

Howe Barnes Hoefer & Arnett, Inc. Business Continuity Plan Disclosure

The following information pertains to Howe Barnes Hoefer & Arnett, Inc.'s (Howe Barnes') commitment to safeguard your assets and deliver services to you in the event of an emergency or significant business disruption. Securities industry regulations require each member firm to create and maintain a business continuity plan reasonably designed to meet its obligations to its clients or other counterparties. In accordance with these requirements, Howe Barnes has designed a business continuity plan to address possible scenarios in order to minimize any service impact to our clients.

In keeping with the regulatory requirements, the business continuity plan for Howe Barnes is designed to address key areas of concern – including but not limited to the following:

- Ensuring customers have access to their funds and securities.
- Data back-up and recovery;
- Mission critical systems;
- Financial and operational assessments;
- Alternate means of communication between Howe Barnes and its customers;
- Alternate means of communication between Howe Barnes and its employees;
- Alternate physical locations of employees;
- Critical business constituent, bank and counterparty relationships;
- Regulatory reporting; and
- Communications with regulators.

Since events creating business disruptions may vary in nature and scope, Howe Barnes has anticipated disruptive scenarios including those affecting:

- Howe Barnes' corporate offices;
- A city wide area;
- A regional area; and
- The industry in which Howe Barnes Operates

Regardless of the scope of potential disruption, Howe Barnes intends to continue to provide professional service to its clients. In the event that our primary building or business district is affected, Howe Barnes has contingency plans for critical systems, and an alternative physical location. Howe Barnes does not have control over certain circumstances or various entities on which we must rely upon in the event of an emergency.

At a minimum, Howe Barnes' business continuity plan is reviewed and updated on an annual basis. Additionally, our primary internal and external application providers periodically conduct testing of their own back-up capabilities to ensure that, in the event of an emergency or significant business disruption, they will be able to provide us with the critical information and applications we need to continue or promptly resume our

business. Our business continuity plan is designed to allow us to continue to provide the quality service you have come to expect from Howe Barnes. Howe Barnes intends to provide information concerning an emergency or business disruption on our website at [**www.howebarnes.com**](http://www.howebarnes.com).