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# Excel Securities & Associates, Inc

## Business Continuity Plan (BCP)

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### **Introduction:**

This document provides an optional guide to Excel's business continuity plans (BCPs) and emergency contact person lists under FINRA rule 4370. Since we are an introducing firm we rely, in part, on our clearing firm's (Pershing LLC) BCP for many of our mission critical functions. This plan covers the critical elements as outlined below:

### Critical Elements

- (1) Data back-up and recovery (hard copy and electronic);
- (2) All mission critical systems;
- (3) Financial and operational assessments;
- (4) Alternate communications between customers and the member;
- (5) Alternate communications between the member and its employees;
- (6) Alternate physical location of employees;
- (7) Critical business constituents, banks, and counter-party impact;
- (8) Regulatory reporting;
- (9) Communications with regulators; and
- (10) How the member will assure customers' prompt access to their funds and securities in the event that the member determines that it is unable to continue its business.

## **I. Emergency Contact Persons**

Our firm's two emergency contact persons are: Joseph Lanzisera, (Phone # 585-424-1234, e-mail [joe@excelsecurities.com](mailto:joe@excelsecurities.com)) and Terrence Britt (Phone #s585-424-1234 or (585)755-6400, e-mail [britt@excelsecurities.com](mailto:britt@excelsecurities.com) ). These names will be updated in the event of a material change, and our Executive Representative will review them within 17 business days of the end of each quarter.

*Rule: FINRA Rule 4370.*

## **II. 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 prompt access to their funds and securities.

### **A. Significant Business Disruptions (SBDs)**

Our plan anticipates two kinds of SBDs, 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.

### **B. Approval and Execution Authority**

Joseph Lanzisera, President and registered principal, is responsible for approving the plan and for conducting the required annual review. Joseph Lanzisera has the authority to execute this BCP.

### **C. Plan Location and Access**

Our firm will maintain copies of its BCP plan and the annual reviews, and the changes that have been made to it for inspection. We have given *[FINRA NJ office]* a copy of our plan. An electronic copy of our plan is located on *[Excel's server]* in the *[file/folder "appears in the footer of this document"]* [and in the BCP Repository Service].

## **III. Business Description**

Our firm conducts business in equity, fixed income, and derivative securities. Our firm is an introducing firm and does not perform any type of clearing function for itself 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 customers and institutional customers.

Our clearing firm is Pershing LLC., One Pershing Plaza, Jersey City, New Jersey 07399, Phone # 201-413-3776 and our contact person at that clearing firm is *Jon Feinstein*, phone number 201-413-2533, e-mail *jfeinstein@pershing.com*].

#### **IV. Office Locations**

Our Firm has offices located in 4 locations.

##### **A. Office Location #1 ROC**

Main Office located at 200 Canal View Blvd., Suite 204, Rochester NY 14623. Its primary telephone number is 585-424-1234. Our employees may travel to that office by means of foot, car, or bus. We engage in order taking and entry at this location.

##### **B. Office Location #2 ALB**

Located at 163 Delaware Ave. Room 103, 2<sup>nd</sup> Floor, Delmar, NY 12054. Its main telephone number is 518-439-2770. Our employees may travel to that office by means of foot, or car. We engage in order taking and entry at this location

##### **C. Office Location #3 END**

Square Deal Place 111 Grant Ave Suite 107 Endicott, NY 13760. The primary telephone number for this location is 607-754-7550. Our employees may travel to that office by means of foot, or car. We engage in order taking and entry at this location

##### **D. Office Location #4 ERB**

Located at 2243 Lyell Avenue Rochester, NY 14606. The main telephone # of the branch is 585-426-8190. Our employees may travel to that office by means of foot, or car. We engage in order taking and entry at this location.

#### **V. Alternative Physical Location(s) of Employees**

In the event of an SBD, we will move our staff from affected offices to the closest of our unaffected office locations. If none of our other office locations is available to receive those staff, we will move them to 391 French Rd, Rochester NY 14618. The primary telephone number for this location is 585-271-4451.

