

## **SCOTT SMITH FINANCIAL, INC.**

### **Business Continuity and Disaster Recovery Plan**

Scott Smith Financial, Inc. (SSF) has developed this Business Continuity and Disaster Recovery Plan (the “Plan”) in order to provide guidance regarding the steps and actions that should be taken in the event of an unanticipated interruption of normal business operations. This document will outline the triggers for when alternate business processes need to be deployed, the steps to deploy the alternate business processes, the methods for verifying that business has been properly restored and ensuring data integrity and activities for returning to normal business processing. This Plan will help safeguard employees’ lives and firm property, allow a method of making financial and operational assessments, recover and resume business operations in a rapid and efficient manner, protect firm books and records, continue to allow clients to transact business at all times and provide clients with access to their funds and securities in the event the firm determines that it cannot continue to do business. All employees will receive a copy of this Plan and will sign an acknowledgement of receipt, review and understanding. (Exhibit C)

*Updated 03/25/2021*

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## BUSINESS CONTINUITY TEAM

SSF has designated the following individuals as members of the Business Continuity Team:

- Scott Smith, President, (248) 946-4515, scott@ssfin.com
- Bryan S. Smith, Vice President (248) 946-4515, bryan@ssfin.com

These team members are designated as the main emergency contact persons for the firm. The team members designated above will be responsible for developing the Plan. Scott Smith will have the responsibility for approving the plan will ensure that a review is conducted on at least an annual basis. In addition, Bryan Smith will be responsible for activating the Plan in the event of interruption to normal business operations.

The Plan will be updated whenever there is a material change to operations, structure, business, or location. In addition, the firm will review the Plan annually, in January, to modify it for any changes in operations, structure, business or location or those of clearing firm. Scott Smith is responsible for maintaining and updating the Plan. SSF will maintain copies of the Plan, the annual reviews, and any changes that have been made to the Plan for inspection by regulators. A report will be prepared documenting the review of the Plan and any updates that are made. **An electronic copy is located on our Server in the SSF\_Comppliance\Compliance Manual Sub-directory.** Bryan Smith is responsible for making sure that all electronic versions are maintained in this location and is also responsible for maintaining hard copies. Hard copies will be maintained in SSF Conference Room.

## SIGNIFICANT BUSINESS DISRUPTIONS

SSF has written this Plan anticipating two kinds of significant business disruptions (“SBDs”): internal and external. Internal SBDs affect the firm’s ability to communicate and do business (e.g., a fire in the building). External SBDs prevent the operation of the securities markets or a number of firms. Examples of an external SBD include terrorist attacks, a city flood, or a wide-scale, regional disruption. Firm response to an external SBD relies more heavily on other organizations and systems, especially on the capabilities of any clearing firms or outside investment adviser firms with which the firm has established a relationship.

## BUSINESS DESCRIPTION

SSF conducts a variety of advisory services to clients which may include, financial planning services; portfolio management; selection of other advisers (i.e. recommend 3rd party investment advisors); and pension consulting services. As

part of implementing the advice provided, the firm may recommend equity securities, mutual funds, variable insurance products, fixed income securities, and derivative securities. SSF is an investment adviser and does not perform any type of clearing functions for itself or others. SSF does not hold customer funds or securities. An outside custodian recommended by the firm or selected by the client maintains custody of all client funds and securities. We accept and enter orders. All transactions are sent to an outside custodian, which executes, compares, allocates, clears and settles orders. These custodians also maintain customers' accounts, can grant customers access to them and delivers funds and securities. Clients will be made aware of the custodian through whom SSF will implement their transactions and will receive statements from these firms. The firm does not engage in private placements.

