

# Greenwich Financial Services, L.L.C.

## Business Continuity Plan (BCP)

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

Our firm's two emergency contact persons are: William Frey (business phone: (203)599-4475; cell: (203) 570-3602; home: (203) 661-9284; e-mail: [bill@greenwichfin.com](mailto:bill@greenwichfin.com)) and Rob Fry (business phone: (203) 599-4471; cell: (240) 381-6981; home: (203) 956-9881; e-mail: [rob fry@greenwichfin.com](mailto:rob fry@greenwichfin.com)). These names will be updated in the event of a material change and our Executive Representative (as defined below) will review them within 7 days of the end of each quarter.

William Frey will update the CRD quarterly at <https://regfiling.nasdaq.com>.

### **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 that we determine we are unable to continue our business, we will assure customers prompt access to their funds and securities, as further described below.

#### **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, due to factors 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, as further described below.

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

William Frey, a registered principal, is our Executive Representative, and is responsible for approving this plan and for conducting the required annual review. William Frey has the authority to execute this BCP, with the assistance of the firm's Business Disruption Team (BDT). The members of the BDT are: William Frey.

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

Our firm will maintain copies of its BCP, as modified per its annual review or for any interim changes that have been made. All registered representatives of the firm have been provided with an updated copy of the BCP. An electronic copy of our plan is located on our server S:/forms/.

### **III. Business Description**

Our firm conducts business in equity, fixed income, and derivative securities. Our firm is an introducing firm, and thus does not perform any type of clearing function for itself or for others. Furthermore, we do not hold customer funds or securities. We only accept and enter orders. All transactions are sent to our clearing firm, which executes our orders and subsequently clears and settles them. Our clearing firm also maintains our customers' accounts and delivers funds and securities; the clearing firm can grant our customers access to their accounts. Our firm services only accredited investors and institutional customers. We also engage in private placements, but operate strictly as a Placement Agent with NO obligation to purchase any securities.

Our clearing firm is Merrill Lynch; Broadcort Correspondent Clearing; 101 Hudson Street; 7<sup>th</sup> Floor; Jersey City, NJ 07302. Our primary contact is Henry Ashton (201) 557-3841.

### **IV. Office Location**

Our firm has offices in only one location. The firm is located at: Greenwich Financial Services, L.L.C.; Seven Greenwich Office Park; 599 West Putnam Avenue; Greenwich, CT 06830.

### **V. Alternate Physical Location of Employees**

In the event of an SBD, we will move our staff from the affected office to a temporary alternative location to operate business. This location is 10 Glenville Road; Greenwich, CT 06831, home of partner William Frey or Burning Tree Country Club; 120 Perkins Road; Greenwich, CT 06830.

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

Our firm does not maintain custody of customers' funds or securities, which are maintained at our clearing firm, Broadcort Correspondent Clearing. In the event of an internal or external SBD, if telephone service is available, our registered persons will take customer orders or instructions and contact our clearing firm on their behalf, and if our Web access is available, our firm will post on our Web site that the customers may access their funds and securities by contacting William Frey at the contact information noted above. The firm will make this information available to customers through its disclosure policy.

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 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 Seven Greenwich Office Park; 599 West Putnam Ave; Greenwich, CT 06830. William Frey is responsible for the maintenance of these books and records. Our firm maintains the following document types and forms that are not transmitted to our clearing firm: Greenwich Financial Services Operating Agreement, Membership Agreement, and Bank Accounts, Company Minutes. These documents are backed up by Andrew Lubin, Firm Attorney.

Our firm will maintain its back-up computer hard drive copies at 32 Cornell Street; Pleasantville, NY 10570, the home of Sharon Psychojos, Office Manager. William Frey is responsible for the maintenance of these back up copies.

## 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 the telephone, e-mail, our Web site, and fax. 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 remain in the capital compliance. We will contact our clearing firm, critical banks, 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 assisting the SIPC and its trustee by providing our books and records identifying customer accounts subject to SIPC regulation.

## **IX. 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. More specifically, the system is a software program designed and provided by our clearing firm, Broadcort Correspondent Clearing. This program permits an approved user to input detailed information regarding securities transactions, including the date and time the transaction occurred, client information, amount and description of the securities being purchased or sold.

We have primary responsibility for establishing and maintaining our business relationships with our customers and have sole responsibility for our mission critical functions of order taking and entry. Our clearing firm provides, through contract, the 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 clearing firm contract provides that our clearing firm will maintain a business continuity plan and the capacity to execute that plan. Our clearing firm represents that it will advise us of any material changes to its plan that might affect our ability to maintain our business and presented us with an executive summary of its plan, which is available from Merrill Lynch. In the event our clearing firm executes its plan, it represents that it will notify us of such execution and provides us equal access to services as its other customers. If we reasonably 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, our clearing firm represents that it will assist us in seeking services from an alternative source.

Our clearing firm represents that it backs up our records at a remote site. Our clearing firm represents that it operates a back-up operating facility in a geographically separate area with the capability to conduct the same volume of business as its primary site. Our clearing firm has also confirmed the effectiveness of its back-up arrangements to recover from a wide scale disruption by testing.

