
Monex Securities, Inc.
(“Monex Securities”)
and
Monex Asset Management, Inc.
(“Monex Asset Management”)

**Business Continuity and
Contingency Plan**

September 1, 2010

TABLE OF CONTENTS

PREFACE	1
REGULATORY BACKGROUND	2
General Overview	2
Plan Elements	2
PLAN OVERVIEW	4
Firm Policy	4
Significant Business Disruptions (“SBDs”)	4
BCP Designated Principal - Approval and Execution Authority	4
Plan Location and Access	4
Updates and Annual Review	4
Emergency Contact Persons	5
Business Description	5
Clearing Firm Information and Contact Information	6
Office Locations	7
Alternative Physical Location(s) of Employees	7
CUSTOMERS’ ACCESS TO FUNDS AND SECURITIES	8
DATA BACK-UP AND RECOVERY	9
Back-up Procedures	9
Clearing Firm Records	10
FINANCIAL AND OPERATIONAL ASSESSMENTS	11
Operational Risk	11
Financial and Credit Risk	11
MISSION CRITICAL SYSTEMS	12
Mission Critical Systems - Definition	12
Identify Business Systems	12
Mission Critical Systems - Assessment	12
Pershing	12
MF Global	13
Monex Securities and Monex Asset Management’s Mission Critical Systems	14
Order Taking	14
Order Entry	14
Order Execution	14
Other Services Currently Provided to Customers	15
Mission Critical Systems Provided by Clearing Firm	15
ALTERNATIVE COMMUNICATIONS BETWEEN THE FIRM AND CUSTOMERS, EMPLOYEES AND REGULATORS	16
Customers	16
Employees	16
Regulators and Regulatory Reporting	16
CRITICAL BUSINESS CONSTITUENTS, BANKS, AND COUNTER-PARTIES	18
Business Constituents	18
Banks	18

Counter-Parties	18
SIGNIFICANT BUSINESS DISRUPTIONS	19
Internal SBD – Facilities Emergency Evacuation Procedures.....	19
Fire Emergency Evacuation Procedures.....	19
Evacuation for Bombs or Other Threats.....	19
Emergency during Business Hours.....	20
Emergency Outside of Business Hours	20
EMPLOYEE AWARENESS OF PLAN.....	21
NOTIFICATION.....	21
DISCLOSURE OF BUSINESS CONTINUITY PLAN.....	22
SENIOR MANAGER APPROVAL	23
GLOSSARY.....	24
Attachment A: Office Locations.....	A-1
Attachment B: Client Disclosure Statement.....	B-1
Attachment C: Executive Summary of the BCP for Pershing LLC and MF Global..	C-1
Attachment D: Corporate Telephone Directory	D-1
Attachment E: Regulator Contact Information	E-1
Attachment F: State Regulatory Contact information.....	F-1
Attachment F: Critical Business Constituents	G-1

PREFACE

Despite the efforts of each business, state and local government and federal agency to renovate, validate, and implement their mission-critical information systems, the financial industry remains vulnerable to the disruption of its business processes. Because most companies in the financial industry are highly dependent on information technology to carry out their business, a business disruption induced failure of one or more mission critical system(s) may have a severe impact on a financial services firm's ability to deliver core business services.

Because of these risks, the United States Securities and Exchange Commission ("SEC") the United States Commodity Futures Trading Commission the Financial Industry Regulatory Authority ("FINRA") and the National Futures Association ("NFA") have implemented programs to attempt to mitigate the risks associated with business failures in the financial industry which would be caused by an event causing a failure to deliver financial services as a result of a significant business disruption. Specifically, the SEC has required that each FINRA member create and maintain business continuity plans and supply FINRA with emergency contact information. As with FINRA, the NFA requires each member firm to maintain business continuity plans and supply them with emergency contact information.

Ultimately, the business continuity planning process focuses on reducing the risk of business failures resulting from business disruptions. It safeguards a company's ability to produce a minimum acceptable level of outputs and services in the event of failures of internal or external mission-critical information systems and services. While it does not offer a long-term solution to all situations which create a significant business disruption, it is directed at assisting Monex Securities, Inc. and Monex Asset Management, Inc. to prepare for a potential crisis.

REGULATORY BACKGROUND

General Overview

Based on discussions with the SEC, CFTC and the United States General Accounting Office, the experiences of September 11, 2001 and comment letters received in response to *Notice to Members 02-23* (April 2002) ("NtM 02-23"), FINRA implemented NASD Rule 3510 (the "Rule") which based upon the FINRA Rule book consolidation has been changed to FINRA Rule 4370 and the NFA implemented Rule 2-38 (the "NFA Rule".) Both rules recognize that business continuity plans should reflect the particular operations and activities of a member firm and given the diverse nature of FINRA membership, the Rule allows member firms to tailor plans to suit their size, business, and structure.

Plan Elements

The Business Continuity Plan (the "Plan") for Monex Securities, Inc. and Monex Asset Management, Inc. (referred to herein as "Monex Securities" and "Monex Asset Management" and or collectively "Firm") addresses the elements set forth in the Rule. The Rule requires that a member's business continuity plan, at a minimum, address 10 critical elements, they being:

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.