*Rule: FINRA Rule 4370*

#### **VI. Customers' Access to Funds and Securities**

Our firm does not maintain custody of customers' funds or securities, which are maintained at our clearing firm, Pershing. 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, and if our Web access is available, our firm will post on our Web site that customers may access their funds and securities by contacting Pershing on 201-413-3776 or 800-443-4342. The firm will make this information available to customers through its disclosure policy.

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.

## **VII. Data Back-Up and Recovery (Hard Copy and Electronic)**

Our firm maintains its primary hard copy books and records and its electronic records at 200 Canal View Blvd., Suite 204 Rochester, NY 14623. Joseph Lanzisera, President, (585-424-1234) is responsible for the maintenance of these books and records. Our firm maintains the following document types and forms that are not transmitted to our clearing firm: New Account Forms, Option Agreements, Corporate resolutions, Trust agreements, various authorizations, letters, Excel Financial records, etc.

Our firm maintains its back-up hard copy books and records at 391 French Rd., Rochester, NY 14618. These records are electronic image files. Joseph Lanzisera is responsible for the maintenance of these back-up books and records. Our firm backs up its paper records by imaging and maintaining electronic back up of said images. Our digital versions are backed up daily.

The firm backs up its electronic records daily by automatic tape and CD, and keeps a copy at 391 French Rd., Rochester, NY 14618.

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 site. 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 site, or, if our primary site is inoperable, continue operations from our back-up site or an alternate location.

*Rule: FINRA Rule 4370*

## **VIII. Financial and Operational Assessments**

### **A. 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, critical banks, critical 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 *our Web site, telephone voice mail, e-mail, etc.*. In addition, we will retrieve our key activity records as described in the section above, Data Back-Up and Recovery (Hard Copy and Electronic).

Rules: *FINRA Rule 4370*

## **B. Financial and Credit Risk**

In the event of an SBD, we will determine the value and liquidity of our investments and other assets to evaluate our ability to continue to fund our operations and remain in capital compliance. We will contact our clearing firm, critical banks, to apprise them of our financial status. 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. If we cannot remedy a capital deficiency, we will file appropriate notices with our regulators and immediately take appropriate steps, including SIPC procedures.

Rules: *FINRA Rule 4370*

## **IX. 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: *Net Exchange 360- for order execution, account access, payouts, etc*

We have primary responsibility for establishing and maintaining our business relationships with our customers and have sole responsibility for our mission critical functions of order taking [and] entry [and execution]. Our clearing firm provides, through contract, 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.

Our clearing firm contract provides that our clearing firm will maintain a business continuity plan and the capacity to execute that plan. Our clearing firm represents that it will advise us of any material changes to its plan that might affect our ability to maintain our business. In the event our clearing firm executes its plan, it represents that it will notify us of such execution and provides us equal access to services as its other customers. If we reasonably determine that our clearing firm has not or cannot put its

plan in place quickly enough to meet our needs, or is otherwise unable to provide access to such services, our clearing firm represents that it will assist us in seeking services from an alternative source.

Our clearing firm represents that it backs up our records at a remote site. Our clearing firm represents that it operates a back-up operating facility in a geographically separate area with the capability to conduct the same volume of business as its primary site. Our clearing firm has also confirmed the effectiveness of its back-up arrangements to recover from a wide scale disruption by testing, and it has confirmed that it tests its back-up arrangements periodically.

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.

## A. Our Firm's Mission Critical Systems

### **1. Order Taking**

Currently, our firm receives orders from customers via telephone/fax/e-mail or in person by the customer. During an SBD, either internal or external, we will continue to take orders through any of these methods that are available and reliable, and in addition, as communications permit, we will inform our customers when communications become available to tell them what alternatives they have to send their orders to us. Customers will be informed of alternatives by telephone and or Web Site. If necessary, we will advise our customers to place orders directly with our clearing firm at 1-800-443-4342.

### **2. Order Entry**

Currently, our firm enters orders by recording them on paper and electronically and sending them to our clearing firm electronically or telephonically. *Alternatively*, We place customer orders through Net Exchange Pro.

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 Net Exchange Pro – Internet Service or telephone. 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.

