

## **Business Continuity Plan Summary**

### **Overview**

CUSO Financial Services, LP and Sorrento Pacific Financial, LLC (CFS/SPF) are committed to providing uninterrupted delivery of products and services through a fully operational Business Continuity Plan (BCP). Our BCP ensures timely services to our clients, investment professionals and third-party partners in the event of a natural or man-made disaster. We recognize the importance of preparing for various uncontrollable events including a pandemic that could hamper our ability to provide services as usual. We have taken aggressive steps to provide for business contingency and continuity planning under a variety of potential scenarios. The BCP aligns, centralizes and integrates disciplines and capabilities to deliver timely and effective incident identification, impact assessment, escalation, communication and resolution.

### **Purpose**

The BCP has been developed to:

- Provide immediate response and subsequent recovery from any unplanned service interruption.
- Provide an organized and consolidated approach to manage response and recovery activities following any unplanned incident or business interruption, avoid confusion and reduce exposure to error.
- Provide prompt and appropriate response to any unplanned incident, thereby reducing the impact resulting from business interruptions.
- Recover essential business operations in a timely manner, increasing the ability of CFS/SPF to recover from physical damages to premises or high absenteeism.

### **Planning**

The BCP was created by our BCP Committee consisting of representatives from multiple departments and affiliated entities including: Executive Team; Chief Technology Officer; Chief Information Security Officer; Human Resources Management; Office of General Counsel and Compliance; Operations Department; Trading Services; Investment Advisory Services; and Communications/Marketing. The BCP Committee is responsible for conducting an analysis of the risk including:

- Identification of critical functions and vendors including our clearing arrangement for trade execution and custody to address appropriate mitigation and protective measures.
- Designating department mission-critical employees who are employees deemed by their Department Manager as those who perform mission-critical functions.
- Monitoring the severity of the continuity trigger event.
- Reviewing regulatory and medical community guidance related to pandemic risk levels to address employee isolation or exclusion from the workplace.

## Strategy

CFS/SPF developed operational plans to provide and implement selected mitigation, prevention, protection, or control measures, to decrease the threat of and impact from identified risks. The BCP is designed to create a state of readiness that will provide an immediate response to any of the following incident scenarios:

- Incidents which indirectly affect facility access such as closure due to a storm, an emergency building evacuation due to a threat, or an external threat such as a fire.
- Incidents causing damage to the building infrastructure.
- Impending or unexpected regional disasters, such as a hurricane or flood.
- External incidents which potentially could cause a service interruption, such as a loss of electrical or telecommunication services.
- Recovery of mission critical systems and operating procedures

## Infrastructure Disaster Recovery

CFS/SPF maintains fully redundant infrastructure across two independent and geographically dispersed data centers operating in an active/passive capacity. In addition, there is sufficient redundancy within each data center to maintain high availability. The primary data center can tolerate loss of the primary database, as well as one or more individual application-level nodes, without the need to fail to DR. The DR/secondary location is kept current via real-time database replication from primary, which is monitored, tested, and validated throughout the year. Failover from primary to secondary database within the primary data center is tested annually. Several times throughout the year fault tolerance is tested by removing application nodes from the cluster and redistributing the load to redundant infrastructure.

## Pandemic Considerations

A pandemic is a business risk that could cause disruption to normal business processes due to absenteeism. As a result, our Pandemic BCP takes into account:

- The pandemic's regional impact.
- Potential to escalate rapidly and continue for an extended period of time, possibly in multiple waves.
- High rates of infection, potentially causing substantial absenteeism.
- Sustainability of operating with limited staff resources.
- Overtaxed healthcare facilities and public health agencies.

Our BCP assumes and addresses the industry guidelines of an absentee rate of 40% for two weeks at the height of a pandemic with lower levels of absenteeism (30%) on either side of the peak. In the event of a pandemic, CFS/SPF would implement strategies such as working remotely, work transfer and social distancing in order to reduce close physical proximity in the workplace and therefore the potential for transmission of disease or virus.

## Testing and Training

Testing and training are essential to assessing, demonstrating, and improving the ability to maintain essential functions and services. We conduct continuity exercises to familiarize personnel with their responsibilities and to ensure that essential staff can access appropriate equipment, permissions and connectivity to allow them to function successfully from recovery sites and remote locations.

The continuity test and training plan will be reviewed annually to assess the BCP effectiveness and determine whether modifications are necessary.

## **Conclusion**

Business continuity is a critical component of our resiliency strategy and is designed with a view to minimize the impact of a disaster and facilitate service continuity. While no contingency plan can eliminate all risk of service interruption or temporarily impeded account access, CFS/SPF will continue to evaluate its Business Continuity Plan and take the necessary actions to ensure that the proper resources are available which enable us to provide continued critical services with minimal interruption and timely resumption of business operations. If your financial professional ceases operations due to a significant business interruption, you may call 1-800-686-4724 for emergency assistance. For inquiries, please contact us at: [complianceadmin@cusonet.com](mailto:complianceadmin@cusonet.com)