

FORTUNE SECURITIES, INC. PRIVACY POLICY

At Fortune Securities, Inc, we are committed to maintaining the confidentiality, integrity and security of your personal information. When we collect and use the information provided about you, steps are taken to safeguard that information.

Information We Collect

In connection with providing you with investment products, financial advice, or other services, we obtain nonpublic personal information about you in the following manner:

- information received from you on applications and other related documents;
- information about your transactions with us and other interested parties, including your financial adviser; and
- information from credit or service bureaus and/or other third parties.

Information We Disclose

We will not disclose information regarding you or your account with us except under the following circumstances:

- a request by your financial consultant and/or his or her manager;
- to establish or maintain an account with an unaffiliated third party, such as an introducing and clearing broker-dealer providing services to you and/or Fortune Securities, Inc.;
- to government entities or other third parties in response to subpoenas or other legal process as required by law;
- as authorized by you, to send your account statements and trade confirmations to a third party.

Our Security Policy

Only those individuals who need it to perform their jobs are authorized to have access to confidential client information. We maintain physical, electronic and procedural security measures that comply with applicable state and federal regulations to safeguard confidential client information.

Closed or Inactive Accounts

If you decide to close your account(s) or become an inactive customer, we will adhere to the privacy policies and practices as described in this notice.

BUSINESS CONTINUITY PLAN INFORMATION

Fortune Securities, Inc. ("Fortune") has developed a plan to provide for business continuity Plan ("BCP") in the event that business is disrupted. The Continuity Plan addresses all critical business processes, including providing clients with the ability to buy and/or sell and providing access to securities and funds.

Fortune has developed a BCP to respond to a significant business disruption by safeguarding employees' lives and firm property, making a financial and operational assessment, quickly recovering and resuming operations, protecting all our books and records, and allowing its customers to transact business. Our BCP address: data back-up and recovery; financial and operational assessment; mission critical systems; alternative communications with customers, employees and regulators; alternate physical location of employees, critical business constituents, banks and counter-parties impact; regulator reporting; and assuring our customers prompt access to their funds and securities if we are unable to continue our business.

The BCP addresses two kinds of business disruptions, internal and external. If a disruption occurs to the extent applicable, we will transfer our operations to a remote site when needed. Our response to an external business disruption relies more heavily on other organizations and systems, especially on our clearing firm. If necessary, we will notify you through our website or our business phone number. If the significant business disruption is so severe that it prevents us from remaining in business, we will ensure our customer's prompt access to their funds and securities through our clearing firm.

Fortune's clearing firm will be notified of any business disruption involving Fortune. In the event of a disruption, our clearing firm contact information will be posted on our website. Customers may keep up to date on any Fortune business disruption by accessing Fortune's website.

MARGIN RISKS DISCLOSURE STATEMENT
For margin customers and those customers who may be considering using margin

As your brokerage firm, we are furnishing this document to you to provide some basic facts about purchasing securities on margin, and to alert you to the risks involved with trading securities in a margin account. You should carefully review the margin agreement provided by us. Consult your investment executive or our management regarding any questions or concerns you may have with your margin account(s).

When you purchase securities, you may pay for the securities in full or you may borrow part of the purchase price for marginable securities. If you choose to borrow funds, you will open a margin account. The securities purchased are the firm's collateral for the loan to you. If the securities in your account decline in value, so does the value of the collateral supporting your loan, and, as a result, the firm can take action, such as issue a margin call and/or sell securities or other assets in any of your accounts, in order to maintain the required equity in the account.

It is important that you fully understand the risks involved in trading securities on margin. These risks include the following:

You can lose more funds than you deposit in the margin account. A decline in the value of securities that are purchased on margin may require you to deposit additional funds to your account to avoid the forced sale of those securities or other securities or assets in your account(s).

The firm can force the sale of securities or other assets in your account(s). If the equity in your account falls below the maintenance margin requirements or the firm's higher "house" requirements, the firm can sell the securities or other assets in your account(s) to cover the margin deficiency. You also will be responsible for any short fall in the account after such a sale.

The firm can sell your securities or other assets without contacting you. Some investors mistakenly believe that a firm must contact them for a margin call to be valid, and that the firm cannot liquidate securities or other assets in their accounts to meet the call unless the firm has contacted them first. This is not the case. Most firms will attempt to notify their customers of margin calls, but they are not required to do so. However, even if a firm has contacted a customer and provided a specific date by which the customer can meet a margin call, the firm can still take necessary steps to protect its financial interests, including immediately selling securities without notice to the customer.

You are not entitled to choose which securities or other assets in your account(s) are liquidated or sold to meet a margin call. Because the securities are collateral for the margin loan, the firm has the right to decide which securities to sell in order to protect its interests.

The firm can increase its "house" maintenance margin requirements at any time and is not required to provide you advance written notice. These changes in firm policy often take effect immediately and may result in the issuance of a maintenance margin call. Your failure to satisfy the call may cause the firm to liquidate or sell securities in your account(s).

You are not entitled to an extension of time on a margin call. While an extension of time to meet margin requirements may be available to customers under certain conditions, a customer does not have a right to the extension.