



***Business Continuity Plan***

***03/11/2020***

## I. BUSINESS CONTINUITY PLAN INTRODUCTION

To meet regulatory expectations, the firm’s Business Continuity Plan (BCP) must be reasonably designed to ensure that the firm can meet present obligations to customers in an unplanned interruption in business, such as in an emergency.

The regulators do not intend for all business continuity plans to be the same. Given the variety found among investments firms as well as the diverse nature of their businesses, firms must design customized plans to meet operational, size and other needs. Regulatory guidance suggests that the plan contain:

- Operational assessments
- Provisions for rapid resumption of mission critical systems
- Back-up arrangements for material relationships with business constituents, banks and appraisals of counter-party impact
- Back-up system for recovery of data (both hard copy and electronic data)
- Alternate means for communications for use between employees and the firm, as well as between customers and the firm
- Instructions for communications with regulators and regulatory reporting requirements in the event of a disaster
- Description of the alternate physical locations of employees and / or certain departments
- Assurance for customers’ prompt access to their funds and securities in the event the firm determines it is unable to continue its business
- Provisions for updating the plan
- Provisions for periodic testing of the plan
- Notification of relevant provisions of the plan to customers of the firm

Our plan will address each of the relevant elements above.

## II. EMERGENCY CONTACT PERSONS

Our firm’s two emergency contact persons are:

<b>Emergency Contact</b>	<b>Alternate Phone Number</b>	<b>Alternate Email</b>
Gregory Bentley	949-554-5554	<a href="mailto:gbentley@fortunefinancialservices.com">gbentley@fortunefinancialservices.com</a>
Christine Warner	585-727-2584	<a href="mailto:cwarner@fortunefinancialservices.com">cwarner@fortunefinancialservices.com</a>

Within 10 days of any material change and at least once annually, our CCO and the individual she designates will update and / or certify this information on FINRA's Gateway Firm Notification system.

### **III. FIRM POLICY**

Our firm's policy is to respond to a significant business disruption (SBD) by expediently safeguarding employees' lives and firm property, making a financial and operational assessment, recovering and resuming operations as quickly as possible, protecting the firm's critical books and records, and enabling clients to contact us regarding their investments. Regardless of the severity of the situation and the time it takes us to resume our business operations, we will at all times assure customers prompt access to their investments.

#### **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 the custodians of our customer's accounts (mutual fund and insurance companies).

#### **PANDEMIC PREPARATION**

In the event that government or regulatory authorities require quarantine or other measure prohibiting employees from gathering or traveling to work, Fortune Financial Services has remote employees working from home who will cover the duties of employees unable to travel to our home office location.

Clients will always have access to their funds as Fortune does not custody any investments. All assets are held at the issuing company and clients have the contact information for that company to request and distributions or other actions (see section IV).

#### **APPROVAL AND EXECUTION AUTHORITY**

Gregory Bentley, the firm's Chief Executive Officer has the authority to sign and approve this BCP on behalf of the firm.

#### **PLAN LOCATION AND ACCESS**

Under the oversight of our CCO, our firm will maintain copies of its BCP plan, the annual reviews, and the changes that have been made to it for inspection as required by FINRA and the SEC.

Upon request, we will provide a copy of our plan to our FINRA District Office located Two Jericho Plaza, 2<sup>nd</sup> Floor, Wing A, Jericho NY 11753-1658; 516-827-6100

An electronic copy of our plan is located on the firm's P Drive:  
Fortune Financial/BCP in the folder names "Fortune/Business Continuity Plan."

#### **IV. BUSINESS DESCRIPTION**

Our firm conducts business as limited purpose broker-dealer offering mutual funds, variable life/annuities, equity indexed annuities and fixed insurance products. The majority of sales are processed on a subscription-way basis. This means that customer assets are held by mutual fund companies or other similar types of product sponsors. We do not engage in general securities sales, and we do not hold customer funds or securities.

Customers with assets held directly at the mutual fund or insurance companies comprise the entirety our customer accounts. In the event of a business interruption, these clients will at all times retain direct and continuous access to their assets by communicating with the fund and insurance companies themselves. Customer statements, which are sent to customer from the carriers on a regular basis, bear the contact information required for customers to access their assets if employees of our company are not available.

#### **V. HOME OFFICE OSJ LOCATION**

Our firm has its home office located at:  
3582 Brodhead Road, Suite 202  
Monaca, Pennsylvania 15061

The main telephone number is 1-724-846-2488.

Our employees travel to this location by car. We engage in supervision of all firm business and operational functions at this location. All critical business records are retained at this location. Copies of the records are also maintained on our database, which is backed up as described in a later section. In addition, customer records including statement, confirmations and other records on account are also retained by the account custodians, which are also regulated entities such as mutual funds and insurance companies.

#### **VI. ALTERNATIVE PHYSICAL LOCATION(S) OF EMPLOYEES**

In the event of an SBD, staff are informed to report to:

The Hampton Inn  
(Adjacent to the Beaver Valley Mall parking lot)  
202 Fairview Drive  
Monaca, Pennsylvania 15061  
724-774-5850

From this location, we will have access to the internet, ample parking and we will have telephone connectivity. The Hampton Inn is located in relative proximity to our office, but not so close as to be inaccessible in the event that major freeway access renders our home office unreachable.

