

Loewen, Ondaatje, McCutcheon (USA) Limited (LOM-US)
Business Continuity Plan (BCP)

I. Emergency Contact Persons

The two emergency contact persons are:

Azza Abdallah (CCO registration pending)

Telephone: 416-964-4486

Fax: 416-964-4493

Email: aabdallah@lomltd.com

Garrett Herman, President, Chairman, CEO & CCO

Telephone: 416-964-4400

Fax: 416-964-4333

Email: garrett@lomltd.com

These names are updated in the event of material changes, as approved by Executive Representatives, and verified annually. *FINRA Rule 3520.*

II. Firm Policy

LOM-US policy is to respond to a Significant Business Disruption (SBD) by safeguarding employees' lives and firm property; making a financial and operational assessment; quickly recovering and resuming operations; protecting all of the firm's books and records; and allowing our customers to transact business. In the event that we determine we are unable to continue our business, we will assure customers prompt access to their funds and securities.

A. Significant Business Disruptions (SBDs)

Our plan anticipates two kinds of SBD: internal and external. Internal affects only our ability to communicate and do business, such as a fire in our building. External prevents the operation of the securities markets or a number of firms, such as a terrorist attack, a city flood, or wide-scale regional disruption. Our response to an external SBD relies more heavily on other organizations and systems, especially on the capabilities of our parent company's clearing broker, NBCN Inc.

B. Approval and Execution Authority

Azza Abdallah and Garrett Herman are responsible for approving the plan and conducting required annual review. Azza Abdallah has the authority to execute the plan.

C. Plan Location and Access

LOM-US maintains copies of the BCP and the annual reviews, including changes, for inspection.

III. Business Description

LOM-US conducts business in institutional equity sales. It has a service agreement with its parent company, Loewen, Ondaatje, McCutcheon Limited (“LOM”) and does not perform any type of clearing function for itself or others. Furthermore, we do not hold customer funds or securities. We accept and give orders to our parent company, LOM. All transactions are sent to the parent company which, through its Clearing Broker, executes orders, compares them, allocates them, clears and settles them. Our parent company also maintains our customer accounts and can deliver funds and securities. Our firm services only institutional customers.

Our parent company has an Introducing Clearing Agreement with NBCN Inc, located at:
250 Yonge Street, Suite 1900
P.O. Box 9, Toronto
Ontario, M5B 2L7
Website: www.nbcn.ca

Emergency phone numbers are: 1-866-578-5755 and (416) 542-3939. Key contacts persons are:

Name: Mike Tate
Tel: (416) 542-2255
Fax: (416) 542-2232
Email: Michael.tate@cornet.com

Name: Laurie Smuk
Tel: (416) 542-2212
Fax: (416) 542-2292
Email: Lsmuk@cornet.com

IV. Office Location

Our Office address is: Hazelton Lanes, East Tower
55 Avenue Road, Suite 2250
Toronto, Ontario
M5R 3L2

Employees may travel to the office by walking, driving, or commuting by bus or train. We normally engage in order taking and entry at the above location as well as perform head office functions.

V. Alternative Physical Location(s) of Employees

In the event of an SBD, we will move our staff from affected office to:
39 Maple Avenue
Toronto, Ontario
M4W 2T8

Employees may travel to the above location by walking, driving, commuting by bus or train. We may engage in order taking and entry at the carrying broker’s address below:

NBCN Inc.
250 Yonge Street
Suite 1900
P.O. Box 9
Toronto, Ontario
M5B 2L7

FINRA Rule 3510(c)(6).

VI. Customers' Access to Funds and Securities

LOM-US does not maintain custody of customers' funds or securities, which are maintained by the parent company. In the event of an internal or external SBD, if telephone service is available, our registered persons will take customer orders or instructions and contact our parent company on their behalf; and, if the web-link access is available on LOM website, our firm will post on the website that customers may access funds and securities by calling: (416) 964-4422 or (416) 964-4423.

If SIPC determines that we are unable to meet our obligations to customers or if our liabilities exceed assets, in violation of Securities Exchange Act Rule 15c3-1, SIPC may appoint a trustee to disburse assets to customers. We will assist SIPC and the trustee by providing books and records identifying customer accounts subject to SIPC regulation.

FINRA Rule 3510(a); Securities Exchange Act Rule 15c3-1

VII. Data Back-Up and Recovery (Hard Copy and Electronic)

LOM-US maintains its books and records in hard copy and in electronic form at 55 Avenue Road, Suite 2250, Toronto, Ontario, M5R 3L2. Nic Rowe, IT specialist, (416) 964-4413 is responsible for the maintenance of electronics records, and Susan Schell is responsible for maintenance of hard copy records. LOM-US maintains the following document types and forms that are not transmitted to the parent company: financial books and records (i.e. financial statements).

