



Business Continuity Program (BCP) April 2010



Version Control

| Date | Version | Author | Comments |
|-------------|----------------|---------------|---|
| 1/12/2009 | 1 | Stuart Winn | Finalized |
| 3/5/2010 | 1.1 and 1.2 | Stuart Winn | Compliance Review |
| 4/20/2010 | 1.3 | Stuart Winn | Changes to facilities and Contact details |
| | | | |
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I. Emergency Contact Persons

ITG Inc. and its affiliates (“ITG” or the firm) two emergency contact persons are:

1) Mats Goebels
mats.goebels@itg.com
(212) 444-6327

2) Steve Vigliotti
steve.vigliotti@itg.com
(212) 444-6270

These names will be updated in the event of a material change, and our Executive Representative, or his designee, will review them within 17 business days of the end of each quarter.

ITG will ensure that the only the Firm’s Executive Representative, or his designee, accesses the NASD Member Firm Contact Questionnaire. Access to the NASD Member Firm Contact Questionnaire is restricted to the Executive Representative, or his designee, by the use of a NASD issued logon and password.

II. Firm Policy

ITG’s Business Continuity Plan (“BCP”) seeks:

1. To protect employees, information and assets until normal business operations are resumed.
2. To ensure that a viable capability exists to respond to an incident and manage all responses and recovery activities.
3. To accomplish rapid and efficient resumption of critical business operations, technology and functional support areas.
4. To support and communicate with employees, regulatory agencies and business clients.
5. To ensure all insurance and regulatory requirements are satisfied in the event of a crisis and activation of this Plan.

III. Scope of this Plan

This Plan covers ITG Inc and all of its affiliates named below

- AlterNet Securities, Inc.
- Blackwatch Brokerage, Inc.
- ITG Execution Services, Inc.
- ITG Derivatives, Inc.

A. Significant Business Disruptions (SBDs)

Our plan addresses internal and external SBDs.

Internal SBDs affect only our firm's ability to communicate and do business, such as any event that denies ITG access to the premises.

External SBDs prevent the operation of the securities markets or a number of firms, such as a regional power outage, floods, terrorist attack or a wide scale regional disruption. In this scenario, ITG's response relies more heavily on market conditions and systemic risks associated with such a catastrophe

B. Approval and Execution Authority

Steve Vigliotti, Chief Financial Officer, a registered principal and/or Mats Goebels Managing Director Legal and Compliance is responsible for approving the plan and for conducting the required annual review. Steve Vigliotti, along with designated senior management, has the authority to execute this any of ITG's strategies for organizational survival under this plan.

C. Plan Location and Access

An electronic copy of our BCP is located on ITG's internal systems and at the recovery sites. Hard copies are kept at the recovery site, in the office and managers are requested to keep copies at home.

ITG will maintain copies of its BCP plan and the annual reviews, and the changes that have been made to it for inspection.

IV. Business Description

ITG is an institutional agency-focused broker-dealer. ITG owns and operates two Alternative Trading Systems, POSIT Match™ and POSIT NowSM. In addition, our firm offers agency execution services through our portfolio trading desk and our proprietary trading tools. ITG Research provides clients with a comprehensive suite of analytics, models, trading strategies and applications designed and implemented to maximize the efficiency of the entire investment process, from portfolio construction to post-trade analysis.

ITG is responsible for self-clearing but does not maintain custody of customers' funds or securities. All of the accounts are delivery verses payment (DVP) or receive verses payment. In the event of an SBD customers can contact ITG Clearing Operations at (212) 444-6450 or alternatively call the Boston office on (617) 728-2800.

V. Office Locations

ITG engages in order taking, entry and execution at the locations shown in the table below:

| | |
|---------------|--|
| New York City | 380 Madison Avenue 4 th Floor New York, NY 10017 (212) 588-4000 |
| Rye Brook, NY | 4 International Drive Rye Brook, NY 10573 (914) 312-2500 |
| Boston | 100 High Street Boston, MA 02110 (617) 728-2800 |
| Chicago | 601 LaSalle Street Chicago, IL 60605 (312) 334 8000 |
| San Francisco | One Bush Street San Francisco, CA 94104 (415) 841 7575 |

In addition, ITG has offices in Culver City, CA. This site is used for software development and will only carry out sales and trading activities in the event that ITG is denied access to its San Francisco office.

