

Business Continuity Plan (BCP)

1. Emergency Contact Persons

CSCM's primary emergency contact persons are:

John Stepp, Managing Director and CEO
Phone #: 913-485-8809

Michael Horton, Branch Manager
Phone #: 316-259-4449

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 calendar year and any updates will be processed via the FINRA Contact System or such other means as FINRA or other regulatory bodies may require.

2. Firm Policy

The firm's policy is to respond to a Significant Business Disruption (SBD) by safeguarding employee's lives and firm property; make a financial and operational assessment; quickly recover and resume operations; protect all of the firm's books and records; and allow our customers to continue to transact business and provide the customers prompt access to their funds and securities. This policy will be provided to all employees as well as all registered and non-registered associates.

3. Significant Business Disruptions (SBDs)

The plan anticipates two kinds of SBDs; internal and external. Internal SBDs affect only the firm's ability to communicate and to do business. An example of this would be a fire in the building. External SBDs prevent the operation of the securities markets or a number of firms, such as a terrorist attack, flooding, tornadoes or 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.

4. Approval and Execution Authority

The Chief Executive Officer is responsible for approving the plan and for conducting the required annual review. John Stepp has the authority to execute this BCP on behalf of the firm.

5. Plan Location and Access

The firm will maintain copies of the BCP Plan and the annual reviews and changes that have been made to it for inspection. A hardcopy of the BCP will be available in all CSCM's offices. An electronic copy of the plan will be located on CSCM's primary server located in its home office at 4200 West 83rd St, Suite 101, Prairie Village, KS 66208 and with the BCP Repository Service offered by FINRA.

6. Business Description

The firm will primarily conduct business in fixed income, municipal security underwriting, equities, institutional cash management, mutual funds and investment advisory services. The firm is an introducing firm and does not perform any type of clearing function for itself or others. The firm accepts and enters orders on behalf of its clients. Most transactions are sent to its clearing firm (Hilltop) which executes, compares, allocates, clears and settles our orders. CSCM's clearing firm also maintains its customer's accounts, can grant customers access to their account and deliver funds and securities. The firm services retail and institutional customers.

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Our clearing firm is Hilltop Securities, Inc.; address, phone number, e-mail address, website and our contact person at that clearing firm is:

Hilltop Securities, Inc.
1201 Elm Street, Suite 3500
Dallas, TX 75270
Phone: (214) 859-6645

Personal Contact:

Chris Cervantes
Chris.cervantes@hilltopsecurities.com
(214) 859-6645

Our clearing firm has also provided the following alternative contact phone number in the event our primary contact cannot be reached: (214) 232-0504.

7. Office Locations

a. Office Location #1

The corporate headquarters which is also referred to as the "home office" is located at 4200 West 83rd St, Suite 101, Prairie Village, KS 66208. The main telephone number is 913-766-6565 or 800-851-6459. Our employees may travel to that office by means of foot, car, bus or bicycle. We engage in order taking, order entry and operational activities at this location.

b. Office Location #2

A registered branch is located at 245 N Waco, Ste 525, Wichita, Kansas 67202. The main telephone number is 316-265-9411 or 800-444-9411. Our employees travel to that office by means of foot, car, bus or bicycle. We engage in order taking and entry at this location.

8. Alternative Physical Locations of Employees

In the event of an SBD, our first efforts will be to contact our staff of the affected offices from the closest of our unaffected office locations. Affected staff will work from alternate office locations based on the most appropriate location or will call upon the staff of those offices to temporarily maintain business. In certain circumstances, many employees have the ability to conduct the majority of their work from a remote location; whether it is their residence or alternative office location as set by the company.

