
CORE PACIFIC SECURITIES USA LLC

Business Continuity Plan

June 16, 2009

TABLE OF CONTENTS

INTRODUCTION TO BUSINESS CONTINUITY PLAN	1
REGULATORY BACKGROUND	1
OVERVIEW OF CORE PACIFIC SECURITIES USA LLC	2
PLAN OVERVIEW Designated Principal Increase Employee Awareness of Business Continuity Plan Identify Business Systems Business Resumption Team Notification Plan Outlines	3
DATABACK-UP AND RECOVERY	4
MISSION CRITICAL SYSTEMS	4
FINANCIAL AND OPERATIONAL ASSESSMENTS Financial and Credit Risk	5
ALTERNATIVE COMMUNICATIONS BETWEEN CUSTOMERS AND THE FIRM	5
ALTERNATIVE COMMUNICATIONS BETWEEN THE FIRM AND ITS EMPLOYEES	5
BUSINESS CONSTITUENTS, BANK, AND COUNTER-PARTY IMPACT	6
REGULATORY REPORTING	7
COMMUNICATIONS WITH REGULATORS	7
EMERGENCY CONTACT	8
UPDATE AND ANNUAL REVIEW	9
SENIOR MANAGEMENT APPROVAL	9

INTRODUCTION TO BUSINESS CONTINUITY PLANS

Despite the efforts of each business, state and local government and federal agency to renovate, validate, and implement their mission-critical information systems, the financial industry remains vulnerable to the disruption of its business processes. Because most companies in the financial industry are highly dependent on information technology to carry out their business, a business disruption induced failure of one or more mission critical system(s) may have a severe impact on a financial services firm's ability to deliver core business services.

Because of these risks, the United States Securities and Exchange Commission ("SEC") has implemented programs to attempt to mitigate the risks associated with business failures in the financial industry which would be caused by an event causing a failure to deliver financial services as a result of a significant business disruption. Specifically, the SEC has required that each NASD member create and maintain business continuity plans.

Ultimately, the business continuity planning process focuses on reducing the risk of business failures resulting from business disruptions. It safeguards member firms' ability to produce a minimum acceptable level of outputs and services in the event of failures of internal or external mission-critical information systems and services. While it does not offer a long-term solution to all situations, which create a significant business disruption, it will help Core Pacific Securities USA LLC to prepare for a potential crisis.

REGULATORY BACKGROUND

Based upon the survey findings, discussions with the SEC and the United States General Accounting Office, the experiences of September 11th, very few firms indicated that its customers were unable to access their accounts or execute transactions when the market re-opened after September 11th. On April 7, 2004 the SEC approved the NASD Rule 3500 Series.

Rule 3510: Requires each member to create and maintain a business continuity plan. The plan must identify procedures relating to an emergency or Significant Business Disruption ("SBD") that are "reasonably designed to enable a member to meet its existing obligations to customers." In addition, the plan must address the members existing relationships with other broker-dealers and counterparties.

The rule change recognizes that business continuity plans should reflect the particular operations and activities of a member. This allows member firms to tailor plans to suit their size, business, and structure. The proposed rule change, however, requires that a member's business continuity plan must, at a minimum, address:

- data back-up and recovery (hard copy and electronic)
- mission critical systems
- financial and operational assessments
- alternate communications between customers and the member
- alternate communications between the member and its employees
- business constituent, bank and counter-party impact
- regulatory reporting
- communications with regulators

The following Business Continuity Plan has been prepared to address the concerns set out above.

OVERVIEW OF CORE PACIFIC SECURITIES USA, LLC

Core Pacific Securities USA, LLC (“CPSUSA” or “Firm”) is an NASD member firm engaged in corporate equity, mutual fund retailer, U.S. government securities broker, non-exchange member arranging for transactions in listed securities by exchange member, and private placement. CPSUSA is also registered with various other state regulatory jurisdictions. The Firm does not maintain custody or possession of customer funds or securities. All customer funds or securities are maintained by the clearing firm Pershing LLC and/or the respective mutual fund companies.

Additionally, CPSUSA complies with the recordkeeping provisions of the SEC Rules 17a-3 and 17a-4. The records of the firm are maintained at the Firm’s principal office.

PLAN OVERVIEW

Designated Principal

Executive management is aware of the potentially devastating financial, organizational, and political consequences of the failure of one or more mission-critical information systems. Ms. Song Yang (“Yang”) has been designated as the executive responsible for initiation, and implementation of the Business Continuity Plan for CPSUSA. Mr. Steve Su (“Su”), a registered principal, is responsible for approving the plan and for conducting the required annual review.

