



Laurel Wealth Advisors  
Business Continuity Plan

Emergency Associate Call Line: 858.459.1101

Website: [www.laurelwa.com](http://www.laurelwa.com)

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## Introduction

A Business Continuity Plan is one of the foundations for Investment Adviser practices. Federal and state law imposes a fiduciary duty upon registered Investment Advisers to act in the best interest of their clients. As part of that fiduciary duty, it is critical for Laurel Wealth Advisors, Inc. ("Laurel Wealth," the "Adviser," or the "firm") to be able to provide continuous, uninterrupted services to its clients. The firm's critical systems must operate during disaster or business interruptions so that clients can have access to their funds. Well thought out, advanced preparations and procedures provide an efficient means for minimizing downtime in the face of a disaster or outage and enables the firm to meet existing obligations to its clients.

Laurel Wealth has established and implemented this Business Continuity Plan ("BCP") that encompasses business continuity and succession planning in the event of a Significant Business Disruption ("SBD"). The BCP is carried out by the firm's Supervised and Covered Persons ("Associates"), under the direction of the firm's Disaster Recovery Executive Representative Coordinator ("DRC"), Brian M. Lavoie, Laurel Wealth's Director of Operations.

## Business Continuity Plan Background

Laurel Wealth has proactively planned for how to handle natural, physical, electronic, and other disasters, and this document sets forth the firm's policies and courses of action to take under a variety of conditions. The Adviser's intent is for its BCP to address procedures by which the loss of business may be minimized or avoided in the event of an SBD.

## Disaster Recovery Executive Representative Coordinator

As noted above, the firm has designated its Director of Operations, Brian M. Lavoie, as the firm's Disaster Recovery Executive Representative Coordinator ("DRC").

In the DRC's absence, the firm's Principal and Managing Director, Mark D. Welsh, will assume DRC responsibilities. The DRC has the responsibility of making an immediate preliminary assessment of the nature and extent of any disruption. They do this by assessing, at a minimum, the following, as deemed necessary to determine the overall impact of the SBD on the firm's ability to conduct its business activities:

- electricity supply,
- the condition of computer network/phones,
- damage to the building,
- HVAC in extreme weather, and
- and any other hazards.

If the DRC determines that Advisory Personnel should evacuate the affected location(s), they must announce to all Associates the appropriate procedures. An announcement will be made via personal contact, e-mail, intercom, or other methods as deemed necessary, given the systems available and the size of staff and building operations. The announcement will be as short and concise as possible and will calmly identify the situation, providing instructions to Associates on next steps and expected responses. Announcements will be repeated as often as necessary to avoid confusion, to ensure Associates are made aware of the situation at hand. After securing the physical safety of the firm's personnel, the DRC will then initiate the implementation of the firm's BCP.

If a BCP situation does not include or merit evacuation, steps will be taken to alert designated persons of necessary actions to facilitate ongoing operations in the face of limited disruption. In this case, the DRC shall determine which, if any, procedures in this BCP to implement. In the event the SBD has directly affected other areas of the building but has not directly impacted the firm's office locations, the DRC will contact building security or emergency personnel for instructions on how the firm should respond and proceed accordingly.

## Emergency Contacts

### DRC Emergency Contacts:

Primary	Brian M. Lavoie	Secondary	Mark D. Welsh
Title	Disaster Recovery Executive Representative Coordinator & Director of Operations	Title	Principal & Managing Director
Address	8008 Girard Avenue, Suite 330 La Jolla, CA 92037	Address	8008 Girard Avenue, Suite 330 La Jolla, CA 92037
Contact #s	O: 858.459.1101 x 550 C: 857.205.9863	Contact #s	O: 858.459.1101 x 503 C: 760.807.0943
E-mail	<a href="mailto:blavoie@laurelwa.com">blavoie@laurelwa.com</a>	E-mail	<a href="mailto:mark@laurelwa.com">mark@laurelwa.com</a>

### External Emergency Support Services Contacts:

Emergency Services (EMS)	911
Fire Department	619.533.4300
Police Department	619.531.2000

## Review, Approval & Execution Authority

The firm's BCP is reviewed, maintained, and updated annually and as needed, by the firm's CCO in coordination with the firm's DRC and Senior Management. Senior Management has the authority to execute this BCP.