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

a. Customers

We now communicate with our customers using telephone, facsimile, email, U.S. mail and in-person visits at our firm or other locations. 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 email 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 telephone, email, and in person, etc. 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

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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 will be John Stepp and Pamela Kasper and the call process will occur as follows:

Call Tree Leader Call Recipients

1	John Stepp	Other call tree leaders specified below; state and regulatory authorities
2	Pamela Kasper	Operations staff (Kansas City and Wichita); Keith Butler (building mgr.); appropriate law enforcement and fire department authorities
3	Jim Brownfield	Trading staff (Kansas City and Wichita)
4	Jim McLaughlin	Kansas City fixed income and equity sales staff
5	Michael Horton	Wichita branch staff; building management; appropriate law enforcement and fire department authorities

10. Customer's Access to Funds and Securities

The firm does not maintain custody of customers' funds and/or securities at its home office or any other location controlled by the firm. All customer funds and securities are maintained at our clearing firm, Pershing, 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. If web access is available, the firm will post on the company's web site that customers may access their funds and securities by contacting their Registered Representative directly or contact our clearing firm through their website or its 800-number. The firm will make this information available to its customers by way of its regular 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 the Securities Exchange Act Rule 15c3-1, SIPC may seek to appoint a trustee to disburse our assets to customers. CSCM shall assist SIPC and the trustee by providing our books and records identifying customer accounts subject to SIPC regulation.

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

The firm maintains its primary hard copy books and records and its electronic records at 4200 West 83rd St, Suite 101, Prairie Village, KS 66208. John Stepp and Michael Horton along with the operation and compliance staff is responsible for the maintenance of these books and records in hard copy. Executive Management will be responsible for assigning responsibility of the day-to-day maintenance of all electronic data through its staff and potential outside service providers and vendors.

The firm maintains the following document types and forms that may not be transmitted to our clearing firm: New Account Forms, order tickets, trade error forms, proprietary financial data and other documents that are vital to the recordkeeping purposes of the firm's business. Secondary copies of product sponsor applications are held at the product sponsor. Secondary copies of the New Account Forms in hard copy are kept by the Registered Representative in their respective branch offices. The firm will also maintain certain books and records at our OSJ office located in Wichita, KS which is also backed up electronically.

The firm backs up its books and records electronically on a daily basis off site. Each branch backs up the other branch site to provide physical separation of electronic records.

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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 contingencies. For the loss of electronic records, we will either physically recover the storage media or electronically recover data from our back-up site. If our primary site is inoperable, we will continue operations from our contingent site or an alternate location.

CSCM's office in Wichita will be connected via a dedicated circuit (MPLS). Internet connectivity is established by routing the traffic through the dedicated circuit out the T1x2 connection in Kansas City. A backup business level DSL circuit will be maintained in the Wichita office in the event the dedicated connection is severed. Additionally, call routing is extended from the Cisco router in the home office in Kansas City. This office will maintain a router in a local switch closet that will immediately take over call traffic and data traffic routing the event connection is severed.

12. Financial and Operational Assessments

In the event of an SBD, Executive Management will immediately identify those means to permit us to communicate with our clients, employees, critical business constituents and regulators. Each office will maintain a call-tree in efforts to communicate with staff. Although the effects of an SBD will determine the means of alternative communication, the communications options the company will employ will include our web site, telephone, voice mail, secure e-mail and mobile 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).

Executive Management will determine the value and liquidity of our investments and other assets to evaluate our ability to continue to fund operations and remain in capital compliance. CSCM will contact its clearing firm and critical-point banks. Executive Management will assess the situation and take the appropriate steps necessary to continue operations and assure client access to funds.

13. Mission Critical Systems

Our firm's "mission critical systems" are those systems that ensure prompt and accurate processing of securities transactions, including order taking, entry, the maintenance of customer accounts, access to customer accounts and the delivery of funds and securities. The primary systems for which CSCM deems as Mission Critical Systems are as follows: Clearing Firm and telephone.

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, 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 has 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 has represented to us 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 a very frequent periodic basis.

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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: recovery time period of [e.g., within 4 hours]; and resumption time of [e.g., within the same business day].

John Stepp or his designee(s) will periodically review our clearing firm's capabilities to perform the mission critical functions the clearing firm has contracted to perform for our firm.

