

**SF Investments, Inc.**  
**Business Continuity Plan**  
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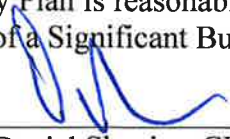
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This "Business Continuity Plan" has been created to meet the requirements described in FINRA Rules 4370. This Business Continuity Plan is reasonably designed to enable our firm to meet its obligations to customers in the event of a Significant Business Disruption.

Authorized Approval Signature:

Printed Name & Title:

Date:

  
\_\_\_\_\_  
Daniel Shapiro, CEO

\_\_\_\_\_  
1/31/17

This Plan is effective from the date approved until the date of its authorized revision, update or replacement (see below).

Date this Plan was no longer effective (date of revision, update or replacement): \_\_\_\_\_

Recordkeeping: Discard after \_\_\_\_\_ (date three years from termination of use).

## **Introduction**

In September 2009, the Securities and Exchange Commission approved FINRA Rule 4370 (Business Continuity Plans and Emergency Contact Information) as part of the FINRA rulebook consolidation. Rule 4370 requires each member to create and maintain a business continuity plan that identifies procedures relating to an emergency or significant business interruption that are “reasonable designed to enable the member to meet its existing obligations to its customers.” In addition, the plan must address the firm’s existing relationships with other members and counter-parties. This plan must be promptly made available to the FINRA staff upon request.

Rules 4370 requires that each member review its plan at least annually to determine if any changes are needed and update its plan more frequently in the event of any material change to its operations, structure, business or location.

The plan should reflect the firm’s business and operations. Therefore, the requirements of the plan, as identified in Rule 4370, are flexible and should be tailored to the firm’s size and needs.

However, at a minimum, SF Investments, Inc.’s plan must address the following areas:

- Data back-up and recovery (hard copy and electronic);
- All mission critical systems;
- Financial and operational assessments;
- Alternate communications between customers and the member;
- Alternate communications between the member and its employees;
- Alternate physical location of employees;
- Critical business constituents, banks, and counter-party impact;
- Regulatory reporting;
- Communications with regulators; and
- 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.

Each firm is required to only address the elements applicable to its business, but the plan must contain an explanation if any element above is not included.

Rule 4370 requires each member to designate two individuals as emergency contacts that the FINRA may contact in the event of a significant business disruption. Each contact must be a registered principal or member of senior management. However,

- If the member has only one principal but has other employees, the second contact should be another firm employee, or
- If the firm has only one principal and no other employees, the second contact may be someone who has knowledge of the firm’s business, such as an accountant, attorney, etc.

Rule 4370 also requires that each member enter this information into the FINRA Contact System which is accessed through the FINRA Firm Gateway and that required changes are made promptly.

## **1. Emergency Contact Persons**

SF Investments, Inc. has designated the following individuals to act as contact persons for the firm as required under Rule 4370:

### **Primary Contact**

Name, Title: Danny Shapiro, CEO  
Address: 799 Central Ave. Suite 350 Highland Park, IL. 60035  
Telephone Number: (847) 926-5711  
Fax Number: 847-926-5701  
E-mail Address: danny@sfinv.com

### **Secondary Contact:**

Name, Title: Steven A. Shapiro, VP, CIO  
Address: 799 Central Ave. Suite 350 Highland Park, IL. 60035  
Telephone Number: (847)926-5712  
Fax Number: 847-926-5702  
E-mail Address steve@sfinv.com

These contacts will be reported through FINRA's Contact System on the FINRA Firm Gateway and must be updated in the event of a material change. In addition, SF Investments, Inc.'s Executive Representative or his written designee must review and update this information, if necessary, within 17 business days of the end of each quarter.

### **Executive Representative:**

SF Investments, Inc.'s Executive Representative is Daniel Shapiro.

### **Disaster Recovery Coordinator/Team:**

The Company has designated Danny Shapiro, CEO as the "Disaster Recovery Coordinator." In his absence, Steve Shapiro, Vice President will assume his responsibilities. The Company has appointed an Emergency Management Team "EMT" that will be responsible for administering and executing various sections of this plan. The EMT will follow the direction of the "Disaster Recovery Coordinator" or his designee in carrying out assigned duties. The EMT is made up of the following persons: Gary Just and Rosina Mahabeer.