ITG's employees may travel to any of ITG's offices shown above by means of foot, car, subway, train and/or bus.

VI. Alternative Physical Location(s) of Employees

In the event of an SBD for New York City, ITG will move its Trading staff to the Boston office and non-trading staff to SunGard in New Jersey. The main telephone number for the Boston facility is (617) 728-2800.

In the event of an SBD for the Rye Brook office, ITG will move its staff to the New York office. Its main telephone number is (212) 588-4000.

In the event of an SBD for the Boston office, ITG will move its staff to the New York office location. Its main telephone number is (212) 588-4000.

In the event of an SBD for the Chicago office, ITG will move its staff to the Boston office location. Its main telephone number is (617) 728-2800

In the event of an SBD for the San Francisco office, ITG will move its staff to the Culver City office location. Its main telephone number is (213) 270-7500.

VII. Customers Access to Funds and Securities

ITG does not maintain custody of customers' funds or securities. In the event of an SBD customers can contact ITG's Clearing Operations at 212 444-6450 or alternatively call the Boston office on (617) 728-2800.

ITG's trade processing and clearing services vendor is SunGard Financial Systems and can be contacted on (781) 999-9264.

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

ITG maintains the records required under 17a-3 and 17a-4 in an electronic format only. ITG's books and records made pursuant to SEC 17a-4 are maintained at the following locations:

**Iron Mountain
800-899-IRON
(800-899-4766)**

ITG contracts with Iron Mountain as a designated third party for maintenance of the firm's books and records. ITG has submitted a third party undertaking from Iron Mountain to its designated examining authority, NASD.

IX. Financial and Operational Assessments

A. Operational Risk

In the event of an SBD, ITG will immediately identify by what means it can communicate with its employees, customers, critical business constituents, critical banks, critical counter-parties, and regulators. Although the severity of an SBD may affect the available means of alternative communication, the communications options ITG will employ will include the Emergency Notification System, telephone, voice mail, e-mail and ITG's Web site. All financial systems (payroll, GL, Reporting, etc.) backups of critical systems are taken daily and are kept off-site. ITG's paper records are stored in accordance with Rule 17-a4 as per our General Counsel's Record Retention policy. The Record Retention Policy is updated regularly. Finance's internal shared file servers, which house financial records, are backed up nightly and stored offsite by Technology Support Services.

B. Financial and Credit Risk

In the event of an SBD, ITG will determine the value and liquidity of investments and other assets to evaluate its ability to continue to fund its operations and remain in capital compliance. ITG will contact the clearing firm, critical banks, and investors to apprise them of the financial status. If ITG determines that it may be unable to meet its obligations to those counter-parties or otherwise continue to fund its operations, ITG will request financing from its bank or other credit sources to fulfill its obligations to its customers and clients. If ITG cannot remedy a capital deficiency, it will file appropriate notices with its regulators and immediately take all appropriate steps to mitigate the exposure.

X. Mission Critical Systems

ITG's "mission critical systems" are those that ensure prompt and accurate processing of securities transactions, including order taking, entry, routing and execution. . More specifically, these systems include: POSIT Match, POSIT Now, SmartServers, Triton®, Radical™, QuantEX®, Platform, Channel ITG™, BOSS, Market Data Systems, Trading Desk Systems and GATE.

POSIT and POSIT Now are proprietary order matching and execution systems. SmartServers are intelligent trading destinations that auto-execute trades according to a pre-defined trading strategy.

BOSS is ITG's Middle Office system. BOSS captures all execution, allocation and commission information.

Market Data is the group of applications responsible for supplying market data feeds to ITG customers and applications.