## Significant Business Disruptions (SBDs)

### Damaging or Interfering Conditions

A BCP addresses mission-critical systems necessary to ensure prompt and accurate client and internal communications, processing of account transactions, and portfolio management continuity in the event of a significant business disruption. Examples damaging or interfering conditions may include, among other things:

- destruction of the firm's offices, whether by natural causes or by other means,
- widespread lack of telecommunications, transportation, electricity, office space, fuel, and water,
- loss of life or significant injuries to personnel or equipment in an office location that disables the office's ability to conduct business, and
- disruption of service from a critical business constituent.

### Human-Made Disasters

Examples of human-made disasters that could damage or destroy the firm's office(s) include:

- *Fire* - Fire could destroy the office despite the sprinkler protection system inherent in the building design. The sprinkler system may malfunction because of improper operation or a loss of town water pressure.
- *Terrorism (Chemical or Biological Disaster) & Warfare* - Terrorism is a threat to our country and our region. To stay on guard for any form of terrorism/warfare (chemical, biological, or otherwise) is significant to Laurel Wealth as well as all Americans.
- *Bomb Threats* - A vast majority of bomb threat calls are false alarms, meant only to disturb or disrupt the routine work of a person or company. However, at no time will any call be regarded as "just another false alarm."

### *Internet / Electrical Outage*

A large-scale Internet outage is plausible, either through technical malfunctions of Internet servers, or a denial of service because of hacker jamming. Internet service is important for client email communications and daily downloads from Custodians. Although these downloads are important, several days can pass before the loss of Internet access becomes a financial burden on the Adviser. Aside from a wide scale internet failure, one of the network appliances (routers, firewalls, etc.) could fail, causing a local Internet outage.

If an Internet outage occurs, the DRC will request the Custodian(s) holding client assets, maintain the firm's daily files until Internet access is restored. If the outage lasts more than one business day, clients will be notified as they call into the office, and Custodians contacted directly. Trading will continue via telephone orders. *(Note: It is likely that the Adviser's Custodians will take this action of their own volition, due to the high number of financial advisors that would be affected by a large-scale Internet outage. The firm will minimize trading by telephone to lessen downloads the following day.)*

### *Natural Disasters*

Even if the Adviser's Headquarters building remains intact, any variety of physical phenomena could cause a complete loss of electrical power near the office for several days, thereby making the office unfit for business processes. Examples of natural disasters that could damage or destroy the firm's office(s) include but are not limited to:

- firestorms,
- flooding,
- tsunami,
- tornados,
- earthquakes, and
- natural gas leaks.

### **Business Disruption Policy**

#### *Headquarters & Central Office Location*

Laurel Wealth's Headquarters and main, central office location is as follows:

*Laurel Wealth Advisors  
8008 Girard Avenue, Suite 330  
La Jolla, CA 92037  
Telephone: 858.459.1101*

### **SBD Emergency Procedures**

#### *Initial Notification*

When an event, either major or minor, occurs or appears to be developing, Senior Management and the DRC will be notified. The sources of this initial notification may be individuals other than Associates (*e.g.*, property management, public safety officials, etc.). If an SBD event occurs while Associates are present at the Adviser's Headquarters location, emergency procedures will be as follows:

- Laurel Wealth will secure the Headquarters as much as possible,
- will refer to actions contained in this BCP Plan, and
- will advise all Associates to either call the Adviser's voicemail line for specific information or to check the firm's website, [www.laurelwa.com](http://www.laurelwa.com), in the event of long-term situations.

#### *Preliminary Damage Assessment*

Upon notification or becoming aware of an SBD event, the DRC will initiate damage assessment by performing a walk-through with other personnel and property management. During this walk-through and consultation with

property management, if in attendance, the DRC will conduct a preliminary analysis of total facility downtime. Throughout the tour, the DRC will attempt to photograph areas of damage as deemed necessary, depending upon the extent of any destruction.

Associates should independently record their assessment of damage to furniture, facilities, hardware, storage media, environmental capabilities, and security features. After the tour, Associates will reconvene to develop a “disaster recovery strategy” after carrying out an analysis of damage and probable downtime. The DRC will determine next steps such as whether Associates will be asked to work from home, duration, and if a skeleton crew will be asked to work from an offsite location.

*Comprehensive Damage Assessment*

If necessary, the DRC will contact the firm’s Insurance provider representative to request disaster customer service personnel be assigned to Laurel Wealth for detailed damage assessment.

