

# SILBER BENNETT FINANCIAL, INC.

## BUSINESS CONTINUITY PLAN (BCP)

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### I. Emergency Contact Persons

Our firm's emergency contact person is: Jamie Bennett (818.983.6337; Jbennett@silberbennett.com). This name will be updated in the event of a material change, and our Executive Representative will review them within 17 business days of the end of each quarter.

*Rule: FINRA Rule 4370(a)*

### 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.

#### 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, 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.

#### B. Approval and Execution Authority

Jamie Bennett, Managing Director, a registered principal, is responsible for approving the plan and for conducting the required annual review. Jamie Bennett has the authority to execute this BCP.

#### C. Plan Location and Access

Our firm will maintain copies of its BCP plan and the annual reviews, and the changes that have been made to it for inspection. An electronic copy of our plan is located on the firm's server.

### III. Business Description

Our firm conducts a general securities introducing broker-dealer retail business through our clearing firm, Wedbush Securities, and direct business with both mutual fund companies and insurance companies for variable annuities and variable life products, as well as a very limited number of private placement products and direct participation programs. Our retail business through Wedbush Securities includes affecting equity, debt (including a limited number of municipal bond trading), mutual fund, variable

annuity and variable life trades. SBF, although not engaged at the moment, will from time to time conduct wholesaling activities and act as a managing broker dealer by entering into a relationship with a fund sponsor with the goal of putting together a selling group comprised of other broker dealers, RIA's, and family and/or multi-family offices to raise money for that particular sponsor's fund, and will perform investment banking services by engaging clients who wish to raise money from institutional investors and brokering the investment by matching the our client with the investor.

Silber Bennett Financial, Inc. is also an RIA conducting a general securities retail business through a fee based platform provided by Schwab Institutional. SBF is also an Insurance company (DBA, Silber Bennett Insurance Services) for the sole purpose of accommodating and offering our registered representatives who are also insurance agents the platform to provide their clients with variable annuities and variable life products. As an introducing broker-dealer, SBF does not hold customer funds or securities.

#### **IV. Office Location**

##### Main Office Location

Our Main office is located at 16133 Ventura Boulevard, Suite 700, Encino, CA 91436. Its main telephone number is 818.986.9079. Our employees may travel to that office by means of foot, car, subway, train, or bus.

#### **V. Alternative Physical Location(s) of Employees**

In the event of an SBD, we will move our staff from affected offices to the closest of our unaffected office locations. If none of our other office locations is available to receive those staff, we will move them to a residence located at 3701 Longview Valley Rd., Sherman Oaks, CA 91423. The principals can be reached on their cell phones at any location.

Rule: FINRA Rule 4370(c) (6).

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

Our firm does not maintain custody of customers' funds or securities, as that is not our business. In the event of an internal or external SBD, our business has no bearing on the markets and does not affect any securities transactions in regards to customers' orders. The firm will make this information available to customers through its disclosure policy.

Rules: FINRA Rule 4370(a); Securities Exchange Act Rule 15c3-1; 15 U.S.C. 78eee (2003).

#### **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 16133 Ventura Boulevard, Suite 700, Encino, CA. Jamie Bennett is responsible for the maintenance of these books and records.

Our firm maintains its electronic back-up books and records with Jaspen Corporation. These records consist of the firm's internal accounting records, subscription agreements and paper copies. If our primary site is inoperable, we will continue operations from the back-up site or an alternative location. For the loss of electronic records maintained at the Firm's main office, we will physically recover the hard copy data from our primary site

Rule: *FINRA Rule 4370(c) (1).*

## **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 our cell phones. In addition, we will retrieve our key activity records as described in the section above, Data Back-Up and Recovery.

The financial and operational risks in the event of an internal SBD are not great. The firm's assets are substantially all allowable, as defined by SEC Rule 15c3-1 and consist of cash in FDIC insured bank accounts. The internal accounting records needed to maintain the business are located offsite. We do not foresee that an internal SBD would significantly impair its ability to conduct business from a financial or operational standpoint. This information will be reviewed and the BCP amended as necessary on an annual basis or at any time that circumstances dictate.

Rule: *FINRA Rule 4370 (c) (3) & (f) (2); Securities Exchange Act Rule 15c3-1.*

### **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 capital compliance. We will contact our 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.

Rule: *FINRA Rule 4370(c) (3), (c) (8) & (f) (2).*

**IX. Mission Critical Systems**

Our mission critical systems are based on outside vendors such as Jaspen Corporation and telephone service providers where there are contracts for cellular service. We do not use a clearing firm and we do not hold any customer funds or securities.

Rule: *FINRA Rule 4370(c) & (f) (1).*

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

A. Customers

We now communicate with our customers using the telephone, e-mail, 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.

Rule: *FINRA Rule 4370(c) (4).*

B. Employees

We now communicate with our employees using cell phones and e-mail. 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. We have identified persons, noted below, who live near each other and may reach each other in person:

The person to invoke use of the call tree is: Jamie Bennett

<b>Caller</b>	<b>Call Recipients</b>
<i>Jamie Bennett</i>	<i>James Nagle/Mason Dinehart III</i>
<i>James Nagle</i>	<i>Jamie Bennett/Mason Dinehart III</i>
<i>Mason Dinehart III</i>	<i>Jamie Bennett/James Nagle</i>

Rule: *FINRA Rule 4370(c) (5).*

C. Regulators

We are currently members of the following SROs: *FINRA*. We communicate with our regulators using cell phones and email, fax, U.S. 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.

Rule: FINRA Rule 4370(c) (9).

## **XI. Critical Business Constituents, Banks, and Counter-Parties**

### **A. Business constituents**

We have contacted our critical business constituents (businesses 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. [Or we have entered into a supplemental contract with certain critical business constituents to provide such services. Our major suppliers are: Jaspen Corporation.

Rule: FINRA Rule 4370(c) (7).

### **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: Wells Fargo Bank. Wells Fargo Bank assures us that because we do not run a retail broker-dealer and the net capital requirement is in our account, there will be no need for additional financing due to an internal or external SBC.

Rule: FINRA Rule 4370(c) (7).

### **C. Counter-Parties**

We do not have critical counter-parties, such as other broker-dealers or institutional customers, as we do not have a transactional business.

Rules: FINRA Rule 4370(a) &(c) (7).

## **XII. Regulatory Reporting**

Our firm is subject to regulation by FINRA and the state of California. 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 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.

**FINRA District #2**  
FINRA Liaison Officer  
300 South Grand Avenue, Suite 1600  
Los Angeles, CA 90071  
(213) 229-2300  
Fax: (213) 617-3299

*Rule: FINRA Rule 4370(c) (8).*

**XIII. Disclosure of Business Continuity Plan**

We provide in writing a BCP disclosure statement to customers at account opening, upon opening escrow, and annually, if still a current customer. We also post the disclosure statement on our Web site and mail it to customers upon request. Our disclosure statement is attached:

*Rule: FINRA Rule 4370(e).*

**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, to modify it for any changes in our operations, structure, business, or location or those of our clearing firm.

*Rule: FINRA Rule 4370(b).*

**XV. 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: FINRA Rule 4370(d).*