

BUSINESS CONTINUITY DISCLOSURE STATEMENT

American Portfolios Financial Services, Inc. (APFS) and American Portfolios Advisors, Inc. (APA) are providing you with this document to inform you of its ability to respond to certain business disruptions at your financial professional's local office or at the main office of American Portfolios (AP). Your financial professional is associated with American Portfolios and, as a result, all transactions that you place through him or her are processed through American Portfolios systems. American Portfolios' ability to respond to business disruptions is therefore important to your relationship with your financial professional.

In general, American Portfolios maintains a business continuity plan and intends to continue business in the event of a significant business disruption. American Portfolios is an introducing broker-dealer and, as such, it relies on its correspondent clearing firm to perform certain functions on its behalf, including the execution of securities transactions and the maintenance of customer funds and securities. Accordingly, American Portfolios' ability to respond to certain business disruptions is partially dependent on the clearing firm.

In the event of a significant business disruption at either the local or main office, American Portfolios may route calls to an office location in a separate geographic location and, if necessary, transfer operations to a facility maintained by a third-party vendor. Although American Portfolios intends to continue business in the event of a significant business disruption, there are some disruptions that may render the Firm or your financial professional unable to continue business. Under such circumstances, American Portfolios will ensure that clients will be able to access their funds and securities within a reasonable time.

To provide clients with up-to-date information during a significant business disruption to your financial professional's local office or the main office of American Portfolios, clients may call the firm in Holbrook, N.Y., at (631) 439-4600 or visit the website at www.americanportfolios.com.

I. American Portfolios' Response to Events of Varying Scope

The following sections describe specific events and American Portfolios' corresponding general response to those events. Clients, however, should note that these responses are subject to modification and, depending on the severity of a specific event, American Portfolios cannot guarantee that it will be able to follow the stated course of action. If these responses are modified, American Portfolios will post the updated disclosure statement on its website. In the alternative, you may request from your financial professional that the Firm send you, by mail, a copy of the updated disclosure statement.

Under the following scenarios, American Portfolios intends to continue its business:

A. A Disruption to a Single Building or Firm-Only Business Disruption

These disruptions may be caused by physical damage, technology problems or an inability to have personnel arrive at an office. In the event there is a significant business disruption to a single building or the firm's internal primary systems, American Portfolios may, if necessary, transfer its operations or route incoming calls to another office in a separate geographic location. From this separate location, American Portfolios will accept client orders. In this process, clients may experience a minor delay in reaching the firm due to increased client calls, technology delays or other minor difficulties arising from the transfer of operations. American Portfolios expects that operations could be disrupted for up to one (1) hour. If American Portfolios' trading platform is affected, there may be a more significant delay. American Portfolios, however, will be able to place order outside the trading platform.

Securities and investment advisory services are offered through American Portfolios Financial Services, Inc., broker-dealer, registered investment advisor, and member of FINRA and SIPC. American Portfolios Financial Services, Inc. is separately owned and other entities and/or marketing names, products or services referenced here are independent of American Portfolios Financial Services, Inc.

B. A Business-District, Citywide or Regional Disruption

In the event there is a significant business disruption that affects the business district, city or region where any of the firm's primary systems are located, American Portfolios may, if necessary, transfer its operations or route incoming calls to another office in a separate geographic location. In this process, clients may experience a minor delay in reaching the firm due to increased client calls, technology delays or other minor difficulties arising from the transfer of operations. If the disruption is significant, American Portfolios may transfer its operations to a third-party service provider. In addition, if the clearing firm is affected by the business-district, citywide or regional disruption, clients may experience additional delays. Nevertheless, American Portfolios expects that operations could be disrupted for up to four (4) hours.

II. Our Clearing Firm May be Contacted in Limited Situations

In the unlikely event that, American Portfolios is unable to continue business, clients may directly contact Pershing, LLC ("Pershing"), the clearing firm, to process limited trade-related transactions, cash disbursements and security transfers. Instructions to Pershing must be in writing and transmitted via facsimile or postal service as follows:

Pershing, LLC
P.O. Box 2065
Jersey City, New Jersey 07303-2065
Fax: (201) 413-5368

For additional information about how to request funds and securities when American Portfolios cannot be contacted due to a significant business interruption, please refer to the information below or call (201) 413-3635 for recorded instructions. If you cannot access the instructions from the previously-noted telephone number, Pershing may be contacted at (213) 624-6100, ext. 500, as an alternative telephone number for recorded instructions.

Through the clearing firm, you may process the following transactions:

A. Trades

Pershing will process the following closing security trades: (1) sale of security position held long in your account or (2) purchase of a security to close-out a short security position. These orders will only be handled as market orders.

In order to place these specific orders, you must provide Pershing with the following information:

1. Your brokerage account number;
2. Your name (as registered on the brokerage account);
3. Security description, including symbol or CUSIP number; and
4. Number of shares.

B. Cash Disbursements

Pershing will process cash disbursements upon written instructions that must include the following information:

1. Your brokerage account number;
2. Your name (as registered on the brokerage account);
3. Exact amount to be disbursed; and
4. Indicate method of disbursement (as follows) and provide the information indicated:
 - a) For a **check**, which is payable to account name only, indicate name and address of record check is to be mailed to.
 - b) For **federal funds**, please indicate receiving bank name, ABA number and receiving bank account number. Please note that the receiving bank account name and brokerage account name must be identical unless we have a letter of authorization on file indicating alternative instructions.

C. Securities Transfers

Pershing will process security transfer requests upon written instructions that must include the following information:

1. Your brokerage account number;
2. Your name (as registered on the brokerage account);
3. Description of security(ies) to be transferred, including symbol(s) or CUSIP number(s);
4. Quantity to be transferred; and
5. Receiving account information for securities, as follows:
 - a) In order to transfer your account to another brokerage account at Pershing, please provide receiving account number at Pershing (name and address on both accounts must be the same).
 - b) In order to transfer your account to another financial organization, please also provide the following information:
 - Name of the receiving financial organization;
 - DTC number (if the receiving financial organization is a registered broker-dealer); and
 - Account number at the receiving financial organization.

III. Variable Product Holding and Certain Mutual Fund Holdings

The firm does not place its variable annuity transactions through its clearing firm; rather, transactions are placed directly through the variable annuity provider. Accordingly, in the unlikely event that American Portfolios is unable to continue business, clients may directly contact their variable annuity provider—as indicated on their periodic account statements—to process limited trade-related transactions. Certain mutual fund transactions also may not be placed through the clearing firm. If this is the case, in the unlikely event that American Portfolios is unable to continue business, clients may directly contact their mutual fund provider—as indicated on their periodic account statements—to process limited trade-related transactions. Please contact your representative to determine whether your mutual fund transactions are placed through American Portfolios' clearing firm or directly through a mutual fund provider.