

MICHIGAN SECURITIES INC. AND

MICHIGAN ADVISORS INC.

Business Continuity Plan (BCP)

I. Emergency Contact Persons

Michigan Securities Inc. emergency contact persons are: Sandra Rayba, President, 313-320-4101 or 517-383-2212, sandra.rayba@michsecadv.com, Daniel McWilliams, 810-523-3825 or 586-795-4123, daniel.mcwilliams@michsecadv.com, and Leanna Kavanagh, 248-652-1096, leanna.kavanagh@michsecadv.com. These names will be updated in the event of a material change and will be reviewed annually by Sandra J. Rayba President of Michigan Securities Inc.

II. Firm Policy

Our firm'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 and securities.

A. Significant Business Disruptions (SBDs)

Our plan anticipates two kinds of SBDs, internal and external. Internal SBDs affect only our firm's ability to communicate and do business, such as a fire in our 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. Our response to an external SBD relies more heavily on other organizations and systems, especially on the capabilities of our clearing firm.

B. Approval and Execution Authority

Sandra J. Rayba, a registered principal, is responsible for approving the plan and for conducting the required annual review. Sandra J. Rayba, President has the authority to execute this BCP.

C. Key Personnel

In the event of the death or unavailability of any key personnel, the firm has registered persons who are qualified to assume the duties of the firm in order to maintain the financial and operational needs of Michigan Securities Inc. and Michigan Advisors, Inc.

D. Plan Location and Access

Our firm 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 three computers under the file name MSIBUSINESSCONTINUITYPLAN and also stored in Yahoo mail.

III. Business Description

Our firm conducts business in equity, fixed income, mutual funds, and annuities. Our firm is an introducing firm and does not perform any type of clearing function for itself or others. Furthermore, we do not hold customer funds or securities. We accept and enter orders. All transactions are sent to our clearing firm, which executes our orders, compares them, allocates them, clears and settles them. Our clearing firm also maintains our customers' accounts, can grant customers access to them, and delivers funds and securities. Our firm services retail and institutional customers.

Our clearing firm is National Financial Services, LLC., 200 Seaport Blvd., Z2r Boston MA. 02110, www.nationalfinancial.com. Marcelle Estriplet, marcelle.estriplet@fmr.com, 212-335-5614 is our relationship manager at National Financial Services LLC. Our clearing firm has also given us the following alternative contact in the event it cannot be reached: Nancy Harris, 1 North LaSalle Suite 900, Chicago, IL 60602, 1-312-529-2309, nancy.harris@fmr.com.

IV. OFFICE LOCATIONS

A. Main Office

Our Main office is located at 21415 Civic Center Drive, Suite 200, Southfield Mi, 48076. Its main telephone number is 1-248-358-4393. Our employees may travel to the office by means of foot, car, or bus. We engage in order taking and entry at this location.

V. Alternative Physical Location(s) of Employees

In the event of an SBD, we will move our administrative/operations staff from affected offices to the closest of our unaffected office locations.

VI. Customers' Access to Funds and Securities

Our firm does not have custody of customers' funds or securities. National Financial Services, our clearing firm, maintains custody of our customer's funds and securities. 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 our clearing firm on their behalf. The firm will make this information available to customers.

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.

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

Our firm maintains its primary hard copy books and records and its electronic records at 21415 Civic Center Dr. Suite 200, Southfield Mi, 48076. Sandra Rayba is responsible for the maintenance of these books and records. Our firm maintains no documents that are not transmitted to our clearing corp. All documents can be recreated with the information on file at NFS, LLC.

In the event of an internal or external SBD that causes the loss of our paper records, we will physically recover them from our back-up site. If our primary site is inoperable, we will continue operations from our back-up site or an alternate location. For the loss of electronic records, we will either physically recover the storage media or electronically

recover data from our back-up site, or, if our primary site is inoperable, continue operations from our back-up site or an alternate location.

VIII. 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 mail, e-mail, phone, cell phones. In addition, we will retrieve our key activity records as described in the section above, Data Back-Up and Recovery (Hard Copy and Electronic).

B. Financial and Credit Risk

Financial risk involves the firm's ability to fund operations and maintain adequate financing and sufficient capital. The firm also may face credit risk (where its investments may erode from the lack of liquidity in the broader market), which would also hinder the ability of the firm's counterparties to fulfill their obligations.

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 clearing firm, critical banks, and investors to apprise them of our financial status. If we determine that we may be unable to meet our obligations to those counterparties or otherwise continue to fund our operations, we will request 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.

IX. Mission Critical Systems

Our firm's "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. All functions are controlled by our clearing corp.

