

BUSINESS CONTINUITY PLAN /DISASTER RECOVERY PLAN:

FINRA broker-dealers are required to create and maintain a Business Continuity Plan (BCP); It also requires that emergency contact information regarding the BCP be provided to FINRA through the FINRA Contact System (FCS) at www.finra.org/ncs.asp). Our CCO in relation to the requirements of Rule 4370 and will retain related books and records.

S.G. Long & Company, SGL Financial Services, Corp., and SGL Financial Advisors, Inc. (hereinafter, "the Company" or "the firm") has adopted this Disaster Recover/Business Continuity Plan (hereinafter, the "Plan") to provide for the firm's recovery from an emergency or disaster and for the resumption of business operations in as short a period of time as possible. These policies and procedures are, to the extent practicable, designed to address those specific types of disasters that the Company might reasonably face given its business and location.

Our plan anticipates two kinds of SBDs (Significant Business Disruption), internal and external. Internal SBDs affect only our firm's ability to communicate and do business, such as a fire in our building. External SBDs prevent the operation of the securities markets or a number of firms, such as a terrorist attack, a city flood, or a 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.

Firm Policy: Our firm's policy is 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. In the event that we determine we are unable to continue our business; we will assure customers have prompt access to their funds and securities.

Background:

Since the terrorist activities of 9/11/2001, all advisory firms need to establish written disaster recovery and business continuity plans for the firm's business. This will allow advisers to meet their responsibilities to clients as a fiduciary in managing client assets, among other things. It also allows a firm to meet its regulatory requirements in the event of any kind of an emergency or disaster, such as a bombing, fire, flood, earthquake, power failure or any other event that may disable the firm or prevent access to our office(s).

Disaster Recover Team:

Primary Contact:	Susan Williams	Home: 406-5489697	Cell: 406-544-0014
Secondary Contact:	Darla Smarz		Cell: 406-360-6326
Alternate Contact:	Tessa Greene		Cell: 406-546-4745

Each individual of the disaster recovery team is crossed trained to address SBDs as well as maintaining the firm's mission critical systems and our regulatory obligations.

Responsibilities:

Our CCO is responsible for approving the plan and for conducting the required annual review. He/she has the authority to execute this BCP. However, each employee is responsible for understanding his/her role during a disaster.

Our CCO is responsible for:

- documenting computer back-up procedures, i.e., frequency, procedure, person(s) responsible, etc.
- for designating back-up storage location(s) and persons responsible to maintain back-up data in separate locations.
- for identifying and listing key or mission critical people in the event of an emergency or disaster, obtaining their names, addresses, e-mail, fax, cell phone and other information and distributing this information to all personnel.
- for designating and arranging for "hot," "warm," or home site recovery location(s) for mission critical persons to meet to continue business, and for obtaining or arranging for adequate systems equipment for these locations.
- for establishing back-up telephone/communication system for clients, personnel and others to contact the firm and for the firm to contact clients.
- for determining and assessing back-up systems and/or recovery plans for key vendors and mission critical service providers.
- for conducting periodic and actual testing and training for mission critical and all personnel.

Business Description:

Our firm conducts business in equity, fixed income, UITs and mutual funds. We are an introducing firm and do not perform any type of clearing function for ourselves or others. Furthermore, we do not hold customer funds or securities. We accept and enter orders. All transactions are sent to our clearing firm, which executes our orders, compares them, allocates them, clears and settles them. Our clearing firm also maintains our customers' accounts, can grant customers access to them, and delivers funds and securities. Our firm services retail and institutional customers. We do not engage in any private placements. Our clearing firm is:

RBC Dain
60 South 6th Street
Minneapolis, MN 55402

Client Services Team: 1-612-607-8903

Main Office Location:

Our main office is located at 283 W. Front Street Suite 302, Missoula, MT 59802. Its main telephone number is 406-721-0999 or 800-823-8234. Our employees may

travel to that office by means of foot, car, bicycle, or bus. We engage in order taking and entry at this location.

