

# **WROC'S Business Continuity Plan**

## ***Intention of the Plan***

Westrock Advisors, Inc. (WROC) realizes that business continuity planning is essential to the long-term viability of any organization. WROC intends to be prepared for a disaster and the safety of its employees, as well as assuring our customers of business continuity.

As a FINRA member firm, WROC must disclose to its customers how its business continuity plan addresses any significant business disruption.

The intention of this Plan is to document general procedures and information necessary to re-establish business functionality. It will identify the responsible personnel to execute this Plan. It will also provide customers with information on how to access their funds and securities in the event of a disaster and how to protect the firms' books and records. The Plan addresses the levels of disaster and the extent to which our business will be affected.

Once a disruption of service has been declared, the Management Committee will then implement the appropriate level of the Plan.

WROC'S primary objective is to communicate to both employees and customers the level or severity of the disruption.

## ***Firm Policy and Business Description***

There are two types of business disruption, internal and external. Internal affects the Firm's ability to communicate and do business, such as a fire or black out at any of our locations. Evacuation plans will be based upon the direction from the building management. External business disruptions prevent the operation of the securities markets such as terrorist attacks, a city flood, or a wide-scale regional disruption. Our response to external business disruptions relies more heavily on other organizations and systems especially on the capabilities of our clearing firm (National Financial Services LLC, "NFS").

The Management Committee is responsible for approving the plan and for conducting the required annual review. Don Hunter, President and CEO, has the authority to execute this Business Continuity Plan. The Plan will also be on the Firm's website for customer review ([www.westrockadvisors.com](http://www.westrockadvisors.com)).

## ***Customer's Access to Funds and Securities***

WROC conducts business in equity, fixed income, and various other investment products. WROC is an introducing firm and does not perform any type of clearing function. We accept and enter orders, but we do not hold customer funds or securities. All transactions are sent to our clearing firm for settlement. Our clearing firm also maintains our

customers' accounts, deliver funds and securities upon request and provides access to account information via the internet.

In addition our firm will post on our Web site that in the event that we cease operations due to any significant business disruption, customers may call the NFS Customer Service Line at 800-801-9942.

### ***Emergency Contact Personnel***

Our firm's emergency contact persons are:

Greg Martino [gm@westrockadvisors.com](mailto:gm@westrockadvisors.com) 914-261-7019

Don Hunter [don@westrockadvisors.com](mailto:don@westrockadvisors.com) 914-522-0020

James Des Londe [jdeslonde@monarchfinancialcorp.com](mailto:jdeslonde@monarchfinancialcorp.com) 732-904-8350

Andrew Shapiro [as@westrockadvisors.com](mailto:as@westrockadvisors.com) 914-523-4322

Eric Valente [eric@monarchfinancialcorp.com](mailto:eric@monarchfinancialcorp.com) 603-401-9533

This information will be reported to FINRA through their contact system (formerly known as the FINRA Member Firm Contact Questionnaire of NMFCQ) at [www.finra.com/ncs.asp](http://www.finra.com/ncs.asp). These names will be updated in the event of a material change, and our compliance manager will review them within 17 business days of the end of each quarter,

Rule: FINRA Rule 3520.

### **I. Firm Policy**

The purpose of this guide is to create contingency plans for various emergencies that Westrock Advisors Inc. might encounter. For the purposes of this guide, two categories of emergency exist.

1. The first is failure of a key system
2. The second category includes major catastrophes, either man-made or natural which damage/destroy the office or prevent some or all of the employees from coming to the office.

Our firm's policy is to respond to a Significant Business Disruption (SBD) by using our best efforts to do the following:

Safeguarding employees' lives and firm property

Making a financial and operational assessment

Quickly recover and resume operations

Protect all of the firm's books and records

Allow 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.

### **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 SBSs prevent the operation of the securities markets or a number of firms, such as 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**

Don Hunter, President and CEO of WROC, and a Registered Principal, is responsible for approving and executing the plan as well as conducting the required annual review.

## **C. Plan Location and Access**

Our firm will maintain copies of its BCP plan and annual plan reviews for inspection upon request. We have given the FINRA District 10 Office at One Liberty Plaza, New York, NY 10006 a copy of our plan. An electronic copy of our plan is located on our firm computer networks and will be added to the firm's website

## **II. Business Description**

There are two types of business disruption, internal and external. Internal affects only our firm's ability to communicate and do business, such as a fire in our building (evacuation). Evacuation plans will be based on the direction from local building management. External business disruptions prevent the operation of the securities markets or a number of firms, such as terrorist attacks, a city flood, or a wide-scale regional disruption. Our response to external business disruptions relies more heavily on other organizations and systems especially on the capabilities of our clearing firm (National Financial Services LLC, "NFS").

