

BUSINESS CONTINUITY PLAN DISCLOSURE DOCUMENT

The purpose of this disclosure is to describe the manner in which Scotia Capital (USA) Inc.'s ("SCUSA" or the "Firm") Business Continuity Plan (the "Plan") addresses the possibility of a prospective significant business disruption and how SCUSA would respond to business interruptions of varying severity and scope including Firm-only, single building, business district, city-wide, and regional disruptions. This disclosure is being provided to you pursuant to FINRA Rule 4370(e).

SCUSA has developed a Plan that identifies procedures relating to an emergency or significant business interruption that are reasonably designed to enable SCUSA to meet its existing obligations to customers.

Under the terms of the Plan, in the event of (i) a Firm-only business interruption, (ii) a disruption involving our office buildings in New York, NY, (iii) a business district disruption, or (iv) a city-wide disruption, SCUSA has the ability and intention to relocate its core operations, including, Sales, Trading, Origination and back-office support functions, to a facility in New Jersey or, with respect to all other U.S. offices (Houston, TX and San Francisco, CA), to work remotely from home through a virtual private network (VPN) connection. In the case of a region-wide business interruption SCUSA has made arrangements with its affiliate, Scotia Capital Inc. ("SCI"), and will seek to service its clients from SCI's main office in Toronto, Ontario, Canada. In each of the foregoing scenarios, it is SCUSA's plan to continue business; however, the lengths of delays in service will vary depending on the degree of the severity of interruption.

The Plan is designed to enable SCUSA to resume its business activities as soon as practicable given the severity of a particular interruption.

Except in the event of a regional disruption or an unforeseen event, the Plan contemplates and is designed to enable customers to reach their account representatives at their current telephone number, e-mail address or through Bloomberg. In the event of a regional disruption or an unforeseen development, the Plan contemplates that up-to-date alternate contact information will be posted on the following website, www.gbm.scotiabank.com.

The major features of the Plan are as follows:

1. The back-up facility in New Jersey is available for utilization 24 hours a day, seven days a week and contains the systems and equipment necessary for SCUSA to conduct its critical business activities.
2. Critical employees have been advised of the location of the back-up facility and

have been provided with detailed procedures and instructions for proceeding to the backup facility.

3. All employees have been equipped with technology to work from home and connect to systems through VPN.
4. An emergency messaging system is in place and designed to facilitate communication during a business interruption.
5. Systems, records, and files reside on backup networks dispersed across the U.S..
6. SCUSA tests the Plan periodically in accordance with the Plan's testing procedures, and key personnel visit the site periodically to ensure that readiness is maintained.

SCUSA's Plan is subject to modification as circumstances dictate. If you have any questions concerning this disclosure document, please contact your account representative.