The "Disaster Recovery Coordinator" has the responsibility to make an immediate preliminary assessment of the nature and extent of the disruption by assessing the following: electricity supply; condition of computer network/phones; damage to the building; HVAC in extreme weather; and other hazards.

If the Coordinator determines that personnel should evacuate the affected location, he must make an announcement to all personnel as appropriate procedures. The announcement may be given via personal contact, e-mail, intercom or other methods as appropriate given the systems available and size of staff and building. This announcement should be short and concise, should calmly identify the situation and should provide instructions to employees on how to respond.

This announcement should be repeated as often as necessary to avoid confusion and to ensure all employees are aware of the situation. After ensuring the physical safety of Company personnel, the Coordinator and the EMT must then implement this BCP.

If the situation does not merit evacuation, steps should be taken to alert designated persons (the EMT) of necessary actions to facilitate ongoing operations in the face of limited disruption. In this case, the Coordinator will determine which, if any, procedures in this BCP should be implemented.

In the event, the SBD has directly affected other areas of the building but has not directly impacted the Company's office, the Coordinator will contact building security or emergency personnel for instructions on how the Company should respond and proceed accordingly.

## **2. Firm Policy**

SF Investments, Inc.'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.

### **Significant Business Disruptions (SBDs):**

SF Investments, Inc.'s plan anticipates two kinds of SBDs, internal and external. Internal SBDs affect only the Company's ability to communicate and do business, such as a fire or loss electrical power in the office or building.

External SBDs prevent the operation of the securities markets or a number of firms, such as a terrorist attack, a natural disaster, or another event that causes a wide-scale, regional disruption in essential services. The Company's response to an external SBD will rely more heavily on other organizations and systems, especially on the capabilities of the clearing firm, the issue sponsors, federal emergency authorities, local officials and utility companies.

### **Approval and Execution Authority:**

Daniel Shapiro, CEO, a registered principal, is responsible for approving the plan and for conducting the required annual review.

Steven Shapiro, Vice President, in addition to Daniel Shapiro *has* the authority to execute this BCP.

### **Plan Location and Access:**

SF Investments, Inc. will maintain copies of its BCP plan, a record of the firm's annual reviews, and the changes that have been made to the BCP for inspection by regulators. A hard copy of the Company's Plan is located in its main business location and may be accessed by contacting Danny Shapiro at (847) 926-5711 or [danny@sfinv.com](mailto:danny@sfinv.com). An electronic copy of the Company's plan is located internally on the "W" drive under Firm Compliance.

A copy of the BCP will be provided to FINRA District Office #8 located in Chicago, IL upon request.

**3. Business Description**

SF Investments, Inc. conducts business in equity, fixed income, and derivative securities. The Company is an introducing firm and does not perform any type of clearing function for itself or others. Furthermore, the Company does not hold customer funds or securities.

SF Investments, Inc. accepts and enters orders. All transactions are sent to the clearing firm, which executes, compares, allocates, clears and settles them. The Company’s clearing firm also maintains our customers’ accounts, can grant customers access to them, and delivers funds and securities.

The Company’s clearing firm is Pershing LLC, a subsidiary of The Bank of New York Mellon Corporation. The mailing address for Pershing is One Pershing Plaza, Jersey City, New Jersey 07399 and their web address is [www.pershing.com](http://www.pershing.com).

**4. Office Locations**

The Company or its registered personnel currently operate from the following locations:

Type of Location, Registered or Unregistered	Address and Main Phone Number	Located in a Personal Residence? (Y or N)	Means of Transportation Employees Use to Reach Office	Mission Critical Systems Taking Place at Office
Home Office – registered	799 Central Ave. Suite 350 Highland Park, IL. 60035	No	Car, train, bus	Order taking, entry, execution comparison, access to customer accounts, process cash movement requests.

**Alternative Physical Location(s) of Employees:**

In accordance with Rule 4370 requires that each member designate a location at which business will be conducted in the event the primary office of the Company must be evacuated.

SF Investments, Inc. has no other office locations, therefore, in accordance with this requirement; members of the Company’s staff will relocate to 845 Kimballwood, Highland Park, IL 60035 (Personal residents of Steven Shapiro)

**5. Customers’ Access to Funds and Securities**

SF Investments, Inc. does not maintain custody of customers’ funds or securities. Customer accounts are maintained at our clearing firm, Pershing, LLC.