Trade Order Management Systems (Triton, Radical,) are responsible for gathering all orders from ITG clients to be matched and/or routed to other market destinations. GATE is the routing application for all ITG clients and systems. Channel ITG sweeps orders from clients' blotters to POSIT, POSIT NOW, ITG SmartServers and the ITG Trading Desk.

Each of what are referred to as ITG's core revenue generating systems, determined in the Business Impact Analysis dated 2009, (POSIT, BOSS, Market Data Systems, Trading Desk Systems, and GATE) have a recovery time objective of next business day. All core revenue generating systems maintain separate failover contingency infrastructure.

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.

A. Our Firm's Mission Critical Systems

1. Order Taking

Currently, ITG receives orders from customers via telephone/fax/e-mail/through proprietary trading systems/ in person visits by the customer. During an SBD, either internal or external, ITG will continue to take orders through proprietary trading systems. Order taking through other channels will commence when the incident has stabilized and recovery has begun. As communications permit, ITG will inform its customers when communications become available to tell them what alternatives they have to send their orders. Customers will be informed of alternatives by phone/e-mail/fax.

2. Order Entry

Currently, ITG receives orders from clients electronically and via telephone. Customer orders are entered into ITG's proprietary systems (i.e., Triton, Radical, etc.) ITG executes orders by several means:

- POSIT
- POSIT Now
- Agency Cross
- Routing to other market centers for execution

All primary production systems maintain contingency infrastructure with a recovery time objective of next business day. In the event of any SBD, ITG will concentrate all necessary resources on moving all core revenue generating mission critical and general applications from production to contingency infrastructure.

3. Order Execution

ITG executes orders by several means:

- POSIT
- POSIT Now
- Agency Cross
- Routing to other market centers for execution

All primary production systems maintain contingency infrastructure with a recovery time objective of next business day. In the event of any SBD, ITG will concentrate all necessary resources on moving all core revenue generating mission critical and general applications from production to contingency infrastructure.

4. Other Services Currently Provided to Customers

Currently, ITG provides clients with a comprehensive suite of analytics, models, trading strategies and applications designed and implemented to maximize the efficiency of the entire investment process, from portfolio construction to post-trade analysis.

All primary production systems maintain contingency infrastructure with a recovery time objective of next business day. In the event of any SBD, ITG will concentrate all necessary resources on moving all core revenue generating mission critical and general applications from production to contingency infrastructure.

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

A. Customers

ITG communicates with its customers using the telephone, e-mail, our Web site, fax, U.S. mail, and in person visits. In the event of an SBD, ITG will assess which means of communication are still available to it, and use the means closest in speed and form (written or oral) to the means that ITG has used in the past to communicate with the other party. For example, if ITG have communicated with a party by e-mail but the Internet is unavailable, ITG will call them on the telephone and follow up where a record is needed with a paper copy in the U.S. mail.

B. Employees

ITG communicates with its employees using the Emergency Notification System, telephone, e-mail, and in person. In the event of an SBD, ITG will assess which means of communication are still available to it, and use the means closest in speed and form (written or oral) to the means that ITG has used in the past to communicate with the other party.

In addition, ITG will employ a call tree so that senior management can reach all employees quickly during an SBD. The call tree is automated using an Emergency Notification System and includes all staff home and office phone numbers. ITG have identified individuals to make decisions about the firm's status and operation during any internal or external SBD. This group is called the North America Crisis Management Team (NA CMT) and represents a cross section of business, technology and operations management at ITG.

C. Regulators

ITG is currently a member of the FINRA, NFA , various exchanges and is registered with the Securities and Exchange Commission and with all 50 States,

the District of Columbia and Puerto Rico. ITG communicates with our regulators using the telephone, e-mail, fax and U.S. mail. In the event of an SBD, ITG will assess which means of communication are still available to it, and use the means closest in speed and form (written or oral) to the means that ITG has used in the past to communicate with the other party.

