

# **Roberts & Ryan Investments Inc.**

## **Business Continuity Plan - January 22, 2010**

### **I. Emergency Contact Persons**

Our firm's two emergency contact persons are: Daniel W. Roberts - 415.956.2000, [droberts@robertsryan.net](mailto:droberts@robertsryan.net) and Ryan Stackman, Operations - 415.956.2000, [info@robertsryan.net](mailto:info@robertsryan.net). 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.

### **II. Firm Policy**

Our firm's policy is to respond to a Significant Business Disruption (SBD) by safeguarding the 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 business, we will assure customers prompt access to their funds and securities.

#### **A. Significant Business Disruptions**

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 such external SBDs relies more heavily on other organizations and systems, especially on the capabilities of our clearing firm.

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

Daniel W. Roberts, President/CEO, a registered principal, is responsible for approving the plan and for conducting the required annual review. Daniel W. Roberts, President/CEO has authority to execute this BCP.

#### **C. Plan Location & 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. An electronic copy of our plan is located at [www.robertsryan.net](http://www.robertsryan.net) in the "Contact Tab" and in the BCP Repository Service offered by NASD.

### **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 Pershing, LLC compares them, allocates them, clears and settles them. Our clearing firm also maintains our customer' accounts, can grant customers access to them, and delivers funds and securities. Our firm services only retail customers or retail and institutional customers. We do not engage in any private placements.

Our clearing firm, Pershing LLC, P.O. Box 2065, 201.413.3635, [www.pershing.com](http://www.pershing.com), and our contact personal at that clearing firm is Paul Bratu, 800.635.9881, [pbratu@pershing.com](mailto:pbratu@pershing.com). Our clearing firm has also given us the following alternative contract in the event it cannot be reached: Pershing LLC, P.O. Box 2065, 201.413.3635, [www.pershing.com/customer\\_support.htm](http://www.pershing.com/customer_support.htm).

### **IV. Office Location**

#### A. Office Location 1:

Our Location #1 Office is located at 57 Post Street, Suite 614, San Francisco, CA 94107. Its main telephone number is 800.675.6717. Our employees may travel to that office by means of foot, car, train, bus, boat, and plane. We engage in order taking and entry at this location.

#### B. Office Location 2:

Our Location #2 Office is located at 314 Karen Way, Tiburon, CA 94024. Its main telephone number is 415.383.2235. Our employees may travel to that office by means of foot, car, train, bus, boat, and plane. 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 1243 Vallejo Street, San Francisco, CA 94109.

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

Our firm does not maintain custody of customers' funds or securities, which are maintained at our clearing firm, Pershing LLC. 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 website that customers may access their funds and securities by contacting [www.pershing.com/customer\\_support.htm](http://www.pershing.com/customer_support.htm). 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 indentifying customer accounts subject to SIPC regulation.

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

Our firm maintains its primary hard copy books and records and its electronic records at Roberts & Ryan Investments Inc., 57 Post Street, Suite 614, San Francisco, CA 94104. Daniel W. Roberts, President/ CEO 415.956.2000 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 & Trading tickets.

Our firm maintains its backup hard copy books and records at Pershing LLC. These records are electronic copies. Paul Bratu, DBS Customer Service, 800.635.9881 is responsible for the maintenance of these backup books and records. Our firm backs up its paper records by copying them to our backup site. We backup our records every quarter.

The firm backs up its electronic records daily by inputting all data into Pershing LLC mainframe, and keeps a copy at Jersey City, NJ location.

In the event of an internal or external SBD that causes the loss of our paper records, we will physically recover them from our backup site. If our primary site is inoperable, we will continue operations from our back-up site or an alternative 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 alternative location.

## **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 include [www.robertsryan.net](http://www.robertsryan.net), 415.956.2000. In addition, we will retrieve our key activity records as described in the section above, Data Back-Up and Recovery (Hard Copy & Electronic).

### **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, and investors to apprise them of our financial status. If we determine that we may be unable to meet our obligations to those counterparties 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 updating our website, [www.robertsryan.net](http://www.robertsryan.net).

## **IX. Mission Critical System**

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: directly interfacing with Pershing LLC in Jersey City, NJ.

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 and presented us with an executive summary of its plan, which is attached. In the event that 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 out-of-region 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 every year.

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 communications – 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. Our clearing firm has the following SBD recovery time and resumption objectives: recovery time period of within four hours; and resumption time of within the same business day.

#### A. Our Firm's Mission Critical Systems

##### i. Order Taking

Currently our firm receives orders from customers via phone or direct contact with our account executives, fax, or e-mail via our website at [www.robertsryan.net](http://www.robertsryan.net), or in person visits 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 website and voice recording. If necessary, we will advise our customers to place orders directly with our clearing firm at [www.pershing.com](http://www.pershing.com) or 800.635.9881

##### ii. 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 [www.netxpro.com](http://www.netxpro.com). We have contacted Pershing LLC and were told that, under its BCP, we can expect order entry within a reasonable time.