Clients currently have relationships with the following broker/dealers and custodians:

<b>Clearing Firm Name</b>	<b>Address</b>	<b>Phone Number</b>	<b>Email Address</b>	<b>Website</b>
Fidelity Institutional Wealth Services	PO Box 770001 Cincinnati, OH 45277	800-544-6666	<a href="https://servicemessages.fidelity.com/ftgw/amtd/email/init">https://servicemessages.fidelity.com/ftgw/amtd/email/init</a>	<a href="http://www.fidelity.com">www.fidelity.com</a>
TD Ameritrade Institutional	PO Box 2209 Omaha, NE 68103	800-669-3900	<a href="https://www.tdameritrade.com/emailnewaccounts.html">https://www.tdameritrade.com/emailnewaccounts.html</a>	<a href="http://www.tdameritrade.com">www.tdameritrade.com</a>

## OFFICE LOCATIONS

SSF has the following office locations:

1. **Main Office Location.** The main office location is at 43155 Main Street, Ste 212, Novi, MI 48167. The main telephone number at this location is (248) 946-4515. Employees may travel to this location by means of foot, and car. All types of business and services provided by SSF are performed from this location.

If business cannot be conducted from the main office location, SSF will conduct business from our primary SBD location - 43043 Oxford Ct, Novi, MI 48375 (Scott Smith - Home Address), (248) 515-8683 until such time that we can resume business from our main office location or establish an alternate location from which business can be conducted. If no other office location is available to receive staff, the firm will move them to Bryan Smith - Home, 943 Riverstone Ct, Milford, MI 48381. The main telephone number at this location is (248) 917-2203. The following employees will be required to report to work at these alternate locations in the case of an SBD at the main office location:

<b>Employee Name</b>	<b>Title</b>
Douglas Scott Smith	President
Bryan Smith	Vice President
David Mercier	IAR (Independent Contractor)
Alecia Boyce	New Business Coordinator
Emily Long	Planning & Allocation Specialist
Alan Park	Investment Support Analyst
Karrie Maier	Customer Service Representative

## **CUSTOMERS' ACCESS TO FUNDS AND SECURITIES**

Client funds are maintained with Fidelity Institutional Wealth Services or TD Ameritrade Institutional. In the event of an internal or external SBD, if telephone service is available, investment adviser representatives will take customer orders and instructions and contact clients' custodians on behalf of the client. If firm Web access is available, SSF will post on its Website that customers may access their funds and securities by contacting Scott Smith at (248) 515-8683. SSF will make this information available to clients through its disclosure document.

## **DATA BACK-UP AND RECOVERY (HARD COPY AND ELECTRONIC)**

SSF maintains its primary hard copy books and records and its electronic records at its main office location previously referenced in this document. Scott Smith, *Chief Compliance Officer* (248) 946-4515, is responsible for the maintenance of these books and records. The firm maintains the following document types and forms:

- Financial records
- Organizational records (*Corp. Records, Partnership Records, etc.*)
- Form ADV annual delivery documents and logs
- A copy of firm written policies and procedures and any revisions made to this document
- A copy of the firm's Code of Ethics and any amendments to this document
- Written Acknowledgement Statements executed by employees acknowledging receipt of the firm's written policies and procedures and its Code of Ethics
- An affiliated supervised persons list
- Holdings reports
- Any Solicitor Disclosure Documents and Agreements
- Any written agreements entered into by the firm
- A copy of the firm's Privacy Policy Statement and proof of annual delivery
- All client documentation and any data gathering documents
- Financial plans prepared for clients
- Client agreements

- Copies of any checks received
- Copies of any reports prepared and sent to clients
- Copies of any fee statements or notifications sent to clients

**SSF backs up its Server daily by making a copy of the entire drive. The Server records are backed up to Microsoft's OneDrive for Business. This is our primary backup site. On a weekly basis, an additional copy is backed up to on an external hard drive located at Bryan Smith's home using an external cloud-based backup system. This is our secondary backup site.**

**In the event of an internal or external SBD that causes the loss of paper records, the firm will electronically recover copies from its primary back-up site. If the primary site is inoperable, SSF will continue operations by restoring access to our Server (and copies of our physical records) from our secondary backup site.**

## FINANCIAL AND OPERATIONAL ASSESSMENTS

### Operational Risk

In the event of an SBD, the firm will immediately identify what means will permit it to communicate with 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 employed will include our website, telephone, voice mail, call forwarding, cell phones and secure email. In addition, the firm will retrieve key activity records as described in the section above, Data Back-Up and Recovery (Hard Copy and Electronic).

