

Business Continuity Disclosure Policy

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 counter-parties. In accordance with these requirements, Folger Nolan Fleming Douglas Incorporated ("FNFD") has designed a business continuity plan to address possible scenarios in efforts to minimize any service impact to you. We are furnishing this document to you to provide information about these efforts.

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

- Data back-up and recovery;
- Mission critical systems;
- Financial and operational assessments;
- Alternate means of communication between FNFD and its customers;
- Alternate means of communication between FNFD and its employees;
- Alternate physical locations of employees;
- Critical business constituent, bank and counter-party impact;
- Regulatory reporting;
- Communications with regulators;
- How FNFD will ensure that customers have access to their funds and securities in the event FNFD determines it is unable to continue its business.

Since events creating business disruptions may vary in nature and scope, FNFD has anticipated scenarios in which the following are affected:

- FNFD's building at its headquarter location
- An FNFD branch location
- A city wide area
- A regional area

Regardless of the scope of potential disruption, FNFD intends to continue to provide service to its clients.

In the event where the headquarters building of FNFD is affected by a short term power outage FNFD has backup power supply, and thus can continue to provide service to its customers. In the event the power outage is longer term, FNFD can still do business as usual from its alternate offices located outside of Washington, DC proper.

In the event the headquarters building is inaccessible for any reason, FNFD can still do business as usual from its alternate offices located outside of Washington, DC proper.

In the event one or both of the alternate offices is inaccessible, FNFD can still do business as usual from its headquarters building.

In the unlikely event of a regional disruption affecting all of FNFD's offices, FNFD has an arrangement with its clearing firm, First Clearing, LLC ("FCLLC"), to service FNFD's customers during this emergency situation. FCLLC in turn has its own business continuity Plan. More details of FCLLC's plan can be found on FCLLC's website at www.firstclearingLLC.com

At a minimum, the FNFD business continuity plan is reviewed, updated and tested on an annual basis. When testing our plan, we review the recovery time and resumption time period for all mission critical systems.

Making sure that any type of disruption does not unduly impact our customers is extremely important to us, and our business continuity plan is designed to allow us to continue to provide the quality service you have come to expect from FNFD.