When an Emergency/Disruption Occurs:

In the event of an emergency during office hours, call 911. The next appropriate course of action will depend on the nature of the emergency. Most types of emergencies will require all employees to quickly evacuate the building, including fire, bomb-threats, etc. If so, gather your belongings, including any medications, if time safely permits and promptly exit the building. Certain emergencies, however, may require that employees remain in-doors, including the release of a hazardous airborne substance in the immediate vicinity of the firm's principal office. Employees should, always, follow the instructions of emergency personnel. If it is necessary to evacuate the building please use the stairs, exit quietly and calmly. Do not use the elevator. Employees are to meet at the **Dragon Hollow (at Caras Park)** if safe to do so.

In the event of a business disruption or disaster occurring after business hours, each employee will be contacted, informed of the nature of the event and given instructions regarding if, when and where to convene. Any employee initially discovering an emergency situation at the principal office should immediately contact Sue, Darla, or Tessa to inform him/her of the situation. Sue, Darla, or Tessa will contact each other, if possible, and determine a course of action. (If, for instance, the disruption involves a power failure, we will attempt to contact the utility company to obtain an estimate of when power will be restored to the principal office). Once a plan of action has been decided upon, our contacts will attempt to contact all employees or will designate someone else to do so. The designated person will attempt to contact all employees and keep trying to reach those unavailable the first time until they are located. When contacted, each employee is to be apprised of the situation and provided with instructions either to meet at the principal office or an alternative location to await further instructions.

In the event of a disruption in the services provided by a critical service provider, Sue, Darla, Tessa, or other designated individuals will attempt to contact the vendor to determine the nature of the problem and an estimate of the restoration of services. If the vendor cannot be reached and services cannot be restored, the response contacts will put together a team of the Company employees to determine an appropriate "work-around" solution. The Company may also consider referencing the vendor's own recovery plan (if available) to attempt to determine likely causes of the disruption and the vendor's own estimate of the restoration of services. If continued efforts to contact the vendor and/or to restore services are unsuccessful, we will consider contacting a back-up or replacement vendor.

Alternate Site for Operations:

In the event of an SBD, we will move our staff to 945 Wyoming, Ste. 150, Missoula, MT 59802 or another facility or private residence if necessary. Our primary contact number will be 800-823-8234. If this location is not available, the company has designated Sue William's residence as a temporary alternate location from which to restore normal business operations.

Sue Williams' residence is located at: 5949 Eagle Glen Way Missoula, MT 59808. Directions to Sue's residence are as follows: From the office go north on Orange Street to Highway I-90 West. Take the Reserve Street exit and turn to the right on Grant Creek Road, turn right on Glen Eagle, it is the 3rd driveway on the right (tan house on left)

If the expected duration of the disruption or inaccessibility of the Company's principal office is longer than a month, Sue Williams will determine a more permanent alternative location or new principal office. Depending on an employee's job requirements and the availability of a personal computer and Internet access at home, some employees may be permitted or required to temporarily work remotely from his/her residence. Due to the Company's relatively small size and staff, this determination will be made and communicated to each employee at the appropriate time based on the particular circumstances.

Customer Access to Funds and Securities:

Our firm does not have custody of customers' funds or securities, they are maintained at RBC Capital Markets CS. 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. The firm will make this information available to customers through its disclosure policy that is provided to all new clients, mailed annually, or mailed or faxed upon request.

If SIPC determines that we are unable to meet our obligations to our customers or if our liabilities exceed our assets in violation of Securities Exchange Act Rule 15c3-1, SIPC may seek to appoint a trustee to disburse our assets to customers. We will assist SIPC and the trustee by providing our books and records identifying customer accounts subject to SIPC regulation.

Data Back-Up and Recovery: (Hard Copy and Electronic)

Our firm maintains its primary hard copy books and records at 283 W. Front Street Suite 302, Missoula, Mt 59802. Our CCO is responsible for the maintenance of these books and records. Our firm maintains the following document types: New Account Forms, W-9's, Margin Agreements, Option Agreements, ACH, Transfers and Wire requests. The firm backs up its electronic records on a regular basis on its internal

server in addition to an offsite cloud-based system maintained by our technology group, Morrison-Maierle.

