

BUSINESS CONTINUITY PLAN DISCLOSURE

Sanders Morris Harris LLC. ("SMH") has developed a Business Continuity Plan addressing 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.

Contacting Us

If after a significant business disruption you are unable to contact us, please go to our website www.smhgroup.com. If you cannot access SMH through the website, you should contact the clearing firm that handles your account for instructions for prompt access to funds and securities, to enter orders and process other trade-related cash and security transfer transactions. Clearing firm contact information is as follows: Pershing, 213-624-6100, website address www.pershing.com.

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 operation as quickly as possible, given the scope and severity of the 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; alternative physical location of employees; critical supplier, contractor, bank and counter-party 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 backs 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, we have been advised by our clearing firm that their objective is to restore their own operations and to be able to complete existing transactions and accept new transactions and payments through alternative work sites in a very short time period. Your orders and requests for funds 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 one of our offices, the business district where one of our offices is located, a city where we are located, or an entire region. During any business disruption we plan to recover essential business operations in a timely manner, or transfer operations to an off-site location or our clearing firm. Information will be provided through our website www.smhgroup.com, on how you can contact us.