The NFA Rule requires that a firm's disaster and recovery plan be reasonably designed to enable them to continue operating, to reestablish operations, or to transfer their business to other Members with minimal disruption to their customers, other Members, and the commodity futures markets. The plan should include the following items to the extent feasible

1. Establishing back-up facilities, systems, and personnel that are located in one or more reasonably separate geographic areas from the Member's primary facilities, systems, and personnel (e.g. primary and back-up facilities should be located in different power grids and different telecommunication vendors should be used), which may include arrangements for the temporary use of facilities, systems, and personnel provided by third parties;
2. Backing up or copying essential documents and data (e.g. general ledger) on a periodic basis and storing the information off-site in either hard-copy or electronic format;
3. Considering the impact of business interruptions encountered by third parties and identifying ways to minimize that impact; and
4. Developing a communication plan to contact essential parties such as employees, customers, carrying brokers, vendors and disaster recovery specialists.

PLAN OVERVIEW

Firm Policy

The policy of Monex Securities and Monex Asset Management 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 to the extent practicable, allowing our customers to transact business as soon as possible, following such SBD. In the event that Monex Securities and Monex Asset Management determine that it is unable to continue its business, the Firm will take steps to assure customers prompt access to their funds and securities.

Significant Business Disruptions (“SBDs”)

The Plan anticipates two kinds of SBDs, internal and external. Internal SBDs affect only the ability of Monex Securities and Monex Asset Management to communicate and do business, such as a fire in its 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. The response of Monex Securities and Monex Asset Management to an external SBD relies more heavily on other organizations and systems, especially on the capabilities of Pershing LLC, and M.F. Global the clearing firms utilized by the Firm.

BCP Designated Principal - Approval and Execution Authority

Jesus Heiras (the “BCP Designated Principal”) is the registered and designated principal responsible for approving the Plan on behalf of Monex Securities and Monex Asset Management, and for conducting the required annual review. The BCP Designated Principal or his designee has the authority to execute this Plan.

Plan Location and Access

Monex Securities and Monex Asset Management will maintain copies of the Plan and the annual reviews, and the changes that have been made to it. The Firm will make such records available for inspection by FINRA and the SEC. An electronic copy of the Plan is located on the main server drive labeled “C”, in the folder named “Business Continuity Plan”

Updates and Annual Review

Monex Securities and Monex Asset Management will update the Plan whenever there is a material change to the operations, structure, business or location of the Firm, or to those of the clearing firm. In addition, Monex Securities and Monex Asset Management will review this Plan annually, to confirm that it complies with the Firm’s current operations, structure, business, or location of the Firm or those of the clearing firms.

Emergency Contact Persons

Executive management is aware of the potentially devastating financial, organizational, and political consequences of the failure of one or more mission-critical information systems. The two emergency contact persons for Monex are:

Jesus Heiras: Registered Principal
office phone no.: (713) 877-8234
facsimile no.: (713) 877-8381
e-mail address: jheiras@monexusa.com

Jorge Ramos Landero: Designated Principal;
office phone no.: (713) 877-8234
facsimile no.: (713) 877-8381
e-mail address: jramos@monexusa.com

The Emergency Contact Persons will be reported to FINRA through FINRA's Contact System at www.finra.org/fcs.asp, and to the NFA on the Annual Questionnaire on the NFA web site <http://www.nfa.futures.org/>. They will be updated in the event of a material change, and Jose Ramos Landero (the "Executive Representative" for Monex) will review them within 17 business days of the end of each calendar year.

Business Description

Monex Securities is registered as a broker/dealer with the SEC, the NFA and the various other state regulatory jurisdictions, and is a member of FINRA. Monex is organized in the state of Delaware as a Corporation.

Its primary business is the retail marketing of corporate equity and debt, mutual funds, and variable annuity insurance products to its customers. Additionally, the Firm provides investment banking services to certain corporate customers, and participates in the public distribution of corporate debt and equity. With respect to DPP programs, the Firm is generally engaged in the secondary trading of 144A transactions only. The options transactions are unsolicited and generally executed as an accommodation for those customers that engage in options transactions. Finally, the Firm also provides commodity futures activities for its customers.

Monex maintains a \$250,000 minimum net capital requirement in accordance with SEC Rule 15c3-1(a)(2)(ii). Monex clears all transactions on a fully disclosed basis through Pershing LLC, and MF Global (referred to hereinafter as "Pershing", & "MF Global") pursuant to the terms of a Fully Disclosed Clearing Agreement with Pershing and MF Global, Under the terms of said Fully Disclosed Clearing Agreements, the Firm does not perform any type of clearing function for itself or others. Monex Securities accepts and enters orders. All transactions are sent to Pershing, or MF Global which executes orders, compares them, allocates them, clears and settles them. Pershing and MF Global also maintain customers' accounts, can grant customers access to them, and delivers funds and securities. In no event does the firm obtain and maintain custody or possession of customer funds or securities.

With respect to the daily trade volume of Monex, the Firm introduces approximately 150 trades per month through to Pershing. The client base of Monex with Pershing is estimated to be comprised of approximately 910 customer accounts, of which approximately 318 are cash accounts and 592 accounts utilize margin with respect to their daily trading activity. Finally, 100% of the business activity of Monex with Pershing is retail based in nature. The client base of Monex with MF Global is anticipated to be retail in nature.

As of September 1, 2010 the Firm has one branch offices in Mexico City, Mexico.

Monex Asset Management is registered as a investment adviser with the (SEC and notice filed in various other state regulatory jurisdictions). Monex Asset Management is organized in the state of Delaware as a Corporation..

Monex Asset Management furnishes investment advisory services on a discretionary basis. These services include selecting or recommending investments for client's needs, risk tolerance and other assets and obligations of the client. The specific investment style chosen per client is based upon the goals, objectives, and individual needs of the client. As of September 1, 2010, the Firm has six registered representatives located in the main office and has no branch offices.