*Office Closing & Relocation Procedures*

Rebuilding and re-establishing the work area following an SDB requires substantial planning and execution. To accomplish this task, the DRC is prepared to communicate a decision to Associates both on the job, as well as off the job, during non-working hours. Depending on the severity of and circumstances surrounding the event, an “Emergency Call Tree” may be initiated, as well as texts and/or emails sent to Associate’s mobile phones and/or personal email addresses, informing them of availability of details on both the Emergency Associate Call Line and the firm’s website. In the case of an emergency, Associates will be expected to call Laurel Wealth’s voicemail or check the Adviser’s website to determine the status of the office and, if the office is open, and to make every effort to report to work at their regular reporting time unless otherwise advised by the DRC. *(Note: Associate Emergency Contact Information is maintained separately.)*

Laurel Wealth’s Emergency Associate Call Line is as follows:

858.459.1101

*Revised Work Assignments*

It may be necessary to request Associates to work, to maintain the normal flow of operations. The DRC will first try to obtain volunteers. If the number of volunteers is not sufficient, the DRC will be required to select Associates to assist in maintaining basic workflow. When choosing those needed to work, the DRC will keep in mind the skills required, and the individual requirements of the Associate relating to the emergency. Associates may be required to perform duties that are outside the scope of their typical responsibilities.

***It is a firm policy that the protection of family members always takes precedence over preservation of business assets.***

*Office Relocation Protocol*

If the DRC determines the firm’s Headquarters location will be unavailable for an extended period due to an SDB and believes business operations will be unable to continue via remote access, they will direct Associates (and clients, as applicable) to the next alternate office location in which advisory business will be activated. Laurel Wealth will move the critical members of its staff from affected offices, to the Adviser’s closest, unaffected alternative office location.

*Primary & Secondary Alternative Office Locations:*

Primary Alternative Office Location <i>(13 miles from Laurel Wealth Headquarters Location)</i>	600 West Broadway, Suite 2625 San Diego, CA 92101
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Secondary Alternative Office Location  
(.6 miles from Laurel Wealth Headquarters Location)

La Jolla Library - 7555 Draper Avenue  
La Jolla, CA 92037

#### Travel Limitations

If the DRC determines Associates are unable to travel to any regular or alternative advisory office location, the firm's computer server will be remotely accessed, and business operations shall continue via this type of server access. Under these circumstances, Associates will be expected to operate temporarily from their homes (generally up to ten business days, but possibly more if necessary, as determined and communicated by the DRC).

#### Temporary Office Location(s)

If the Adviser's Headquarters, primary and secondary office locations are not accessible for a period of greater than ten (10) business days, the DRC will retain temporary office quarters in the Adviser's Headquarters location city. The temporary office quarters are to offer both web and phone access. Should an SBD cause widespread destruction in San Diego, CA, the DRC will determine a geographically diverse location (such as Las Vegas, NV), as appropriate to the nature of the event, to establish a temporary office location.

### **Mission Critical, Operational, Financial & Credit Risk Assessments**

#### *Mission Critical Assessment*

The firm's "mission-critical systems" are those that ensure client communication, access to client accounts, and trading systems. More specifically, these systems include the Adviser's office computer systems. The firm has chief responsibility for establishing and maintaining its business relationships with its clients. The firm's Custodian(s) provides the 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.

Laurel Wealth's Custodians maintain Business Continuity Plans of their own, and the capacity to execute those BCP's. Custodians represent they back up firm records at a remote site and affirm they maintain a backup operating facility in a geographically separate area, with the capability to conduct the same volume of business they do from their primary site. They also verify by testing, the effectiveness of backup arrangements to recover from a wide-scale disruption.

Recovery-time objectives provide concrete goals for which to plan and test. They are not, however, hard and fast deadlines that must be met in every emergency. Various external factors surrounding a disruption, such as the scope of disruption, time of day, 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. Custodians have the following SBD recovery time objectives: recovery period of critical, core trading functions within minutes following an outage.

#### *Operational Risk Assessment*

In the event of an SBD, Laurel Wealth will immediately identify what means will permit the firm to communicate with its clients, Associates, critical business constituents, and Regulators. Although the effects of an SBD will determine the means of alternative communication, the communications options employed will generally include Laurel Wealth's website, telephone voice mail, secure e-mail, etc.

