



ALBERT FRIED & COMPANY, LLC

### Business Continuity Planning- Disclosure Statement

Business continuity for disaster recovery is a high priority for Albert Fried & Company, LLC ("AF&Co" or the "firm"). Our goal is to ensure our continued ability to serve our clients and to protect their assets and the people and assets of our firm. Our Business Continuity Program (the "BCP") has been developed to provide reasonable assurance of business continuity in the event that there are disruptions of normal operations at the firm's critical facilities.

As part of our ongoing commitment to inform and engage our clients, we would like to give you an update on Albert Fried & Company's Business Continuity Plan (BCP). Albert Fried & Company has taken significant steps to mitigate the impacts of business interruptions resulting from a wide variety of potential events, including the loss of key facilities and resources. The BCP process begins with each business unit assessing its business continuity risks including financial and operational assessments. This process encompasses all aspects of the firm's key activities including, but not limited to, trading, sales, settlement, clearance, custody, and funding. This assessment defines, for each business process, its criticality, exposure to risk, and likelihood of failure.

The Firm's business continuity strategy is designed to enable us to meet our existing obligations to our clients in the event of an emergency or significant business disruption. The plan is designed to work in many different emergency situations. Emergencies, by their nature, are unpredictable, making it impossible to anticipate every scenario that could cause a business disruption. Therefore, the firm shall keep its clients and its own community informed of pertinent modifications to the BCP deemed necessary by the firm for the protection of all involved.

Furthermore, although Albert Fried & Company, LLC performs due diligence regarding the business continuity plans of business constituents, banks, and counter-parties, we ultimately have no control over these various entities that we must rely upon in the event of an emergency.

#### Albert Fried & Company, LLC- Business Continuity Plan- Overview

The Firm has contracted with RackSpace ("RS") to provide the Firm with managed dedicated servers in their hybrid hosting environment. This infrastructure includes public and private clouds ensuring the ideal infrastructure for mobile connectivity allowing for uninterrupted access to the Firm's critical data and mission critical applications and systems. More information about Rackspace can be found at: [www.rackspace.com](http://www.rackspace.com)

The Firm established its Business Continuity Plan ("BCP") 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 that we determine we are unable to continue our business, we will assure customers prompt access to their funds and securities.

The BCP is comprised of the ten key elements specified in FINRA Rule 4370. The approach addresses business disruptions affecting individual business or specific locations; city-wide or industry-wide failures; and regional outages that affect our business.

The BCP process begins with the firm evaluating its business continuity risk. The process encompasses all aspects of the firm's key operational activities including trading, sales, settlement, clearance, custody and funding. Steps are taken to mitigate interruptions of these critical processes by replicating them internally or at a back-up facility. Once the risk assessments are defined for each key business process, the necessary procedures needed to reestablish essential business operations are incorporated into the firm's internal procedures manual. These BCP procedures are continually reviewed for new strategies and technologies as they become available

This document provides an Overview of the firm's Business Continuity Program. This Overview is designed to satisfy disclosure requirements under FINRA Rule 4370 requiring the establishment and maintenance of a Business Continuity and Contingency Plan and disclosure to clients how such business continuity plan addresses the possibility of a future

significant business disruption and how the firm plans to respond to events of varying scope.

If you have additional questions, please contact your Albert Fried & Company, LLC representative. Pertinent updates to this overview will be available at [www.albertfried.com](http://www.albertfried.com), various periodic mailings or disclosures or via mail by contacting your Albert Fried & Company representative.

**Emergency Contact Persons:** The firm's two emergency contact persons are:

David Santana	Carl Lang
Managing Director	CTO
212-827-7190	212-422-7299
David.Santina@tdsecurities.com	CLang@albertfried.com

These names will be updated in the event of a material change. A quarterly review is performed to ensure updated information.

#### Office Locations & 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 service bureau.

In the event of an SBD, we will move our staff from our main offices at 45 Broadway; 24th Floor, NY, NY 10006 to our Primary Back-Up facility or to such alternatives ("Alternate Locations") available to ensure seamless continuity. "Alternate locations" may include remote computing, manual workarounds and transference to various available vendor facilities, other broker dealer counterparty facilities.

