

BH | *Beech Hill Securities, Inc.*

BH | *Beech Hill Advisors*

Business Continuity Plan Summary

880 Third Avenue, 16th Floor
New York NY 10022-4730
Tel 212 350 7200 • Fax 212 350 7201

www.beechhillsecurities.com

www.bh-adv.com

12/2014

Proprietary & Confidential

Disclaimer

Beech Hill Securities, Inc. (hereinafter, BHS or collectively as “the firm”) and Beech Hill Advisors (hereinafter, BHA or collectively as “the firm”) attests that, to the best of its knowledge, all of the information contained in this document is accurate, and that the firm has created business continuity plans that meet industry standards and regulatory requirements. In the event of an actual significant business disruption, the firm will make every reasonable effort to enact these plans as intended. However, the plans summarized below are highly dependent upon critical infrastructure and resources that the firm maintains no control over, including, but not limited to: electricity, telecommunications, water, external exchanges, market utilities, and clearing houses. The firm cannot guarantee that it will be able to fully implement the plans summarized herein if a significant business disruption results in substantial loss of life.

Mission

The firm mission, as it relates to its contingency plan, is to deliver continuous, reliable service to its customers while maintaining regulatory compliance.

Introduction / Firm Policy

BHS is a registered broker-dealer whose headquarters is located in New York City. BHA is a registered investment advisor whose headquarters is located in New York City. In the event of a significant business disruption rendering one or more of our offices inaccessible, our strategy for continuing business is to first ensure the safety and security of all employees and then to continue critical business operations at predefined alternate sites.

The firm has established a set of operating principles that govern how we manage our customers, employees, facilities, systems, and procedures on a day-to-day basis to prepare the firm in the event of a disaster. These principles are derived from an industry-wide set of best practices adapted to our firm’s unique procedures, technologies, and markets. These principles also serve as a measurement tool to assess our on-going preparedness.

Plan Location and Access

Our firm will maintain copies of its BCP plan and its annual reviews for regulatory review. An electronic copy of our plan is located in Cabinet NG, Compliance-BHS, BHS, Annual, BCP Senior Management Approval.

Approval and Execution Authority

William Wurm, is responsible for approving the plan and for conducting the required annual review. William Wurm has the authority to execute this BCP.

Business Description

BHS is a registered broker-dealer providing clients with a broad range of investment products, services and strategies. Our firm is an introducing firm and does not perform any type of clearing function for itself or others. BHA is a registered investment advisor providing clients with a broad range of investment products, services and strategies generally on a discretionary basis. The firm does not hold customer funds or securities. We accept and enter orders. All transactions are sent to our clearing firm. All orders clear and settle through our clearing firm. Our clearing firm also maintains our customers' accounts, can grant customers access to their accounts and delivers funds and securities. The companies engage in professional securities services for individuals, institutions, corporations, pension funds and prime brokerage clients.

Our clearing firm, Pershing LLC., is located at One Pershing Plaza, Jersey City, NJ 07399. Our main contact persons at that firm are Anthony Rufo and Larry Agin. Anthony can be reached at (201) 761-5235 or via e-mail at arufo@pershing.com. Larry can be reached at (201) 413-4659 or via e-mail at lagin@pershing.com.

Office Locations

BHS has one primary office location.

BHS headquarters is located at 880 Third Avenue, 16th Floor, New York, NY 10022. The main telephone numbers at our New York branch are 212-350-7200 and 800-456-0500. To the best of our knowledge employees may travel to our New York location by means of bus, subway, railroad, PATH train, cab, foot and car.

BHA has one primary office location.

BHA headquarters is located at 880 Third Avenue, 16th Floor, New York, NY 10022. The main telephone numbers are 212-350-7200 and 800-456-0500. To the best of our knowledge employees may travel to our New York location by means of bus, subway, railroad, PATH train, cab, foot and car.