Clearing Firm Information and Contact Information

The Firm has multiple clearing firm relationships. They are as follows:

Pershing is the primary clearing firm for Monex Securities. It can be contacted at:

One Pershing Plaza,
Jersey City, New Jersey 07399
(201) 413-2390
(201) 413-5368 facsimile
<http://www.pershing.com>

Contact person is:

Elizabeth Vasconez
One Pershing Plaza
Jersey City, New Jersey 07399,
(800) 443-4342
(201) 413-5368 facsimile
evasconez@pershing.com

MF Global is the clearing firm for the futures activities of Monex Securities. It can be contacted at:

717 5th Avenue, 9th Floor
New York, New York 10022
212-589-6200
212-589-6215 facsimile

<http://www.mfglobal.com>

Contact person is:

Cy Monley

717 5th Avenue, 9th Floor

New York, NY 10022

312-663-7617

cmonley@mfglobal.com

Office Locations

Monex Securities and Monex Asset Management have set forth all offices, both registered and unregistered on Attachment A, which is attached hereto and incorporated herein for all purposes. The Firm has additionally set forth on Attachment A the phone number for each respective location, the means of transportation that employees may use to reach each respective facility and which mission critical systems, as defined herein, take place at each location.

Alternative Physical Location(s) of Employees

In the event of an SBD, we will move our staff from affected offices to the closest of our unaffected office locations. If none of our other office locations is available to receive those staff, we will move them to 103 French Oaks, The Woodlands, Texas 77382. Its main telephone number is (832) 474-7710, (940) 368-5732, facsimile (832)-813-5926. If this office location is not available, then we will move them to Varsovia 36, Col. Juarez 06600 Mexico, D.F. Its main telephone number is 011-52-525-55-231-0126.

CUSTOMERS' ACCESS TO FUNDS AND SECURITIES

Monex Securities and Monex Asset Management do not maintain custody of customers' funds or securities. Both customer funds and securities are maintained at our clearing firms, Pershing and for futures MF Global. 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 the appropriate clearing firm on their behalf. In the event that customers of Monex Securities and Monex Asset Management are unable to access the Firm, either at its primary phone number, the Firm's emergency number, or through the Firm's Web site, customers will be able to contact the appropriate clearing firm directly for instructions on how they may obtain prompt access to funds and securities, order entry and process other trade-related, cash, and security transfer transactions for the Firm's customers. The Firm will make this information available to its customers through its disclosure policy, a copy of which is attached hereto as Attachment B.

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

DATA BACK-UP AND RECOVERY

Electronic and Hard Copy Books and Records

Monex Securities and Monex Asset Management maintains its primary hard copy books and records and electronic records at 440 Louisiana, Suite 1500, Houston, Texas 77002. Ruben Contreras, Financial and Operations Principal, (713) 877-8234, is responsible for the maintenance of these books and records. The Firm maintains the following document types and forms that are not transmitted to the clearing firm and or not maintained electronically on Web CRD: (i) New account documentation and forms; (ii) financial records, including supporting documentation; (iii) corporate records for the Firm; (iv) client application documentation for mutual funds and variable insurance products; (v) any documentation related to private placements; and (vi) electronically generated documents. Additionally, their accountants, attorneys and compliance consultants maintain duplicate file copies of documents related to those matters that they handle, and they have agreed to allow access to all such duplicate records that they maintain in the event of a loss of Firm records.

Back-up Procedures

To the extent Monex Securities and Monex Asset Management do not have electronic copies of hard-copy books and records, the Firm maintains a back-up hard copy of all operational and client critical documents, contracts and other books and records off site. Critical paper records are backed up as necessary to assure that a duplicate set of those critical records are maintained, which is generally at the time such documents are finalized or completed. Monex Securities and Monex Asset Management back up its paper records by copying and taking them to a back-up site.

The Firm's electronic records, including all essential electronic records, are backed-up daily and maintained by a third party vendor, MX Logic. MX Logic will physically recover them from its back-up site. If the primary site is inoperable, the Firm will continue operations from an alternate location. For the loss of electronic records, Monex Securities and Monex Asset Management will either physically recover the storage media or electronically recover data from its back-up site, or, if its primary site is inoperable, continue operations from an alternate location. As such, Monex Securities and Monex Asset Management's backup facility is located in a separate geographical area from the primary facility (i.e. different power grid and telecommunication vendors) and is readily accessible to Jesus Heiras and Jorge Ramos.

In the event of an internal or external SBD that causes the loss of the paper records of Monex Securities and Monex Asset Management they will physically recover them from its back-up site. If the primary site is inoperable, Monex Securities and Monex Asset Management will continue operations from its back-up site or an alternate location.

Clearing Firm Records

Copies of confirmations, account statements, and order tickets that are entered electronically are maintained by Pershing and MF Global. CD copies of these records are provided to Monex Securities and kept on-site. In the event of a disruption, the Monex Securities shall access the clearing firm's copy of these records via Internet or an alternative computer line. Monex Securities personnel shall use personal computers to accomplish this, or Firm computers if such are maintained at an alternative site.

FINANCIAL AND OPERATIONAL ASSESSMENTS

Operational Risk

In the event of an SBD, Monex Securities and Monex Asset Management will immediately identify what means will permit the Firm to communicate with its 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 generally include (a) the web site for the Firm, (b) facsimile; (c) e-mail; (d) telephone; (e) telephone voice mail; (f) cellular and mobile phone service; and (g) service providers, including compliance consultants, attorneys and accountants; (e) messenger; and (f) mail service. In addition, we will retrieve our key activity records as described in the section, Data Back-Up and Recovery.

