



McMahan Securities Co. L.P. Business Continuity Plan (BCP)

Plan

Our Plan addresses the ten key areas of FINRA Rule 4370 which are listed below.

Critical Elements

- (1) Data back-up and recovery (hard copy and electronic);
- (2) All mission critical systems;
- (3) Financial and operational assessments;
- (4) Alternate communications between customers and the member;
- (5) Alternate communications between the member and its employees;
- (6) Alternate physical location of employees;
- (7) Critical business constituents, banks, and counter-party impact;
- (8) Regulatory reporting;
- (9) Communications with regulators; and
- (10) How the member will assure customers' prompt access to their funds and securities in the event that the member determines that it is unable to continue its business.

I. Emergency Contact Persons

McMahan Securities' two emergency contact personnel are:

1. Ron Fertig (203) 618-3380, rfertig@800mcmahan.com
2. Grace Brescia (203) 618-3357, gbrescia@800mcmahan.com

Rule: FINRA Rule 4370.



II. Firm Policy

Our firm's 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 SBDs, internal and external. Internal SBDs affect only our firm's ability to communicate and do business, such as a fire in our building. External SBDs prevent the operation of the securities markets or a number of firms, such as a terrorist attack, a city flood, or a wide-scale, regional disruption. Our response to an external SBD relies more heavily on other organizations and systems, especially on the capabilities of our clearing firm.

B. Approval and Execution Authority

Grace Brescia, a registered principal, is responsible for approving the plan and for conducting the required annual review. Bob Arent, Director of IT has the authority to execute this BCP.

C. Plan Location and Access

Our firm will maintain copies of its BCP plan and the annual reviews, and the changes that have been made to it for inspection. We have given the FINRA Boston Office a copy of our plan. An electronic copy of our plan is located on F:\Public1\Business Continuity Plan (date)file.

III. Business Description

McMahan Securities Co. L.P. ("The Partnership") is a broker-dealer registered with the Securities and Exchange Commission and is a member of FINRA. The Partnership is principally engaged in proprietary trading and investment banking activities. The Partnership also introduces institutional customers to correspondent brokers and earns commissions on their transactions. The Partnership is exempt from Rule 15c3-3 of the Securities and Exchange Commission under paragraph k(2) (ii) of the rule.

The Partnership's clearing firm is Pershing LLC, One Pershing Plaza, Jersey City, NJ 07399 www.pershing.com, and our contact person at that clearing firm is: Alan Finklestein, 201-4132530, afinkelstein@pershing.com.

IV. Office Location



A. Greenwich, Connecticut

Our Office is located at 500 West Putnam Avenue, Greenwich, Connecticut 06830. Its main telephone number is (203) 618-3300. Our employees may travel to that office by means of foot, car, train, and bus. We engage in order taking and entry at this location.

V. Alternative Physical Location(s) of Employees

The Partnership is in the process of considering alternative physical location in the event of a SBD.

Rule: FINRA Rule 4370(c)(6).

VI. Customers' Access to Funds and Securities

The Partnership does not maintain custody of customers' funds or securities, which are maintained at our clearing firm, Pershing, LLC. 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 clearing firm on their behalf.

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

Rules: FINRA Rule 4370; Securities Exchange Act Rule 15c3-1; 15 U.S.C. 78eee (2003).

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

The Partnership maintains its primary hard copy books and records and its electronic records at 500 West Putnam Avenue, Greenwich, CT. Bob Peters is the Partnership's designated FINOP (203) 618-3367 is responsible for the maintenance of these books and records. All of McMahan's servers are backed up on a nightly basis and delivered to an offsite facility in a fire protected safe. The address of this location is Westy Storage Centers / 351 North Main Street / Portchester, New York 10573 / Tel. 914-937-2222

Rule: FINRA Rule 4370 (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 our customers, employees, critical business constituents, critical banks, critical counter-parties, and regulators. Although the effects of an SBD will determine the means of alternative communication, the communications options we will employ will include www.800mcmahan.com, (203)-618-3300, and secure e-mail. In addition, we will retrieve our key activity records as described in the section above, Data Back-Up and Recovery (Hard Copy and Electronic).

Rules: FINRA Rule 4370 (c)(3) & (g)(2).

B. Financial and Credit Risk

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

Rules: FINRA Rule 4370 (c)(3), (c)(8) & (g)(2).

IX. Mission Critical Systems

Our firm's "mission critical systems" are those that ensure prompt and accurate processing of securities transactions, including order taking, entry, execution, comparison, allocation, clearance and settlement of securities transactions, the maintenance of customer accounts, access to customer accounts, and the delivery of funds and securities. More specifically, these systems include:

- Trade Master – Trading System /books & records
- Internet access – Pershing, KYNEX, Bloomberg, B-trade, Neovest
- Microsoft Dynamics GP 10.0
- CATS – Convertible Arbitrage Trading System – analysis



We have primary responsibility for establishing and maintaining our business relationships with our customers and have sole responsibility for our mission critical functions of order taking and entry and execution. Our clearing firm provides, through contract, the execution, comparison, allocation, clearance and settlement of securities transactions, the maintenance of customer accounts, access to customer accounts, and the delivery of funds and securities.

