free: 866-262-2946
Fax: 770-886-3693

Other OSJ's:

421 North Rodeo Dr.
Garden Suite B
Beverly Hills, CA 90210
Phone: 310-454-3100
Fax: 310-454-3110

750 Executive Center Dr. Suite 102
Greenville, SC 29615
Phone: 864-284-6511
Fax: 864-284-6512

Non-Registered Locations:

- 1) 7545 S. Butler Hills Dr.
Cottonwood Heights, UT 84121
Phone: 801-733-4365
Fax: 801-943-1488

- 2) 5 Concourse Pkwy Suite 2325
Atlanta, GA 30328
Phone: 678-987-1555
Fax: 678-987-1581

- 3) 2905 Rocky Point Rd.
East Marion, NY 11939
Phone: 917-208-4360
Fax: 253-679-4306

- 4) 2040 Franklin St. #709
San Francisco, CA 94109
Phone: 415-225-6075

- 5) 335 Monivea Lane
Roswell, GA 30075
Phone: 877-288-9933 x0126

- 6) 4060 Wellington Mist Pt.
Duluth, GA 30097
Phone: 678-234-4719

- 7) 4616 Lehigh Dr.
Marietta, GA 30068
Phone: 770-321-7850

- 8) 137 East 38th St. Suite 10E
New York, NY 10016
Phone: 212-681-1825
Fax: 212-681-1826

Exhibit 2

Company Name:	Address:	Phone #:	Contact Person:	Description of Services:
Tripp, Chafin & Casuey, LLC	1225 Johnson Ferry Rd. Suite 200 Regency Park Marietta, GA 30068	770-565-2422	Laura Hogberg	Accounting, Payroll
Porter Keadle Moore, LLP	235 Peachtree St. Suite 1800 Atlanta, GA 30303	404-588-4200	Jane Elliott	Annual Audit
Amicus, Inc	8500 Shoal Creek Blvd. Building 4 Suite 225 Austin, TX 78757	512-531-3400	Ellie McBride	Email Host/ Archive Service
Quodd Financial Information Services	30 Montgomery Street, Suite 600 Jersey City, NJ 07302	866-537-5518	Keth Savitz	Quote Service Provider
Sutherland Asbill and Brennan LLP	999 Peachtree Street NE Atlanta, GA 30309-3996	404-853-8000	Peter Anderson	Attorney