Financial and Credit Risk

In the event of an SBD, Monex Securities and Monex Asset Management will determine the value and liquidity of its investments and other assets to evaluate their ability to continue to Fund operations and remain in capital compliance. Monex Securities will contact its clearing firms, and Monex Securities and Monex Asset Management will contact critical banks, and investors to apprise them of the financial status of the Firm. If Monex Securities and Monex Asset Management determine that they may be unable to meet their obligations to those counter-parties or otherwise continue to fund the operations of the Firm, Monex Securities and Monex Asset Management will request additional financing from its investors, bank or other credit sources to fulfill its obligations to its customers and clients. If the Monex Securities cannot remedy a capital deficiency, appropriate notices will be filed by Monex Securities with the Regulators and immediately take appropriate steps, including the referral of its customers and clients to its clearing firms, Pershing and MF Global.

MISSION CRITICAL SYSTEMS

Mission Critical Systems - Definition

"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.

Identify Business Systems

Monex Securities and Monex Asset Management will identify the mission critical systems utilized by the Firm in providing services to its clients.

Mission Critical Systems - Assessment

Monex Securities and Monex Asset Management

Monex Securities and Monex Asset Management have primary responsibility for establishing and maintaining its business relationships with customers, and the sole responsibility for maintaining our mission critical functions of order taking and entry. Its mission critical systems include desktop computers, phone systems and Microsoft Outlook.

Pershing

Pursuant to the terms set forth in the clearing contract between Pershing and Monex Securities, Pershing, provides for 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 to the customers of Monex Securities and Monex Asset Management.

The contract between Pershing and Monex Securities provides that Pershing will maintain a business continuity plan and the capacity to execute that plan. Pershing represents that it will advise Monex Securities of any material changes to its plan that might affect the ability of Monex Securities to maintain its business, and a copy of the executive summary of its plan is attached hereto as Attachment C. In the event Pershing executes its plan, it represents that it will notify Monex Securities of such execution and provide Monex Securities with equal access to services as its other customers. If Monex Securities reasonably determines that Pershing has not or cannot put its plan in place quickly enough to meet the needs of Monex Securities, or is otherwise unable to provide access to such services, Pershing represents that it will assist Monex Securities in seeking services from an alternative source.

Pershing represents that: (a) it backs up the records of the Firm at a remote site; and (ii) 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. Additionally, Pershing has confirmed the effectiveness of its back-up arrangements to recover from a wide scale disruption by testing, and it has confirmed that it tests its back-up arrangements at least two times per year.

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. Pershing has the following SBD recovery time and resumption objectives: recovery time period of 4 hours, and resumption time of within the same business day.

MF Global

Pursuant to the terms set forth in the clearing contract between MF Global and Monex Securities, MF Global provides for the execution, comparison, allocation, clearance and settlement of futures and forward transactions, the maintenance of customer accounts, access to customer accounts, and the delivery of funds and commodities to the customers of Monex Securities.

The contract between MF Global and Monex Securities provides that MF Global will maintain a business continuity plan and the capacity to execute that plan. MF Global represents that it will advise us of any material changes to its plan that might affect the ability of Monex Securities to maintain its business, and a copy of the executive summary of its plan is attached hereto as Attachment C. In the event MF Global executes its plan, it represents that it will notify Monex Securities of such execution and provides Monex Securities with equal access to services as its other customers. If Monex Securities reasonably determines that MF Global has not or cannot put its plan in place quickly enough to meet the needs of Monex Securities, or is otherwise unable to provide access to such services, MF Global represents that it will assist Monex Securities in seeking services from an alternative source.

MF Global represents that: (a) it backs up the records of Monex Securities at a remote site; and (ii) 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. Additionally, MF Global has confirmed the effectiveness of its back-up arrangements to recover from a wide scale disruption by testing, and it has confirmed that it tests its back-up arrangements at least every six months.

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. MF Global has the following SBD recovery time and resumption objectives: recovery time period of four hours; and resumption time of within the same business day.

Monex Securities and Monex Asset Management’s Mission Critical Systems

Order Taking

Currently, Monex Securities receives orders from customers in person, via telephone and facsimile. During an SBD, either internal or external, Monex Securities will continue to take orders through any of these methods that are available and reliable, and in addition, as communications permit, Monex Securities will inform its customers when communications become available to tell them what alternatives they have to send their orders to Monex Securities. Customers will be informed of alternatives by whatever methods are available. If necessary, we will advise our customers to place orders directly with Pershing or MF Global at such contact point as Pershing, or MF Global advises the Firm.

Order Entry

Currently, Monex Securities enters non-application orders by recording them on paper and electronically and sending them to our clearing firm electronically or telephonically. We place customer orders for fixed income securities through Bloomberg or directly with the counter party. Once the fixed income orders are executed through Bloomberg or with the counter party, then the orders are entered into the Pershing, system. We have contacted Pershing and MF Global and were told that, under its BCP, resumption of order entry will be within 4 hours.

In the event of an internal SBD, Monex Securities will enter and send records to Pershing or MF Global or by the fastest alternative means available, which include e-mail, telephonically and or facsimile. In the event of an external SBD, the Firm will maintain the order in electronic or paper format, and deliver the order to the clearing firm by the fastest means available when it resumes operations. In addition, during an internal SBD, the Firm may need to refer its customers to deal directly with Pershing or MF Global for order entry.

Order Execution

Monex Securities currently executes orders telephonically and electronically. In the event of an internal or external SBD, we would continue to conduct business from its alternative location.

Monex Securities currently executes fixed income orders by contacting the counter party or entering the order directly on Bloomberg. In the event of an internal SBD or an external SBD, we would contact the counter parties or Bloomberg where available. If Bloomberg is not available, we will contact the counter parties by the fastest means available.