Alternate Locations

As an alternative option we have established home offices for all officers and key personnel. Each may conduct business via remote access through our Citrix Servers or directly via the Internet as circumstances dictate. Home offices will serve as the primary alternate location. Those unable to reach an alternate facility will be covered by other available firm personnel. Additionally, the firm will rely on its clearing firm Pershing, LLC.

Alternate Employee Communications

BHS personnel are available via the Internet, e-mail and on either residential and/or mobile telephones. As a practice, key personnel include important contact telephone numbers in their cell phones in the event of an emergency. As an additional alternative option our telephone services run through VOIP systems. Officers and key personnel have access to their office telephones at their homes either directly through duplicate VOIP telephone set ups or via automatic voice message forwarding to their firm e-mail accounts. Additionally, our VOIP phones can be forwarded to alternative numbers remotely in the event our office is inaccessible to firm personnel.

Significant Business Disruptions

Our plan anticipates two kinds of significant business disruptions, internal and/or external. Internal significant business disruptions affect only our firm's ability to communicate and do business, such as a fire in our building. In the event of a significant business disruption that affects our location(s) we will immediately contact Pershing LLC, if necessary, to request available space for use as a temporary secondary location as they will be able to afford us most, if not all, of our most critical client information. If an event causes the evacuation of their primary operation center or the closing of a primary data center, Pershing may experience up to a four hour outage while they switch their data processing and voice communications and mainframe processing is transferred to their alternate data centers. Pershing maintains three business resumption sites. Each desktop is outfitted with all required software and telecommunication equipment, fax, wire and printer capability. In the event that Pershing is unable to provide space to its correspondent clearing firms, that critical personnel is unable to get into the office or that access to New York City itself is temporarily unavailable, the firm will maintain operations at their own various alternate sites.

Alternate Client Communications, Client Access to Funds, Securities, and Handling of Orders

Communications with clients during a disaster will be accomplished via several methods.

1. Staff who service clients will have remote access to systems which maintain contact information for all of their clients and have been instructed to contact them directly in the event of a disaster.
2. In the event our organization cannot be contacted due to a significant business interruption a client hotline has been established by Pershing for information regarding how to request funds and securities. Clients can call (201) 413-3635 for recorded instructions. If instructions can not be accessed from the previously noted telephone number, Pershing may be contacted at (213) 624-6100 extension 500 as an alternate telephone number for recorded instructions.
3. In the event that our organization experiences a significant business interruption, clients may contact Pershing directly to process limited trade-related transactions, cash disbursements and securities transfers. Instructions to Pershing must be in writing and transmitted via facsimile at (201) 413-5368 or by postal service as follows:
Pershing LLC
P.O. Box 2065
Jersey City, NJ 07303-2065
4. Additional information can be found on Pershing's website <http://www.pershing.com>. Scroll to the bottom & choose Business Continuity and Other Disclosures, Business Continuity Disclosure.

Clients who desire access to their accounts and cannot reach their BHS/BHA representative directly should use one of the methods above.

The firm does not maintain custody of customer's funds or securities. Customer funds are held at Pershing LLC. Access to funds in a significant business disruption could be provided by Pershing LLC, whose operations provide alternate facilities.

In the event of a significant business disruption, we expect to be able to provide instructions for the delivery of cash and/or securities via the Depository Trust Clearing Company (DTCC). Delivery of the securities would depend on DTCC's recovery plan.

For order entry, the firm will accept client orders via phone. Orders may be entered through systems available via the Internet in the event personnel are not physically in the office or directly connected with the office. The firm will make a best effort to execute the orders; however, depending upon the nature of the disruption, no guarantee can be made that the order will be executed.

Financial and Operational Assessments

The firm believes it can maintain access to its books, records, and securities positions in the event of a significant business disruption (hereinafter SBD) by maintaining this data in our offices and/or alternative locations. Local data is maintained in our New York office. Additional copies are kept on tape back up and taken off premise by key personnel each evening. Alternative locations maintain and back up all business critical systems &/or data. In the event of a significant business disruption 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 a SBD will determine the means of alternative communication, the communications options we will employ include our website, business, residential and mobile telephones, business e-mail systems, Internet access and instant messaging systems. As a last resort personnel can be reached via personal e-mail.