#### *Financial & Credit Risk Assessment*

In the event of an SBD, Senior Management will determine the value and liquidity of its investments and other assets, to evaluate the Adviser's ability to continue to fund its operations and remain in regulatory compliance.

If Senior Management determines it may be unable to meet its obligations to counterparties or otherwise continue to fund its operations, they will request additional financing from its bank or other credit sources to fulfill the Adviser’s client obligations. If the firm cannot correct a capital deficiency, Senior Management will file appropriate notices with applicable Regulators and immediately take proper steps, including the suspension of certain business activities, contact regulatory agencies as necessary, and in certain instances, undertake the temporary layoff of non-essential Associates. In the event there is suspension or termination of the Adviser’s business, Laurel Wealth will attempt to notify clients regarding the situation and provide them with the following the necessary contact information to access their funds, securities, and investments. The notification may be made in various forms which will be based on the circumstances permitted by regulatory authorities (i.e., via the firm’s website, email, U.S. mail, telephone, etc.).

### Mission Critical Systems

In known SBD emergencies, the DRC will provide Associates with mission critical-related instructions in advance. In cases where Associates should stay home, the DRC will instruct them to do so. If the DRC is not able to be reached in a timely fashion, Senior Management will decide action steps and issue instructions accordingly. The DRC may designate critical people to work at the office, log into the firm’s network remotely, or go to an alternate office location. The DRC will determine when it is safe for normal office activities to resume. Until then, Associates should maintain contact with the DRC and follow all directions received.

***The below Mission Critical Systems are listed alphabetically for ease of readability; the order in which the Systems appear are not indicative of the assigned level of importance.***

### *Business Constituents, Banks & Counter-Parties*

Laurel Wealth has contacted its critical business constituents (businesses in which the firm has an ongoing commercial relationship in support of its operating activities, such as vendors providing essential services), and determined the extent to which the firm can continue its relationship with these businesses considering an internal or external SBD. If it is determined a business constituent can no longer provide the needed goods or services due to an SBD, Laurel Wealth will quickly establish alternative arrangements. The Adviser’s critical business constituents are as follows:

TYPE	NAME	ADDRESS	TELEPHONE #	CONTACT
Banking	Union Bank	7807 Girard Avenue La Jolla, CA, 92037	888.826.2669	Customer Service
Compliance Support	CWI	P.O. Box 6 Palos Verdes Estates, CA 90274	434.242.0068	Donna L. Cooper, CCO
Computer, Technology & IT Service Provider	San Diego Computer Consulting	5208 Alta Vista Street San Diego, CA 92109	858.274.7070	Glen Jaffe
Custodian	Charles Schwab	2423 E Lincoln Drive Phoenix, AZ 85016	800.515.2157	Customer Service
Custodian	TD Ameritrade	TD Ameritrade 200 South 108 <sup>th</sup> Avenue Omaha, NE 68154	800-934-6124	Joe Borriello
Custodian	Raymond James	Raymond James 800 Carillon Parkway St. Petersburg, FL 33716	949-501-2712	Tyson Lorenzo
Email Archiving	Global Relay	220 Cambie Street, 2nd Floor Vancouver, BC V6B 2M9	866.484.6630	Customer Service
Insurance	Teague Insurance	4700 Spring Street #400 La Mesa, CA 91942	619-319-7826	Igot Bito
Landlord	REI Properties	8008 Girard Ave. #410 La Jolla, CA 92037	858-456-7347	Kaid Marouf



### *Client Account Information*

Laurel Wealth currently accesses client account information via its Custodial brokerage firm websites. In the event of an internal SBD, Laurel Wealth will access client information via fax correspondence, other phone systems, or any other means available to it, as deemed appropriate.

### *Client Funds & Securities Access*

Laurel Wealth does not maintain custody of client funds or securities. These are kept at the Adviser's custodial brokerage firms. In the event of an internal or external SBD, if telephone service is accessible, the firm's Investment Advisor Representatives will take customer orders or instructions. They will then contact the appropriate Custodial brokerage firm on the client's behalf. If the Adviser's web access is available ([www.laurelwa.com](http://www.laurelwa.com)), Laurel Wealth will post on its website, a notice that clients may access their funds and securities by contacting their Custodian, directly.