Other Services Currently Provided to Customers

Monex Securities and Monex Asset Management provide no other services to its customers other than those listed in the above sections.

Mission Critical Systems Provided by Clearing Firm.

Monex Securities relies, by contract, on our clearing firms, Pershing and MF Global to provide order execution, order comparison, order allocation, clearance and settlement of securities transactions, futures transactions (MF Global only), maintenance of customer accounts, access to customer accounts, and the delivery of funds and securities.

ALTERNATIVE COMMUNICATIONS BETWEEN THE FIRM AND CUSTOMERS, EMPLOYEES AND REGULATORS

Customers

Monex Securities and Monex Asset Management currently communicates with our customers using the telephone, e-mail, facsimile, U.S. mail, delivery services and in personal visits at Monex Securities and Monex Asset Management's offices or at the customer's location. In the event of an SBD, Monex Securities and Monex Asset Management will assess which means of communication are still available to it, and use the means closest in speed and form, either written or oral, to the means that have been used in the past to communicate with the other party. For example, if Monex Securities and Monex Asset Management have communicated with a party by e-mail but the Internet is unavailable, the Firm will call them on the telephone and follow up where a record is needed with paper copy in the U.S. mail.

Employees

Monex Securities and Monex Asset Management now communicates with its employees using the telephone, e-mail, and in person. In the event of an SBD, Monex Securities and Monex Asset Management will assess which means of communication are still available to it, and use the means closest in speed and form, either written or oral, to the means that have used in the past to communicate with the other party. Monex Securities and Monex Asset Management will also employ a call tree so that senior management can reach all employees quickly during an SBD. With respect to the call tree, a copy of the corporate telephone directory, including home phone numbers and e-mail addresses is attached hereto as Attachment D. The President or his designee shall contact and communicate to all supervisors, who shall be responsible to contact and or communicate to the people that they supervise by telephone, e-mail, messenger, or in person.

Regulators and Regulatory Reporting

Monex Securities is registered as a broker/dealer with the SEC, CFTC various other state regulatory jurisdictions, and is a member of FINRA and the National Futures Association. Monex Asset Management is registered as a investment adviser with the (SEC and notice filed in various other state regulatory jurisdictions). (collectively referred to as "Regulators"). Monex Securities and Monex Asset Management currently communicates with the Regulators using the telephone, e-mail, fax, U.S. mail, delivery services, in person and through third party service providers (including lawyers, accountants and compliance consultants). In the event of an SBD, Monex Securities and Monex Asset Management will assess which means of communication are still available to it, and use the means closest in speed and form, either written or oral, to the means that have been used in the past to communicate with the other party.

With respect to regulatory reporting, Monex Securities and Monex Asset Management currently files reports with the respective Regulators using paper copies in the U.S. mail and delivery services, electronically using facsimile, e-mail, and the Internet, and through service providers who provide access through the same methods. In the event of an SBD, Monex Securities and Monex Asset Management will check with the Regulators to determine which means of filing are still available to it, and use the means closest in speed and form (written or oral) to the previous filing method utilized by Monex Securities and Monex Asset Management. In the event that Monex Securities and Monex Asset Management cannot contact its Regulators, it will continue to file required reports using the communication means available to the Firm. Contact information regarding the Regulators with whom Monex Securities files reports on a regular basis is attached hereto on Attachment E.

CRITICAL BUSINESS CONSTITUENTS, BANKS, AND COUNTER-PARTIES

Business Constituents

Monex Securities and Monex Asset Management have contacted its critical business constituents (businesses with which the Firm has an ongoing commercial relationship in support of its operating activities, such as vendors providing us critical services), and determined the extent to which Monex Securities and Monex Asset Management can continue its business relationship with them in light of the internal or external SBD. Monex Securities and Monex Asset Management will quickly establish alternative arrangements if a business constituent can no longer provide the needed goods or services when needed because of a SBD to them or the Firm. The Critical Business Constituents are set out on Attachment F, including the supplier's name, service and or product, address and phone number and any alternative supplier's name, service, address, and phone number.

Banks

Monex Securities and Monex Asset Management have contacted our banks and lenders to determine if they can continue to provide the services and financing that the Firm may need in light of the internal or external SBD. The bank maintaining our operating account is: JPMorgan Chase, 10410 Highland Manor Drive, Tampa, Florida 33610, Attn: Marisol Leyba Fitzpatrick. Monex Securities does not maintain a Proprietary Account of Introducing Brokers/Dealers (PAIB account) at any bank. If our banks and other lenders are unable to provide the financing, Monex Securities and Monex Asset Management will seek alternative financing immediately from the shareholders of the Firm, Parent Company of the Firm, and or alternative banks and lenders.

Counter-Parties

Monex Securities and Monex Asset Management have contacted its critical counter-parties, such as other broker-dealers or institutional customers, to determine if it will be able to carry out its transactions with them in light of the internal or external SBD. Where the transactions cannot be completed, Monex Securities will work with Pershing and MF Global or contact those counter-parties directly to make alternative arrangements to complete those transactions as soon as possible.