The Management Committee is responsible for approving the plan and for conducting the required annual review. Greg Martino, CEO and Chairman, has the authority to execute the Business Continuity Plan. The Plan will also be on the firm's website ([www.westrockadvisors.com](http://www.westrockadvisors.com)).

The firm will maintain copies of its Business Continuity Plan, the annual reviews of the plan, and the changes that have been made to it for inspection. WROC conducts business in equity, fixed income, and various other investments products. WROC is an introducing firm and does not perform any type of clearing function for itself or others. We accept and enter orders, but we do not hold customer funds or securities. All transactions are sent to our clearing firm for settlement. Our clearing firm also maintains our customers' accounts, can grant customers access to them and deliver funds and securities.

### **III. Office Locations**

Activities of Westrock Advisors Inc. are divided between five locations,

1. 230 Park Avenue, the main office
2. Melville, Long Island, an OSJ office

### **IV. Alternative Physical Location(s) for Employees and System:**

In the event of an SBD, we will move our staff from our main location to the Melville, Long Island office at 201 Old Country Road, Melville, NY 10510, Phone (630) 944-6340, Fax (630) 944-6311.

*Rule: FINRA Rule 3510© (6)*

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

WROC does not maintain custody of customers' funds or securities. Funds & securities are maintained at our clearing firm, National Financial Securities. In the event of an internal or external business disruption, if telephone service is available, our registered persons will take customer orders or instructions and contact our clearing firm on their behalf. Our firm will post on our Web site that in the event that we cease operations, due to any disruption, customers may call NFS Customer Service Line at 800-801-9942. If SIPC determines that we are unable to meet our obligations to our customers or if our liabilities exceed our assets in violation of SEC 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 identifying customer accounts subject to SIPC regulation.

In the event of an internal or external SBD, Westrock has the ability to redirect its telephones and electronic mail to an alternate site. If telephone service is available, our registered persons will take customer orders or instructions and contact our clearing firm on their behalf, so that they may access their funds and securities. The firm will make this information available to customers through its disclosure policy. *Rules: FINRA Rule 3510 (a); Securities Exchange Act Rule 15c3-1; 15 U.S.C. 78eee(2003).*

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

The firm maintains in-house tape backups of all user files, Active Directory, and email Exchange databases. We have 30 tapes which gives us a 30 day window to retrieve files or recover from a disaster.

Our email is archived by AdvisorMail, a 3<sup>rd</sup> party email compliance and archiving solution. We also maintain backups of all historic emails prior to our implementation of AdvisorMail. These are held on an external drive.

### **VII. Financial and Operational Assessments**

In the event of a total business disruption, alternative systems will be implemented to communicate with customers, employees, critical business constituents, regulators, and

other key parties depending on the nature and impact of the disruption. In the event of a significant business disruption, WROC's financial status will be evaluated to determine the need for additional financing or identify capital deficiencies including the following:

- Review the impact of the disruption on WROC's ability to conduct business
- Identify inability to satisfy obligations with counter parties
- Contact banks or other counter-parties to secure needed additional financing
- Notify regulators of capital deficiencies, if any
- Reduce or cease business as may be required due to inability to conduct business
- Transfer business to other financial institutions until WROC may resume conducting business

### **VIII. Mission Critical Systems**

In the event of a total business disruption, WROC'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, the maintenance of customer accounts, access to customer accounts, and the delivery of funds and securities.

WROC has primary responsibility for establishing and maintaining our business relationships with our customers and have sole responsibility for our mission critical functions of order taking, entry and execution. Our clearing firm provides, 7 through contact 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 maintains a business continuity plan. Our clearing firm periodically updates and tests the operability of such plan. Our clearing firm makes any updated plans available to us via its website or otherwise. If we 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, we will seek services from an alternative source.

### ***Order Entry and Execution***

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

### **IX. Alternative Communications**

In, the event of a business disruption, WROC may use a wide range of communication systems to communicate with its customers, employees, counter-parties, and regulators including telephone, mail, fax, e-mail, vendor systems, and personal meetings.

Procedures for instituting alternative communications in the event of a business disruption include identifying the most expedient remaining means of communication, reroute

the 800 number to an available WROC office, notify employees of an off-site command center or transfer communications to another firm if the New York office is not accessible, the 800 number will be re-routed to the Melville office and vice versa. In the event of a business disruption, WROC will notify employees on how to contact customers and make means available for customers to contact WROC via the web site at [www.westrockadvisors.com](http://www.westrockadvisors.com) through a re-routed 800 number and/or in the event that we cease operations, customers may call NFS Customer Service Line at 800-801-9942.

