

WINDHAM FINANCIAL SERVICES, INC BUSINESS CONTINUITY PLAN DISCLOSURE

Windham Financial services, Inc and its clearing broker Bear Stearns Securities Corp. are committed to safeguarding the interest of our clients in the event of an emergency or significant business disruption (SBD). This Business Continuity Plan Disclosure (BCP) summarizes Windham Financial's efforts to mitigate risks inherent with unforeseen business interruptions. This Firm's comprehensive business continuity strategy is designed to enable us to meet our existing obligations to our clients in the event of a emergency or significant business disruption. This BCP is intended to comply with the rules promulgated by the Securities & exchange Commission (SEC) and the National Association of Securities Dealers (NASD). We suggest that clients also review Bear Stearns BCP Disclosure posted at www.globalclearing.com.

Overview:

Windham Financial conducts a broker-dealer and registered investment advisory business dealing in equity, fixed income, mutual fund and U.S. Government 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, which are routed through Bear Stearns Securities Corp., who clears and settles our trades, maintains our customers' accounts, posts dividends and stock splits, and delivers funds and securities on behalf of our clients. Our clearing broker represents that it operates four primary facilities to house the backbone of their trading, sales, operations and information technology. These four locations are located far enough apart to diminish risks posed by local disruption. Our clearing firm has also confirmed the effectiveness of its back-up arrangements to recover from a wide scale disruption from multiple locations and it has confirmed that it tests its back-up arrangements in accordance with its BCP Plan, which comply with NYSE and NASD Rules and Regulations.

Communications in the Event of a Disruption:

Protecting the infrastructure of our Vermont and Connecticut office facilities is a high priority for Windham Financial because it will allow the Firm to continue its operations in the event of many disaster situations. However, in the event of an SBD that makes one of our offices non-operational, we will move our staff from the affected office and transfer incoming telephone lines and our operations to the surviving office. Should both offices become non-functional, we can transfer our incoming telephone lines and operations to our cellular phones and operate on a virtually basis until such time as one of our offices becomes operational or we locate to an alternative permanent location. *The company's* main telephone number under these circumstances would be 802-233-2844 with our regular telephone lines feeding to this number. Our secondary backup number would be 802-233-4554. As long as our clearing broker and the Internet remain up and running, temporarily operating under these conditions presents no major problems. As long as we have telephone and/or Internet capabilities our offices can function from virtually any location, be it emergency shelter or secure location with little to no operational downtime. Our main office has its own internal power generation system at can operate under emergency conditions indefinitely and power our computers, market data systems, telephones and high speed DSL Internet operations. Client's may receive further contact information, during an SBD by accessing the firms website at www.windhamfinancial.com.

Recovery Time and Resumption Objective:

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 recovery and resumption time is totally dependent on our clearing broker, since we operate through of their trading and account access IT systems and our clearing firm has an SBD recovery time and resumption objective of 4 to 12 hours, during an SBD.

Back-Up Trading, Sales and Operations:

Bear Stearns maintains back-up trading and operations facilities approximately 30 miles from its headquarters. This back-up facility is fully operational at all times. Bear Stearns back-up trading systems are periodically checked and the back-up facility is routinely tested by sales, trading and operations personnel. Windham Financial services, Inc. also periodically tests our generators and back-up portable computers, telephones and cellular networks to insure that all systems and operations remain functional.

Redundancy of Mission Critical Systems:

Bear Stearns and Windham Financial Services, Inc. both provide the back-up capacity and redundancy required to protect their respective firms books and records, balance sheet and capital, and provide business continuity and the protection of our client's assets. The recovery capability for certain of Bear Stearns mission critical processing capabilities is achieved through the use of a specialized vendor facility that provides disaster recovery services for large corporations, in order to protect all client account data. Windham Financial Services, Inc., which does not carry primary account information on its IT systems, utilizes a more simplified small business approach.

Disclaimer:

Bear Stearns and Windham Financial's comprehensive business continuity strategies are designed to enable us to meet our existing obligations to our clients and customers even in the event of an emergency or significant business disruption; however, it is not infallible. The plan is designed to work in many different emergency situations; but these events are, by their nature, unpredictable and its is impossible to anticipate every scenario that could cause a business disruption. Furthermore, although we are confident in our own preparedness, Windham Financial and Bear Stearns has no control over the various entities that we must rely upon in the event of an emergency. Our business continuity plans are tested periodically to ensure readiness; yet such tests may not be able to replicate the actual conditions we experience in a real emergency. Our BCP is subject to change without notice. In the event that this BCP is modified, the updated disclosure document will be promptly posted on Windham Financial's Internet website. The information contained in this disclosure is provided for informational purposes only. Nothing contained herein shall be construed to amend, supplement or otherwise modify any of the terms and conditions set forth in any customer agreement between you and Bear Stearns or Windham Financial.