

# The R.L. Brown Advisory Group, LLC

## Business Continuity Plan (BCP)

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

Our firm's emergency contact person is:

- Robert L. Brown, President, 925-425-9610, [bob@rlbrownadvisors.com](mailto:bob@rlbrownadvisors.com)

These names will be updated in the event of a material change, and our President will review them within 17 days of the end of each calendar quarter.

### **II. Firm Policy**

Our firm's policy is to respond to a Significant Business Disruption (SBD) by safeguarding employees' lives and firm property, making a financial and operational assessment, quickly recovering and resuming operations, protecting all of the firm's books and records, and allowing our customers to transact business. In the event we determine we are unable to continue our business, we will assure customers prompt access to their funds and securities.

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

Our plan anticipates two kinds of SBDs, internal and external. Internal SBDs affect only our firm's ability to communicate and do business, such as a fire in our building. External SBDs prevent the operation of the securities markets or a number of firms, such as a terrorist attack, a city flood, or a wide-scale, regional disruption. Our response to an external SBD relies more heavily on other organizations and systems, especially on the capabilities of our clearing firm.

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

Robert L. Brown, President, is responsible for approving the plan and for conducting the required annual review. Robert L. Brown, President, has the authority to execute this BCP.

### C. Plan Location and Access

Our firm will maintain copies of its BCP plan and the annual reviews, and the changes that have been made to it for inspection. Two electronic copies of our plan are located on flash drives contained in envelopes labeled “The R.L. Brown Advisory Group BCP”. These envelopes are stored at 3015 Hopyard Road, Suite O, Pleasanton, CA 94588 (company office) and at 4258 Churchill Drive, Pleasanton, CA 94588 (residence of President). The plan is also available on our website at [www.rlbrownadvisors.com](http://www.rlbrownadvisors.com).

### **III. Business Description**

The R.L. Brown Advisory Group, LLC is a registered investment advisory firm that conducts business as an investment advisor to individuals, companies, and small retirement plans. We provide asset management services, retirement plan advisory services and retirement plan administration and recordkeeping services.

For asset management clients, our services involve developing and implementing investment plans and managing client assets on a discretionary basis. We do not act as a broker and our firm does not hold client funds or securities. All assets for our asset management clients are held at a custodian broker (currently TD Ameritrade). Our firm deals only in publicly traded securities. We do not advise on any private placements or other non-publicly traded investments.

For retirement plan advisory services, we select and monitor investment alternatives for participant self-directed retirement plans (primarily 401(k) plans). We also provide investment education and advice for plan participants. We do not hold plan funds or securities. All plan assets are held in trust at 3<sup>rd</sup> party custodians (primarily MG Trust and Matrix Trust).

For retirement plan administration and recordkeeping services, we provide written plan documents, perform required compliance testing, file required reports and returns, and maintain records of participant contributions and earnings.

### **IV. Office Locations**

Our Firm has one office, located at 3015 Hopyard Road, Suite O, Pleasanton, CA 94588, phone 925-425-9610.

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

In the event of an SBD, we will move our staff from affected offices to 4258 Churchill Drive, Pleasanton, CA, phone 925-484-8470.

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

Our firm does not maintain custody of customers' funds or securities. All asset management client assets are held at TD Ameritrade. Assets for plan advisory clients are held at 3<sup>rd</sup> party custodians (primarily Matrix and MG Trust). All of these organizations maintain their own BCP and, in the event of an internal or external SBD, we will work with our clients to make them aware of the BCP and help them navigate the processes to access their funds and securities.

In the event the SIPC should determine that any custodian is unable to meet their obligations to customers, SIPC may seek to appoint a trustee to disburse the custodian's assets to customers. We will assist SIPC and the trustee by providing our books and records identifying customer accounts subject to SIPC regulation.

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

Our firm maintains its primary hard copy books and records and its electronic records at The R.L. Brown Advisory Group, LLC. Robert Brown is responsible for the maintenance of these books and records.