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

Recovery Procedures:

If the Company's systems are accessible and otherwise undamaged following an emergency, as may be the case in the event of a power failure, it may be possible to safely retrieve and transport The Company's server and hardware systems, containing all electronically-stored data, to the alternate site for restoration of business operations. In the initial stages of the disruption, Sue and Josh Denney (CTO) make a determination regarding the physical and economic possibility and practicality of this course of action or whether a complete back-up to the alternate system is warranted.

BUSINESS CONTINUITY: Financial and Operational Assessments Operational Risk

In the event of an SBD, we will immediately identify what means will permit us to communicate with our customers, employees, critical business constituents, banks, counter-parties, and regulators. Although the effects of an SBD will determine the means of alternative communication, the communications options we will employ will include routing all calls through our toll-free phone numbers to alternate phones and the use cellular phones. We will immediately post information for accessing client information and placing trades on our Web site if available, and we will access and review email via external computers systems. In addition, we will retrieve our key activity records as described in the section above, Data Back-Up and Recovery. The firm cross trains all staff members to be able to take on additional operational tasks if others are unavailable.

Financial and Credit Risk:

In the event of an SBD, we will determine our ability to continue to fund our operations and remain in capital compliance. We will contact our clearing firm, critical banks, and investors to apprise them as needed. If we determine that we may be unable to meet our obligations to those counter-parties or otherwise continue to fund our operations, we will request additional financing from our bank or other credit sources to fulfill our obligations to our customers and clients or request capital from current shareholders. If we cannot remedy a capital deficiency, we will file appropriate notices with our regulators and immediately take appropriate steps.

Mission Critical Systems:

Our firm's "mission critical systems" are those that ensure prompt and accurate processing of securities transactions, including order taking, entry, execution, comparison, allocation, clearance and settlement of securities transactions, the maintenance of customer accounts, access to customer accounts, and the delivery of funds and securities. More specifically, these systems include Infoworks Gateway and Betalink as our main order entry systems. Client Source is the main client account maintenance systems used within the firm. Gateway Infoworks and Betalink can be accessed via the internet to insure ability to continue processing orders and maintaining client accounts. Our firm relies, by contract, on our clearing firm to provide order execution, order comparison, order allocation, and the maintenance of customer accounts, delivery of funds and securities, and access to customer accounts.

Our clearing firm maintains a business continuity plan, which is not available to the public. A copy of the S.G. Long & Company Plan is kept by the compliance officer and an additional copy of each is kept off-site by Tessa. 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.

Our clearing firm represents that it backs up our records at a remote site in a geographically separate area with the capability to conduct the same volume of business as its primary site. 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 Firm's Mission Critical Systems:

Order Taking - Currently, our firm receives orders from customers via telephone or in person. During an SBD, either internal or external, we will continue to take orders through either of these methods that is available and reliable. In addition, as communications permit, we will inform our customers when communications become available to tell them what other alternatives, they have to send their orders to us. If necessary, we will advise our customers to place orders directly with our clearing firm.

Order Entry - Currently, our firm enters orders by entering them to our clearing firm electronically or telephonically. The firm has several registered individuals that can take and enter orders. 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 overnight mail, faxes, telephone, or email. 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 deal directly with our clearing firm for order entry.

Alternate Communications:

Between the Firm and Customers, Employees, and Regulators, & Customers: We now communicate with our customers using the telephone, e-mail, our Web site, fax, U.S. mail, and in person visits at our firm or at the other locations. In the event of an SBD, we will assess which means of communications are 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 e-mail but the Internet is unavailable, we will call them on the telephone (land or cellular) and follow up where a record is needed with a paper copy in the U.S. mail. Employees have the ability to access their email via their smart phones.

Employees:

We now communicate with our employees using the telephone, e-mail contact, and in person. 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. Sue, Darla and Tessa will utilize the phone tree for contacting all employees in the event of SBD.

Regulators:

We communicate with our regulators using the telephone, e-mail, fax, U.S. mail, and overnight mail services and in person. 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.