LOM-US maintains its back-up hardcopy of books and records at the offices of the parent company for securities related operations. We back up our electronic records daily and store the back-up tapes off-site.

If our primary site is inoperable, we will continue operations from an alternate location (i.e. another full operating office location). For the loss of electronic records, we will either physically recover the storage media or electronically recover data from our off-site; or, if our primary site is inoperable, continue operations from our back-up site or alternate location.

Rule: FINRA Rule 3510(c)(1).

VIII. Financial and Operational Assessments

A. Operational Risk

In the event of an SBD, we will immediately identify what means will permit us to communicate with customers, employees, critical business constituents, banks, counter-parties and regulators. Although the effects of an SBD will determine the means of alternative communication, the method we will employ will include website, telephone voicemail, and secure email. We will also retrieve key activity records as described under the section: Data Back-Up and Recovery (Hard Copy and Electronic).

FINRA Rules 3510(c)(3) & (f)(2).

B. Financial and Credit Risk

In the event of an SBD, we will determine the value and liquidity of our investments, if any, and other assets to evaluate our ability to continue to fund operations and remain in capital compliance. We will contact our clearing firm, critical banks, and investors to apprise them of our financial status. If determined that we may be unable to meet our obligations to our counterparties or otherwise continue to fund operations, we will request additional financing from our bank or other credit sources to fulfill our obligations to customers and clients. If we cannot remedy a capital deficiency, we will file appropriate notices with regulators and immediately take appropriate steps.

FINRA Rules 3510(c)(3), (c)(8) & (f)(2).

IX. Mission Critical Systems

LOM-US “mission critical systems” are those that ensure prompt and accurate processing of securities transactions, including order taking, entry, execution, comparison and allocation; clearance and settlement; maintenance of, and access to, customer accounts; as well as delivery of funds and securities.

We have primary responsibility for establishing and maintaining business relationships with customers and have sole responsibility for our mission critical functions of order taking. Through its clearing broker, our parent company contractually provides trade entry and execution; reconciliation, allocation, clearance and trade settlement; maintenance of and access to customer accounts, as well as delivery of client funds and securities.

The parent company represents that it will advise of any material changes to its plan that might affect our ability to maintain business and present us with an executive summary of its plan, hereto attached. In the event our parent company executes its plan, it represents that it will notify us of such execution and provide us with equal access to services as its other customers. If reasonably determined that our parent company has not or cannot put its plan in place quickly enough to meet our needs, or is otherwise unable to provide access to such services, our parent company represents that it will assist us in seeking services from an alternative source.

Our parent company represents that it backs up our records.

Recovery-time objectives provide concrete goals to plan for and test against. They are not however hard and fast deadlines that must be met in every emergency situation, and various external factors surrounding a disruption, such as time of day, scope of disruption, and status of critical infrastructure, particularly telecommunications, can affect actual recovery times. Recovery refers to the restoration of clearing and settlement activities after a wide-scale disruption. Resumption refers to the capacity to accept and process new transactions and payments after a wide-scale disruption.

A. Our Firm’s Mission Critical Systems

1. Order Taking

Currently, our firm receives orders from customers by telephone and fax. During an SBD, either internal or external, we will continue to take orders through any reliable methods available. As

communications permit, we will inform our customers to advise them of alternative means for sending in their orders to us. If necessary, customers will be advised to place orders directly through NBCN Inc., which will not be able to provide advice but will accept liquidation orders only.

2. Order Entry

LOM-US currently enters orders by recording them on paper and sending them to our parent company for execution.

In the event of an internal SBD, we will enter and send records to our parent company or its clearing firm, NBCN, by the fastest alternative means available. In the event of an external SBD, we will maintain the order in electronic or paper format and deliver the order to our parent company or NBCN by the fastest means available when it resumes operations. In addition, during an internal SBD, we may need to refer our customers to deal directly with NBCN for order entry. NBCN will not be able to provide advice but will accept liquidation orders.

3. Order Execution

Our parent company currently executes orders via Belzberg Technologies Inc. In the event of an internal SBD, we will route orders to our parent company's clearing broker, NBCN, for execution. NBCN will not be able to provide advice and will accept liquidation orders only. In the event of an external SBD and all the systems are not available, we will take orders manually over the phone at any of our offices designated for order taking and entry.

B. Mission Critical Systems Provided by Our Clearing Firm

LOM-US contractually relies on our parent company to provide access to order execution, comparison and allocation; maintenance of and access to customer accounts; as well as delivery of client funds and securities.

