

**MSCS FINANCIAL SERVICES, LLC
BUSINESS CONTINUITY PLAN
DISCLOSURE STATEMENT**

July 5, 2011

SUMMARY

In accordance with FINRA Rule 4370, MSCS Financial Services, LLC (the “Firm”) a wholly-owned subsidiary of Matrix Settlement & Clearance Services, LLC (“MSCS”) is providing you with the following disclosure statement that describes in general how our Firm will respond to events that may significantly disrupt our business. Our Firm is committed to protecting its employees and its institutional customers (the “Customers”) through its dedication to business continuity management (“Business Continuity”) in accordance with FINRA rules. Business Continuity is mandated by regulatory rules; corporate policy; developed and tested regularly by the Firm’s technology team that is comprised of full-time staff with expertise in this field. This document shall serve as an executive summary of the Firm’s Business Continuity Plan and is also available on the Firm’s website. Management focus is maintained at a high level by ongoing compliance reporting, including annual reporting to Senior Management.

RECOVERY RESOURCES

Business Continuity Plans (“BCP”) define the critical resources required for recovery, and the Plans are reviewed during regular test and maintenance periods and whenever significant changes occur. The Firm distributes its BCP to key personnel for immediate use during a disruptive event. Off-site command centers are used to direct recovery activities and recovery locations are identified for all mission critical business processes. The recovery service levels required by each business process determine the speed of recovery and the methods by which recovery resources are staged.

The Firm maintains nearly all of its recovery resources at different Colorado facilities. Some recovery resources are also obtained under contract from commercial vendors, or critical business constituents, and some are procured at the time of a disaster. Backup copies of data records are maintained at storage facilities and also tested regularly.

OPERATIONAL AND FINANCIAL ASSESSMENTS

During any disruptive event, procedures are in place to rapidly assess the extent and expected duration of any outages to operational resources and infrastructure. The Firm’s BCP is designed to provide responses to events of varying scope.

During events of short duration and local scope, Customers may experience longer than usual service times but normal operational channels and modes of communication will continue to be used. During events of long duration and larger scope, including a total loss of the primary operating facility, this BCP dictates a plan for the resumption of processing all mission critical functions at a recovery location including the staff, records and data, technical infrastructure, facilities, and communications with all critical business constituents, regulators, banks, and counter-parties. Customers will be notified of any changes in service through use of multiple modes of communication.

These objectives are not, however, hard deadlines that must be met in every disruptive event. Various external factors such as the time of day, scope of disruption, and status of critical infrastructure – primarily telecommunications – affect actual recovery time.

During any disruptive event, the Firm executes a financial assessment to determine the value and liquidity of its investments and other assets so that it can evaluate its ability to continue to fund its operations and remain in capital compliance. The Firm contacts its Customers; critical banks; critical business constituents; and its primary counterpart for effecting settlements, the Depository Trust & Clearing Corporation, to apprise them of its financial status. If the Firm determines that it may be unable to meet its obligations to those counter-parties or otherwise continue to fund its operations, it will request additional financing from its credit sources to fulfill its obligations to its Customers. If the Firm cannot remedy a capital deficiency, it will file appropriate notices with its regulators and immediately take appropriate steps.

MISSION CRITICAL SYSTEMS

We consider mission-critical systems to be those business functions and all supporting staff, facilities, data, documents, and technical infrastructure that support our mutual fund wire order business, including clearance and settlement of mutual funds. As an introducing broker-dealer, we rely on Penson Financial Services, Inc., for our stock business. We have obtained a copy of Penson's BCP Executive Summary and will mail it to you upon request.

We have primary responsibility for establishing and maintaining our business relationships with our Customers and have sole responsibility for our mission critical functions of our mutual fund wire order business.

Our contracts with third parties that support our mission-critical systems require these firms to have executable business continuity plans that can maintain the service levels we require.

In response to any disruptive event, rapidly executed operational and financial assessments will determine the best available alternative resources and processing methods, and continuity plans will be invoked to activate these resources, including communication to the customers, employees, and regulators.