Critical Business Constituents, Banks, and Counter-Parties:

RBC-CS is our most critical business constituent. We have reviewed and determined the extent to which we can continue our business relationship with them in light of the internal or external SBD.

Blackfoot Communications - provides internet/telephone communications services for S.G. Long & Company. In the event of an emergency we will contact them at 1-877-881-1155 and direct them to route all calls to a cellular or land phone number. Employees of S.G. Long & Company will utilize cellular phones and wireless internet access in the event the communications lines are unavailable. We have an additional back up internet through Charter/Spectrum Cable 866-874-2389 in the event Charter is not available Morrison-Maierle - our computer technicians, would be contacted if

needed to restore back-ups and perform other critical computer related services. They can be contacted at 406/542-4855 or via email at helpdesk@getsystems.net.

Banks - We will contact 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 banks maintaining our operating accounts are:

- First Security Bank located at 1704 Dearborn Avenue, Missoula, Montana 59802. The telephone number for First Security is 406-728-3115. If our local bank is unavailable we will contact either the Hamilton, Mt location at 501 N. 1st St. Hamilton, Montana 59840 (406)363-3730, or the Thompson Falls, MT location at 107 South Fulton Thompson Falls, Montana 59873 (406)827-7000.
- First Interstate Bank located at 101 E. Front Street, Missoula, MT 59802. If our current bank is unavailable we will contact either the Brooks Street branch at 406-523-4417 or the Reserve Street branch at 406-523-4418.

Should we need financing to resume operations and our current banks are unable to provide financing services for us, we will seek alternative financing immediately from personal investors or other banks in our area.

Regulatory Reporting - Our firm is subject to regulation by: NASD, SEC, and State regulators. We now file reports with our regulators using paper copies in the U.S. mail, and electronically using fax, e-mail, and the Internet. In the event of an SBD, we will check 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.

Disclosure of Business Continuity Plan:

We disclose in writing a summary of our BCP to customers at account opening, through an annual mailing, or upon request. Information is posted on our website, www.sglongfinancial.com. Our summary addresses the possibility of a future SBD and how we plan to respond to events of varying scope. In addressing the events of varying scope, our summary (1) provides specific scenarios of varying severity (e.g., a firm-only business disruption, a disruption to a single building, a disruption to a business district, a city-wide business disruption, and a regional disruption); (2) states whether we plan to continue business during that scenario and, if so, our planned recovery time; and (3) provides general information on our intended response. Our summary discloses the existence of back-up facilities and arrangements.

From Disaster to Recovery - A Timeline of Tasks:

As noted above, business disruption can occur from such relatively benign events as a power failure. Following the events of September 11, 2001, however, it is all too

clear that very dangerous or malevolent forces can also be the cause of disruptions. As we all know, disasters or traumatic events can be disorienting. The timeline provides step-by-step guidelines for The Company's response and recovery from such an event. Of course, an actual emergency may require some deviation from this guide and unique situations may require creative solutions. Throughout any emergency and business disruption, we remind each employee to be mindful of the Company's fiduciary duty to its clients both when evaluating the situation and when determining the appropriate course of action.

Training, Testing & Revision of Plan:

Each employee will be asked to review the plan and will be provided a copy upon request. Employees will be reminded of firm procedures at each annual CE/Compliance meeting. Testing will be done periodically in several ways: fire drills, testing by technology service providers, switching to back-up internet providers.

Distribution of the Plan: Each employee will be asked to review the plan and provided a copy by request. The plan is available electronically and a copy kept offsite by the CCO.

Training - The Plan will be reviewed no less than annually and discussed with all employees at a firm-wide meeting. Documentation of these meeting will be kept and attendance by all employees is mandatory. If an employee has any questions regarding the Plan or his/her role in the event of an emergency, he/she is encouraged to ask for clarification. It is imperative that all personnel are familiar with the policies and procedures of the Plan and have a thorough understanding of his/her responsibilities in the event of an emergency.

