FIRST PRINCIPLES CAPITAL MANAGEMENT, LLC

140 Broadway, 18th Floor
New York, NY 10005
212-380-2282
212-380-2290

First Principles Capital Management, LLC (Registered Investment Advisor) and FPCM Securities, LLC (Broker-Dealer), (collectively "FPCM" or the "Firm") are committed to safeguarding the interests of our clients in the event of an emergency or significant business disruption ("SBD"). Our policy is to respond to an SBD in a manner that prioritizes the immediate safety of our employees, preservation of the Firm's property, and a quick recovery in order to meet the business needs of our clients.

The purpose of this letter is to provide you with very important information about our Business Continuity Plan ("BCP") so that you are aware of what you need to do to in the event that our firm experiences a business disruption. As a result of our ever-changing and evolving world, it has become necessary for firms in the financial services industry to take steps to ensure their preparedness to meet customer needs and resume regular business operations in a timely manner in the event of an SBD.

FPCM's BCP addresses advance preparations and actions to be taken in response to SBDs that vary in severity and scope and that may occur on an internal or external level. An internal SBD, such as a fire in our building, would only affect the Firm's ability to conduct its normal business. An external SBD, such as an earthquake, regional power outage, or terrorist attack, would affect the operations of several firms or the financial markets as a whole.

In the event of an SBD where the Firm's office becomes inoperable, FPCM will shift its operations to its designated back-up facility, which is equipped with sufficient resources to support critical business operations. Telephone service would be re-routed to this site. FPCM's network is backed up daily to two different geographical locations from the main office and procedures are in place to access the back-up files and implement them promptly in order to assure the least possible impact on our clients. FPCM is generally prepared to restore critical business functionality at the alternate site within 24 - 72 hours after declaration of an SBD. Employees are also equipped to work from home during any periods of disruption.

At FPCM, we deeply value the relationships we have built with our clients and we strive to meet their changing needs in any business climate. Our BCP is reviewed at least annually to ensure it accounts for technology, business and regulatory changes, operations, structure and location. It is not the intent of this document to assure our clients that there will be no impact on them whatsoever in the event that FPCM is affected by an SBD. Rather, we wish to convey the fact that we have developed procedures for varying types of possible SBDs, which will allow us to address the effects on our firm on a variety of levels, manage those effects, and utilize our alternate arrangements in a manner that we expect will minimize client impact. In our procedures, we stress the importance of maintaining communication with our clients through as many media as possible so that we may continue to meet their needs and transact business in as smooth a fashion as is possible under whatever circumstances may have arisen.

You may obtain a current copy of this notice upon request by contacting us at:
First Principles Capital Management, LLC
140 Broadway, 18th Floor
New York, NY 10005
Phone: (212) 380-2280
Fax: (212) 380-2290