

Southwestern Capital Markets, Inc.
Customer Significant Business Disruption (SBD) Disclosure

A Significant Business Disruption (SBD) is a situation which may cause stress to our firm and our customers as we provide our customers with financial services in the areas of transaction order receipts and order entry.

SBDs may take the following forms as a result of weather events, fire, or terrorists actions. They may affect our firm and our customers in varying degrees: a firm-only business disruption, a disruption to a single building, a disruption to a business district, a city-wide business disruption, and a regional disruption

To accomplish the goal of continuing to provide service to our customers in the event that we experience a SBD, we have developed and installed a Business Continuity Plan (BCP) in conjunction with our Clearing Firm, Southwest Securities, Inc., and mutual fund companies which we conduct business. We feel our BCP will provide seamless continuous service to our customers even if we are required to relocate our office to an alternate location. The two most serious challenges we will over come is a regional loss of power and telecommunications.

In a SBD situation:

- 1. Your primary contact method will remain your registered representative's main telephone number as noted on your statement. In an SBD these phone lines will be forwarded to alternate cellular phone lines when possible.**
- 2. During a SBD when the phone lines can not be forwarded, a voice mail message feature has been added to our primary phone line. In an SBD you will receive an updated message on the current situation and the ability to leave a message or be given an alternative phone number. The Voice Mail Feature will continue to operate even with loss of power and telecommunication services.**
- 3. Your secondary contact method, if your are unable to contact your representative directly, is our primary Main Office telephone number (210) 344-9101 . If this number is unavailable you may contact using our Main Office cellular telephone service number (210) 325-7804. This service also has a message feature to update you on current events and also the ability for our customers to leave a message.**
- 4. For customers with general securities accounts, in the event that they are unable to contact their registered representative or our Main Office and cellular telephone services are unavailable, you may contact our Clearing Firm, Southwest Securities, Inc. at 214-859-1800.**
- 5. For customers that own mutual funds, you may contact the mutual fund company directly at the toll free number on your latest statement.**

While it is highly recommended that each customer maintain all statements from our Clearing Firm and all mutual fund companies, both our firm and associated firms with which we conduct business have established similar BCPs that contain alternate business locations and back ups of all record. Each customer will receive pertinent information should we amend our Business Continuity Plan in any way that directly impacts our clients.

14.0 Updates 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.