Testing, Plan Revision & Recordkeeping:

Our CCO is responsible for periodically, and on at least an annual basis, testing the Plan. Such tests may be as complex as running a simulation of an actual disaster, including the restoration of data to alternate systems, or as basic as testing the employees on their comprehension of the plan. In order to gain realistic results that may be used to revise and optimize the effectiveness of the Plan in the event of a real emergency, not all tests will be announced ahead of time to all employees.

Changes in business operations, contracts and contacts, including new employees, new vendors or new addresses for existing employees or vendors, etc. will be reflected in the Plan. Any revision to the Plan will be made available to all employees. Each employee will be required no less than annually to provide a new, signed acknowledgement that they understand the BCP. All prior versions will be destroyed except for a current copy maintained in The Company's files as required by applicable regulations.

EMPLOYEE CONTACT SHEET

(Numbers are maintained on supervisor's mobile phones)

TIMELINE FROM DISASTER TO RECOVERY A Timeline of Tasks

0 - 2 hours:

Discovery and assessment:

Does disaster occur during business hours?

- If yes, CALL 911
- Is evacuation necessary? Does remaining in the building pose a threat to the safety of employees? If, yes, evacuate building and meet at safe, designated location outside building. If no, anyone initially discovering situation must notify Sue, Darla, or Tessa immediately. (ALWAYS follow instructions of Emergency Personnel)
- If safety permits, secure all confidential client information prior to evacuation.
- Conduct a roll call at designated location to ensure the health and safety of all employees.
- Attempt to assess estimated amount of time before possible resumption on-site. If more than a day, determine whether or not to initiate a set-up of alternate site.
- If safety does not demand evacuation of the building, can normal operations resume (i.e., is there a power outage or other resulting disruption that does not permit resumption of business)?
- If the disruption does not permit the resumption of normal business activities, attempt to assess estimated amount of time before possible resumption on-site.
- If less than a day, determine whether or not to dismiss employees for a number of hours.
- If more than a day, determine whether or not to initiate a set-up of the firm's alternate location.
- If disruption results from an emergency at a key third-party vendor, assess amount of time until restoration by vendor, formulate a work around or determine whether an alternative vendor may fill the gap.

Does situation preclude safe, normal business operations? Sue, Darla, and Tessa will make this determination. If yes, execute call tree. Inform employees of situation, direct them to avoid principal office and to await further instruction. If no, attempt to quickly assess estimated amount of time before possible resumption on-site and execute call tree to inform employees of situation and where and when to reconvene.

Caller	Call Recipients
Darla Smarz	<ul style="list-style-type: none"> • Josh Eder • Ken Freseman • Don Gaumer • Scott and Kelly Long
Sue Williams	<ul style="list-style-type: none"> • Zach Carvalho • Josh Denney • Kelly Doxey • Devin Maves. • Rob Richardson
Tessa Greene	<ul style="list-style-type: none"> • Sherrie Medeiros • Stacie Nyberg • Dave Peppenger • Bob Seidenschwarz • Tim Stansbury

2 - 6 hours:

Initiate Emergency Recovery/Contact Critical Vendors:

- Assess which staff will meet at alternative location and which will work from home. Set a time the following day for a conference call, if possible, or otherwise require each staff member to call in a set time. Notify staff accordingly.
- Begin to compile list of data lost or otherwise inaccessible.
- If possible, begin to salvage data and files from principal office or make plans for such salvage as soon as safety and the authorities permit.
- If necessary, initiate recovery of backed-up data to alternate systems.
- Begin to capture expenses associated with disruption.
- If necessary, notify insurance carriers of situation.
- Arrange with authorities and/or landlord to participate in salvage operations and secure confidential information ASAP.
Notify and brief key vendors on situation, including broker-dealers.
- Request broker dealers send (fax email or other secure remaining means) information regarding client holdings and trade blotters.
Contact Telephone Company to redirect all calls made to firm's main number to Sue, Darla, or Tessa's cell phone number. (Sue 406-544-0014 - Darla 406-360-6328 - Tessa 406-546-4745)
- Determine if and what client communication is necessary.
- If possible and if estimated time of disruption calls for it, consider recording emergency voicemail to provide basic information regarding situation to clients and vendors calling in.