In the event of a SBD:

1. If telephone service is available, our registered persons will take customer orders or instructions and contact our clearing firm on their behalf, and
2. If Internet access is available, we will post a notice on our website, [www.sfinvestments.com](http://www.sfinvestments.com), which includes procedures for customers to use in contacting the clearing firm directly to access their funds and securities or to place orders.
3. If telephone service and internet access are unavailable, customers can receive information on how to request funds and securities by visiting the Pershing website, [www.pershing.com](http://www.pershing.com), under the "Customer Support" section. Customers can also call (201) 413-3635 for recorded instructions.

The Company will make this and additional information regarding accessing funds and/or securities available to customers through our disclosure policy (below).

If SIPC determines that the Company is unable to meet its obligations to its customers or if the Company's liabilities exceed its assets in violation of Securities Exchange Act Rule 15c3-1, SIPC may seek to appoint a trustee to disburse the Company's assets to its customers. SF Investments, Inc. will assist SIPC and the trustee by providing applicable books and records identifying customer accounts subject to SIPC regulation.

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

SF Investments, Inc. maintains its primary books and records in hard copy and electronic format at 799 Central Ave. Suite 350 Highland Park, IL. 60035, Gary Just, FINOP, 847-926-5724 is responsible for the maintenance of these books and records.

SF Investments, Inc. maintains the following document types and forms that are not transmitted to the clearing firm: financial information, contracts, invoices, bank statements and checks.

### **Back-up of Paper Records:**

SF Investments, Inc. copies its paper records monthly and the back-up copies are maintained at 799 Central Ave. Suite 350 Highland Park, IL. 60035. Gary Just, FINOP, 847 926 5724 is responsible for the maintenance of these back-up books and records.

Because the Company does not hold customer funds, an internal or external SBD affecting Company's office should not pose a threat to customer records or financial holdings. While the Company may lose access to some or all FINRA or SEC required records in an external SBD, or may permanently lose some or all such records in an internal SBD (such as a fire), we believe our customers would not suffer as a result.

### **Back-up of electronic records:**

The firm maintains all servers with electronic files/records and all required software/programs through the RIA Workspace "cloud" platform. The firm maintains no physical servers or electronic records onsite at its office. The detailed RIA Workspace Technology Plan is attached as an addendum to this BCP. All employees can access all critical work functions through any internet connection.

## **7. Financial and Operational Assessments**

### **Operational Risk:**

In the event of an SBD, SF Investments, Inc. will immediately identify any methods available that will permit personnel to communicate with customers, other 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 the Company may employ will include Website, cell/smart phone, telephone voice mail and secure e-mail. In addition, SF Investments, Inc. will retrieve key activity records as described in the section above, Data Back-Up and Recovery (Hard Copy and Electronic).

### **Financial and Credit Risk:**

In the event of an SBD, SF Investments, Inc.'s FINOP will determine the value and liquidity of its investments and other assets to evaluate the Company's ability to continue to fund its operations and remain in capital compliance.

SF Investments, Inc. will contact its clearing firm, critical banks, and investors to apprise them of the Company's financial status. If the Company determines that it may be unable to meet its obligations to those counter-parties or otherwise continue to fund its operations, SF Investments, Inc. will request additional financing from our bank or other credit sources to fulfill its obligations to our customers and clients. If SF Investments, Inc. cannot remedy a capital deficiency, the FINOP will file appropriate notices with applicable regulators and immediately take appropriate steps, including contacting the FINRA immediately and ceasing business until a business plan is executed to reduce expenses and infuse additional capital to meet the net capital requirement.

In the event there is suspension or termination of the Company's business, the Company will attempt to notify customers regarding the situation and provide them with instructions for accessing their funds or securities, if applicable, for verifying transactions in process or for conducting future business. Notification will be based on the circumstances and in a form permitted by regulatory authorities. The form of notification may include telephone calls, letters or a posting on the Company's website.

## **8. Mission Critical Systems**

### **Internal Mission Critical Systems**

SF Investments, Inc.'s "mission critical systems" are those that ensure prompt and accurate processing of securities transactions, including order taking, entry, the maintenance of customer accounts, and access to customer accounts.

The Company has primary responsibility for establishing and maintaining business relationships with customers and has sole responsibility for the Company's mission critical functions of order taking and entry.

### **Order Taking**

Currently, the Company receives orders from customers via telephone. During an SBD, we will continue to take orders through any methods that are available and reliable.