In the event of a 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. However, since we have continuously exceeded our minimum net capital requirements by a minimum of five times during our entire corporate existence, impending financial insufficiencies are highly unlikely. In the unlikely event that we are unable to remain in capital compliance we will contact our clearing firm and critical banks 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.

Data Center Strategy & Mission Critical Application Recovery

The firms "mission critical systems" are those that ensure prompt and accurate processing of securities transactions, including order taking, entry, execution, comparison, allocation, the maintenance of customer accounts, access to customer accounts, and the delivery of funds and securities. The firm stores electronic copies of its data on our company servers located in our New York office. Backups are copied to tapes. This will allow us to rebuild the necessary systems and access client data in the event of a large-scale disaster. The books and records of the Firm are stored on systems located in our offices, on tape back up &/or through alternative systems. Full and incremental backups of all data are performed on a nightly basis respectively.

Our clearing firm assures us they will maintain a business continuity plan and the capacity to execute that plan. Pershing LLC represents that it will advise us of any material changes to its plan that might affect our ability to maintain our business. In the event our clearing firm executes its plan, it represents that it will notify us of such execution and will provide us equal access to services as its other customers.

Pershing operates multiple redundant processing centers and remote back-up systems in New Jersey, California, Central Florida and Pennsylvania. Critical processing is divided across two or more of these locations in an effort to minimize business interruption in the event of an incident affecting one of the facilities and/or geographies. Pershing's recovery process is disk/direct access storage device (DASD) based and does not require restoration from tape. A complement of redundant virtual

tape systems and native automated tape libraries exist in both the primary and alternate sites in support of local and remote tape backups. Pershing's objective is that their systems can be restarted and operational in less than four hours with less than five minutes of data loss.

Regulatory Reporting and Communications

We believe we will be able to continue to issue our standard regulatory reports in the event of a significant business disruption. As our regulatory reporting is filed via the Internet we intend to continue report via the same method from various locations should the need arise.

The firm will communicate with regulators using all available methods (including any emergency contact numbers or emergency conference calls).

The firm has satisfied NASD Rule 3520 by supplying emergency contact information that can be used in the event of a significant business disruption.

Critical Business Constituents, Banks, and Counter-Parties

Through its business continuity plan, Pershing expects that it will maintain connectivity with all of its critical counterparties. However, in the event of a regional or wide-scale outage, BHS ability to transact business with any critical bank or counterparty is dependant upon that organization's ability to perform its own recovery in a timely and effective way.

Disclosure of Business Continuity Plan

Customers are notified at the opening of a new account that a copy of our Business Continuity Plan is available for their review on the company website. Additionally, clients will be provided with the option of a printed copy. Thereafter BHS is not required to send updates in the event that any changes are made to the BCP. Additional, disclosure will be posted on an annual basis through our clearing firm on customer statements stating that a current copy of our BCP is available on the company website www.beechhillsecurities.com.

Scenarios

It is impossible to predict the impact of a possible future business interruption. However, BHS solutions provide for recovery out of region, although at a possible reduced capacity. Note that an out of region recovery depends not only on the availability of alternate workspace, but also, among other things, on the survival of telecommunications carrier infrastructure, mass transit capabilities, and firm personnel.

If a situation were to materially affect BHS operations, the firm's financial advisors would be able to keep clients apprised of the situation and any impact on them. If clients are, for any reason, unable to contact their financial advisor, they may call our main business number 800-456-0900 for further instructions. Further instructions will be posted as necessary when and if necessary.

While the firm believes the above to be a fair and accurate representation of its BCP, it may, from time to time, amend or revise the plan as necessary to support current business needs.