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. Our clearing firm has the following SBD

recovery time period of four hours or less; and resumption time of within the same business day.

A. Our firm's Mission Critical Systems

1. Order taking

Currently, our firm receives orders from customers via telephone only. During an SBD, either internal or external, we will continue to take orders through this method if it is available and reliable, and in addition, as communications permit, we will inform our customers when communications become available to tell them what alternatives they have to send their orders to us. Customers will be informed of alternatives by e-mail or our Web site.

2. Order Entry

Currently, our firm enters orders by recording them on paper and electronically and sending them to our clearing firm electronically or telephonically. Alternatively, we place customer orders through the Merrill Lynch Broadcort trade clearing module. Under its BCP, we can expect Broadcort clearing services to be operational within four hours, unless an exchange is closed or due to other events outside of its control (for example, a nationwide shutdown of the banking system).

3. Order Execution

Our orders are executed by our clearing firm, Broadcort.

4. Other Services Currently Provided to Customers

In addition to those services listed above in this section we also provide investment banking and consulting services. In the event of an internal SBD, we would be capable of assisting our clients at one of our home office locations. In the event of an external SBD, we will assess the situation and determine the appropriate way to assist our clients. We will contact our clients by telephone, e-mail, fax or regular mail.

B. Mission Critical Systems Provided by Our Clearing Firm

Our firm relies, by contract, on our clearing firm to provide order execution, order comparison, order allocation, and the maintenance of customer accounts, delivery of funds and securities, and access to customer accounts.

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

A. Customers

We now communicate with our customers using the telephone, e-mail, our Web site, fax, US mail and in person visits at our firm or at the others 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 US mail.

#### B. Employees

We now communicate with our employees using the telephone, e-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. We will also employ a call tree so that senior management can reach all employees quickly during an SBD. The call tree includes all staff home and office phone numbers.

The person to invoke the use of the call tree is: William Frey

William Frey to call Sharon Psychojos, Brandt Zembsch and Rob Fry

#### C. Regulators

We are currently members of the following SRO's: NASD, SIPC. We communicate with our regulators using the telephone, e-mail, fax, US mail and in person. In the event of an SBD, we will assess which means of communications 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 constituents (business 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:

<u>Service</u>	<u>Supplier</u>	<u>Phone Number</u>
Computers	Quantum	203-531-4609

## 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: Citibank; New York, NY 10043; phone 800-285-1709.

## 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 NASD, and the Firm and its registered representatives are registered in the state of Connecticut. We now file reports with our regulators using paper copies in the US mail, and electronically using fax, e-mail, and the Internet. In the event of an SBD, we will check with the SEC, NASD, 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 communications means available to us.

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

We disclose in writing a summary of our BCP to customers at account opening upon request. Our summary addresses the possibility of a future SBD and how we plan to respond to events of varying scope.

Below is our present Summary Disclosure Statement:

Greenwich Financial Services, L.L.C. (the Firm) is committed to providing uninterrupted service and support to its clients. The Firm recognizes that certain uncontrollable events can cause varying degree of disruption to normal business activities and processes. The Firm's Business Continuity Plan (BCP) is designed to enable the Firm to continue critical operations whether the disruption is Firm-only, city-wide or regional. Our plan includes the formation of a Business Disruption Team (BDT), which will serve as the central source of coordination and communication in the event of significant disruption to our business. In the event of a significant business disruption, the BDT would first ensure the health and safety of our employees, and would then ensure the continuation of business processes pursuant to the BCP. The BDT is responsible for evaluating the disruption, instituting the appropriate plan of action, and coordinating recovery efforts.

The details of the BCP are confidential, so this notice does not provide specific details, but the Firm would like its clients to know that the Firm's BCP will permit Greenwich Financial Services to maintain effective communications with its clients during a business disruption.

The Firm's BCP provides for an evaluation of the scope of the business disruption, and sets forth various plans of action and back-up facilities for the continuation of the Firm's business, as well as alternative means for the dissemination of information to employees and clients. The BCP serves as a guide that addresses how the Firm will continue to conduct business during each of the above scenarios, to the extent that is possible pursuant to the BDT's evaluation. It is the Firm's intention to minimize the recovery time necessary to resume operations.

Our Firm does not maintain custody of customers' funds or securities, which are maintained at our clearing firm, Merrill Lynch Broadcort. In the event of an internal or external significant business disruption, if telephone service is available, our registered persons will take customer orders or instructions and contact our clearing firm on their behalf, and if our Web access is available, our Firm will post on our Web site that customers may access their funds and securities by contacting the appropriate contacts at the clearing firm.

In the unlikely event that the BDT declares that the Firm is unable to continue business following a significant business disruption, the BDT would oversee and direct how the Firm would proceed. Customers should be assured that they will have prompt access to their funds and securities through the Firm's back-up systems.

Our BCP is reviewed on an as needed basis, but at least annually, to ensure appropriate enhancements are implemented or as regulatory requirements change.

A copy of this notice can be obtained by contacting our main office.

#### **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, with the next review by year-end at December 31, 2009, to modify it for any changes in our operations, structure, business, or location or those of our clearing firm.