Our planned responses to various outage scenarios appear below:

Outage Scenario	Response	Recovery Times**
Office/Building Outage	Relocate to our Primary Back-up Facility and/or Alternate Locations.  Essential employees shall be relocated to this location by any means of transportation available during this SBD. We can process all aspects of the firm's key operational activities here including trading, sales, settlement, clearance, custody and funding.	4- 24 Hrs
NYC Outage	Relocate to our Primary Back-up Facility and/or Alternate Locations...  In the event the Primary facility is unavailable, all essential personnel shall be relocated to Alternate Locations where all key operational activities can be conducted.	4- 24 Hrs
Regional Outage	Relocate to our Primary Back-up Facility and/or Alternate Locations...  In the event the Primary facility is unavailable, all essential personnel shall be relocated to Alternate Locations where all key operational activities can be conducted.	4- 24 Hrs

\*\*Recovery times are contingent on the nature and extent of the outage. Variables involved may include critical telecommunication, industry and municipal infrastructure.



ALBERT FRIED & COMPANY, LLC

#### Customers' Access to Funds and Securities

Albert Fried & Company, LLC is a self-clearing broker dealer meaning all customer funds & securities are held by the firm or its bank. In the event of an internal or external SBD that disables communications systems, alternative communication systems will be implemented, including identifying the most expedient remaining means of communication, notifying employees regarding how to contact customers regarding the entry orders, accessing account assets, and other alternative business operations.

If phone service is down, but the internet is accessible, our firm will attempt to post pertinent information on our website to alert customers of other means of contacting us to access their funds and securities.

#### Systems and Data Back-Up/Recovery (Hard Copy and Electronic)

Systems and Data Recovery focuses on restoring the firm's core infrastructure, including networking, applications, market-data feeds, and other shared technologies to ensure the continuation of critical business systems processing. Applications are prioritized based on their criticality to the business. Recovery requirements and the frequency of application testing are then established based on those priorities. Our back-up facilities are equipped with the necessary infrastructure to re-establish connectivity to these critical systems and data.

The firm maintains its books and records in both hard copy and electronic format. Hard copy records are maintained at the main offices while electronic copies and electronic back-ups are maintained on an offsite primary back-up server as well as on our service bureau's optical storage solution. These methods are in place to facilitate the recovery of critical data. These electronic records are accessible by VPN to our off-site data backup server.

In the event of an internal or external SBD that causes the loss of our paper records, we will physically recover them electronically from our offsite primary data server and/or service bureau. If our Primary site is inoperable, we will continue operations from any Alternate Locations available. For the loss of electronic records, we will either physically recover the storage media or electronically recover data from our offsite back facility and/or service bureau's back up facility.

#### Financial and Operational Assessments

**Operational Risk:** Operational risk includes the firm's ability to maintain communications with customers and to retrieve key activity records through its mission critical systems.

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, regulators other key parties depending on the nature and impact of the disruption.

Although the effects of an SBD will determine the means of alternative communication, the communications options we will employ will include our Web site, telephone voice mail, e-mail, etc. In addition, we will retrieve our key activity records as described in the section above, Data Back-Up and Recovery (Hard Copy and Electronic).

**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 critical banks and investors to apprise them of our financial status. In the unlikely event that we determine that we are unable to remain in business, we will assure our customer's prompt access to their funds and securities. We will file appropriate notices with our regulators and immediately take appropriate steps.

#### Mission Critical Systems

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.

We have primary responsibility for establishing and maintaining our business relationships with our customers and maintaining our mission critical functions of order taking [and entry] [and 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 Back-Up facilities house the required equipment and functional capabilities to carry on business in emergency situations.

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 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.

#### Alternate Communications between the Firm and Customers, Employees, and Regulators

We now communicate with our customers, Employees and Regulators (SEC, NYSE, FINRA) using the telephone, e-mail, IM, Web site, 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 paper copy in the U.S. mail.

The firm has also employed a 'calling tree' so that senior management can reach all employees quickly during an SBD. The call tree includes all vital contact information to facilitate expedient communications amongst all personnel.

#### Critical Business Constituents, Banks, and Counter-Parties

We have contacted our critical business constituents, banks and counter-parties 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, bank or counter-party can no longer provide the needed services when we need them because of a SBD to them or our firm.

#### Regulatory Reporting

Our firm is subject to regulation by SEC, FINRA and/or other exchanges. 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 these 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

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

**For more information:** If you have questions about our business continuity planning, you can contact us at 212-422-7299.