



BUSINESS CONTINUITY PLAN DISCLOSURE STATEMENT

Revised 3-16-06

WESTHOFF, CONE & HOLMSTEDT (WCH)

WCH provides financial services using computer and telephone systems. The events of September 11, 2001 emphasized the importance of the capital markets to our economy. As a result, we have been working on improving our responses to various situations that have the potential to impact our ability to serve you. This disclosure document is designed to provide you with information on how we have approached and/or plan to approach various situations that we may encounter.

Overview of Westhoff, Cone & Holmstedt

WCH, a Member Firm of the NASD, SIPC and MSRB, is a municipal securities dealer providing clients with investment banking services. These functions are provided in Walnut Creek, California.

WESTHOFF, CONE & HOLMSTEDT USES VARIOUS MISSION CRITICAL SYSTEMS TO PROVIDE SERVICES TO OUR CLIENTS

Our business continuity planning ("BCP") first insures the safety and security of our employees. The events of 9/11 emphasized the unique skill sets of personnel who work in our industry and the need to put their safety first so that after an interruption they are able to continue serving our clients. In addition to protecting our personnel, our BCP and daily operations are focused on preserving our critical firm and clients data through daily back ups which are then moved off-site via media. Our industry is heavily interconnected with data connections ranging from dial-up modem communication, dedicated private lines, and in many cases, the Internet through encrypted Scenarios.

Business Continuity Planning Response Scenarios

The details of our BCP are proprietary and contain information which is confidential and in many cases potentially harmful to WCH and our clients if publicly available. The following series of scenarios are presented to disclose to you our planned approach for dealing with a variety of hypothetical Significant Business Disruptions (SBD's), however, because of the number of variables present in each situation, WCH can not guarantee we will follow these procedures.

Scenario 1: An event occurs, like 9/11, which causes the complete shut down of securities trading, clearance/settlement or other banking services nationwide.

WCH plans to continue business during this type of event and will await the reopening of the affected institutions. Unless a securities industry holiday is declared, we plan to be open each business day until full functionality is restored. The recovery time in this scenario will be dependent on the timing specified by the impacted organizations. We plan to be ready to open when they reopen.

Scenario 2: The Municipal Bond Market is closed. (nationwide)

WCH plans to continue business during this type of event and will continue to provide investment banking services. Our recovery time objective for this scenario cannot be determined.

Scenario 3: Our office location is closed. (Single building, city wide, business district)

WCH plans to continue business during this type of event and will transfer mission critical activities to another location. Assuming no access to and no power to the building, the planned recover time objective for mission critical activities is four hours.

UPDATES TO THIS DISCLOSURE

As we continue to test our plans and as conditions in our firm and the industry change, we will revise the BCP as considered necessary. Whenever we update this disclosure document we will promptly place a copy of it on our website. You may request a hard copy of this disclosure in its current version be sent to you any time by mail.

Clients may reach WCH at (925) 472-8740