SIGNIFICANT BUSINESS DISRUPTIONS

Internal SBD – Facilities Emergency Evacuation Procedures

Fire Emergency Evacuation Procedures

If an evacuation of any facility is necessary, follow the directions given by Ruben Contreras, the designated Fire Marshals for Monex Securities and Monex Asset Management. If evacuation of the space is necessary because of fire, on hearing the fire alarm bells sounding continuously, employees should:

- Evacuate the building by the nearest available fire exit. As always, if you see or smell smoke, you should proceed to one of the other fire exits. Remember, if you have visitors or contractors with you, instruct them to follow you.
- The arrangements for people with impaired mobility or pregnant women are as follows: A Fire Marshall for Monex will accompany them to the stairwell at either the north or south emergency staircases. They will report this to ground floor reception and to the Building Fire Official at the Assembly Point at the Randalls parking lot. A security guard or fireman will come to the floor to collect them.
- **CLOSE ALL DOORS WITHOUT CAUSING DELAYS**, taking risks or obstructing people behind you.
- **DO NOT** stop to collect personal belongings.
- **DO NOT** use the elevators.
- Leave the building by calmly walking to the Assembly Point.
- **DO NOT** re-enter the building until instructed to do so.

At the Assembly Point, report your presence to any Fire Marshall for Monex Securities and Monex Asset Management, who shall report to the Security Control Point that the facilities occupied by the Firm have been evacuated.

Evacuation for Bombs or Other Threats

If Monex Securities and Monex Asset Management have to evacuate the building facilities because of a bomb or any other threat, we will receive instructions from the building security coordinator to:

- Evacuate the building by an exit route that will be announced if instructions are given to evacuate. Remember, if you have visitors or contractors with you, instruct them to follow you.
- DO NOT turn lights or office equipment, e.g., computers, typewriters, photocopiers ON or OFF. If they are on, leave them on; if they are off, leave them off.
- DO NOT leave handbags/briefcases/etc. behind as they could cause problems for building searches.
- DO NOT use elevators unless instructed to do so by the building security officer or a Fire Marshall for Monex Securities and Monex Asset Management.
- Leave the building by calmly walking to the assembly point where you will receive additional information from the incident control security staff during the evacuation.

At the Assembly Point, report your presence to the Fire Marshall who shall report to the security staff that the facilities occupied by the Firm have been evacuated.

Emergency during Business Hours

All personnel of Monex Securities and Monex Asset Management should follow the standard emergency evacuation procedures above. Further instructions will be given at the designated Assembly Point.

Emergency Outside of Business Hours

In an emergency involving any employees' personal safety, it is the responsibility of every employee to check in and report their whereabouts. You should leave a voicemail on one of the following phone lines:

Jorge Ramos Landero: Home Phone: (281) 814-1187

Office Phone: (713) 877-8234

Jesus Heiras: Home Phone: (832) 474-7710

Office Phone: (713) 877-8234

When leaving the initial message, please include the following information:

- Your name
- Your contact number
- Where you are physically
- Whether you have access to your voicemail and e-mail

EMPLOYEE AWARENESS OF PLAN

Monex Securities and Monex Asset Management will take steps to both educate and increase the awareness of its employee and associated persons with respect to the Firms' Plan, and the current actions being taken to address such issues by the financial services industry and Monex Securities and Monex Asset Management. To this end, Monex Securities and Monex Asset Management will provide access to the Plan to all associated persons of Monex.

NOTIFICATION

In addition to any action taken by the Firm with respect to disruption of its business processes which relate to the ability of Monex to deliver financial services to its customers', Monex will promptly notify the SEC, FINRA and the NFA of any such problems.

DISCLOSURE OF BUSINESS CONTINUITY PLAN

Monex Securities and Monex Asset Management will provide a Business Continuity Plan disclosure statement, in writing, to customers at the time an account is opened (upon being engaged), and annually thereafter for all active customer accounts. Monex Securities and Monex Asset Management will also post the disclosure statement on its Web site, if it implements the use of a Web site, and mail it to customers upon request. The disclosure statement for Monex Securities and Monex Asset Management is attached hereto as Attachment B.

SENIOR MANAGER APPROVAL

In my capacity as the BCP Designated Principal for Monex Securities and Monex Asset Management, I have approved this Business Continuity Plan for Monex Securities and Monex Asset Management, effective as of the date set forth herein, as being reasonably designed to enable the Firm to meet its obligations to customers in the event of an SBD.

Jesus Heiras, BCP Designated Principal

Date

GLOSSARY

Application	A computer program or set of programs designed to help people perform certain types of work.
Assessment	The process of identifying core business areas and processes, completing an inventory and analyzing systems supporting the core business areas, prioritizing their conversion or replacement, identifying risks and the necessary resources.
Business Area	A grouping of business functions and processes that result in the production of specific outputs or services
Business Function	A group of logically related tasks, which when they are performed, accomplish an objective.
Business Continuity Plan	A contingency plan describes the steps a company would take, including the activation of manual or contract processes, to ensure the continuity of its core business processes in the event which causes a business interruption induced system or process failure.
Defect	A problem or "bug" that, if not removed, could cause a program to either produce erroneous results or otherwise fail.
FINRA	Financial Industry Regulatory Authority (f/k/a NASD)
Firm	Monex Securities, Inc.
Infrastructure	The computer and communication hardware, software, databases, people, and policies supporting the company's businesses and operations
Interface	A connection between two business systems or processes. The hardware or software needed to enable one device to communicate with another.
Mission-Critical System	The loss of these critical functions would cause an immediate stoppage or significant impairment to core business areas.
Monex	Monex Securities, Inc.
NASD	National Association of Securities Dealers, Inc.
NFA	National Futures Association
Outsourcing	Paying another company or individual, to provide services that an organization might otherwise have performed itself, (i.e., software development, payroll).

