



Colorado Financial Service Corporation

Business Continuity Plan

A. Emergency Contact Persons

Colorado Financial Service Corporation (CFSC) has two emergency contact persons: Chester Hebert (cell) (720) 201-2073 Chet.Hebert@ColoradoFSC.com and Brian Helmuth (cell) (303) 550-3830 Brian.Helmuth@ColoradoFSC.com. These names will be updated in the event of a material change, and our CEO will review them within 15 business days of the end of each quarter.

Rule: NASD Rule 3520.

B. Firm Policy

CFSC'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.

a. Significant Business Disruptions (SBDs)

Our plan anticipates two kinds of SBDs, internal and external. Internal SBDs affect only CFSC's ability to communicate and do business, such as a fire in our office. 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 on other organizations and systems.

b. Approval and Execution Authority

Chet Hebert CEO, a registered principal, is responsible for approving the plan and for conducting the required annual review. Brian Helmuth, COO has the authority to execute this BCP.

c. Plan Location and Access

CFSC will maintain copies of its BCP plan and the annual reviews, and the changes that have been made to it for inspection. An electronic copy of our plan is located on Denver svr1 N:\Colorado-Financial-Service\BCP\CFSC BCP 1-2009. Additionally a hard copy is kept in CFSC's safe.

C. Business Description

CFSC is a general securities broker-dealer authorized to conduct transactions in investment company products, variable insurance products, municipal securities and municipal security funds, private placement securities as well as individual stocks and bonds through a fully disclosed clearing firm relationship. At current time, we have limited our business to investment company products (mutual funds), variable insurance contracts, and municipal fund securities.

D. Office Location

Our corporate office is located in Centennial, CO.

1. Corporate Office

Our corporate office is located at 88 Inverness Circle East, Suite F-105, Centennial, CO, 80112. Our main phone number is (303) 962-7267. Our employees may travel to the home office via car, light rail, bus or plane. All of the records and systems for CFSC are kept at this location.

2. Branch Offices

Branch Offices are currently located at:

- (1) Group Insurance Analyst 9306 West 58th Avenue, Arvada, CO 80002

E. Alternative Physical Location(s) of Employees

In the event of an SBD, we will move our staff from the affected office(s) to another office(s) in this complex. If the SBD affects this complex, we will move our employees to 7575 E Mineral Drive, Centennial CO 80112. The phone number for this location is (303) 689-9526. If unable to relocate to 7575 East Mineral Drive, we will seek alternate office space geographically remote from Colorado or will cease operations and assist clients with speedy access to funds and securities.

Rule: NASD Rule 3510(c) (6).

F. Customers' Access to Funds and Securities

CFSC does not maintain custody of customer funds, which are maintained at the sponsoring companies. 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 sponsoring company on their behalf. If web access is available, CFSC will post a notice on our web site that customers may access their funds by contacting the sponsoring company directly. The firm will make this information available to customers through its disclosure policy. CFSC does not currently operate a website.

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. CFSC does not hold customer funds or securities.

Rules: NASD Rule 3510(a); Securities Exchange Act Rule 15c3-1; 15 U.S.C. 78eee (2003).

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

CFSC maintains its primary hard copy books and records at 88 Inverness Circle East, Suite F-105, Centennial, CO, 80112. Brian Helmuth COO (303) 962-7267 is responsible for the maintenance of these books and records. CFSC maintains the following document types and forms at this location:

- Customer documents: including Client Account Applications, applications and supporting documents, statements and any other items necessary for the setup and maintenance of the customer account.
- Representative documents including U-4, U-5, Rep agreement, compliance forms and any other items necessary for the setup and maintenance of the representative's file.
- All other documents and files necessary for the proper running of a broker/dealer.

All of the hard copies are also electronically scanned into our software programs (WinOPS and Excel for example) and reside on our internal servers. Once the copies are scanned, they are kept onsite indefinitely until moved to an offsite storage unit.

The firm backs up its electronic records daily to i365 (FKA EVault). All 3 of the servers are backed up nightly and the backups are retained for the last 30 days. In the event of an internal or external SBD that causes the loss of our paper records, we will recover them from our electronic back-up site. For the loss of our servers at our primary location, we will recover the electronic data from i365 (FKA EVault) at our back-up site or an alternate location. Rule: NASD Rule 3510(c) (1).