Our clearing firm contract provides that our clearing firm will maintain a business continuity plan and the capacity to execute that plan. Our clearing firm represents that it will advise us of any material changes to its plan that might affect our ability to maintain our business [and presented us with an executive summary of its plan, which is attached]. In the event our clearing firm executes its plan, it represents that it will notify us of such execution and provide us equal access to services as its other customers. If we reasonably determine that our clearing firm 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 clearing firm represents that it will assist us in seeking services from an alternative source.

Our clearing firm represents that it backs up our records at a remote site. Our clearing firm represents that it operates a back-up operating facility in a geographically separate area with the capability to conduct the same volume of business as its primary site. Our clearing firm has also confirmed the effectiveness of its back-up arrangements to recover from a wide scale disruption.

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, The Partnership receives orders from customers via telephone and Bloomberg e-mail. During an SBD, either internal or external, we will continue to take orders through any of these methods that are available and reliable, and in addition, as communications permit, we will inform our customers when communications become available to tell them what alternatives they have to send their orders to us. Customers will be informed of alternatives by the firms website located at www.800mcmahan.com.



2. Order Entry

Currently, The Partnership enters orders by recording them electronically in Trademaster and sending them to our clearing firm electronically or telephonically.

In the event of an internal SBD, we will enter and send records to our clearing firm by the fastest alternative means available, which include telephone or e-mail. In the event of an external SBD, we will maintain the order in paper format, and deliver the order to the clearing firm by the fastest means available when it resumes operations.

3. Order Execution

We currently execute orders by sending the order to the trader who sends it to the best execution point. Then the order is sent to Pershing for clearing. In the event of an internal SBD, we would take orders via phone or e-mail. In the event of an external SBD, we would take orders via phone and e-mail.

B. Mission Critical Systems Provided by Our Clearing Firm

Our firm relies, by contract, on our clearing firm to provide order comparison, order allocation, and the maintenance of customer accounts, delivery of funds and securities, and access to customer accounts.

Rules: FINRA Rule 4370 (c) & (g)(1).

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

A. Customers

We now communicate with our customers using the telephone, e-mail, fax, and U.S. mail. In the event of an SBD, we will assess which means of communication are still available to us, and use the means closest in speed and form (written or oral) to the means that we have used in the past to communicate with the other party.

Rule: FINRA Rule 4370 (c)(4).



B. Employees

We now communicate with our employees using the telephone, e-mail, and in person. In the event of an SBD, we will assess which means of communication are still available to us, and use the means closest in speed and form (written or oral) to the means that we have used in the past to communicate with the other party. We will also employ a call tree so that senior management can reach all employees quickly during an SBD. The call tree includes all staff home and office phone numbers. We have identified persons, noted below, who live near each other and may reach each other in person:

The person to invoke use of the call tree is: Grace Brescia

Caller	Call Recipients
<i>Grace Brescia</i>	<i>Pat Ransom ,Scott Dillinger, Ron Fertig</i>
<i>Pat Ransom</i>	<i>Bob Arent, Marie Jean-Pierre</i>
<i>Ron Fertig</i>	<i>Leo Cheung, Bob Peters</i>
<i>Scott Dillinger</i>	<i>Mark Plimpton, Bill Featherston</i>
<i>Bob Arent</i>	<i>Sally Truglia</i>

Rule: *FINRA Rule 4370 (c)(5).*

C. Regulators

We are currently members of the FINRA. We communicate with our regulators using the telephone, e-mail, fax, U.S. mail, and in person. In the event of an SBD, we will assess which means of communication are still available to us, and use the means closest in speed and form (written or oral) to the means that we have used in the past to communicate with the other party.

Rule: *FINRA Rule 4370 (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 vendors providing us critical services), and determined the extent to which we can continue our business relationship with them in light of the internal or external SBD. We will quickly establish alternative arrangements if a business constituent can no longer provide the needed goods or services when we need them because of a SBD to them or our firm.

Rules: FINRA Rule 4370 (c)(7).

B. Banks

McMahan Securities currently has ample capital and liquidity. Therefore, we believe that we will not require short-term financing in the event of an SBD. In the event of an SBD, our Operations staff can access our funds held at banks without being on company premises. The bank maintaining our operating account is: Wachovia Bank, Diane Panzarino, 50 Main Street, White Plains, NY 10606. The bank maintaining our Proprietary Account of Introducing Brokers/Dealers (PAIB account) is Pershing.

Rules: FINRA Rule 4370 (c)(7).

C. Counter-Parties

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

Rules: FINRA Rule 4370 (a) &(c)(7).



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XII. Regulatory Reporting

Our firm is subject to regulation by: FINRA and SEC. We now file reports with our regulators using paper copies in the U.S. mail, and electronically using fax, e-mail, and the Internet. In the event of an SBD, we will check with the SEC, FINRA, and other regulators to determine which means of filing are still available to us, 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 CONTACT : John Klocek (617) 532-3400

Rule: FINRA Rule 4370 (c)(8).

XIII. Disclosure of Business Continuity Plan

Please see link on our web-site: www.800mcmahan.com

Rule: FINRA Rule 4370 (e).

XIV. 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. In addition, our firm will review this BCP annually, in March to modify it for any changes in our operations, structure, business, or location or those of our clearing firm.

Rule: FINRA Rule 4370 (b).

XV. Senior Manager Approval

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

Rule: FINRA Rule 4370 (d).

Signed:

Title:

Chief Compliance Officer

Date:

April 01, 2010