### MISSION CRITICAL SYSTEMS

SSF has the primary responsibility for establishing and maintaining business relationships with customers and has sole responsibility for mission critical functions of order taking, entry and execution. Firm "mission critical systems" are those that ensure prompt and accurate processing of client 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.

Outside custodians utilized by the firm provide 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. These outside custodians will maintain a business continuity plan and the capacity to execute that plan. The custodians represent that they will advise the firm of any material changes to its plan that might affect its ability to maintain

business. In the event that any of the custodian firms that SSF has a relationship with executes its plan, it represents that it will notify the firm of such execution and provide the firm with equal access to services as its other customers. If the firm reasonably determines that the custodian(s) has not or cannot put its plan in place quickly enough to meet firm needs, or it's otherwise unable to provide access to such services, the custodian firm represents that it will assist the firm in seeking services from an alternative source.

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. The custodian firm(s) has the following SBD recovery time and resumption objectives recovery time period of as soon as possible; and resumption time of as soon as possible.

### **Firm Mission Critical Systems**

1. **Order Taking.** Currently, SSF receives orders from customers via telephone and in person visits by the customer. During an SBD, either internal or external, the firm will continue to take orders through any of these methods that are available and reliable. In addition, as communications permit, the firm will inform customers when communications become available to tell them what alternatives they have to send their orders. Customers will be informed of alternatives by e-mail and voice mail and by notifications on the SSF website. If necessary, the firm will advise customers to place orders directly with their custodian.
2. **Order Entry & Execution.** Currently, SSF enters orders by recording them on paper and/or electronically. Then they are sent to the clearing firm electronically or verbally via telephone for execution.

In the event of an internal SBD, the firm will enter and send records to the clearing firm by the fastest alternative means available. In the event of an external SBD, the firm will maintain the order in electronic or paper format, and deliver the order to the custodian by the fastest means available when it resumes operations. In addition, during an internal SBD, the firm may need to refer customers to deal directly with the custodian for order entry.

### **Mission Critical Systems Provided by Outside Custodian(s)**

SSF relies, by contract, on outside custodian(s) to provide 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.

## ALTERNATE COMMUNICATIONS BETWEEN THE FIRM AND CUSTOMERS, EMPLOYEES, AND REGULATORS

### Customers

SSF now communicates with customers using telephone, email, website, fax, U.S. mail and in person visits at our firm. In the event of an SBD, the firm will access which means of communications are still available and use the means closest in speed and form (written or oral) to the means used in the past to communicate with clients. For example, if the firm has communicated with a party by email but the Internet is unavailable, the firm will call them on the telephone and follow-up where a record is needed with a paper copy in the U.S. mail. The firm will continue to provide status communications until normal business hours can resume.

### Employees

SSF now communicates with employees using telephone, email and in person visits at our firm. In the event of an SBD, the firm will access which means of communication are still available and use the means closest in speed and form (written or oral) to the means used in the past to communicate with employees. Advance training will be provided to all employees of the procedures that should be taken in the event of an internal or external SBD. Employees will be made aware of the alternate locations from which business can be conducted. Employees will also be aware of which employees have been designated as essential personnel that will be required to report to the alternate business location.

### Regulators

SSF is currently subject to regulation by the State of Michigan. The firm communicates with regulators using telephone, email and U.S. mail. In the event of an SBD, the firm will assess which means of communication are still available and will use the means closest in speed and form (oral or written) to the means used in the past to communicate with the other party. **Regulatory information will be maintained on the Master Contact List. (Exhibit B)** Scott Smith will be responsible for maintaining the Master Contact List and updating it at least quarterly when necessary.



