



ISC Group, Inc.

Business Continuity Plan Client Disclosure

ISC Group, Inc. (ISCG) has developed a Business Continuity Plan on how we will respond to events that significantly disrupt our business. Since the timing and impact of disasters and disruptions is unpredictable, we will have to be flexible in responding to actual events as they occur. With that in mind, we are providing you with this information on our business continuity plan.

Our Business Continuity Plan We plan to quickly recover and resume business operations after a significant business disruption and respond by safeguarding our employees and property, making a financial and operational assessment, protecting the firm's books and records, and allowing our customers to transact business. In short, our business continuity plan is designed to permit our firm to resume operations as quickly as possible, given the scope and severity of the significant business disruption.

Our business continuity plan addresses: data backup and recovery; all mission critical systems; financial and operational assessments; alternative communications with customers, employees, and regulators; alternate physical location of employees; critical supplier, contractor, bank and counterparty impact; regulatory reporting; and assuring our customers prompt access to their funds and securities if we are unable to continue our business.

Our clearing firm, Hilltop Securities, will back up our important records in a geographically separate area. While every emergency situation poses unique problems based on external factors, such as time of day and the severity of the disruption, our clearing firm has advised us that its objectives are to restore their own operations and be able to complete existing transactions and accept new transactions and payments within a reasonable period of time. Your orders and requests for funds and securities could be delayed during this period.

Varying Disruptions Significant business disruptions can vary in their scope, such as only our firm, a single building housing our firm, the business district where our firm is located, the city where we are located, or the whole region. Within each of these areas, the severity of the disruption can also vary from minimal to severe. In a disruption to only our firm or a building housing our firm, we will transfer our operations to a local site when needed and expect to recover and resume business within a reasonable period of time. In a disruption affecting our business district, city, or region, we will attempt to transfer our operations to a site outside of the affected area, and recover and resume business within the same time period. In either situation, we plan to continue in business, transfer operations to our clearing firm if necessary, and notify you through our web site <http://iscgroup.com> on how to contact us or another entity that will be able to service your financial needs. If the significant business disruption is so severe that it prevents us from remaining in business, we will assure our customer's prompt access to their funds and securities through the notification process on our website.

Potential of Flu Pandemic such as Influenza A (H1N1), Swine Flu, etc. Recognizing that flu pandemic is not a "normal" business risk, our planning has focused on augmenting our existing plans and practices to take into account the following aspects: 1) Global impact with no differentiation by culture, industry, geography. 2) Potential to escalate quickly and continue for several months in more than one wave. 3) A high projected rate of infection potentially causing heavy absenteeism. 4) Overtaxed health care facilities, public health agencies, and personnel.

This Firm is continually reviewing many strategic options as part of our business continuity planning, such as: assigning associates, management staff and other personnel responsible for critical processes to multiple geographically dispersed locations, providing personnel with electronic access to work from home where appropriate, and assessing ways to make our facilities more biohazard resistant.

Contacting Us After a significant business disruption you should be able to contact us as you usually do at (214) 520-1115, (800) 888-3520, fax (214) 520-3203 or our website at <http://iscgroup.com>. If necessary, our offices will be relocated to 12720 Hillcrest Road, Suite 980, Dallas, TX 75230, as designated in our formal Business Continuity Plan, and our phone numbers will be transferred to this location. If you cannot access us by any of these means, please contact our clearing firm, Hilltop Securities, at the posted phone numbers that will be listed on their web site, <http://hilltopsecurities.com> should such business disruption occur. They will be able to handle the services of accessing your funds and securities, enter orders and process other trade related, cash, and security transfer transactions for you. If your account is not held at Hilltop Securities you can contact the vendor that holds your investments (annuity company, mutual fund company, etc.) at the phone number listed on your account statements.