The Company will inform our customers what alternatives they have to send their orders to us in the event traditional methods are interrupted. Customers will be informed of alternatives by disclosure information provided when a new business relationship is established and by calls from personal cell phones, through email messages or via a notification posted on the Company's website or any other means available.

### **Order Entry/Submission**

Currently, SF Investments, Inc. enters submits orders by recording them on paper and/or electronically and sending them to our clearing firm electronically and by telephone.

In the event of an internal SBD, the Company will send orders to its clearing firm by the fastest alternative means available, which may include cloud access, alternative telephone facilities, including cell phones; smart phone access to Pershing's trading system; messenger or courier; or external e-mail connections.

In addition, during an internal SBD, the Company may refer customers directly to the clearing firm for placing orders.

In the event of an external SBD, the Company will maintain the order in electronic or paper format, and deliver the order to the clearing firm product or issuer by the fastest means available when it resumes operations.

### **Order Execution**

The Company does not execute orders. All orders are executed through the Company's clearing firm. See below for information on the clearing firm's mission critical systems.

### **Mission Critical Systems Provided by Our Clearing Firm**

The Company's 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.

SF Investments, Inc.'s clearing agreement, or addendum thereto, provides that the clearing firm will maintain a business continuity plan and the capacity to execute that plan. Pershing will provide SF Investments, Inc. with an executive summary of its plan upon request.



## **Summary of Pershing's Business Continuity Plan:**

To address interruptions to Pershing's normal course of business, Pershing maintains a business continuity plan, which includes geographically dispersed data center and alternative processing facilities. The plan is annually reviewed and updated as necessary.

The plan outlines the actions Pershing will take in the event of a building, city or regional incident, including:

- Continuous processing support by personnel located in unaffected facilities
- Relocating technology or operational personnel to alternative regional facilities
- Switching technology data processing to an alternative regional data center

All Pershing operational facilities are equipped for resumption of business and are tested. Regarding all circumstances within Pershing's control, Pershing's recovery time objective for business is four (4) hours depending upon the availability of external resources.

In the event that your firm experiences a significant business interruption, you may contact Pershing directly to process limited trade-related transactions, cash disbursements and security transfers. Instructions to Pershing must be in writing and transmitted via facsimile to (201) 413-5368 or by postal service as follows:

Pershing LLC  
P.O. Box 2065  
Jersey City, New Jersey 07303-2065

For additional information about how to request funds and securities when your firm cannot be contacted due to a significant business interruption, please select the Business Continuity and Other Disclosures link at the bottom of the home page on the Pershing website at [pershing.com](http://pershing.com). You may also call (201) 413-3635 for recorded instructions.

If you cannot access the instructions from the above website or telephone number, you may call (213) 624-6100, extension 500, an alternative Pershing number for recorded instructions.

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

### **Customers**

The Company currently communicates with our customers using the telephone, U.S. mail, email, 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 customer. 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 via U.S. mail.

### **Employees**

The Company currently communicates with its employees using the telephone, cell phones, 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.

The Company will also employ a call tree so that senior management can reach all employees quickly during an SBD, if telephone service is available. The Disaster Recovery Coordinator and/or Emergency Management Team will be responsible for invoking the call tree. The call tree will include all staff home and office phone numbers.

<b>Caller</b>	<b>Call Recipients</b>
Daniel Shapiro	Gary Just, Steve Shapiro, Nate Shapiro, Marty Youmaran, InhouseCIO, Dee Dee Silverstein, Steve Virgili, Rosina Mahabeer, Mansoor Zakaria, Rachit Tibrewala.
Larry Sucsy	William Surman

### **Regulators**

The Company is currently a member of the FINRA, registered with the SEC and registered to conduct business in the following states: AZ, CA, CT, FL, IL, IN, MA, MD, NJ, NY, PA, TN, & TX.

SF Investments, Inc. communicates with applicable regulators using the telephone, e-mail, 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.

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

### **Business Constituents**

SF Investments, Inc. has contacted our critical business constituents (businesses with which the Company has an ongoing commercial relationship in support of its operating activities, such as vendors providing critical services), and determined the extent to which the Company can continue its business relationship with these businesses in light of the internal or external SBD. The Company has entered into a supplemental contract with certain critical business constituents to provide such services. The alternative suppliers are disclosed below.