ALTERNATE COMMUNICATIONS TO CUSTOMERS, EMPLOYEES AND REGULATORS

Existing communication with our Customers, employees, and regulators utilizes a number of modes including telephone, cell phone, wireless communications, email, facsimile, Internet, Corporate Intranet, U.S. Mail, and in-person visits. During any disruptive event, Senior Management will determine the best method of alternate communication closest in speed and form to the original that remain available and stable. The Firm will make this information available to its Customers. If after a significant business disruption you cannot contact us as you usually do at your designated 1-800 #, account executive's direct line and/or email address, you should contact our after hours Operations cell phone (303) 324-8564.

CUSTOMER'S ACCESS TO FUNDS AND SECURITIES

In the event of any disruptive event, our registered persons (Account Executives) will facilitate customer interaction with the mutual fund companies via available forms of communication.

CRITICAL BUSINESS CONSTITUENT, BANK AND COUNTER-PARTY IMPACT

We will contact our critical business constituents, banks, and counter-parties to determine alternate arrangements to continue our operational activities during disruptive events. During any disruptive event, we will again contact all of these critical entities, rapidly assess the extent and expected duration of any outages to operational resources and infrastructure, and implement these alternate arrangements.

REGULATORY REPORTING

The Firm is subject to regulation by the Securities and Exchange Commission and the Financial Industry Regulatory Authority for work that it is performing as a securities brokerage firm on behalf of its Customers. The Firm files reports with our regulators using paper copies in the U.S. Mail, and electronically using facsimile, email and FINRA's web-based regulatory filing system. During any disruptive event, we will determine from communications received from our regulators what means of filing are still available to our Firm, and use the means closest in speed and form to our previous method.

EMERGENCY CONTACTS

In the case of an emergency, Customers should contact their Account Executive. If after a significant business disruption you cannot contact us as you usually do at your designated

1-800 line, your account executive's direct line and/or email address, you should contact our after hours Operations cell phone (303) 324-8564.

**MATRIX FINANCIAL SOLUTIONS, INC.
PANDEMIC PLAN
DISCLOSURE STATEMENT**

July 5, 2011

Matrix Financial Solutions, Inc. and its affiliates and subsidiaries (hereinafter collectively, the "Firm") is providing you with the following disclosure statement that describes in general how our Firm will respond to a pandemic, such as the H1N1 influenza ("Pandemic"), as defined below, that may significantly disrupt our business. Our Firm is committed to protecting its employees and its institutional customers (the "Customers") through its dedication to business continuity management ("Business Continuity"). This Pandemic Plan Summary shall serve as an executive summary of the Firm's Pandemic Plan and is also available on the Firm's website.

The Firm acknowledges that a Pandemic could infect a significant portion of its workforce and potentially cause a reduction of our workforce for a certain period of time. Therefore, the Firm has devised a specific business continuity plan in the event of Pandemic (the "Pandemic Plan") to limit its impact on our business operations. Our Pandemic Plan ensures that the services performed by the Firm for your company will not be significantly disrupted and are as follows:

(i) **Pandemic Monitoring:** The Firm will monitor a Pandemic outbreak through news releases from the Colorado Department of Health and communicate all information to our employees. The Firm will provide employees guidelines on how to prevent disease and how to respond when they or a family member gets sick.

(ii) **Pandemic Response:** If a Pandemic's severity increases, the Firm will implement measures to increase the physical distance between people in the workplace to reduce the spread of the illness. The Firm will also encourage our employees to work from home. Mission Critical employees are able to access systems and applications remotely from home via high-speed internet connections to ensure uninterrupted processing of our customer's transactions. In the unlikely event of a high absentee rate, the Firm is able to utilize QRouting which is a call center solution through Qwest Communications, a non affiliated entity that provides for the management of Customer calls. QRouting will automatically direct customer calls to the Firm's employees with high speed Internet connections in their home.

In the case of an emergency, Customers should contact their Account Executive. If you cannot contact us as you usually do at your designated 1-800 line, your Account Executive's direct line and/or email address, you should contact our after hours Operations cell phone (303) 324-8564.