

Gage-Wiley & Co., Inc.
Business Continuity Plan (BCP)

I. Emergency Contact Persons

Our firm's two emergency contact persons are: Christopher B. Milne, President & Firm Principal (413) 584-9121, cmilne@gagewiley.com and Judith A. Reynolds, Vice President & Firm Principal (413) 584-9121 jreynolds@gagewiley.com These names will be updated in the event of a material change, and our Executive Representative will review them within 17 business days of the end of each quarter.

Rule: NASD Rule 3520.

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, First Clearing Corporation.

B. Approval and Execution Authority

Christopher Milne, President, a registered principal, is responsible for approving the plan and for conducting the required annual review. Christopher B. Milne, President, has the authority to execute this BCP.

C. 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. We have given FINRA District 11 in Boston, MA a copy of our plan. An electronic copy of our plan is located on the server 'GW_WFBS'(G:) in the File G:jreynolds/winword/compliance/Business Continuity Plan and in the BCP Repository Service.

III. Business Description

Our firm conducts business in equity, fixed income, and mutual fund securities. 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. We do not engage in any private placements.

Our clearing firm is First Clearing, LLC 1 North Jefferson Avenue, St. Louis, Missouri 63103 (800) 727-0304, www.firstclearing.com and our contact person at that clearing firm is Michael Santana (314) 955-8310, michael.santana@firstclearing.com. Our clearing firm has also given us the following alternative telephone number (314) 955-2275 and contact Ken Kaufman ken.kaufman@firstclearing.com

IV. Office Location

Our Firm's office is located in Northampton MA at 120 King Street. Its main telephone number is (413) 584-9121. Our employees may travel to that 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 staff from the affected office to 119 Prospect Street, Northampton, MA (413) 587-9322.

Rule: NASD Rule 3510(c)(6).

VI. Customers' Access to Funds and Securities

Our firm does not maintain custody of customers' funds or securities, which are maintained at our clearing firm, First Clearing, LLC. 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, and if our Web access is available, our firm will post on our Web site that customers may access their funds and securities by contacting First Clearing, LLC 1 North Jefferson Avenue, St. Louis Missouri 63103 (800) 727-0304, www.firstclearing.com. The firm will make this information available to customers through its disclosure policy.

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.

Rules: NASD Rule 3510(a); Securities Exchange Act Rule 15c3-1; 15 U.S.C. 78eee (2003).

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 120 King Street, Northampton, MA. Christopher B. Milne, President (413) 584-9121 is responsible for the maintenance of these books and records. Our firm maintains the following document types and forms that are not transmitted to our clearing firm: New Account Forms, and Discretionary Forms.

Our firm provides off site replication of all servers and electronic data in a secure colocation site located at Crocker Colocation Data Facility, One Federal Street, BLDF 102-2L, 2nd Floor, Springfield, MA 01105-1792. This facility is maintained by Crocker Communications whose main number is (413) 772-1800. If our primary site is inoperable, this replication is available via an encrypted VPN tunnel and will allow us to continue operations from our back up site or alternate location.

Rule: NASD Rule 3510(c)(1).

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 counter-parties, and regulators. Although the effects of an SBD will

determine the means of alternative communication, the communications options we will employ will include our web site and telephone voice mail. In addition, we will retrieve our key activity records as described in the section above, Data Back-Up and Recovery (Hard Copy and Electronic).

Rules: NASD Rules 3510(c)(3) & (f)(2).

B. Financial and Credit Risk

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 counter-parties or otherwise continue to fund our operations, we will request additional 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.

Rules: NASD Rules 3510(c)(3), (c)(8) & (f)(2).

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.

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 entry. Our clearing firm provides, through contract, the 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.

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 on an annual basis.

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 has the following SBD recovery time and resumption objectives: FCC has established a recovery site approximately 150 miles from its headquarters that can be used to restore time sensitive functions as soon as key employees are relocated to the facility.

A. Our Firm's Mission Critical Systems

1. Order Taking

Currently, our firm receives orders from customers via telephone/in person visits by the customer. 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 Website, telephone or mail. If necessary, we will advise our customers to place orders directly with our clearing firm First Clearing LLC.

2. Order Entry

Currently, our firm enters orders by recording them on paper and electronically and sending them to our clearing firm electronically or telephonically. 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 telephone or fax. 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. Other Services Currently Provided to Customers

In addition to those services listed above, in this section we also accept client requests for cash withdrawals and account changes. In the event of an internal or external SBD, we would direct the client to our clearing firm First Clearing LLC.

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.

Rules: NASD Rules 3510(c) & (f)(1).

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 the other's 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.

Rule: NASD Rule 3510(c)(4).

B. Employees

We now communicate with our employees using the telephone, fax, 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. We have identified persons, noted below, who live near each other and may reach each other in person:

The person to invoke use of the call tree is: Christopher B. Milne

Caller	Call Recipients
<i>Christopher Milne</i>	<i>Judy Reynolds, Jane Moss, Judeth Rainville</i>
<i>Judy Reynolds</i>	<i>Jane Milanczuk, Michelle Borawski</i>
<i>Jane Moss</i>	<i>Ted Pennock, Sylvia Callan</i>
<i>Judeth Rainville</i>	<i>Elizabeth Roberts, Joshua Bedell</i>

Rule: NASD Rule 3510(c)(5).

C. Regulators

We are currently members of the following SROs: FINRA. We communicate with our regulators using the telephone, e-mail, fax, U.S. 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.

Rule: NASD Rule 3510(c)(9).

XI. Critical Business Constituents, Banks, and Counter-Parties

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 [or we have entered into a supplemental contract with certain critical business constituents to provide such services].

Rules: NASD Rule 3510(c)(7).

B. Banks

We have contacted our banks and lenders to determine if they can continue to provide the financing that we will need in light of the internal or external SBD. The bank maintaining our operating account is: Florence Savings Bank 85 Main Street Florence, MA 01062 (413) 586-1300, Sandra Smith. The bank maintaining our Proprietary Account of Introducing Brokers/Dealers (PAIB account) is Florence Savings Bank 85 Main Street Florence, MA 01062 (413) 586-1300, Sandra Smith. If our banks and other lenders are unable to provide the financing, we will seek alternative financing immediately from Wells Fargo Bank, Executive Office, PO Box 63710, San Francisco, CA 94163, (800) 869-3557.

Rules: NASD Rule 3510(c)(7).

C. Counter-Parties

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

Rules: NASD Rules 3510(a) &(c)(7).

XII. Regulatory Reporting

Our firm is subject to regulation by: SEC and FINRA. We now file reports with our regulators using paper copies in the U.S. 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.

Rule: NASD Rule 3510(c)(8).

XIII. Disclosure of Business Continuity Plan

We disclose in writing a summary of our BCP to customers at account opening. We also post the summary on our Web site and mail it to customers upon request. Our summary addresses the possibility of a future SBD and how we plan to respond to events of varying scope. In addressing the events of varying scope, our summary (1) provides specific scenarios of varying severity (e.g., a firm-only business disruption, a disruption to a single building, a disruption to a business district, a city-wide business disruption, and a regional disruption); (2) states whether we plan to continue business during that scenario and, if so, our planned recovery time; and (3) provides general information on our intended response. Our summary discloses the existence of back-up facilities and arrangements.

Rule: NASD Rule 3510(e).

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.

Rule: NASD Rule 3510(b).

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.

Rule: NASD Rule 3510(d).

Signed: _____

Title: _____

Date: _____