Our major suppliers are:

<b>Business Constituent</b>	<b>Address, Phone Number</b>	<b>Alternative Supplier</b>	<b>Address, Phone Number</b>
Pershing LLC	1 Pershing Plaza Jersey City, NJ 07399 888-367-2563	None	
Bloomberg	499 Park Ave., New York, NY 10022, (212) 318-2540	Thomson Reuters	717 Office Parkway Creve Coeur, MO 63141 (314) 468-2516
Thomson Reuters	717 Office Parkway Creve Coeur, MO 63141 (314) 468-2516	Bloomberg	499 Park Ave New York, NY 10022 (212) 318-2540
InhouseCIO	8770 W. Bryne Ave Suite 1300 Chicago, IL 60631 (773)-530-1234	None	
AT&T	(800) 727-2273 Land (847) 778-9381 Fiber	Comcast (back-up internet)	(800) 391-3000

**Banks**

SF Investments, Inc. has contacted its banks and lenders to determine if they can continue to provide the financing that the Company may need in light of the internal or external SBD. The Company’s accounts are currently with the following institutions:

<b>Types of account (i.e. checking, savings, PAIB, escrow)</b>	<b>Name of Financial Institution</b>	<b>Address of Financial Institution</b>	<b>Telephone Number</b>	<b>Contact Name</b>
Checking	Northern Trust Co.	50 South LaSalle Street, Chicago, IL 60675	312-444-7582	Tammy Kim
Checking	JP Morgan Chase	21 South Clark Street Chicago, IL 60603	877-576-2730	Jaime Del Toro Jermaine Jackson
Various accounts	Pershing LLC	1 Pershing Plaza Jersey City NJ		

If our banks and other lenders are unable to provide the financing, we will seek alternative financing immediately.

#### **Counter-Parties**

SF Investments, Inc. has contacted our critical counter-parties, such as other broker-dealers, 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.

### **11. Regulatory Reporting**

SF Investments, Inc. is subject to regulation by the FINRA and SEC, as well as various state and other securities regulators (see list of states in Part 10 – Regulators)

The Company currently files 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.

The Company's current regulators can be reached as follows:

FINRA District Number #8:

Address: 55 west Monroe Street, Suite 2700, Chicago, IL 60603-5001

Phone: (312) 899-4400

SEC Midwest Region:

Address: 175 W. Jackson Blvd., Suite 900, Chicago, IL 60604

Phone: (312) 353-7390

E-mail: [chicago@sec.gov](mailto:chicago@sec.gov)

State of Arizona

Address: 1300 W. Washington St., 3rd Floor; Phoenix, AZ 85007

Phone : 602-542-4242

STATE of California

Address: 320 West 4<sup>th</sup> Street, Ste. 750, Los Angeles, CA 90013-1105

Phone: (213) 576-7643

STATE of Connecticut

Address: 260 Constitution Plaza, Hartford, CT 06103-1800

Phone: (860) 240-8299

STATE of Florida

Address: 101 East Gaines Street, Plaza Level, The Capital, Tallahassee, FL 32399-0350

Phone: (850) 410-9805

STATE of Illinois

Address: 17 North State St, Ste. 1100, Chicago, IL 60601

Phone: (312) 793-3384

STATE of Indiana

Address: 302 west Washington Street, Room E-111, Indianapolis, IN 46204

Phone: (317) 232-6681 or (800) 223-8791

STATE of Massachusetts

Address: One Ashburton Place, 17<sup>th</sup> Floor, Boston, MA 02108

Phone: (617) 727-3584 or (800) 269-5428

STATE of Maryland

Address: 200 St. Paul Place, 20<sup>th</sup> Floor, Baltimore, MD 21202-2020

Phone: (410) 576-6360

STATE of New Jersey

Address: 153 Halsey Street, 6<sup>th</sup> Floor, Newark, NJ 47029

Phone: (973) 504-3600

STATE of New York

Address: 120 Broadway, 23<sup>rd</sup> Floor, New York, NY 10271

Phone: (212) 416-8000

STATE of Pennsylvania

Address: Eastgate Office Bldg., 2<sup>nd</sup> Floor, 1010 N. Seventh Street, Harrisburg, PA, 17102-1410  
Phone: (717) 787-8061

STATE of Tennessee

Address: Davy Crockett Building 8<sup>th</sup> Floor, 500 James Robertson Parkway,  
Nashville, TN 37243  
Phone: (615) 741-2241

STATE of Texas

Address: Rusk Building, 208 E. 10<sup>th</sup> Street, 5<sup>th</sup> Floor,  
Austin, TX 78711-3167  
Phone: (512) 305-8300

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

The Company will disclose in writing a summary of our BCP to customers at account opening or at the time a business relationship is established. The Company will notify customers in writing when material changes are made to the Plan than may affect their business relationship with the Company. The Company will also post the summary on our Web site and mail it to customers upon request.