## CRITICAL BUSINESS CONSTITUENTS, BANKS, AND COUNTER-PARTIES

### Business Constituents (eMoney, Panoramix, Redtail)

SSF has contacted its critical business constituents (businesses with which it has an ongoing commercial relationship in support of operating activities, such as vendors providing critical services), and determined the extent to which the firm can continue business relationships with them in light of the internal or external SBD. The firm will quickly establish alternative arrangements if a business constituent can no longer provide the needed goods or services when needed them because of an SBD to them or the firm. **Contact information will also be maintained on the Master Contact List. (Exhibit B)**

### Banks

SSF has contacted its banks and lenders to determine if they can continue to provide the financing that will be needed in light of the internal or external SBD. The bank maintaining the firm operating account is Chase Bank, 39820 West Eight Mile Road, Northville, MI 48167, (248) 349-7300. If the banks and other lenders are unable to provide the financing, the firm will seek alternative financing. Contact information for all banks and other lenders will be maintained on the Master Contact List. (Exhibit B)

### Counter-Parties (Edelman Financial Services)

SSF has contacted its critical counter-parties, such as broker/dealers or institutional customers, to determine if it will be able to carry out transactions with them in light of the internal or external SBD. Where the transactions cannot be completed, it will work with custodian(s) or contact those counter-parties directly to make alternative arrangements to complete those transactions as soon as possible. Contact information for all counter-parties will be maintained on the Master Contact List. (Exhibit B)

## REGULATORY REPORTING

SSF is subject to regulation by the Securities Exchange Commission (SEC). The firm now files reports with regulators electronically using email and the Internet. In the event of an SBD, it will check with the SEC and other regulators to determine which means of filing are still available and use the means closest in speed and form (written or oral) to its previous filing method. In the event that the firm cannot contact regulators, it will continue to file required reports using the communication means available. Contact information for each regulator referenced above will be maintained on the Master Contact List. (Exhibit B)

## DISCLOSURE OF BUSINESS CONTINUITY PLAN

SSF will provide in writing a BCP disclosure statement to clients. A copy of the notice is also located at the bottom of every page of our website

(www.ScottSmithFinancial.com), titled “Business Continuity Plan”. The BCP disclosure statement will provide only a summary of the firm’s BCP and will notify clients that it currently has a BCP in place. No proprietary information or personal information will be provided to clients.

## DISCLOSURE OF OWNERSHIP TRANSITION PLAN

In the event of the death of a shareholder of SSF, shares of the deceased shareholder will become available for purchase by Investment Advisor Representatives (IAR) who have indicated an interest in obtaining ownership in SSF. IAR’s who have been approved by the current shareholders of SSF will be offered the opportunity to purchase shares of the company based on a valuation method that is outlined in each shareholders’ estate planning documents. Currently, the only IAR approved for purchase of SSF shares is Bryan Smith.

**EXHIBIT A - CALL TREE EMPLOYEE EMERGENCY CONTACT INFORMATION**

<b>NAME</b>	<b>OFFICE # OR EXT.</b>	<b>CELL PHONE #</b>	<b>OFFICE EMAIL ADDRESS</b>	<b>PERSONAL EMAIL ADDRESS</b>
Scott Smith	248-946-4515	248-515-8683	<a href="mailto:scott@ssfin.com">scott@ssfin.com</a>	<a href="mailto:Scotts77@outlook.com">Scotts77@outlook.com</a>
Bryan Smith	248-946-4515	248-917-2203	<a href="mailto:bryan@ssfin.com">bryan@ssfin.com</a>	<a href="mailto:Smith2bs@gmail.com">Smith2bs@gmail.com</a>
Alecia Boyce	248-946-4515	248-982-3133	<a href="mailto:alecia@ssfin.com">alecia@ssfin.com</a>	<a href="mailto:akboyce@gmail.com">akboyce@gmail.com</a>
Emily Long	248-946-4515	217-853-3522	<a href="mailto:emily@ssfin.com">emily@ssfin.com</a>	<a href="mailto:emilvalong0806@gmail.com">emilvalong0806@gmail.com</a>
David Mercier		248-390-5240	<a href="mailto:david@ssfin.com">david@ssfin.com</a>	<a href="mailto:dmercier@sbcglobal.net">dmercier@sbcglobal.net</a>
Alan Park	248-946-4515	248-224-0574	<a href="mailto:alan@ssfin.com">alan@ssfin.com</a>	<a href="mailto:alan3park@gmail.com">alan3park@gmail.com</a>
Karrie Maier		248- 207-8186	<a href="mailto:karrie@ssfin.com">karrie@ssfin.com</a>	<a href="mailto:karriemaier@gmail.com">karriemaier@gmail.com</a>