Platform	The foundation technology of a computer system. Typically, a specific combination of hardware and operating system
Regulators	Refers collectively to the SEC, FINRA, NFA and CFTC and various other regulatory entities having jurisdiction over the business activities of Monex.
SBD	Significant Business Disruption
SEC	United States Securities and Exchange Commission
Quality Assurance	The critical review process to guarantee that all procedures, tasks, analysis, and reporting were correctly performed.
Utilities	To a business this could mean several things: computer programs designed to perform maintenance work on the system or on system components, i.e., a storage backup program, a disk or file recovery program, or a resource editor; or the general phrase used to refer to telecommunication, electrical, gas, water and waste management services.

Attachment A

Monex Securities, Inc. and Monex Asset Management Inc.

Business Continuity Plan

Office Locations

The following sets forth a list of all offices of Monex Securities and Monex Asset Management, both registered and unregistered, along with the phone number for each respective location, the means of transportation that employees may use to reach each respective facility, and which mission critical systems, as defined in the Plan, take place at each location.

Office Location #1

Office Location #1 is located at 440 Louisiana, Suite 1500, Houston, Texas 77002. Its main telephone number is (713) 877-8234. Our employees may travel to that office by means of foot, car, bus, and plane. We engage in order taking and entry at this location. Mission critical systems located there include a network server, desktop computers, phone systems and Microsoft Outlook.

Office Location #2

Office Location #2 is located at

Attachment B

Monex Securities, Inc. and Monex Asset Management, Inc. Business Continuity Plan Client Disclosure Statement

Monex Securities, Inc. and Monex Asset Management, Inc. have developed a Business Continuity Plan on 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. With that in mind, we are providing you with this information on our business continuity plan.

Contacting Us – If after a significant business disruption you cannot contact us as you usually do at (713) 877-8234, you should call our alternative number (832) 474-7710. If you cannot access us through either of those means, you should contact our clearing firms, Pershing, LLC at (201) 413-4672 OR www.pershing.com, MF Global at (212) 589-6200 or www.mfglobal.com, for instructions on how they may provide prompt access to funds and securities, enter orders and process other trade-related, cash, and security transfer transactions for your customers.

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 Monex Securities, Inc and Monex Asset Management, Inc to resume operations as quickly as possible, given the scope and severity of the significant business disruption. Our business continuity plan addresses: data back up and recovery; all mission critical systems; financial and operational assessments; alternative communications with customers, employees, and regulators; alternate 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 firms, Pershing, LLC and MF Global backs up our important records in a geographically separate areas. 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 firms that its objective is to restore its own operations and be able to complete existing transactions and accept new transactions and payments within 4 hours. Your orders and requests for funds and securities 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 our Firm, the business district where our Firm is located, the city where we are located, or the whole region. Within each of these areas, the severity of the disruption can also vary from minimal to severe. In a disruption to only our Firm or a building housing Monex Securities, Inc and Monex Asset Management, Inc, we will transfer our operations to a local site when needed and expect to recover and resume business within one day. In a disruption affecting our business district, city, or region, we will transfer our operations to a site outside of the affected area, and recover and resume business within two business days. In either situation, we plan to continue in business, transfer operations to our clearing firms if necessary, and notify you through our customer emergency number, (832) 474-7710 on how to contact us. If the significant business disruption is so severe that it prevents us from remaining in business, we will assure our customer's prompt access to their funds and securities.

For more information – If you have questions about our business continuity planning, you can contact us at (832) 474-7710.

This plan is subject to modification, and customers may alternatively obtain updated summaries by requesting a written copy by mail.

Last Updated: September 1, 2010

Attachment C

Monex Securities, Inc. and Monex Asset Management, Inc.

Business Continuity Plan Executive Summary of the BCP For

Pershing LLC

Business

Continuity

Disclosure

DISCLOSURE REQUIRED BY NEW YORK STOCK EXCHANGE RULE 446(D) Pershing maintains a business continuity plan, including redundant data centers and alternate processing facilities, to address interruptions to its normal course of business. These plans are reviewed annually and updated as necessary. The plans outline the actions Pershing will take in the event of a building, city-wide, or regional incident, including relocating technology and operational personnel to pre-assigned alternate regional facilities. Technology data processing can also be switched to an alternate regional data center. All Pershing operational facilities are equipped for resumption of business and are tested several times per year. Pershing's recovery time objective for business resumption, including those involving a relocation of personnel or technology, is four (4) hours. This recovery objective may be negatively affected by the unavailability of external resources and circumstances beyond our control.

In the event that your financial organization experiences a significant business interruption, you may contact Pershing directly to process limited trade-related transactions, cash disbursements, and security transfers. Instructions to Pershing must be in writing and transmitted via facsimile at (201) 413-5368 or by postal service as follows:

Pershing LLC
P.O. Box 2065
Jersey City, New Jersey 07303-2065

For additional information about how to request funds and securities when your financial organization cannot be contacted due to a significant business interruption, please visit the [Customer Support](#) section or call (201) 413-3635 for recorded instructions. If you cannot access the instructions from the web site or the previously noted telephone number, Pershing may be contacted at (213) 624-6100, extension 500, as an alternate telephone number for recorded instructions.

MF Global Ltd.

MF Global Disaster Recovery Summary

The purpose of this document is to summarize the MF Global Business Continuity and Disaster Recovery plan. The plan is designed to identify the strategies, resources and actions necessary to resume essential business function for critical operational units (departments), in the event of an unplanned disaster or loss of facility. The plan has been developed, documented and exercised to ensure a full business recovery including implementation, course of action and contingency planning.

Dedicated recovery site, regionally located.

Dedicated generators that supply power for continuous operations.

Real-time recovery built for critical applications and servers.

Telecommunication strategy devised to switch both voice and data the building management conducts semi-annual building evacuations and these procedures are also located within the corporate disaster recovery plan. Home-based computer access is available to key MF Global employees.