## **VII. CUSTOMERS' ACCESS TO FUNDS AND SECURITIES**

The most critical aspect of our BCP is to ensure that our customers have access to their funds and securities at all times. Because our firm does not maintain custody of customers' funds or securities, this aspect of our plan is accomplished through customer education, and periodic disclosures to reinforce the availability of customer funds to the customers at all times. For this purpose, we incorporate disclosure regarding customer access into our annual customer notifications to best ensure that they know where on their monthly statements to find contact information adequate to access their assets. Upon business interruption, we will update our website and our phone answering system to instruct clients how to access their funds by contracting their fund custodian directly.

In the event of an internal or external SBD, if telephone service is available, management and representatives will be able to communicate with clients direct for an investment requests. Clients will be notified to contact their mutual fund and / or annuity companies / issuers directly for access to their securities.

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 the appointed trustee by providing our books and records identifying customer accounts subject to SIPC regulation.

## **VIII. DATA PROTECTION, BACK-UP AND RECOVERY (HARD COPY AND ELECTRONIC)**

Our firm maintains its primary hard copy books and records and its electronic records at 3582 Brodhead Road, Suite 202, Monaca, Pennsylvania 15061. Employees are screened prior to hiring to ensure that they have adequate background, experience and the integrity to be entrusted with non-public customer data, as well as the firm's records. Employees are required to enter a password to access the server. Employees are instructed to take precautions (such as returning critical forms and data to their permanent location) so that the company's program for back-ups and retention are most effective. Although the office is accessible to pedestrian traffic, its layout is reasonably designed to prevent any unauthorized access.

Christine Warner, Chief Compliance Officer, is responsible for the maintenance of these books and records and can be reached at 724-846-2488, or, in the case of an emergency at the cell phone number listed above.

Our firm maintains the following document types and forms, among others as required under SEC 17a-3:

- Personnel Files,
- Compliance Files,
- Correspondence Files and
- Advertising Files

Our firm maintains its back-up books and records including its cloud based backup solution that stores critical company data at:

Infrascale-999  
N. Sepulveda Blvd. #100,  
El Segundo, CA 90245  
1.877.896.3611.

The records are paper copies and digital.

Our firm backs up its financial records by copying and maintaining copies at our back-up site.

In the event of an internal or external SBD that causes the loss of our paper records, we will physically recover them from our back-up site. 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.

## **IX. FINANCIAL AND OPERATIONAL ASSESSMENTS**

### **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 a broadcast message on the firm's website [www.fortunefinancialservices.com](http://www.fortunefinancialservices.com) so that representatives and clients can access current information. In addition, we will retrieve our important records as described in the section above.

### **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. The Company maintains a generous amount of excess net capital, has adequate additional resources, and does not anticipate that an SBD could cause a deficiency in its required level of capital. We will contact our bank and investors 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 a capital deficiency, we will file appropriate notices with our regulators and immediately take appropriate steps including SEC and FINRA Notifications.

## **X. MISSION CRITICAL SYSTEMS**

Our firm's "mission critical systems" are those that ensure prompt and accurate processing of securities transactions, including transaction recordkeeping, data retention, regulatory record retention, and surveillance.

More specifically, these systems include:

<b>Organization</b>	<b>Services Offered</b>
Smarsh Technologies Electronic	Email Surveillance and Archiving
jaccomo	Account data, surveillance and compliance information

To ensure our ongoing confidence in these service providers, our Compliance Officer may periodically request and review information regarding their own internal business continuity plans, and related incident response successes and / or failures.

Mutual fund and insurance companies (product sponsors) with whom we have selling agreements provide, through contact, for all account opening, management and transactions, the maintenance of customer accounts, access to customer accounts, and the delivery of funds and securities as requested by the customer.

We do business with product sponsors (mutual fund, insurers, variable annuity sponsors) that maintain a business continuity plan and whose capacity to execute their plan has earned our confidence. They represent by virtue of their own business continuity plans that they will advise us of any material changes to their plan that might affect our ability to maintain our business. Upon our request, their plans for business resumption are available to us. Included in this notification will be notice of any incident in which their plan is executed, as well as how and when our customers have been affected.

Product sponsors represent that they back-up our records in a manner that facilitates adequate resumption of their activities (within 4 hours of an SBD), among other regulatory requirements for custodial firms.

Recovery-time objectives provide concrete goals to plan for the 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 telecommunications-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. Because of our product mix and qualified custodial relationships with mutual fund and insurance companies, we do not anticipate a significant impact on our ability to recover.

## **MISSION CRITICAL SYSTEMS PROVIDED BY PRODUCT SPONSORS**

Our firm relies, by contract, on product sponsors to provide custody of assets, order execution, order comparison, order allocation, customer account maintenance and / or access and delivery of funds and securities.