

## Pacific Crest Securities Business Continuity Plan Disclosure

### **Regulatory Requirement:**

The Financial Industry Regulatory Authority “FINRA” has adopted rules requiring securities firms to implement plans for the continuation of business in the event of a significant disruption. “Significant disruption” refers to local or regional events such as natural disasters, fires, power outages, acts of malice and technical or infrastructure disruptions. Examples of varying disruptions are noted at the end of this disclosure. However, due to the unpredictable nature of such events our firm will remain flexible in responding to actual events as they occur.

### **Contacting Pacific Crest Securities (PCS):**

If a significant business disruption occurs in Portland and you are unable to contact us at our normal number (503) 248-0721, you should contact our Boston office (866) 293-8894, or go to our website at [www.pacific-crest.com](http://www.pacific-crest.com). If you are unable to contact us at these contact points you may contact our clearing firm, Penson Financial Services, Inc., directly at 888-836-6798 or their website at [www.pensonus.com](http://www.pensonus.com) to receive assistance.

If a business disruption occurs in one of our branch office locations, business will continue to be conducted from our main office in Portland.

### **PCS Business Continuity Plan Overview:**

PCS has developed and implemented a business continuity plan “BCP” for responding to events that significantly disrupt our business. We plan to quickly recover and resume business operations after a significant disruption. PCS will respond by safeguarding our employees and property, conducting a financial and operational assessment, protecting the firm’s books and records and allowing customers to transact business.

PCS’s plan addresses several areas: safety and well being of employees; data back-up and recovery; mission critical systems; financial and operational assessments; communications with employees, customers, regulators and critical vendors; alternate physical location; regulatory reporting; vendor impact; and assuring customers prompt access to their funds and securities if we are unable to continue our business.

It should be noted that in the event of a significant disruption, PCS is highly dependent on various entities and utilities, including our clearing firm, which PCS has no control over. Our BCP is subject to periodic updates. An updated disclosure notice will be promptly posted to our website as necessary at [www.pacific-crest.com](http://www.pacific-crest.com). Additional details regarding our policy may be obtained by calling (503) 248-0721.

### **Clearing Firm Business Continuity Plan:**

Our clearing firm, Penson Financial Services, Inc., has also taken steps to develop a business continuity plan. Penson Financial Services, Inc. has alternate locations to conduct business from. A key element of their plan is to ensure our clients have prompt access to their funds and securities. Systems that operate payment disbursement are supported for contingency processing for both manual and automated processing.

Depending upon the severity of the disruption, we have been advised by our clearing firm that their objective is to restore operations and be able to complete existing transactions and accept new transactions when the market is open. Until such time that they restore services your orders and requests for funds and securities could be delayed during this period.

**Varving Disruptions:**

Significant 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.

In a significant disruption that only affects our firm or the building housing our firm we will transfer our operations to our Boston office or a local site if needed. The PCS emergency contact procedures will be used to pass along critical emergency information to employees. Key personnel will meet as necessary at our designated off-site location. Mission critical systems will be restored as soon as possible and customer calls will automatically be forwarded to the offsite location or our Boston office. PCS will attempt to resume basic business services such as customer access to funds within 24 hours.

In a significant disruption that affects our business district, city, or region we will transfer our operations to a site outside of the affected area. The PCS emergency contact procedures will be used to pass along critical emergency information to employees. Management will assess the situation and work to restore mission critical systems. Customer calls will be forwarded to an external location. Depending upon the severity of the disruption employees from Portland may travel to other locations and/or work from home to assist with business recovery. PCS will attempt to resume basic business services as soon as possible given the facts and circumstances.

In either situation, we plan to continue in business, transfer operations to our clearing firm as necessary, and provide information to you through our website or emergency numbers. 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.