



First Abacus Financial Holdings Group

POLICY ON INSIDER TRADING

I. Policy Statement

This policy is designed to promote compliance with applicable securities laws by all directors, officers and employees of the First Abacus Financial Holdings Corporation and all its affiliates and subsidiaries in all offices. It is in keeping with the Company's commitment to observe the highest standards of integrity and business ethics in all phases of its operations and in the general conduct of its business.

II. Policy Guidelines

1. If a director, officer, or any employee of the Company, including agents, advisors, or consultants, has material, nonpublic information relating to the Company, it is the Company's policy that neither that person nor any related person (as defined in this Policy) may buy or sell securities of the Company or engage in other action to take advantage of including passing on such information to others.
2. This Policy also applies to material, nonpublic information relating to any other company with publicly-traded securities including customers or suppliers, obtained in the course of employment or doing business on behalf of the Company.
3. To avoid even the appearance of impropriety, additional restrictions on trading Company securities apply to directors and members of the Company's senior management.

III. Definitions

1. Who is considered an "insider"?

Any person who possesses material, nonpublic information is considered an insider as to that information. Insiders include Company directors, officers, employees, agents, consultants, independent contractors and suppliers and other persons in a special relationship with the Company, such as its auditors, or legal counsel. The definition of insider is transaction specific; that is, an individual is an insider with respect to each material, nonpublic item of which he or she is aware.

2. What is "material information"?

The materiality of a fact depends upon the circumstances. A fact is considered "material" if there is a substantial likelihood that a reasonable investor would consider it important in making a decision to buy, sell or hold a security or where the fact is likely to have a significant effect on the market price of the security. Material information can be positive or negative and can relate to virtually any aspect of a company's business or to any type of security, debt or equity

Some examples of material information include

- a. Unpublished financial results
- b. News of a pending or proposed company transaction

- c. Significant changes in corporate objectives
- d. News of a significant sale of assets
- e. Changes in dividend policies
- f. Financial liquidity problems
- g. Changes in composition of executive officers

The above list is only illustrative; many other types of information may be considered "material" depending on the circumstances. The materiality of particular information is subject to reassessment on a regular basis.

3. What is "Nonpublic Information"?

Information is considered "nonpublic" if it is not available to the general public. In order for information to be considered public, it must be widely disseminated in a manner making it generally available to investors through mass media channels such as wire services or mass media networks. The circulation of rumors, even if accurate and reported in the media, does not constitute effective public dissemination. In addition, even after a public announcement of material information, a reasonable period of time must elapse in order for the market to react to the information.

4. Who is a "Related Person"?

For purposes of this Policy, a Related Person includes spouses, minor children and anyone else living in the household of persons covered in this Policy; including partnerships in which one is a general partner; trusts of which one is a trustee; estates of which one is an executor; and other equivalent legal entities that one controls. Although a person's parent or sibling may not be considered a Related Person (unless living in the same household), a parent or sibling may be a "tipping" person for securities laws purposes.

IV. Policy Provisions

1. Non-disclosure of Material Nonpublic Information

Material, nonpublic information must not be disclosed to anyone, except the persons within the Company or third party agents of the Company (such as investment banking advisors or outside legal counsel) whose positions require them to know it, until such information has been publicly released by the Company.

2. Prohibited Trading in Company Securities

No person may place a purchase or sell order or recommend that another person place a purchase or sell order in Company Securities when he or she has knowledge of material information concerning the Company that has not been disclosed to the public.

3. Twenty-Twenty Hindsight

If securities transactions ever become the subject of scrutiny, they are likely to be viewed after-the-fact with the benefit of hindsight. As a result, before engaging in any transaction an insider should carefully consider how his or her transaction may be construed in the bright light of hindsight. Thus, in the event of any questions or uncertainties about the Policy, covered employees are advised to consult the Company's Chief Compliance Officer or the Company's Legal Counsels.

4. "Tipping" Information to Others

"Tipping" or sharing material, nonpublic information to others (not just related persons) is likewise covered under this policy. Persons other than insiders may also be held liable for insider trading if they pass on material, nonpublic information to others who trade.

5. Avoiding Speculation

Directors, officers and employees, and their Related Persons may not trade in options, warrants, puts and calls or similar instruments on Company Securities or "short" -sell Company Securities. In addition, directors, officers and employees, and their Related Persons may not hold Company Securities in margin accounts. Investing in Company Securities provides an opportunity to share in the future growth of the Company. Investment in the Company and sharing in the growth of the Company, however, does not mean short-range speculation based on fluctuations in the market. Such activities may put the personal gain of the director, officer or employee in conflict with the best interests of the Company and its securityholders. Anyone may, of course, in accordance with this Policy and other Company policies, exercise options granted to them by the Company.

6. Trading in Other Securities

No director, officer or employee may place purchase or sell orders or recommend that another person place a purchase or sell order in the securities of another company if the person has in her possession material, nonpublic information about the other company in the course of his/her employment with First Abacus or its affiliates and subsidiaries.

V. Additional Restrictions and Requirements for Directors and Officers

1. Trading Window

Directors and members of the Company's management team are required to observe a trading window before they can buy and sell Company securities on the public market. Such trading window may be prescribed by the Chief Compliance Officer of the Company.

ANY EXISTING POLICY INCONSISTENT WITH THE ABOVE IS DEEMED AMENDED.

MANAGEMENT IN THE EXERCISE OF ITS SOLE AND EXCLUSIVE PREROGATIVE MAY ADD, DELETE, AMEND, AND/OR REVISE THIS POLICY.