

Lloyds Securities Inc.'s Business Continuity Planning

Lloyds has developed a Business Continuity Plan detailing how we will respond to significant disruptions in our business. Since the timing and impact of disasters and disruptions is unpredictable, we will have to be flexible in responding to actual events as they occur. Our business continuity plan is designed to permit our firm to resume operations as quickly as possible, considering the scope and severity of the disruption. Our intention is to recover and resume business operations quickly while safeguarding our employees and property and complying with internal controls and regulatory requirements.

In the event of a significant business disruption affecting our New York headquarters at 1095 Avenue of the Americas, New York, NY 10036, we will move our staff to our alternate site. If after a significant business disruption you cannot contact us as you usually do, please call our main reception number in New York, 212-450-0800, which will ring at our alternate site. You can also attempt to contact your normal business contacts by email.

If you cannot access us through other means, you may contact our clearing firm, Pershing LLC, directly by telephone at 201-413-3635 for instructions on how Pershing may assist you. See also www.pershing.com for information relating to business continuity. Pershing backs up our important records in a geographically separate area from its main location. While each emergency situation poses varying problems based on factors, such as time of day and the nature and severity of the disruption, Pershing has advised us that its objective is to restore its own operations and be able to complete existing transactions and accept new transactions and payments within four hours. Your orders and requests for funds and securities could be delayed during this period.

Our business continuity plan addresses: data backup and recovery; all mission critical systems; financial and operational assessments; alternative communications with customers, employees, and regulators; alternate physical location of employees; critical supplier, contractor, bank and counter-party impact; regulatory reporting; communications with regulators; and assuring our customers prompt access to their funds and securities if we are unable to continue our business.

Significant business disruptions can vary in their scope, affecting only our firm, a single building housing our firm, the business district where our firm is located, the city where we are located, or the whole region. Within each of these areas, the severity of the disruption can also vary from minimal to severe. In a disruption to only our firm or a building housing our firm, we will transfer our operations to our alternate site when needed and plan to recover and resume business within a 24-hour period. In a disruption affecting our business district, city, or region, we will transfer our operations to a site outside of the affected area, and recover and resume business within a 24-hour period. In either situation, we plan to continue in business and notify you by telephone how to contact us. If the significant business disruption is so severe that it prevents us from remaining in business, we will assure our customer's prompt access to their funds and securities.

If you have questions about our business continuity planning, you can contact us at the above address.