FINRA Rules 3510(c) & (f)(1).

X. Alternate Communications Between the Firm and Customers, Employees, and Regulators

A. Customers

We now communicate with our customers by telephone, e-mail, website, fax, U.S. mail, and in-person visits at our office or other locations. In the event of an SBD, we will assess which means of communication are still available and employ the means closest in speed and form (written or oral) to those used in the past to communicate with customers. For example, if we have communicated with a party by e-mail but the internet is unavailable, we will call telephone them and follow up where a record is needed with paper copy in the U.S. mail.

NASD Rule 3510(c)(4).

B. Employees

We now communicate with our employees by telephone, e-mail, and in-person. In the event of an SBD, we will assess which means of communication are still available and use the means

closest in speed and form (written or oral) to the means used in the past to communicate with Staff. We will also employ a call tree so that senior management can quickly reach key employees during an SBD. The call tree includes all staff home and office phone numbers. We have identified persons, noted below, and may reach each other in person:

The person to invoke use of the call tree is: Azza Abdallah

| Caller | Call Recipients |
|-------------------|--------------------------|
| Azza Abdallah | Susan Schell – Toronto |
| Susan Schell | Garrett Herman– Toronto |
| Azza Abdallah | Nic Rowe – Toronto |
| Alternate: | |
| Garrett Herman | Susan Schell – Toronto |
| Susan Schell | Azza Abdallah / Nic Rowe |

FINRA Rule 3510(c)(5).

C. Regulators

We are currently registered with the SEC and a member of FINRA. We communicate with our regulators by telephone, e-mail, fax, or U.S. mail. In the event of an SBD, we will assess which means of communication are still available and use the means closest in speed and form (written or oral) to those used in the past to communicate with regulators.

FINRA Rule 3510(c)(9).

XI. Critical Business Constituents, Banks, and Counter-Parties

A. Business Constituents

We have contacted our critical business constituents (businesses with which we have an ongoing commercial relationship in support of our operating activities, such as critical vendors) and determined the extent to which we can continue our business relationship in the event of an internal or external SBD. We will quickly establish alternative arrangements if a business constituent can no longer provide needed goods or services because of a SBD to them or our firm.

FINRA Rule 3510(c)(7).

B. Banks

We have contacted our banks to determine if they can continue to provide required financing in the event of an internal or external SBD. The banks maintaining our operating accounts are:

Bank of Montreal
 1 First Canadian Place, 10th Floor
 Toronto, Ontario, M5X 1A1
 Attn: Gary Lipinski
 Tel: (416) 867-6946

Harris Bank
111 West Monroe Street
5th Floor, East Side
Chicago, IL 60603
Attn: Cecilia Sintos
Tel: (312) 461-3785

If our banks and other lenders are unable to provide required financing, we will seek alternative financing immediately from our parent company, LOM.

FINRA Rule 3510(c)(7).

D. Counter-Parties

We will contact our critical counter-parties, such as other broker-dealers or institutional customers, to determine if we will be able to carry out transactions with them in the event of internal or external SBD. Where transactions cannot be completed, we will work with our parent company or contact those counter-parties directly to make alternative arrangements to complete transactions as soon as possible.

FINRA Rules 3510(a) & (c)(7).

XII. Regulatory Reporting

Our firm is subject to regulation by the SEC and FINRA. We now file hardcopy reports with our regulators using U.S. mail, and electronically using fax, e-mail and internet. In the event of an SBD, we will check with the SEC and FINRA to determine which means of filing are still available and use the means closest in speed and form (written or oral) to our previous filing method. In the event that we cannot contact our regulators, we will continue to file required reports using the communication means available to us.

FINRA, Inc. – Boston District 11
Suite 900, 99 High Street
Boston, MA 02110
Tel: (617) 532-5400
Fax: (617) 451-3524

Rule: *FINRA Rule 3510(c)(8).*

XIII. Disclosure of Business Continuity Plan

Our parent company, LOM, will be disclosing their BCP to our customers upon account opening. The disclosure statement is attached.

Rule: *FINRA Rule 3510(e).*

XIV. Update and Annual Review

Our firm will update this plan whenever we have a material change to our operations, structure, business or location or to those of our clearing firm. In addition, our firm will review the BCP

Nov09.aa

annually, every April after our year-end (year-end is March 31), to modify it for any changes in our clearing firm.

Rule: FINRA Rule 3510(b).

XV. Senior Manager Approval

I have approved this plan as reasonably designed to enable our firm to meet its obligations to customers in the event of an SBD.

Rule: FINRA Rule 3510(d).

Signed: _____
President, Chairman, CEO and CCO

Dated: _____