

Form 7 – October 3, 2012

- 1) At Allied Beacon Partners, Inc. (“Allied Beacon”), the issuer’s wholly owned broker dealer subsidiary, the marketing and sales focus toward higher margin products offering an income component to investors continued. Allied Beacon is constantly recruiting new, experienced brokers and producing managers. There is an emphasis on recruiting candidates with a proven track record in the securities business.
- 2) The issuers June 30, 2012 interim filing of both the interim financial report and interim MD&A has been filed and is available at [www.sedar.com](http://www.sedar.com)

- 3) Two new Selling Agreements were signed by Allied Beacon Partners and will be marketed on a “best efforts” basis.

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- 4) Two offerings closed in August:

American Realty Capital Trust III

- 5) There were no new business relationships entered into during the month of September and no new transactions were done with Related Persons of the Issuer.
- 6) There were no cancellations of financing arrangements.
- 7) There were no acquisitions by the issuer and no dispositions of the Issuer’s assets during September.
- 8) Total customer assets continued to increase at both the Broker Dealer and at Allied Beacon Wealth Management. Allied Beacon Wealth Management is wholly owned and is an SEC Registered Investment Advisory. Many existing clients added assets to their investment accounts. New advisors continued to transfer additional client’s assets to both the Broker Dealer and the Registered Investment Advisor.
- 9) There were no new developments or effects on intangible products such as brand names, circulation lists, copyrights, franchises, licenses, patents, software, subscription lists and trademarks.
- 10) Allied Beacon is constantly recruiting additional investment professionals and administrative support staff. There were no temporary lay-offs.
- 11) There were no labour disputes during the previous month.

- 12) No new legal disputes arose during the previous month.
- 13) On April 3, 2012 Beacon Acquisition Partners secured a Promissory Note in the amount of US\$ 200,000. The rate on the note is the Prime Rate plus 2% per annum. "Prime Rate" is defined as "the rate of interest from time to time announced by Citibank as its prime rate of interest".
- 14) No securities were issued nor options granted.
- 15) There were no loans to or by Related Persons during the previous month.
- 16) There were no changes in directors, officers or committee members. The Committees of the Board are as follows:
- AUDIT Committee:
- William Flanigan (Chair), Independent  
Rick Patmore, Corporate Secretary, Independent  
Joe MacDonald, Independent  
Rob Mather, Independent
- Compensation Committee:
- Bill Dioguardi (Chair), Independent  
Bill Flanigan, Independent  
Rick Patmore, Independent
- Corporate Governance:
- Joe MacDonald (Chair), Independent  
Rick Patmore, Corporate Secretary, Independent  
Jim Hintz, President & CFO, Beacon Acquisition Partners
- 17) There are many trends that could impact the Issuer and its operating subsidiaries, Allied Beacon & ABWM:
- a) Politics and the November election – historically Federal election years tend to be positive for equity markets but there can always be "surprises" with regards to proposed policies and legislation
  - b) The Prevailing Interest Rate Environment – The U.S. Federal reserve could adopt policies providing additional Quantitative Easing that would be aimed at further stimulating the economy. On the other hand, the Federal Reserve or current secondary market shifts in the yield curve could harbinger increasing inflation concerns and interest rates could begin to move up again. Higher interest rates could result in higher sales of insurance related products as higher rates would be used to determine base product returns.

- c) An over-all increase in capital market activity could signal an increase in new equity and debt issuance
- d) In addition, please see the risk factors outlined in the Management Discussion and Analysis available on [www.sedar.com](http://www.sedar.com)