### 3. Order Execution

We currently execute orders by Net Exchange Pro. In the event of an internal SBD, we would use Net Exchange Pro – Internet service or telephone. In the event of an external SBD, we would also use Net Exchange Pro – Internet service or telephone.

### 4. Other Services Currently Provided to Customers

In addition to those services listed above in this section we also request payouts and security delivery, perform investment consultations, etc. In the event of an internal or external SBD, we would continue to provide the same services via Net Exchange Pro – internet service.

#### B. Mission Critical Systems Provided by Our Clearing Firm

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.

*Rules: FINRA Rule 4370*

## X. Alternate Communications Between the Firm and Customers, Employees, and Regulators

### A. 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. 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. For example, if we have communicated with a party by e-mail but the Internet is unavailable, we will call them on the telephone and follow up where a record is needed with paper copy in the U.S. mail.

*Rule: FINRA Rule 4370*

### B. Employees

We now communicate with our employees using the telephone, e-mail, 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. We will also employ a call tree so that senior management can reach all employees quickly during an SBD. The call

tree includes all staff home and office phone numbers. We have identified persons, noted below, who live near each other and may reach each other in person:

The person to invoke use of the call tree is: Joseph Lanzisera

Caller	Call Recipients
<i>Joseph Lanzisera</i>	<i>Terry Britt, Tami Wihlen, Christine Lanzisera</i>
<i>Terrence Britt</i>	<i>All inside and outside RR's and staff</i>

Rule: *FINRA Rule 4370*

### C. Regulators

We are currently members of the following SROs: SEC, FINRA, MSRB. We communicate with our regulators using the telephone, e-mail, fax, U.S. mail, 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.

Rule: *FINRA Rule 4370*

## **XI. Critical Business Constituents, Banks, and Counter-Parties**

### A. Business constituents

We have contacted our critical business constituents (businesses with which we have an ongoing commercial relationship in support of our operating activities, such as vendors providing us critical services), and determined the extent to which we can continue our business relationship with them in light of the internal or external SBD. We will quickly establish alternative arrangements if a business constituent can no longer provide the needed goods or services when we need them because of a SBD to them or our firm. [or we have entered into a supplemental contract with certain critical business constituents to provide such services.

Rules: *FINRA Rule 4370*

### B. Banks



We have contacted 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 bank maintaining our operating account is: JP Morgan Chase, Monroe Ave. Rochester NY 14618 (585-244-1572). If our banks and other lenders are unable to provide the financing, we will seek alternative financing immediately from [HSBC Rochester NY (800-975-4722) and ES&L, Rochester NY, (585-336-1000)]

Rules: FINRA Rule 4370

### C. Counter-Parties

We have contacted our critical counter-parties, such as other broker-dealers or institutional customers, to determine if we will be able to carry out our transactions with them in light of the internal or external SBD. Where the transactions cannot be completed, we will work with our clearing firm or contact those counter-parties directly to make alternative arrangements to complete those transactions as soon as possible.

Rules: FINRA Rule 4370

## **XII. Regulatory Reporting**

Our firm is subject to regulation by: SEC, FINRA, MSRB 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.

Rule: FINRA Rule 4370

## **XIII. Disclosure of Business Continuity Plan**

We disclose in writing a summary of our BCP to customers on our Web site and mail it to customers upon request. 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.

*Rule: FINRA Rule 4370*

#### **XIV. Updates and Annual Review**

Our firm will update this plan whenever we have a material change to our operations, structure, business or location or to those of our clearing firm. In addition, our firm will review this BCP periodically, to modify it for any changes in our operations, structure, business, or location or those of our clearing firm.

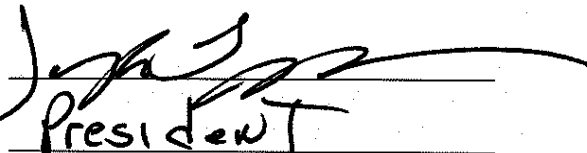
#### **XV. Senior Manager Approval**

I have approved this Business Continuity Plan as reasonably designed to enable our firm to meet its obligations to customers in the event of an SBD.

Signed:

Title:

Date:

  
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President  
\_\_\_\_\_  
1-12-2017  
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