

Manarin Securities Corporation

Business Continuity Plan

Manarin Securities Corporation (MSC) maintains a comprehensive Firm-wide business continuity plan (BCP) that not only includes planning and testing for information systems, but also for each business unit of MSC. Because of the confidential nature of much of the BCP, it is not possible to distribute the plan to customers or other external entities. This summary is intended to show that MSC is prepared to deal with a disaster, should one arise.

The information systems (I/S) plan is the cornerstone of MSC's business continuity planning effort and is maintained by MSC's information security department. The I/S plan ties together the individual plans that are developed and maintained by each individual business unit. The I/S business continuity plan is a detailed plan that covers disasters that can occur with various degrees of impact to MSC. Rather than trying to anticipate all the potential disasters that could occur, the BCP categorizes disasters by the level of impact they may have on the firm.

MSC currently maintains a local disaster recovery facility and an item processing operations (IPO) recovery facility via Pershing LLC (MSC's clearing firm). The local facility provides the shell site for business recovery along with the computer hardware and network facilities needed to restore the majority of critical computer applications. Pershing's IPO recovery facility provides the hardware and recovery facility for order execution, order comparison, order allocation, and the maintenance of customer accounts, delivery of funds and securities, and access to customer accounts. MSC will perform annual tests of the business continuity plan. Test results will be documented and failed tests rescheduled.

The computer operations department creates complete and partial back-ups on a regular basis that are stored offsite. These back-ups are the basis for our recovery effort and will enable us to utilize on-line, near-real-time data replication. The business continuity plan is reviewed regularly by our internal audit department and our Regulatory Authorities. MSC has also instituted procedures for regular update and maintenance of the plan. MSC has invested considerable resources in developing, testing and maintaining this business continuity plan. Rest assured that MSC is prepared for a variety of disaster scenarios and will continue to maintain this preparedness in the future.

Introduction and Scope - MSC is vulnerable to a variety of emergencies or disasters. Foremost is a business disruption as a result of physical damage to facilities. A disaster is any event which restricts MSC from carrying out its business activities in a normal and timely manner. A disaster could result from natural events such as a blizzard, fire, flood, or tornado, from man-made emergencies such as a bomb threat or extortion, or from accidental events like electric power disruptions or civil disorders.

MSC management recognizes the importance of business survival in the event of an emergency or disaster that would destroy the operation facilities or render them uninhabitable. To ensure that all critical services and operations will be continued in the event that normal services are not available, MSC has developed this Disaster Recovery Plan or Business Resumption Contingency Plan.

The purpose of the plan is to provide procedures to ensure personnel safety and welfare, to safeguard the firm and client assets, including physical property and information, and to permit the continued operations of MSC in the event of a short-term disruption or catastrophic disorder. All officers, managers, and disaster recovery team members should review the plan periodically to be aware of their respective responsibilities at all times. Generally, recovery procedures involve two primary steps. The first step will be to immediately implement interim procedures that allow MSC to carry out its critical functions, even if in a somewhat degraded mode. The second major step in the recovery process is completing tasks required to affect a full and permanent recovery. This could mean replacing furniture and equipment, repairing damage to office leaseholds.

Regardless of the nature of the disaster such as weather, accident, or purposeful destruction, the recovery approach is based upon the extent of the damage. For example, it is not necessarily relevant whether damage was the result of sabotage with explosives or accidental fire, but the amount of damage is of primary concern. The extent of damage that could be incurred from a disaster could range from quite minor to nearly total destruction and virtually every degree in between. As it is impossible to deal with every scenario within a plan, disaster classifications have been defined. Basic and general recovery steps have been documented and can be applied to a specific situation. As in any other major organizational effort, management analysis, evaluation and decisions will be fundamental to carrying out the disaster recovery strategies provided.

Plan Objectives - The objective of this plan is to provide policy and procedural guidance to MSC officers and staff in accomplishing essential functions during an emergency or disaster. Our plan seeks to: ensure personnel safety and welfare in the event of an emergency or disaster, facilitate the restoration of operations in the event of an emergency or disaster as stated in the recovery goal below, provide continuity of operations and the delivery of essential service to customers in the event of an emergency or disaster, and provide for maintenance procedures to change and update the Disaster Recovery Plan documents.

MSC Recovery Goal - In general, MSC's goal in respect to disaster recovery is to implement full operations with a minimum of interim disruptions as quickly as possible assuming the availability of staff members. This information is provided solely to our customers and no further distribution or disclosure is permitted without our prior written consent. No person other than our customers may rely on any statement herein. Our plan is reviewed regularly and subject to change. If you have any questions please contact the Business Continuity

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