Increase Employee Awareness of Business Continuity Plan

The Firm has taken steps to both educate and increase the awareness of its employee and associated persons with respect to the Firm’s Business Continuity Plan, and the current actions being taken to address such problem by the industry as a whole. To this end, the Firm will provide access to the Plan to all associated persons.

Identify Business Systems

The Firm has identified the mission critical systems utilized by the Firm in services to its clients.

Business Resumption Team

The Firm has designated personnel, Ms. Yang and Mr. Su who are to participate in the resumption of core business processes and priorities. They will be responsible for managing the implementation of the contingency plan and will deal with a wide range of operational problems, including the potential failures of systems thought to be renovated and tested, and the potential failures of external systems and data exchanges.

Notification

In addition to any action taken by the Firm with respect to disruption of its business processes which relate to the ability to deliver financial services to its customers, the Firm will promptly notify the SEC, NASD, or state regulator of any such problems.

Plan Outlines

The Business Continuity Plan for CPSUSA is comprised of the following elements: (1) data back-up and recovery (hard copy and electronic); (2) mission critical systems; (3) financial and operational assessments; (4) alternate communications – both between customers and the member and between the member and its employees; (5) business constituent, bank and counter-party impact; (6) regulatory reporting; and (7) communications with regulators.

DATA BACK-UP AND RECOVERY

Third Party Records

Copies of confirmations, account statements, and order tickets are entered electronically are maintained by CPSUSA's clearing firm. CD copies of these records are provided to the Firm and kept on-site. In the event of a disruption, the Firm shall access the clearing firm's copy of these records via Internet or an alternative computer line. Firm personnel shall use personal computers to accomplish this, or the Firm computers if such are maintained at an alternative site.

On-site Firm Records

The Firm's computer records such as computerized accounting records, word documents, and e-mails are backed up at least weekly. The back-up copies are maintained on an off-site, and/or CDs or diskettes. If CDs/diskettes are used, a copy shall be given to both gentlemen. The CD/diskette copies shall be stored at an approved off-site location such as personal residence, bank lock box, alternative office site, etc.

MISSION CRITICAL SYSTEMS

Mission Critical Systems - Definition

Mission Critical Systems are defined as, "any system that is necessary, to 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."

Mission Critical Systems – Assessment

The clearing firm maintains CPSUSA mission critical systems. To ensure continuous access to these systems the Firm shall implement the following applicable measures: (a) if electricity or telephone systems are not accessible at the main office, the business activities shall be conducted at a personal residence unless instructed otherwise via the communications described in the section below titled, "Alternate Communications Between the Firm and Its Employees". If electricity is available but telephone service is unavailable, Firm personnel shall use the office and personal cell telephones until instructed to do otherwise.

FINANCIAL AND OPERATIONAL ASSESSMENTS

In the event of an SBD, the Firm will immediately identify available resources that will permit it to communicate with customers, employees, critical business constituents, banks, counter-parties, and regulators. Although the effects of an SBD will determine the means of alternative communication, the communications options to be employed will include cellular phone, home telephones, voice mail, secure e-mail, fax, and messenger. In addition, the Firm will retrieve its key activity records as described in the section above, Data Back-Up and Recovery (Hard Copy and Electronic).

Financial and Credit Risk

The Firm will determine the value and liquidity of its investments and other assets to evaluate its ability to continue to fund its operations and remain in capital compliance. The Firm will contact its banks, and investors to apprise them of its financial status. If it is determined that CPSUSA may be unable to meet its obligations to those counter-parties or otherwise continue to fund its operations, the Firm will request additional financing from its bank or other credit sources to fulfill its obligations to its customers and clients. If the Firm cannot remedy a capital deficiency, it will file appropriate notices with its designated exam authority and immediately take appropriate steps to meet the net capital requirement.

ALTERNATE COMMUNICATIONS BETWEEN CUSTOMERS AND THE FIRM

The Firm communicates with its customers using the telephone, personal cells phones, e-mail, fax, U.S. mail, and in-person visits at the Firm or at the other location. In the event of an SBD, the Firm will assess which means of communication are still available to the Firm, and use the best available venue comparable to that used in the past to communicate with another party. For example, if the Firm has communicated with a party by e-mail but the Internet is unavailable, the Firm will call said party on the telephone and follow up where a record is needed with paper copy in the U.S. mail.

ALTERNATE COMMUNICATIONS BETWEEN THE FIRM AND ITS EMPLOYEES

Each employee shall receive a copy of this plan and a corporate telephone directory upon its approval. If a disruption shall occur and Firm personnel cannot be at the same location, communications shall be maintained by the following methods: (a) phone tree; (b) home phones and/or cell phones; (c) e-mail; (d) messenger.