- If possible and if estimated time of disruption calls for it, contact web-host to post a notice to clients on the firm's home page informing them of the situation, how to contact The Company and any other prudent information.
- If possible and if estimated time of disruption calls for it, consider sending an email to all clients informing them of situation and other important information. If disruption includes a failure of website and email systems, use firm's back-up national email system (yahoo) and send an email to all clients informing them of situation and other important information.
- Verify that restoration of back-up data was successful and systems are fully operational. If necessary, contact IT vendors for priority assistance. (If disruption is not localized, priority assistance may not be feasible, thus, testing systems before an emergency occurs is critical).

6 - 8 hours:

Restoration of Normal Business Operations.

- Conduct a reconciliation of accounts to verify that holdings match broker-dealer information.
- Resume normal operations.
- Assess damage and estimated time until principal office will be accessible and operational. If estimate is more than a month, begin to formulate plan for new principal office or a more-permanent alternate location.
- Review compliance checklist to determine whether any critical filings are required in the near future.
- Notify regulators to inform them of situation and new operating location, if necessary.

CRITICAL VENDOR CONTACT SHEET

Securities and Exchange Commission:

San Francisco Regional Office
 Marc J. Fagel, Regional Director
 44 Montgomery Street, Suite 2600
 San Francisco, CA 94104
 (415)705-2500
sanfrancisco@sec.gov

SEC Headquarters
 100 F. Street NE
 Washington, DC 20549
 (202)336-1100

FINRA - Denver District Office:

4600 S. Syracuse Street STE 1400
 Denver, CO 80237-2719
 303-446-3100

Brendon Maloney - Contact Person

Local Internet/Phone Company:

Charter (Spectrum) Communications

Blackfoot Communications

924 S 3rd Street W
Missoula, MT 59801
Tech Support: 855-556-3098
877-881-1155

1221 N. Russell Street
Billings, MT 59802-4328
406-541-5000 / Internet Data Support

Data Back-up & Recovery:

Morrison Maierle
1055 Mount Avenue
Missoula, MT 59801
Phone: 406-542-4855
Email: helpdesk@getsystems.net

Clearing Firm SG Long & Company:

RBC Capital Markets CS
option 2
60 South 6th Street

Minneapolis, MN 55402-1106

Technology Services 800)949-0242-

Client Services Team 617-602-8903

Order Room - Equities (866)812-7678
Fixed Income - (866)934-1305
Mutual Funds - (866)800-5219

Clearing Firm SGL Investment Advisors:

Charles Schwab
1945 Northwestern Drive
El Paso, TX 79912
877-806-4159

Russell Garcia 602-355-7727

Insurance Carriers:

Payne West - Mark Chelini
2925 Palmer Street
Missoula, MT 59808
DL 406-532-5913, M 406-531-7916, 406-721-1000
Paynewest.com

Benefits Providers:

John Hancock
1328 N Whitman Lane
Liberty Lake, WA 99019
Fax: (509)838-1388

Patrick Anthony, Randall & Hurley
Phone: (509)464-7817

Pacific Source
110 International Way
Springfield, OR 97477

Justin Snell
866-999-5583

TYPES OF DISASTERS - VULNERABILITY ASSESSMENT BUSINESS IMPACT ANALYSIS

FIRM VULNERABILITY WORKSHEET

The following is designed to assist the Disaster Recovery Team to assess the firm's vulnerability and plan for possible disaster scenarios.

		Approximate Risk Level* (If yes, assign likelihood of occurrence impacting firm)
1. Is the firm located in an area at all susceptible to hurricanes, tornados or other severe weather?	___ Yes <u>X</u> No	___High ___Med <u>X</u> Low
2. Is the firm located near the shore, a flood plain or low lying area?	<u>X</u> Yes ___ No	___High ___Med <u>X</u> Low
3. Is the firm located in an earthquake zone or an area susceptible to volcanic activity?	<u>X</u> Yes ___ No	___High ___Med <u>X</u> Low
4. Is the firm located near hazardous industry or potential terrorist targets (concentrated financial district, airport, nuclear power plant, oil refinery, etc.)?	___ Yes <u>X</u> No	___High ___Med <u>X</u> Low
5. Is the firm located in an area that may be impacted by mudslides or wildfires?	___ Yes <u>X</u> No	___High ___Med <u>X</u> Low

For this assessment, the following definitions of the measures of risk are used:

High - Event likely to be experienced once per year.