The 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, the 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. Provide general information on our intended response.

Our summary also discloses the existence of back-up facilities and arrangements. A copy of the Company's disclosure statement is included at the back of this Plan.

## **13. Updates and Annual Review**

The Company will update this plan whenever there is a material change to its operations, structure, business or location or to those of the clearing firm.

The Company's BCP will be reviewed and modified, if necessary, at least annually, but no later than within 12 months of the date on which this Plan was put into effect or previously reviewed, to take into account any changes in the Company's operations, structure, business, or location or those of our clearing firm.

## **Customer Disclosure Statement SF Investments, Inc.**

The Company's plan takes into account two kinds Significant Business Disruptions (SBDs), internal and external. Internal SBDs affect only the Company's ability to communicate and do business, such as a fire or loss electrical power in the office or building.

External SBDs prevent the operation of the securities markets or a number of firms, such as a terrorist attack, a natural disaster, or another event that causes a wide-scale, regional disruption in essential services.

**Contact information:** Any questions regarding the Company's Business Continuity Plans should be addressed to: Dan Shapiro, 799 Central Ave. Suite 350 Highland Park, IL. 60035; (847) 926-5700.

**Internal SBDs:** In the event of a disruption in the Company's business operations due an internal SBD, the Company will attempt to continue to conduct business as usual by utilizing alternative communication methods (if available), such as the Internet, smart/cell phones, etc., or by moving its operations to an alternative location.

**External SBDs:** In the event of a disruption in the Company's business operations due to an external SBD, the Company will attempt to continue to conduct business as usual by moving its operations to an alternative location outside the affected area, if possible, or by providing customers with alternative arrangements.

The Company will resume normal business operations as soon as it is able to do so, based on the type and the extent of the disrupting event.

**Communications:** In the event you are unable to reach the Company, customers should proceed as follows:

1. Attempt to contact the Company at the following alternate telephone number:
2. (847) 433-2675 (ATT Emergency Land Line) or
3. (847) 767-6021, 6025, 6026, 6028 or (847) 945-7978 (Emergency Cell Phones)

All critical records related to the Company's business operations are backed-up weekly and stored in a secure offsite locations (RIA WorkSpace "Cloud" Platform). These back-up files can be used to restore Company systems to ensure that business can be back to normal as quickly as possible after the disruption.

The Company's clearing firm, Pershing, LLC, maintains a business continuity plan in the event of a SBD. For more information on their plan, visit their website at [www.pershing.com](http://www.pershing.com)

## RIA WorkSpace Technology Plan

### RIA WorkSpace

The RIA WorkSpace Platform was designed to offer small and mid-sized financial services firm maximum flexibility without compromising security. An intuitive dashboard makes all your business files, data and applications - both windows and web-based - accessible. A secure, centralized management system works to protect your data and make it easier for your business to comply with regulatory requirements.

### RIA WorkSpace Data Center Footprint



### Physical Access

Access to RIA WorkSpace Data Centers is restricted to authorized personnel by security officers and two-factor authentication that includes biometric scanners. All entrances and common areas are monitored 24/7 via closed-circuit cameras, and recorded continuously. At a minimum, all our facilities must employ the following security features.

- Staffed 24/7/365 with on-site security officers
- Visitors screened upon entry, identity verified, and escorted to appropriate locations
- Doors secured using biometric hand geometry readers and pass codes
- Building exterior fully anonymous, no windows, identifying marks and is bulletproof
- All entrances protected with silent alarms and automatic notifications to authorities
- Hi-resolution digital video cameras with archiving/retrieval capabilities.



## Physical Structure

The building shell, exterior, floors, and roof of all RIA WorkSpace Data Center facilities meet or exceed local building codes and standards. In order to provide further protection, these facilities are built to effectively manage and withstand the effects of fire, flood and earthquakes.