Contact information for primary SRO is as follows:

FINRA District 10

165 Broadway, 52nd Floor
New York, NY 10006-1400
(212) 858-4000
Fax: (212) 858-4189

Hans L. Reich, Regional Director

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

A. Business constituents

ITG have contacted its critical business constituents (businesses with which ITG has an ongoing commercial relationship in support of our operating activities, such as vendors providing ITG with critical services), and determined the extent to which it can continue a business relationship with them in light of the internal or external SBD. ITG will quickly establish alternative arrangements if a business constituent can no longer provide the needed goods or services when ITG needs them because of an SBD to them or the firm.

B. Banks

ITG 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 the operating and PAIB accounts is:

J.P Morgan Chase
Lisa Crowley
(914) 993-2210

C. Counter-Parties

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

XIII. Regulatory Reporting

ITG is subject to regulation by the Securities and Exchange Commission, NASD, in all 50 States, the District of Columbia and Puerto Rico. ITG files reports with its regulators electronically via fax, e-mail, and the Internet. In the event of an SBD, ITG will check with the SEC, NASD, and other regulators to determine which means of filing are still available to it and use the means closest in speed and form (written or oral) to its previous filing method. In the event that ITG cannot contact our regulators, ITG will continue to file required reports using the communication means available to it.

XIV. Disclosure of Business Continuity Plan

ITG discloses in writing to its customers a summary of its BCP upon account opening and annually. Furthermore, the summary is available from ITG.com and ITG will provide a summary of our BCP to customers upon request.

In the event of a disaster, the focus of the company will shift from the current structure and function of "business as usual" to the structure and function of an organization working towards survival and the resumption of business operations. In the plan, ITG's Crisis Management actions are structured into time-phases. Each phase includes specific actions and roles and responsibilities for teams and/or individuals. ITG has Crisis Management Command Centers located at the main office site at 380 Madison Avenue and at the Disaster Recovery location in New Jersey.

Each functional department and/or business unit has a Business Recovery Plan. The Business Recovery Plans have recovery actions for the immediacy of an incident to restore critical operations or facilities of ITG. A high degree of interaction among all teams is required to execute the business continuity Plan. ITG's goal in a disaster is the resumption/recovery and the return to normal business operations and technology environments within recovery time objectives. Close coordination will be maintained with the Crisis Management Team and Executive Management and any other recovery team on which they depend throughout the resumption and recovery operations.

The process for notification and escalation of any incident is to report an incident through the 866 Emergency Phone Number. This will invoke the Crisis

Management Team. Departmental recovery procedures are then initiated for business units where appropriate.

Technology driven operations can continue to run indefinitely providing that staff can access the data centers for general operational maintenance. Sales and Trading Operations can operate for at least three months from ITG's alternate Offices at which point in time, alternate dedicated offices will be required for ITG's own operational efficiency.

ITG has created a Steering Committee for its Business Continuity Program called the Global Recovery Board (GRB) This is managed by the Head of Business Continuity and owned by the Managing Director of Technology.

Business Recovery Plans reside with the individual business units. All internal contact information is available electronically on our Emergency Notification System which is managed by the third party vendor and Plan documentation.

ITG's Head Office Location is at the address shown below:

380 Madison Avenue,
New York, NY 10017

In the event of denial of access to 380 Madison Avenue, Sales and Trading Staff will relocate to the ITG's Boston Office. For non-trading activities, ITG has contracted with SunGard to provide recovery seats for at the address as shown below:

SunGard Metro Center
Carlstadt, NJ

In addition, ITG's contract with SunGard allows the use of other SunGard facilities located close to ITG's offices in Boston, Chicago and California.

To mitigate the risk of operational outages, ITG has taken all reasonable precautions at its offices through UPS systems and, where viable, generators. To ensure resilience and protection of its systems and data, ITG has dual datacenters based in New Jersey. These datacenters are managed by third party vendors and are located in Secaucus and Weehawken, NJ.

XV. Updates and Annual Review

ITG 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, ITG, the Global Director for Purchasing and BCP, will review this BCP annually, to modify it for any changes in our operations, structure and /or business. Any such

changes or modifications will be approved in writing by Steve Vigliotti and /or Mats Goebels.

XVI. 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 a significant business disruption.

Signed: _____

Name: Mats Goebels

Title: Managing Director – Legal and Compliance

Date: _____