Med - Event likely to be experienced once every ten years.

Low- Event likely to be experienced once every hundred years.

The above vulnerability/risk assessment is based on the firm's geographic location and an attempt to account for unforeseen events. Bear in mind that even if the firm is not currently situated in a risk-prone environment, critical vendors, communication lines and transportation routes of employees may be. This is considered in the "Resulting Business Disruptions" analysis below.

Resulting Business Disruptions Possible

Certain disruptions may result from any or several of the causes listed above (although the particular cause may impact the duration of the disruption). The Plan must provide for the recovery of critical processes from these disruptions. These include (among others):

- Partial or total physical damage to the firm's office and/or equipment and/or files
- Partial or total physical damage to a critical vendor's office and/or equipment and/or files

- Inaccessibility to office, equipment or files (whether damaged or not)
- Inaccessibility of a critical vendor to its office, equipment or files
- Power outage
- Loss of life or incapacity of critical personnel
- Loss of communications (phones/internet)

Critical Processes of Various Business Groups: The Company is a small firm with a small staff. As such, the same individuals will handle its critical processes and the firm is not, strictly speaking, separated into business groups.

Nevertheless, for purposes of this analysis, the firm's critical processes are categorized as follows:

Finance: Tax materials and preparation, Monthly close (including calculating returns, account valuations, calculating fees and billing client accounts) Internal – not dependent on third parties

Portfolio Management and Other Advisory Services: Research and analysis (some internal and some dependent on third-party vendors), Trading capability (dependent on clearing firm), Adhering to client suitability, portfolio guidelines and client-imposed restrictions - internal

HR: Payroll –not dependent on third-parties, Benefit administration (dependent on third-party vendors)

Client Relations: Quarterly reports summarizing performance (internal and third-party vendors), Website updates – (posting somewhat dependent on third-party vendors)

Legal: Regulatory compliance (including Form ADV amendments, state notice filings and fees, Form 13F filings, if applicable, etc.), Client reporting, Form ADV, Part II offering, privacy notice delivery. We do not vote or report proxies. - internal

Trading compliance: (proprietary & personal, including initial and annual holdings reports and quarterly transaction reports) - internal

IT: User support (dependent on third-party vendors), System recovery (dependent on third-party vendors), User account administration (dependent on third-party vendors)

Central files: Organization, maintenance and security of records, Regulatory Compliance- required books and records, Insurance documents – internal with additional external layer

Business Impact Analysis

Business Disruption/Impact Analysis Depending on Duration (complete as appropriate):

Category	Potential Impact	6 Hrs	24 Hrs	72 Hrs	5 Days
Revenue	More than \$1,000,000,000	Less than \$100,000	Less than \$100,000	Less than \$100,000	Less than \$100,000
Financial Exposure	More than \$1,000,000,000	Less than \$100,000	Less than \$100,000	Less than \$100,000	Less than \$100,000
Additional Operating Costs	Less than \$100,000	Less than \$100,000	Less than \$100,000	Less than \$100,000	Less than \$100,000
Reputational Impact	Very serious impact (Major regional publicity)	Minor impact (rumor among fin'l community)	Minor impact (rumor among fin'l community)	Significant impact (Limited local publicity)	Significant impact (Limited local publicity)
Legal / Regulatory	None/negligible impact	None/negligible impact	None/negligible impact	Minor impact (May negotiate resolution)	Minor impact (May negotiate resolution)

**ACKNOWLEDGEMENT FORM
DISASTER RECOVER PLAN**

I, the undersigned employee of the Company, hereby acknowledge and certify that I have read and reviewed the entire contents of the Company's Disaster Recovery Plan. I accept responsibility for understanding my role in the event of an emergency.

Printed Name of Employee Signature

Signature

Date