In the event of an internal SBD, we will enter and send records to our clearing firm by the fastest alternative means available. 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.

### iii. Order Execution

We currently execute orders via phone to the desk at Pershing and also via internet through the NetEx Pro Interface. In the event of an internal SBD, we would call them directly at 800.635.9881. In the event of an external SBD, we would forward all requests directly to Pershing LLC.

### iv. Other Services Currently Provided to Customers

In addition to those services listed above in this section, we also provide information via the website. In the event of an internal SBD, we would provide all information via the website. In the event of an external SBD, we would provide all information via the website.

## 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.

## X. Alternative Communications Between Firms and Customers, Employees and Regulators

### A. Customers

We now communicate with our customers using the telephone, e-mail, our website, fax, U.S. mail, and in person visits at our firm or at the other's location. 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 a paper copy in the U.S. mail.

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: Daniel W. Roberts/ President

<u>Caller</u>	<u>Call Recipients</u>
Daniel W. Roberts	Ryan Stackman
Ryan Stackman	Gary Leonard
Gary Leonard	Vince Sherry
Vince Sherry	Hartland Snyder

Rule: NASD Rule 3510(c)(5)

C. Regulators

We are currently members of the following SROs: MSRB, FINRA. 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.

**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. The alternative suppliers are disclosed below]. Our major Suppliers are: Pershing LLC, P.O. Box 2065, Jersey City, New Jersey 07303-2065. Fax: 201.413.5368

**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: Union Bank of California, 160 Sutter Street, 415.288.9040, and Abdolmohsen Nafchi. The bank maintaining our Proprietary Account of Introducing Brokers/Dealers (PAIB account) is Union Bank of California, 160 Sutter Street, 415.288.9040, and Abdolmohsen Nafchi. If our banks and other lenders are unable to provide the financing, we will seek alternative financing immediately from Union Bank of California, 160 Sutter Street, 415.288.9040, and Abdolmohsen Nafchi.

**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.

**XII. Regulatory Reporting**

Our firm is subject to regulation by: FINRA. We now file reports with 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.

**XIII. Disclosure of Business Continuity Plan**

We provide in writing a BCP disclosure to customers at account opening annually. We also post the disclosure statement on our website and mail it to customers upon request. Our disclosure statement is attached.

**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 those of our clearing firm. In addition, our firm will review this BCP annually, on March 1<sup>st</sup> to modify it for any changes in our operations, structure, business, or location, or those of our clearing firm.

**XV. Senior Management 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: \_\_\_\_\_

\* \* \* \*

**Roberts & Ryan Investments, Inc.'s Business Continuity Planning**

Roberts & Ryan Investments, Inc. has 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 415-956-2000/ [info@robertsryan.net](mailto:info@robertsryan.net) you should call our alternative number 201-413-3635 or go to our web site at [www.robertsryan.net](http://www.robertsryan.net). If you cannot access us through either of those means, you should contact our clearing firm, Pershing, at 201-413-3635 and [www.pershing.com](http://www.pershing.com) for instructions on how it may request for funds from your account, trading on your account, or any other activities within your account.

**Our Business Continuity Plan** – We plan to quickly recover and resume business operations after a significant business disruption and respond by safeguarding our employees and 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 plan addresses: data back up and recovery; all mission critical systems; financial and operational assessments; alternative communications with customers, employees, and regulators; alternate physical location of employees; critical supplier, contractor, bank and counter-party impact; regulatory reporting; and assuring our customers prompt access to their funds and securities if we are unable to continue our business.

Our clearing firm, Pershing LLC, backs up our important records in a geographically separate area. While every emergency situation poses unique problems based on external factors, such as time of day and the severity of the disruption, we have been advised by our clearing firm that its objective is to restore its own

operations and be able to complete existing transactions and accept new transactions and payments within 5-7 business days. 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 within 3 days. In a disruption affecting our business district, city, or region, we will transfer our operations to a site outside of the affected area, and recover and resume business within 5 days. In either situation, we plan to continue in business, transfer operations to our clearing firm if necessary, and notify you through our web site [www.robertsryan.net](http://www.robertsryan.net) or our customer emergency number 201-413-3635 how to contact us. If the significant business disruption is so severe that it prevents us from remaining in business, we will assure our customer's prompt access to their funds and securities.

**For more information** – If you have questions about our business continuity planning, you can contact us at 415-956-2000 or [info@robertsryan.net](mailto:info@robertsryan.net)

#### Business Continuity Plan for Order Execution of Institutional Trades

When the server connection to ThinkLink goes down and orders cannot be entered electronically, the trader at Roberts & Ryan Investments Inc. can enter orders by phone by calling the Pershing trading desk.

Pershing trading desk number – (800) 225-4830