We have primary responsibility for establishing and maintaining our business relationships with our customers and have sole responsibility for our mission critical functions of order taking and entering. Our clearing firm provides, through contract, the comparison, allocation, clearance and settlement of securities transactions, the maintenance of customer accounts, access to customer accounts, and the delivery of funds and securities.

Our clearing firm contract provides that our clearing firm will maintain a business continuity plan and the capacity to execute that plan. Our clearing firm represents that it will advise us of any material changes to its plan that might affect our ability to maintain our business and presented us with an executive summary of its plan, which is attached. In the event our clearing firm executes its plan, it represents that it will notify us of such execution and provide us equal access to services as its other customers. If we reasonably determine that our clearing firm has not or cannot put its plan in place quickly enough to meet our needs or is otherwise unable to provide access to such services, our clearing firm represents that it will assist us in seeking services from an alternative source.

Our clearing firm represents that it backs up our records at a remote site. Our clearing firm represents that 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. Our clearing firm has also 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 periodically.

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. Our clearing firm will work diligently to have the recovery time and resumption objectives within 4 hours of, or within the same business day, of any SBD. Because the nature of any SBD can be unpredictable these timeframes for systems availability cannot be guaranteed.

A. Our Firm's Mission Critical Systems

1. Order Taking

Currently, our firm receives orders from customers via telephone or in person. During an SBD, either internal or external, we will continue to take orders through any of these methods that are available and reliable, and in addition, as communications permit, we will inform our customers when communications become available to tell them what alternatives they have to send their orders to us. Customers will be informed of

alternatives by phone or mail. If necessary, we will advise our customers to place orders directly with our clearing firm at NFS, LLC.

2. Order Entry

Currently, our firm enters orders by recording them electronically and sending them to our clearing firm electronically.

In the event of an internal SBD, we will enter and send records to our clearing firm by the fastest alternative means available, which include overnight mail and email. In the event of an external SBD, we 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, we may need to refer our customers to deal directly with our clearing firm for order entry.

3. Order Execution

We currently execute orders by entering them electronically. In the event of an internal SBD, we would contact our clearing firm for the most convenient way to enter orders. In the event of an external SBD, we would contact our clearing firm from a remote location.

B. Mission Critical Systems Provided by Our Clearing Firm

Our firm relies, by contract, on our clearing firm to provide order execution, order comparison, order allocation, and the maintenance of customer accounts, delivery of funds and securities, and access to customer accounts.

X. Alternate Communications Between the Firm and Customers, Employees, and Regulators

A. Customers

We now communicate with our customers using the telephone, e-mail, our Web site, fax, U.S. mail, and in person visits at our firm or at another location. 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.

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.

The person to invoke use of the call tree is: Sandra J. Rayba

Caller	Call Recipients
<i>Sandra Rayba</i>	<i>Leanna Kavanagh, Dan McWilliams</i>
	<i>Will divide employees up and call</i>

C. Regulators

We are currently members of the following SROs: FINRA. 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.

XI. Critical Business Constituents, Banks, & Counterparties

A. Business constituents

We have contacted our critical business constituents (businesses with which we have an ongoing commercial 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 our firm.

B. Banks

The bank maintaining our operating account is: Level One Bank, 329091 Hamilton Ct., Farmington Hills, MI 48334, 248-737-0300. Our Proprietary Account of Introducing Brokers/Dealers (PAIB account) is maintained with our clearing firm, National Financial Services LLC. If any financing is needed in the event of a SBD we will contact our primary bank.

C. CounterParties

Critical counterparties, such as other broker-dealers or institutional customers, will be contacted in light of an internal or external SBD to determine if we will be able to carry out our transactions with them. Where the transactions cannot be completed, we will work with our clearing firm or contact those counterparties directly to make alternative arrangements to complete those transactions as soon as possible.

XII. Regulatory Reporting

Our firm is subject to regulation by FINRA. We now file reports with our regulators using paper copies by overnight mail, and electronically using fax, e-mail, and the Internet. In the event of an SBD, we will check with the SEC, FINRA, and other regulators 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. Daniel Opalka is our FINRA contact.

XIII. Disclosure of Business Continuity Plan

We provide a copy of the Michigan Securities Inc. Business Continuity Plan to customers at account opening. We will mail a copy of the BCP disclosure statement to customers upon request.

XIV. Updates and Annual Review

Our firm will update this plan whenever we have a material change to our operations, structure, business or location or to those of our clearing firm. In addition, our firm will review this BCP annually to modify it for any changes in our operations, structure, business, or location or those of our clearing firm.

XV. Senior Manager Approval

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

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SIGNED: _____

PRINTED NAME: _____

TITLE: _____

DATE: _____