### ***Internet Statement to Customers***

Due to events beyond our control, WROC has enacted our Business Continuity Plan. Our \_\_\_\_\_ office is currently closed and our web site will be unavailable until further notice. If you have any questions regarding your account or need further assistance please call \_\_\_\_\_. In the event that we cease operations, customers may call NFS Customer Service Line at 800-801-9942. Thank you for your patience and cooperation as we resolve this inconvenience, your business is important to us.

In addition to making means available for customer contact, WROC has developed a system to enable senior management to contact employees in the event of an emergency. Contact lists are maintained by managers at branch offices, and at their homes. However, the employees should use the emergency contact lists provided in this manual to keep constant contact with management.

Communications with critical third party constituents rely on contracts with these counterparties to ensure they have reliable disaster recovery plans as well. A disruption impacting WROC's ability to conduct business may occur either at WROC itself or at the third party. A member of the Emergency Response team, listed on the following pages will contact third parties.

In the event of a business disruption, the designated management will contact our outside vendors, to alert them to our problem and advise or establish alternate arrangements. See **Appendix B** for contact information. The designated manager will also contact 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 business disruption. Where the transactions cannot be completed, we will work with our clearing firm or contact those counter-parties directly to make alternate arrangements to complete those transactions as soon as possible. Senior management will contact our banks and lenders to determine if they can continue to provide financing. In an event where our banks are unable to provide financing, we will seek alternative financing immediately.

### ***Regulatory Reporting***

Our firm is subject to regulation by: SEC, FINRA, and various State regulatory bodies. 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, 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.

*Rule: FINRA Rules 3510 (a) & (c) (7)*

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

We disclose in writing a summary of our BCP to customers at account opening. We also mail it to customers upon request as well as posting to WROC's website. Our 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, our 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 s, our planned recovery time; and

**(3) provides general information on our intended response. Our summary discloses the existence of back-up facilities and arrangements.**

## **XI. Alternative Physical Locations**

Should a disaster make an office location inaccessible or unusable, employees should first contact their supervisor(s), an open office location, or one of the contact numbers stated in the Alternative Communications section. Alternative physical office locations include but are not limited to:

- Working from home
- Work from an open office of WROC

## **Emergency Response Team and Designated Personnel**

### **Designated Personnel**

#### **Responsibilities Names and/or Titles**

<b>Maintain and update plan Compliance</b>	<b>Andrew Shapiro – Director of</b>
<b>Approve plan and plan revisions; conduct annual review</b>	<b>Don Hunter – CEO</b>
<b>Annual testing of plan</b>	<b>Andrew Shapiro – DOC</b>
<b>Implementation of plan when disruption Occurs</b>	<b>Don Hunter – CEO</b>

**Quarterly review of Emergency Contact Person and report changes to regulators** Andrew Shapiro – DOC

**Provide Plan to customers: when account opened and upon request** Sales Assistants  
**Post Plan disclosure on WROC's web site and update as required** Eric Valente – IT Manager

Review critical third party assurance of disaster plans or plan summaries: at initial engagement of third party and annually when plan is reviewed  
Andrew Shapiro – DOC  
Eric Valente – IT Manager

### **Emergency Response Team**

<b>Action</b>	<b>First Responder</b>	<b>Secondary Responder</b>
Contact emergency services (fire, police)	Eric Valente	Andrew Shapiro
Establish off-site command center and notify employees	Eric Valente	Andrew Shapiro
For affected offices, evaluate business disruption and transfer employees and operations to other location	Andrew Shapiro	Eric Valente
Assess financial and operations capabilities	Andrew Shapiro	Melissa Berry
Determine financial and credit risk and contact banks and other counterparties to continue operations and secure financing if necessary.	Andrew Shapiro	Melissa Berry
Notify regulators in the event of a capital		

deficiency	Andrew Shapiro	Melissa Berry
Interface with SIPC if liquidation of business is initiated	Andrew Shapiro	Melissa Berry
Contact critical service Providers	Eric Valente	Andrew Shapiro
Transfer mission critical functions affected	Eric Valente	Andrew Shapiro
Initiate alternative customer communications systems or procedures	Eric Valente	Andrew Shapiro
Notify customers regarding alternative access to funds and securities	Michele Purcell	Andrew Shapiro
Recover back-up records when primary records are destroyed or inaccessible	Eric Valente	Andrew Shapiro
Contact regulators and notify them of contact persons and recovery plans	Andrew Shapiro	Melissa Berry

*Rule: NASD Rule 3510 (e).*

**XII. 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, on or before 3/1 to modify it for any changes in our operations, structure, business, or location or those of our clearing firm.

*Rule: NASD Rule 3510(b).*

**XIII. 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

*Rule: NASD Rule 3510(d)*

Signed:  \_\_\_\_\_

Title: CEO \_\_\_\_\_

Date: 3/31/09 \_\_\_\_\_