BUSINESS CONSTITUENTS, BANK, AND COUNTER-PARTY IMPACT

The Firm shall maintain contact with its banks, clearing firm, and vendors via the following: (a) cell and/or home telephones; (b) fax; (c) Internet & e-mails; (d) messenger.



In the event that your financial organization experiences a significant business interruption, Pershing may be contacted directly to process limited trade-related transactions, cash disbursements, and security transfers. Instructions to Pershing must be in writing and transmitted via facsimile or postal service as follows:

Pershing LLC
P.O. Box 2065
Jersey City, New Jersey 07303-2065
Fax: (201) 413-5368

For additional information about how to request funds and securities when your financial organization cannot be contacted due to a significant business interruption, please refer to the information below or call (201) 413-3635 for recorded instructions. If you cannot access the instructions from the previously noted telephone number, Pershing may be contacted at (213) 624-6100 extension 500 as an alternate telephone number for recorded instructions.

The specific transactions Pershing will perform for clients of our introducing broker-dealers, and the required accompanying information, are as follows:

Trades

Pershing will process the following closing security transactions:

- Sale of security position held long in the client's account
- Buy of security to close-out short security position

Pershing will process closing security transactions upon receipt of written instructions that must include the following information:

- Client brokerage account number
- Client name (as registered on the brokerage account)
- Security description, including symbol or CUSIP® number
- Number of shares

NOTE: All orders will be handled as market orders.

Cash Disbursements

Pershing will process cash disbursements upon receipt of signed written instructions that must include the following information:

- Client brokerage account number
- Client name (as registered on the brokerage account)

- Exact amount to be disbursed
 - Indicate method of disbursement (as follows) and provide the information indicated:
 - a) Check (payable to account name only)
 - Indicate name and address of record check is to be mailed to
 - b) Federal funds
 - Indicate receiving bank name, ABA number, and receiving bank account number
- NOTE:** The receiving bank account name and brokerage account name must be identical unless we have a letter of authorization on file indicating alternate instructions.

Securities Transfers

Pershing will process security transfer requests upon written instructions that must include the following information:

- Client brokerage account number
- Client name (as registered on the brokerage account)
- Description of security(ies) to be transferred, including symbol(s) or CUSIP number(s)
- Quantity to be transferred
- Receiving account information for securities, as follows:
 - a) Transfer to another brokerage account at Pershing
 - Provide receiving account number at Pershing (name and address on both accounts must be the same)
 - b) Transfer to another financial organization
 - Name of the receiving financial organization
 - DTC number (if the receiving financial organization is a registered broker-dealer)
 - Account number at the receiving financial organization

REGULATORY REPORTING

Regulatory reporting (i.e. FOCUS filings, Forms BD, U-4 and U-5, etc.) shall be continued by making use of the following to the extent they are available: (a) fax; (b) Internet; (c) e-mail; (d) service providers (i.e. InvestmentCare Consulting Group); (e) messenger; (f) mail service.

COMMUNICATIONS WITH REGULATORS

Communications with regulators shall be continued by the following methods: (a) personal and cell phones; (b) fax; (c) internet; (d) e-mail; (e) service providers (i.e. InvestmentCare Consulting Group); (f) messenger; (g) mail service.

EMERGENCY CONTACT

The Firm has a business continuity plan in the event CPSUSA headquarter becomes inaccessible. Its goal is to minimize any impact an event may have on operations and its ability to conduct business.

Primary Location:

800 S. Barranca Ave. Suite 150
Covina, CA 91723
Tel. 626-966-0363
Fax. 626-966-1826

Emergency Contact:

Steve Su
Tel. 626-524-3668
E-mail steve.su@corepacificusa.com

Venessa Chi
Tel. 626-246-2660
E-mail venessa.chi@corepacificusa.com

UPDATES AND ANNUAL REVIEW

The Firm will update the BCP plan when change occurs to the operations, structure, and businesses. In addition, the Firm will review this BCP annually, to modify it for any changes in the Firm operations, structure, and business location.

SENIOR MANAGEMENT APPROVAL

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

Signed: _____

Title: _____

Date: _____

**RECEIPT AND ACKNOWLEDGMENT
Business Continuity Plan**

This is to acknowledge that I have received a copy of the **CORE PACIFIC SECURITIES USA LLC** Business Continuity Plan.

I understand and agree that it is my responsibility to read and familiarize myself with all of the provisions of the document.

The Company reserves the right to amend, modify, rescind, delete, supplement, or add to the provisions of this Business Continuity Plan, as it deems appropriate from time to time in its sole and absolute discretion and the changes of guidelines of regulatiing authorities.

This handout supersedes all prior agreements, understandings, and representations concerning the Business Continuity Plan for **CORE PACIFIC SECURITIES USA LLC**.

Print Name: _____

Employee Signature: _____

Date: _____