14. Our Firm's Mission Critical Systems

a. Order Taking

Currently, our firm receives orders from customers via telephone and in-person visits by the customer, etc. 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 use of personal cellular telephones by CSCM's associated persons. If necessary, we will advise our customers to place orders directly with our clearing firm as previously stated above.

b. Order Entry

Currently, our firm enters orders by recording them on paper and electronically and sending them to our clearing firm electronically or telephonically. We have contacted our clearing firm and were told that, under its BCP, we can expect their services to be available within appropriate time frames of 1 to 4 hours depending upon the SBD. 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 and/or facsimile. 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 communicate directly with our clearing firm for order entry.

c. Mission Critical Systems Provided by Our Clearing Firm

Our firm relies, by virtue of a contract, on our clearing firm to provide order execution, order comparison, order allocation, customer account maintenance and/or access and delivery of funds and securities.

15. Critical Business Constituents, Banks and Counter-Parties

Executive Management at CSCM has 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 an internal or external SBD. CSCM 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. The company's major suppliers are:

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Service Provider	Supplier's Name	Address	Phone #
E-mail storage	SMARSH	1 SW Columbia St. Suite 445 Portland, OR 97258	(866)-762-7741
Client Information	Hilltop	Hilltop Securities, Inc. 1201 Elm Street, Suite 3500 Dallas, TX 75270	(214) 859-6645
Phone Network	Converged Communications	1201 Swift Avenue Kansas City, MO 64116	(816)-842-2200
Banking	Security Bank	701 Minnesota Avenue Kansas City, KS 66101	(913)-281-3165

16. Disclosure of Business Continuity Plan

CSCM shall make available to its customers a summary of the company's BCP disclosure statement to customers at the time of opening an account. The BCP disclosure is incorporated into the New Account Form and we mail the disclosure out to our clients on an annual basis. We also will post the information on our website and mail it to customers upon their request. The summary of the BCP disclosure is as follows:

This Business Continuity Plan (BCP) Summary Disclosure Statement provides a summary detail on Central States Capital Markets, LLC's (CSCM) risk mitigation strategy in the event of interruptions to daily business operations. CSCM's plan is designed 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. This is intended to comply with obligations pursuant to regulatory rules and requirements as promulgated by FINRA, particularly Rule 3510 (e).

All mission critical systems are backed up and a copy is stored at a secure location off-site from the company's primary headquarters. Mission critical systems are defined by CSCM as those systems which allow it to function efficiently in its day-to-day operations. In the event of an SBD, these backups will be obtained and restored as necessary. Regardless of all the effort put forth on this vital concern, we acknowledge that no disaster recovery plan is perfect. The unpredictable nature of disasters precludes absolute preparedness for any plan. Certain situations may arise which affect outside entities upon which we rely for some service or collaboration. It is possible for circumstances to arise outside of what has been defined within this plan.

Regardless of the efforts put forth with respect to this vital concern, we acknowledge that no disaster recovery plan is perfect. The unpredictable nature of disasters precludes absolute preparedness for any plan. Certain situations may arise that may affect outside entities upon which we rely for service or collaboration. It is possible for circumstances to arise outside of what has been defined within this plan. The BCP is subject to modification without notice. An updated summary can be obtained by requesting a written copy by mail to:

***Central States Capital Markets, LLC
ATTN: Business Continuity Plan
4200 West 83rd Street, Suite 101
Prairie Village, Kansas 66208
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17. Regulatory Notification

Our firm is subject to regulation by the Securities & Exchange Commission (SEC), Financial Industry Regulatory Authority (FINRA) and the Kansas state securities regulators. We now file reports with our regulators using paper copies in the U.S. mail, and electronically using fax, email and the Internet. In the event of an SBD, we will communicate 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. Executive Management shall be responsible for notifying regulators of any address changes and/or material changes to its Business Continuity Plan. Furthermore, all information will be communicated to the regulators in the event of an SBD.

18. Updates and Annual Review

Designated persons at Central States Capital Markets shall be responsible to update this plan whenever there is a material change in our operations, structure, business or location or 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.

19. Executive Management Approval

We have reviewed and approved this Business Continuity Plan as it appears to be reasonably designed to permit our firm to meet its obligations to its customers in the event of an SBD.

Signature: _____
Name: John D. Stepp
Title: Managing Director & CEO
Date: January 18, 2016