Our Contingency Planning program includes plan development, plan maintenance and project management.

Plan Development

Plan Development includes plan creation by the corporate disaster recovery coordinator with assistance from each business unit's disaster recovery coordinator.

Each plan's data summary includes the following elements:

1. Processes
2. Supplies
3. Teams
4. Telecommunications
5. Reporting structure
6. Assets

7. Employees
8. Vital records
9. Call lists
10. Workstations
11. Vendors
12. Documents
13. Customers
14. Scripts and procedures
15. Software
16. Exercise results
17. Equipment

Plan Maintenance

Plan Maintenance consists of ongoing maintenance and enhancement activities, including at least two exercises per business unit per year. Additional exercises can be scheduled if the business unit requires it. The Disaster Recovery Coordinator and each business unit recovery team conduct their exercises and make modifications to their plans between exercises.

Project Management

Project Management involves comprehensive project management assistance during the initial and subsequent plan maintenance phases of the project.

The business unit head(s) are responsible for the signoffs on completed and approved disaster recovery plans.

The corporate requires that the Board of Directors sign off on the contingency plans.

MF Global Management team and staff committed to maintaining and improving comprehensive disaster recovery and business continuity planning. The recovery plans are workable documents designed to provide immediate and subsequent recovery from any unplanned business interruption.

The following list covers the type of unplanned business disruptions:

1. Firm-only disruption
2. City-wide business disruption

3. Regional disruption
4. Business district disruption
5. Building only disruption

Registered Office : MF Global Ltd., Clarendon House, 2 Church Street, Hamilton, HM 11,
Bermuda

Attachment D

Monex Securities, Inc. and Monex asset Management, Inc. Business Continuity Plan Corporate Telephone Directory

<u>Employee</u>	<u>Office Phone</u>	<u>Home Phone</u>	<u>Office E-mail</u>
Jorge Ramos Landero	(281) 814-1187	52 55 56 62 8374	jramos@monexusa.com
Jesus Heiras	(713) 877-8234	(713) 937-3024	jheiras@monexusa.com
Paulina Jacoby	(713) 877-8234	(713) 806-2254	pjacoby@monexusa.com
Jose Balcazar	(713) 877-8234	(281) 840-7496	jbalscazar@monexusa.com
Ruben Contreras	(713) 877-8234	(956) 285-5898	rcontreras@monexusa.com
Karina Pantin	(713) 877-8234	(979) 224-0149	kpantin@monexusa.com
Rodolfo Ruiz	(713) 877-8234	(832) 387 8908	r Ruiz@monexusa.com
Benjamin Turquie Sacal	011 52 1 55 55037425		bturquies@gmail.com
Margarita Ortiz	11 52 1 461 126 9941		maortiz_6@prodigy.net.mx

Attachment E

Monex Securities, Inc. and Monex Asset Management, Inc.

Business Continuity Plan Regulator Contact Information

The following sets forth a list of the primary Regulators that Monex Securities and Monex Asset Management submits filings and or reports to on a regular basis, including addresses and phone numbers:

Securities and Exchange Commission

SEC Headquarters
100 F Street, NE
Washington, DC 20549
Phone: (202) 942-8088

Fort Worth Regional Office
Burnette Plaza, Suite 1900
801 Cherry Street, Unit 18
Fort Worth, Texas 76102
Phone: (817) 978-3821

Financial Industry Regulatory Authority

Primary FINRA District:

District 6
12801 N. Central Expressway, Suite 1050
Dallas, Texas 75243
Phone: (972) 701-8554
Fax: (972) 716-7646

Secondary FINRA Districts:

Executive Offices
1735 K Street, N.W.
Washington, DC 20006
Phone: (202) 728-8000

District 5
1100 Poydras Street
Suite 850, Energy Center
New Orleans, LA 70163
Phone: (504) 522-6527
Fax: (504) 522-4077

National Futures Association

300 S. Riverside Plaza, Suite 1800
Chicago, Illinois 60606
Phone: (312) 781-1300
Fax: (312) 781-1467

Focus Filings:

<https://regfiling.finra.org/>

FINRA Web Site:

<http://www.finra.org/default.asp>

NFA

<http://www.nfa.futures.org>

Attachment F

Monex Securities, Inc. and Monex Asset Management, Inc.

Business Continuity Plan State Regulator Contact Information

California

Department of Corporations - Broker/Dealer
Suite 200
1515 K Street
Sacramento, California 95814
Phone Number: (916) 653-7244

New York

State of New York
Investor Protection & Sec. Bureau
120 Broadway, 23rd Floor
New York, New York 10271
Phone Number: (212) 416-8222

Texas

Texas State Securities Board
5th Floor
208 East 10th Street
Austin, Texas 78701
Phone Number: (512) 305-8300

Attachment G

Monex Securities, Inc. and Monex Asset Management, Inc. Business Continuity Plan Critical Business Constituents

Primary Suppliers

The LeGaye Law Firm, P.C.: Compliance Consulting
2002 Timberloch, Suite 200
The Woodlands, Texas 77380
Phone: (281)367-2454
e-mail: dan.legaye@legayelaw.com
Web site: www.legayelaw.com

JPMorgan Chase : Bank Account
10410 Highland Manor Drive,
Tampa, Florida 33610
Contact: Marisol Leyba Fitzpatrick

Federal Express
P.O. Box 94515
Palatine, Illinois 60094-4515

DirecTV
P.O. Box 60036
Los Angeles, California 90060

SBC
P.O. Box 650516
Dallas, Texas 75265-0516

Cingular Wireless
P.O. Box 650574
Dallas, Texas 75265-0574