## Fire Suppression

- A dual-alarmed, dual-interlock, multi-zoned, water-based dry pipe fire protection system ensures an ideal environment.
- Sensory mechanisms (HSSD) are utilized to sample air and sound alarms prior to water pressurization.

## Flood Control & Earthquake Management

- All RIA WorkSpace Data Centers are above sea level, as well as 500- year flood plains. They have no basements, have tightly sealed conduits, and moisture barriers on the exterior walls.
- Every RIA WorkSpace Data Center contains dedicated pump rooms, drainage/evacuation systems, and moisture detection sensors.
- RIA WorkSpace Data Centers are built to meet or exceed seismic design requirements of local building codes for lateral seismic design forces.

## Environmental Control

- In order to provide optimal environmental conditions for operation, the HVAC systems provide RIA WorkSpace Data Centers with appropriate levels of airflow, temperature, and humidity.
- The HVAC systems use N+1 redundancy configurations and are also backed up by redundant diesel generators.

## Redundant Power Systems

Redundant power includes uninterruptible power supplies (UPS) and backup generators, including on-site multiple-day fuel supply. Generator power is activated automatically in the event of a grid failure.

- Carrier diversity via multiple Tier 1 providers
- Redundant backup diesel generators, including on-site multiple-day fuel capacity
- Redundant 208v/30amp power to each cabinet
- N+1 HVAC
- N+1 UPS
- N+1 generators
- N+1 power distribution units (PDU)
- Full network tape backup services, offsite storage, and disaster recovery

## Enterprise-level Infrastructure and Backbone

- RIA WorkSpace Data Centers feature Cisco multilevel architecture with redundant fiber-optic connections from multiple Tier 1 carriers. We provision a variety of dedicated circuits, including Gigabit Ethernet (GigE).

## SSAE16 SOC1 Type II Certification

SSAE16 is an internationally recognized auditing standard, which gives you confidence that we follow the most rigorous standards for controls and safeguards available when hosting or processing your data.

## Network Security

With RIA WorkSpace, your network will have security built into the infrastructure, from end-to-end. Among other tools, we use managed Cisco firewalls, enterprise-level security appliances and intrusion prevention systems. We also backup our clients with fully redundant security appliances. In the end, if your business isn't safe, neither is ours.

## Intrusion Detection and Prevention Systems

RIA WorkSpace employs systems that actively monitor all network traffic to detect any attempt to log in or access resources without authorization. If suspicious activity is detected, protective measures are taken and our technicians are notified immediately.

## Centralized Security & Password Controls

Centralized systems make our network infrastructure easier to secure. A single point of access, connected to centralized permissions ensures that all users are properly authenticated and only have access to appropriate applications and data. Our built in password management controls further strengthen security and facilities compliance, and adhere to government regulations.

## End-to-End Encryption of Remote App Delivery

With our hosted application delivery, data is kept in your chosen Data Center, while only screen updates, mouse clicks, and keystrokes travel the network.

As for those things that do traverse the Internet, we provide centralized password control, multi-factor authentication, and encrypted delivery.

## Network Operations Center

We continuously monitor each piece of hardware and every service running within our Data Centers from the Network Operations Center 24/7/365. We make sure everything is up and running and working properly. If there's an issue, we resolve it, most of the time well before you even know about it.

Our Network Operations Center is responsible for:

- Proactive network management
- 24/7/365 monitoring of all systems
- Daily monitoring of all backups and security threats
- Deploy software upgrades and patches
- Troubleshooting and resolution
- Monthly trend and performance analysis
- Virus protection and security analysis
- Preventive maintenance to reduce network support needs

## Regulatory Compliance

Every Data Center is SSAE16 SOC1 Type II compliant, meets Securities and Exchange Commission (SEC) requirements, complies with the Sarbanes-Oxley (SOX) Act, and Health Insurance Portability and Accountability Act (HIPAA) guidelines.

## Backups

RIA Workspace backup approach is based on Data Protection from a Recovery Point perspective. In the background, CommVault supports VM backups and iData Agent (IDA) backups, among other options. We conduct a 30-day retention, typically a weekly full synthetic backup of the VM is created on a weekend. This is the longest backup job, but consolidates a complete VM backup image. Daily incremental backups are run through the week. These backups are shorter, to minimize the overall backup window. In addition to the above weekly and daily backup, shadow copy is configured to backup every 2 hours between the hours of 7am and 9pm.