### *Communications*

#### Communications Between Laurel Wealth & Associates

Laurel Wealth currently communicates with Associates in person, by mail, by phone, and via e-mail. In the event of an SBD, the firm will evaluate the means of communication still accessible and will contact Associates in the most efficient and practical methods available. The Adviser will utilize an Emergency Call Tree, which will allow the DRC and Senior Management to reach all Associates quickly during an SBD. The Emergency Call Tree includes email addresses, home, and cell phone numbers, and emergency contact(s) for all Associates. The DRC is responsible for invoking the use of the Emergency Call Tree. Most Associates have a computer at their home which can be used during an SBD. Associates should call into Laurel Wealth's Headquarters office voicemail at 858. 459.1101 and listen to recorded information for direction on the status of firm operations during and after an SBD.

#### Communication Between Laurel Wealth & Clients

The firm currently utilizes the telephone, e-mail, fax, U.S. mail and in-person visits at either firm or client locations, to communicate with clients. In the event of an SBD, the Adviser will assess the means of communication still accessible and contacts clients most efficiently and practically available. A current list of all client contact information and account numbers is kept on the BlackDiamond system.

#### Communication Between Laurel Wealth & Regulators

Laurel Wealth communicates with its Regulators using the telephone, e-mail, fax, U.S. mail, and in person. In the event of an SBD, the DRC will assess which means of communication are still accessible and use the type closest in speed and form (written or oral) to the methods used in the past to communicate with the other party. If the firm cannot contact its Regulators, it will continue to file required reports using the communication means available. Laurel Wealth's regulatory contact is as follows:

*U.S. Securities and Exchange Commission  
Office of Compliance Inspections & Examinations  
100 F Street, N.E.  
Washington, DC 20549-8549  
Telephone: 202.551.5804*

### *Custodian(s)*

If transactions cannot occur through the Adviser due to an SBD, the firm will work directly with its Custodians to make alternative arrangements to complete transactions as soon as practicable. Each Custodian has national offices and the capability to assist the Adviser with the clearance, settlement, and the delivery of funds and securities during any SBD.

### *Data Software, Hardware, Back-up & Recovery*

Laurel Wealth's BCP provides for data back-up and recovery in electronic format, as well as in remote locations. The following is a list of IT-related BCP processes:

*Data Backup* - Laurel Wealth's technology provider, is San Diego Computer Consulting ("SDCC"). SDCC performs nightly backups of the firm's onsite servers using a technology called PBX ([www.americanis.net](http://www.americanis.net)). This technology stores multiple copies of the servers to both a local storage device and the provider's Internet Data Center.

In the event of a hardware failure on one or all the firm's servers, the Adviser has the following capabilities:

- replace any server or VOIP hardware locally,
- restore data from any computer or hard drive,
- bypass the telephone system and program incoming phone calls to be forwarded to an alternate phone line during a recovery,
- recover the system within the same day of failure,
- recover the data service system on the same day of failure, and
- replace all network equipment on the same day of failure.

### *Documents*

*Electronic Materials* - SDCC performs nightly backups of the firm's onsite servers using a technology called PBX ([www.americanis.net](http://www.americanis.net)). This technology stores multiple copies of the servers to both a local storage device and the IT provider's Internet Data Center. Other critical documents related to client accounts and trading, can be obtained through the firm's Custodians.

*Printed Materials* - The firm stores a small quantity of printed stationery at its Headquarters. It does not store printed marketing materials and office forms; these items are available on the Adviser's electronic network. In the event of an SBD, a list of the printing sources and usual order quantities for firm printed marketing materials can be easily accessed, to allow for easy re-ordering.

### *Email Capability*

Laurel Wealth's mail server is at its Headquarters. In the event of an SBD, a mail server will be set up at the primary alternate location. Currently, the firm uses an Exchange server. The Exchange server lives at a Co-location facility in San Diego ([www.americanis.net](http://www.americanis.net)). That facility has all failsafe measures and meets SSAE16, SOC 1, 2, and 3 type 2 requirements. If there is a power outage in San Diego, that facility has a 72-up time via generators.

If there is an extended outage or email server outage, all email is queued at GFI. The firm uses GFI Maxmail to spam-wash all emails (incoming and outgoing). If the Exchange server is unavailable, emails are queued and accessible on a GFI Maxmail website. Associates can log in individually and retrieve their private email or send emails from the web interface. At the direction of the CCO, SDCC will test the firm's access to the external email service, and document testing results, for storage on the firm's network.