H. 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 counterparties, and regulators. Although the effects of an SBD will determine the means of alternative communication, the communications options we will employ will include telephones both landlines and, if possible, cellular as well as secure email. 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: NASD Rules 3510(c) (3) & (f) (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 bank 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, including ceasing the conduct of securities business, if necessary.

Rules: NASD Rules 3510(c) (3), (c) (8) & (f) (2).

I. Mission Critical Systems

CFSC's "mission critical systems" are those that ensure prompt and accurate processing of securities transactions as well as the maintenance of customer accounts, and access to customer accounts. More specifically, these systems include:

- a. The WinOPS system which contains all of the customer, representative and product information. Additionally the WinOPS system maintains the orders for customer trades.
- b. Microsoft Office products. These would include Excel and Word.
- c. World Wide Web. We would need to find access to connect with the fund companies.

We have primary responsibility for establishing and maintaining our business relationships with our customers and have sole responsibility for our mission critical functions.

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.

J. Alternate Communications between the Firm and Customers, Employees, and Regulators

A. Customers

We now communicate with our customers using the telephone, e-mail, fax, U.S. mail, and in person visits at CFSC or at other branch locations. 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. For example, if we have communicated with a party by e-mail but the Internet is unavailable, we will call them on the telephone and follow up where a record is needed with paper copy in the U.S. mail.

Rule: NASD Rule 3510(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: **Chet Hebert**

Caller	Call Recipients
Chet Hebert	Senior Management and Independent Contractors
Marlene Hebert	All Corporate Employees not in Commissions or Accounting
Brian Helmuth	All Commission and Accounting Employees

Rule: NASD Rule 3510(c) (5).

C. Regulators

We are currently members of the following self regulatory organizations: Financial Industry Regulatory Authority (FINRA) and Securities Investors Protection Corporation (SIPC). We communicate with our regulators 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: NASD Rule 3510(c)(9).

K. Critical Business Constituents, Banks, and Counter-Parties

Business constituents

We have contacted our critical business constituents (businesses with which we have an ongoing 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 CFSC. Our major suppliers are:

- a. Chris Kutensky IT support 4590 S Lipan Street Englewood, CO 80110 (303) 717-3470
ckutensky@tspone.com
- b. Techmate providers of WinOPS software PO Box 749 Morrison, CO 80465 (303) 985-9956
techmate@opsplus.com
- c. EVault backup software 6121 Hollis Street Suite 2 Emeryville, Ca 94608 (510) 903-7223 Amy Cebrian Acct Mgr Amy.Cebrian@i365.com

Rules: NASD Rule 3510(c)(7).

Banks

We have contacted our banks and lenders to determine if they can continue to provide the financing that we will need in light of the internal or external SBD. The bank maintaining our operating account is: Citywide Bank, PO Box 128, Aurora, CO 80040-0128, (303) 365-3650. If our banks and other lenders are unable to provide the financing, we will seek alternative financing immediately from our parent company and its owners. If additional financing is not available we will notify the regulators and cease conducting a securities business.

Rules: NASD Rule 3510(c)(7).

Counter-Parties

We currently have no counter parties.

Rules: NASD Rules 3510(a) &(c)(7).

d. Regulatory Reporting

CFSC is subject to regulation by: SEC, FINRA and the State of Colorado. We are now filing electronically using fax, e-mail, and the Internet. In the event of an SBD, we will check with the SEC, FINRA, and the State of Colorado 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. Our designated examining authority is FINRA, District 3, 370 17th Street, Suite 2900, Denver, Colorado 80202 303-446-3100.

Rule: NASD Rule 3510(c)(8).

e. Disclosure of Business Continuity Plan

We provide in writing a BCP disclosure statement to customers at account opening and annually. We mail it to customers upon request.

Rule: NASD Rule 3510(e).

f. Updates and Annual Review

CFSC will update this plan whenever we have a material change to our operations, structure, or business or location. In addition, CFSC will review this BCP annually, on or before January 31, for any changes in our operations, structure or business. We will modify the plan accordingly.

Rule: NASD Rule 3510(b).

g. Senior Manager Approval

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

Signed: _____

Name: Chester Hebert
Title: Chief Executive Officer
Date: January 5, 2009