

CUSTOMER DISCLOSURE

ON DISASTER RECOVERY PLANNING



To whom it may concern:

In accordance with NASD Rule 3510, set forth below is a brief explanation of how Harris Williams' business continuity plan addresses the possibility of a future significant business disruption and the plan to respond to events of varying scope.

Consistent with Harris Williams' commitment to provide exceptional customer service and pursuant to NASD requirements, Harris Williams maintains an active business continuity planning program.

Harris Williams' business continuity strategy is multi-faceted and multi-dimensional, addressing the following issues in the contexts of both short-term and long-term disruptions:

- Business Processes
- Technology
- Personnel
- Facilities
- Communication (internal and external)

In the event of a short-term disruption, such as an evacuation of one or more primary sites, alternative recovery site arrangements have been made. Different courses of action will be pursued depending on the impacted sites. To the extent necessary, critical processing will be rerouted to locations that are a significant distance from the affected processing location. Critical impacted staff will be relocated to another local site or to another Harris Williams office.

In the event of a long-term disruption, such as structural damage to one or more primary sites or occupation of a primary site being prohibited for a significant period of time, alternative staff recovery site arrangements exist. Importantly, key technology resides in a hardened co-location facility not connected to any of the Harris Williams primary locations. As a result, critical processing can easily be rerouted to processing locations that are a significant distance away from the affected processing location. Critical impacted staff will be relocated to an alternate site that has the capacity to sustain a longer period of disruption. Harris Williams' phone system is designed to permit immediate rerouting of incoming customer calls to another of its office locations in the event of a disruption in one location, which will enable Harris Williams to provide uninterrupted customer service.

As part of this plan, a hardened central co-location site has been established for all proprietary applications required to process business activities. The recovery architecture of the applications has been designed so that the recovery time objectives stated in the business continuity plans should be met. The co-location site utilizes utility services that are separate from those used by the affected site to minimize the probability of a disruption impacting both sites. Harris Williams' technology recovery strategies also include redundant communication lines provided by external vendor sources from both the Harris Williams' primary locations and the colocation site.

Communication with customers, vendors and employees is critical to Harris Williams' ability to provide exceptional customer service during a disruption. Our business continuity plan provides for employee communications from the executive leadership throughout the entire employee population. Emergency employee contact lists are updated throughout the year to ensure that these lists are accurate. Vendor and customer contact information is maintained electronically in the hardened central co-location site.

Harris Williams acknowledges that testing is a key element to ensuring its business continuity plan is effective. Harris Williams' IT department performs routine checks to ensure that its network and communications infrastructure and system redundancies are functioning properly. Additionally, the Compliance Department reviews the Disaster Recovery Procedures that are in place, including all employee contact data, on a routine basis to ensure that they are up to date.

In conclusion, Harris Williams has a robust business continuity program that is focused on customer service, the safety of employees and risk mitigation. Commitment from all levels of management to maintain the program is demonstrated through active participation in strategy planning, infrastructure testing, policy review, and identifying areas for continued process improvement.

If you have any questions regarding our business recovery plan or seek additional information, please contact your Harris Williams' representative at 804-648-0072 or the phone number at one of our office locations which may be found on our website at harriswilliams.com.