We generally scan original client documents and save them on a redundant cloud-based storage platform (currently Google Drive). Unless original hard copy documents are required to be retained, we shred the originals and maintain the records in electronic format.

Our firm maintains electronic records of client information in a variety of systems (such as Morningstar Office). Morningstar maintains its own BCP and backs up its data on a regular basis to avoid loss of important client data. We maintain our company financial records on a financial software program (QuickBooks). We perform monthly backups of this data and keep a copy at 4258 Churchill Drive, Pleasanton, CA 94588.

In the event of an internal or external SBD that causes the loss of our paper records, we will physically recover client records from the custodian firms. If our primary site is inoperable, we will continue operations from our back-up site or an alternate location. For the loss of electronic records, we will either physically recover the storage media or electronically recover data from our back-up site, or, if our primary site is inoperable, continue operations from our back-up site or an alternate location.

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

### **A. Operational Risk**

In the event of an SBD, we will immediately identify what means will permit us to communicate with our customers, employees, critical business constituents, critical banks, critical counter-parties, and regulators. Although the effects of an SBD will determine the means of alternative communication, the communications options we will employ will include telephone, voice mail and email. In addition, we will retrieve our key activity records as described in the section above, Data Back-Up and Recovery (Hard Copy and 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 service our clients. We will contact our custodian firm, clients, and critical banks to apprise them of our financial status. If we determine that we may be unable to meet our obligations to those counter-parties or otherwise continue to fund our operations, we will request additional financing from our bank or other credit sources to fulfill our obligations to our customers and clients. If we cannot remedy our financial situation, we will file appropriate notices with our regulators and immediately take appropriate steps, including instructing our clients to contact their custodians immediately and from that point forward.

## **IX. Mission Critical Systems**

Our firm's "mission critical systems" are those that ensure prompt and accurate access to client accounts and records and processing of securities transactions. These systems include the systems of our custodian firms (TD Ameritrade VEO) to provide custody services and processing of securities transactions, the maintenance of customer accounts, access to customer accounts, and the delivery of funds and securities.

We have primary responsibility for establishing and maintaining our business relationships with our clients and have sole responsibility for our mission critical functions. Our custodian firms provide account access, transaction services, clearance and settlement of securities transactions, the maintenance of customer accounts, access to customer accounts, and the delivery of funds and securities.

Our custodian firms represent that they will advise us of any material changes to their business continuity plan that might affect our ability to maintain our business.

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

### **A. Customers**

We now communicate with our customers using the telephone, fax, email, U.S. mail, and in person visits at our firm or at other locations. In the event of an SBD, we will assess which means of communication are still available to us and use the means closest in speed and form (written or oral) to the means that we have used in the past to communicate with the other party. For example, if we have communicated with a party by e-mail but the Internet is unavailable, we will call them on the telephone and follow up where a record is needed with paper copy in the U.S. mail.

### **B. Employees**

Since our firm has no employees other than R.L. Brown, there is no need for an employee communication strategy.

### **C. Regulators**

We are currently registered as an investment advisory firm with the California Department of Business Oversight. 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. Our major suppliers are:

- TD Ameritrade Institutional  
7801 Mesquite Bend Drive, Suite 112, Irving, TX 75063  
(800) 400-6288

- Comcast Business Services  
(800) 391-3000
- Morningstar  
(866) 215-2503

### 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: Comerica Bank, 600 Main Street, Pleasanton, CA 94566, (925) 249-9250.

### 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 the SEC and the State of California. We now file reports with our regulators using paper copies in the U.S. mail, and electronically using fax, e-mail, and the Internet. In the event of an SBD, we will check with the SEC and the State of California 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 post our BCP on our website and we offer to provide it to our clients upon request.

**XIV. Updates and Annual Review**

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

**XV. Senior Manager Approval**

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

Signed: Robert L. Brown

Title: President

Date: 1/2/2018