

## **Colonial Securities, Inc. Business Continuity Plan**

We have developed a Business Continuity Plan on how we will respond to events that significantly disrupt our business. Since the timing and impact of disasters and disruptions is unpredictable, we will have to be flexible in responding to actual events as they occur. With that in mind, we are providing you with this information on our business continuity plan.

**Contacting Us** – If after a significant business disruption you cannot contact us as you usually do at (212) 964-6504, you may call our alternative emergency number (917) 838-8368. Please do not call our alternative number unless you truly believe that our business has been interrupted. If you cannot access us through either of those means, you may call our clearing firm, Hilltop Securities, Inc. directly. You will be able to enter transactions through them and have access to your funds and securities. The contact information will be updated on our website, <http://www.colonialsecurities.com>

**Our Business Continuity Plan** – We plan to quickly recover and resume business operations after a significant business disruption and respond by first safeguarding our employees and then safeguarding our property, making a financial and operational assessment, protecting the firm's books and records, and allowing our customers to transact business. In short, our business continuity plan is designed to permit our firm to resume operations as quickly as possible, given the scope and severity of the significant business disruption.

Our business continuity addresses: data backup and recovery; mission critical systems; financial and operational assessments; alternative communications with customers, employees, our clearing firm and regulators; alternate physical locations of employees; critical supplier, contractor, bank and counter-party impact, if any; regulatory reporting; and assuring our customers prompt access to their funds and securities if we are unable to continue our business.

While every emergency situation poses unique problems based on external factors, such as time of day and the severity of the disruption, our clearing firm is also required to have, and has, a plan to restore its own operations, be able to complete existing transactions and accept new transactions and payments promptly. Your orders and requests for funds and securities could be delayed during this period.

**Varying Disruptions** – Significant business disruptions can vary in their scope, such as only our firm, a single building housing our firm, the business district where our firm is located, the city where we are located or the whole region. Within each of these areas, the severity of the disruption can also vary from minimal to severe. In a disruption to only our firm or a building housing our firm, we will transfer our operations to a local site when needed and expect to recover and resume business as quickly as possible. In a disruption affecting our business district, city, or region, we would probably transfer our operations to a site outside the affected area, and recover and resume business promptly. In either situation, we plan to continue in business, transfer operations to our clearing firm if necessary, and notify you how to contact us. If the significant business disruption is so severe that it prevents us from remaining in business, our customers will be able to access their funds and securities by simply contacting our clearing firm.

**For more information** – If you have any questions about our business continuity planning, feel free to call us.