## EXHIBIT B - MASTER CONTACT LIST

ENTITY NAME	MAIN CONTACT PERSON NAME	PHONE NUMBER	EMAIL ADDRESS	ADDITIONAL CONTACT INFORMATION (i.e., Website address)
SEC		213-353-7390		<a href="https://www.sec.gov/">https://www.sec.gov/</a>
Atrium of Novi	Asher Husain	248-305-9154	atriumofnovi@gmail.com	<a href="mailto:atriumofnovi@gmail.com">atriumofnovi@gmail.com</a>
Fly Consulting, LLC	Denten Farley	810-626-3029	dfarley@flyconsulting.biz	<a href="http://www.Flyconsulting.biz">www.Flyconsulting.biz</a>
Comcast	Customer Support	888-266-2278		<a href="http://www.Xfinity.com/support/contact-us">www.Xfinity.com/support/contact-us</a>
TD Ameritrade	Customer Support	800-431-3500		<a href="http://www.atdameritrade.com">www.atdameritrade.com</a>
Fidelity	Customer Support	800-544-6666		<a href="http://www.fidelity.com">www.fidelity.com</a>
Redtail Technology	Customer Support	800-206-5030	<a href="mailto:support@redtailtechnology.com">support@redtailtechnology.com</a>	Pacific Time
eMoney Advisors	Customer Service	888-362-8482	Live chat available on website	<a href="http://www.wealth.emaplan.com/ema">www.wealth.emaplan.com/ema</a>
Chase Bank	Customer Service	248 349-7300	Local office on Eight Mile road	<a href="http://www.chase.com">www.chase.com</a>
Edelman Financial	Edward Schweitzer	703-227-0571	<a href="mailto:Edward.schweitzer@ricedelman.com">Edward.schweitzer@ricedelman.com</a>	<a href="http://www.ricedelman.com">www.ricedelman.com</a>
Panoramix	Customer Support	877-595-3282	Joe.Lucking@SapphireSoftwareServices.com	www.panoramixfinancial.com
Steve Bonventre CPA	Steve	248-308-3544	<a href="mailto:steve@northvillecpa.com">steve@northvillecpa.com</a>	Local CPA
Corporate Cleaning Solutions	Tammy Mace	248-478-3240	<a href="mailto:tammy@oldmaidservice.com">tammy@oldmaidservice.com</a>	<a href="http://www.oldmaidservice.com">www.oldmaidservice.com</a>
IARD System Support		202-551-6999	<a href="mailto:IARDLIVE@sec.gov">IARDLIVE@sec.gov</a>	<a href="http://www.Ews.finra.org">www.Ews.finra.org</a>
U.S. Compliance Consultants	Scott Gottlieb	888-798-2930	seg@uscomplianceconsultants.com	<a href="http://uscomplianceconsultants.com/">uscomplianceconsultants.com/</a>
Precise FP		678-720-8497	info@precisefp.com	<a href="https://precisefp.com/">https://precisefp.com/</a>
Microsoft				
Michigan Creative	Brian Town	517-489-4970	brian@michigancreative.com	michigancreative.com

**EXHIBIT C – BUSINESS CONTINUITY PLAN ACKNOWLEDGE**

*Scott Smith Financial, Inc.*

This is to acknowledge my receipt of the Business Continuity Plan (BCN) for Scott Smith Financial, Inc. (*SSF*). I have read the plan and have had all my questions answered by the Chief Compliance Officer of *SSF*, or the designated person.

I also acknowledge my understanding of the BCN and that I will take all necessary steps to implement this plan if a Significant Business Disruption (SBD) occurs. I understand the importance of being ready for a SBD and will be ready for further instructions from any of the members of the Business Continuity Team if a SBD takes place.

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Employee Name

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Employee's Signature

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Date