### *Printing Capability*

The DRC will determine if the firm has printing capability. If not, the DRC will purchase a printer, or will direct Associates to use their personal printers briefly, until a temporary office location is established.

### *Regulatory Filings*

If applicable to Laurel Wealth's business model, the CCO or their Designee shall be responsible for ensuring filings are timely made.

### *Servers*

Laurel Wealth operates on one data server running Windows 2008 R2 Server, one VOIP server running on Windows 7, and one 3CX VOIP Server. These servers are all located onsite at the primary office location.

*Server Loss* - Theft of one or more of the servers or a total loss of the servers due to fire or water damage will have a severe impact on daily operations. The servers have uninterruptible power supplies to isolate them from power spikes and power dips. The servers also have redundant power supplies to increase reliability. If Laurel Wealth's server is stolen, the DRC will as appropriate, immediately notify:

- the San Diego Police Department, Northern Division,
- the La Jolla Cove Plaza Building Security, and
- the Adviser's insurance provider.

The DRC will advise Associates to avoid touching any objects that would thwart forensic evidence, and notify Associates of the loss of confidential client information and event occurrence. If the firm's server is damaged but not stolen, the DRC will work with SDCC, the firm's IT provider, to assess the extent of the damage and determine the possibility of recovery within a reasonable period. If one or more of the servers are not recoverable, replacement(s) will be purchased immediately, and the server(s) will be rebuilt from off-site software backups. SDCC will work with the DRC to select and purchase new equipment. If immediate replacements are not able to be obtained, locally purchased equipment will be used.

*Server Restoration* - If the reestablishment of computer services is not immediately possible, Associates will be expected to work remotely from their home computers for a period of up to two weeks. Should the main Laurel Wealth office remain unavailable for longer than two weeks, the DRC will determine if a temporary office location must be set up and if new computer equipment will be needed. If equipment is required, the DRC will decide what equipment will be needed; they will place their order with a vendor offering immediate shipment.

### *Software*

The firm's software applications are on an external hard drive maintained at San Diego Computer Consulting ("SDCC"). Licenses for the software are stored directly on each computer; a sticker reflecting Microsoft Windows License information is attached to each computer station. The Microsoft Office Licensing information is also on the Microsoft Licensing Program, with copies of the software on the drive are updated quarterly. The password list for all network passwords is stored on this hard drive.

### *Telephone Capability*

The firm has a Toshiba 3CX phone system. The software for VOIP PBX is Windows-based and accessed from a dedicated Windows machine located at the primary office location. In the event of an SBD, the Adviser can quickly restore the PBX configuration on a different device that runs 3CX from any site. The 3CX VOIP is mobile and easily and promptly restorable. The firm's phone system can be moved and restored on SDCC's back end. The firm's main office line has the capability of being programmed and redirected to a digital SIP Trunk connected to the firm's restored/recovery VOIP PBX system. The SIP trunk can be operating within 24 hours of an SBD. In the short term, the firm has a contract with AT&T for several landlines in case the internet is down.

### *Trading*

The firm currently enters trades electronically and transmits them to its Custodial brokerage firm(s) either electronically or telephonically. In the event of an internal SBD, Laurel Wealth will enter and transfer records to its Custodians by the fastest alternative means available. In the event of an external SBD, the Adviser will maintain orders in electronic or paper format, and deliver orders to Laurel Wealth's brokerage firm by the fastest means available, when it resumes operations. During an internal SBD, Laurel Wealth may refer its clients to deal directly with its Custodial brokerage firms for order entry.

## Viruses

A large-scale computer virus could affect many of the computers in the office in a relatively short period. Should a virus be detected, the DRC will alert all Associates of the event. The DRC will direct SDCC to assess which computers and equipment have been affected and will take measures to stem further infections. If any equipment is not affected, the DRC will advise those Associates to continue conducting business. SDCC will proceed with an appropriate antidote from an anti-virus vendor and will cleanse affected computers.

## Annual Testing Requirement

### Annual Business Impact Analysis

A BCP that is not regularly reviewed and tested can become obsolete. Laurel Wealth takes very seriously its obligation to maintain a current and viable plan. Each year the Adviser perform a Business Impact Analysis (“BIA”) to identify which business processes and functions are most critical to the survival of the organization to ensure proper protection. The BIA provides an estimate of the maximum tolerable downtime for each process, with a plan to restore those areas of highest importance or need as soon as possible. Company documentation is analyzed to determine the impact of documentation loss and the most expedient method to recover the documentation, if appropriate. Finally, each software application is analyzed to determine the most practical means to reestablish use.

This BCP is reviewed annually and is updated whenever there is a material change to the firm’s operations, structure, business model, location(s), or the firm’s designated Custodian(s). The firm tests the effectiveness of its BCP, to ensure Associates can effectively execute BCP procedures in the subject area assigned to them, in the event a BCP is triggered. Tests may include:

- penetration tests,
- review of identity theft controls and cybersecurity measures,
- physical security of the firm office,
- ability to relocate to an off-site location,
- ability to install firm software and client data on an alternate machine, and
- review of counter-party BCPs and Internal Control Reports.

After annual testing, the firm’s BCP is updated as appropriate, with necessary action steps memorialized and maintained at the firm’s principal office. Copies of the revised BCP shall be maintained at the CCO's home as well as electronically, via the firm’s internal network. The following page includes examples of items that may be reviewed during an operational system evaluation and analysis:

PROCESS	IMPORTANCE	PROCESS DEPENDENCIES
Website Communications	High	External Web Service
Answering Telephones	High	Toshiba VOIP, Phone Circuit Availability
Bank Deposits	High	Banks Open
Email Retention	High	Computers; Power
Firewalls	High	None
Voice Mail Retrieval	High	Toshiba VOIP, Phone Circuit Availability
Faxing	High	Phone Circuit & Fax Machine Availability
Schwab Trade Processing	High	Phone Circuits Availability; the Internet
Internet Access	Moderate	DSL Circuit; Router, Firewall, LAN
Emails	Moderate	External Email Device; DSL Circuit, Email Server, Firewall, Router, LAN
Black Diamond	Moderate	Installation in Temporary Location
Trading & Rebalancing	Moderate	Black Diamond, Portfolio Center, the Internet
Payroll Processing	Moderate	Union Bank
Performance Reports	Moderate	Portfolio Center, Black Diamond, Computers, Power

PROCESS	IMPORTANCE	PROCESS DEPENDENCIES
Daily Schwab Downloads	Low	Portfolio Center
Web page Provider	Low	Portfolio Center, Internet ISP Connection
U.S. Mail	Low	Transportation
FedEx	Low	Transportation
UPS	Low	Transportation
Associate Benefit Processing	Low	Union Bank, Internet
Billing	Low	Portfolio Center, Black Diamond, Computers; Power

## Training

### *Associate Training*

Associate training and preparation are crucial parts of maintaining Laurel Wealth’s BCP. Essential Associates are involved in developing both the BCP and its maintenance strategies. This preparation encompasses industry standards, along with specific training related to the firm’s business operations.

To anticipate responses to disaster situations, Associates receive training on the Adviser’s BCP. Associates receive BCP training at the time of New Hire Onboarding and annually after that (annual training and notification are usually made at the time of BCP revision). Associates are expected to be able to answer the following questions:

- Who is the immediate contact for each office location, division, or unit?
- What events trigger the implementation of all or parts of the firm’s BCP?
- Who is responsible for implementing the BCP for the organization as a whole?
- Who should Associates contact in an emergency?
- Where should Associates report if normal means of communication are unavailable?
- What actions should the firm take if “Key Personnel” become unavailable?

Questions about the Plan’s implementation should be directed to the DRC.

## Death of Key Personnel

### *Succession*

The following personnel is identified as “Key Personnel” without which it would be difficult or impossible to continue operating the firm and properly service clients in day-to-day operations

*Lee A. Tripodi, Principal & President*  
*Mark D. Welsh, Principal & Managing Director*

If an event made it impossible for the person listed above able to continue to service the firm, clients of the firm would, with little difficulty, be able to obtain similar services elsewhere. Client brokerage accounts would not depend on the well-being of the Key Personnel.

## Contact Information

Please direct questions about this BCP to Laurel Wealth’s Disaster Recovery Executive Representative Coordinator (DRC), as follows:

*8008 Girard Ave, Suite 330, La Jolla, CA 92037*  
*Telephone: 858.459.1101*