

# **Nancy Barron & Associates**

## **Business Continuity Plan (BCP)**

---

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

Nancy Barron & Associates (NBA) primary emergency contact person is Nancy T. Barron, II. Nancy is the owner, CEO, and a registered principal of the firm. She should be reached at her home phone, 859-252-2300, and her email address outside of work is [NTBII@hotmail.com](mailto:NTBII@hotmail.com). Our secondary emergency contact is Pat Bradley, FinOp. He can be reached at 859-489-3594 or at his email address: [kodak6@hotmail.com](mailto:kodak6@hotmail.com). These names will be updated in the event of a material change by Pat Bradley and will also review them annually. Nancy and NBA's FinOP (Pat Bradley) are the only employees with access to the FINRA contact system, which should suffice as a strong enough control to the contact system and annual updates. The firm will provide FINRA with the contact information for the two emergency contact persons through the FINRA Contacts System(not longer than 30 days after a change).

### **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, flooding, ice storms and the like. External SBDs prevent the operation of the securities markets or a number of firms, such as a terrorist attack, a city flood, A Virus (such as Covid-19) 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, National Financial Services, LLC (NFS).

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

Nancy T. Barron, II, CEO, owner and a registered principal, is responsible for approving the plan. Pat Bradley will be responsible for conducting the required annual review. Also, Nancy T. Barron, II, CEO, owner and a registered principal 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 in the firm's public documents folder on the pc name NBASERVER. Also, we will give a hard copy of the BCP to Jeremy Vaughn of VaughnHall, PLLC. Along with the hard copy to place in our file, we shall also supply a copy of the document as a Microsoft Word file for them to keep in Jeremy's email system, as well as in our file on their server.

### III. Business Description

Our firm conducts business in equity, fixed income, and derivative securities. Our firm is an introducing firm and does not perform any type of clearing function for itself or others. Furthermore, we do not hold customer funds or securities. We accept and enter orders only at our office. All transactions are sent to NFS, our clearing firm, which executes our orders, compares them, allocates them, clears and settles them. NFS also maintains our customers' accounts, can grant customers access to them, and delivers funds and securities. Our firm services only retail customers. We do not engage in private placements.

Our clearing firm is National Financial Services, LLC, 82 Devonshire Street, Boston, MA, 02109-3614. A generic website to visit would be [www.fidelity.com](http://www.fidelity.com). NFS has instructed that our primary contact should be our client service group. They can be reached at 1-800-877-2410 option \*6. Also, another contact is Elizabeth Stefanowicz. She can be reached at 1-770-657-1163 or emailed at [Elizabethstefanowicz@fmr.com](mailto:Elizabethstefanowicz@fmr.com). NFS's BCP has procedures in place to where the client service hotline number would be transferred to a site not impacted by an outage. A secondary contact at NFS for us would be our senior relationship manager, Jeffrey Horn. He can be reached at 1-401-292-3299, or his email address is [JeffreyHorn@fmr.com](mailto:JeffreyHorn@fmr.com).

### IV. Office Locations

Our firm has only one office, and no branches. The office is located at 150 Grand Boulevard, Lexington, KY 40507. The main telephone number is 859-254-4010, and we also have a toll free number, 1-800-489-4124. Both numbers reach one of our five lines. Our six employees may travel to the office by means of foot, car, bus, snowmobile, motorcycle, camel and moped. We engage in order taking and entry at this location, as well as every other aspect of our business.

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

In the event of an SBD that destroys or makes our lone office uninhabitable, we will temporarily move all employees to Winebrenner Capital Management, LLC. The office is located at 10602 Timberwood Circle Suite 13, Louisville KY 40223-5367. The toll free number is 1 (877) 671-0015, or within the 502 area code the number is 671-0015. A formal agreement has been reached between Nancy T. Barron, II and Earl Winebrenner (owner of Winebrenner Capital Management

LLC) that each firm may depend on the other in case of an internally destructive SBD.

Also, if the disruption to our operations were minimal or specific to the office, reps could manage to work from home for a day or two. Each rep and our cashier have access to all NFS systems via [www.streetscape.com](http://www.streetscape.com), in particular FBSI and CACTUS are available to place orders and allow customers access to their funds. All employees have access to their email via webmail ([mail2.globalrelay.com](mailto:mail2.globalrelay.com)).

## **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, NFS. In the event of an internal or external SBD, if telephone service is available, our registered persons will take customer orders and submit them to NFS's order room. In the event that we have to cease operations due to a SBD customers can call the NFS Customer Service Line 800-801-9942 which field's calls regarding "orphaned" accounts. However, please note that if we are still in operation, calls to the Customer Service Line will be directed to contact us. The firm will make this information available to customers through its disclosure policy.

The firm has also signed an order release agreement with NFS that would allow NFS to release all orders that may have been held for any reason to the market, pending an outage in our office.

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 150 Grand Boulevard, Lexington, KY 40507. A small room in the rear of the office contains each month's "daily work" including reports, cashiering activity, and daily communications. The rest of our mandatory books and records data are kept within our office (applications, forms, monthly statements, etc.). Nancy T. Barron, II is responsible for the maintenance of these books and records. Email correspondence is saved in the cloud via our third party serviced provider Global Relay. While electronic copies of statements, confirms, and tax documents are available to us via the Streetscape web interface.

NFS backs up our electronic records monthly for confirms/statements/emails and as needed for tax documents. These copies are placed on flash drive's and stored at VaughnHall, PLLC office: 1795 Alysheba Way, STE 6204 Lexington, KY 40509.  
Phone  
(859) 488-6630

In the event of an internal or external SBD that causes the loss of our paper records, we will physically recover as much as possible from NFS. 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.

## **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 [www.nancybarron.com](http://www.nancybarron.com), our fax line 859-254-8497, individual rep email addresses, or possibly take out an ad in the Lexington Herald Leader in hopes of notifying the majority of our customers. 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 capital compliance. We will contact NFS, Chase Bank, Traditional 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 to inform our customers of the issues.

## **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, these systems include: FBSI and Streetscape for order entry and account maintenance, CACTUS/ICP for cashiering, ViewDirect for daily reports, and ThomsonOne for our quotes and market data.

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 attached. 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 of 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. NFS divides its major operations between two cities, New York and Dallas. The New York operations have a back-up facility in New Jersey about an hour away. And the Dallas records operations have a backup site 25 miles away from the home office. Our clearing firm has also confirmed the effectiveness of its back-up arrangements to recover from a wide scale disruption by testing alternate sites four times per year. Tests include technical and business verification of capability.

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 resumption objective: within one to five hours, NFS employees can be fully moved to backup operations sites.

As part of the annual BCP review, Pat will communicate with our current CSM at NFS to review their capabilities to perform the mission critical functions they have contracted to perform for our firm.

## A. Our Firm's Mission Critical Systems

### **1. Order Taking**

Currently, our firm receives orders from customers via telephone, and sometimes handwritten through the mail. In person visits by the customer are not unusual. During an SBD, either internal or external, we will continue to take orders through any of these

methods that are 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 either telephone, email or a post to our website. IF NECESSARY, we will advise our customers to place orders directly with our clearing firm at 201-292-3299, a customer service line.

## **2. Order Entry**

Currently, our firm enters orders by electronically sending them to our clearing firm. Every single order we place goes into NFS's order entry programs, FBSI or Streetscape trading. There is also an emergency back-up order entry system available, RPLEX Direct, if FBSI is down.

In the event of an internal SBD, we will enter and send records to our clearing firm by the fastest alternative means available, which include emails to our client service manager (CSM) and calls directly to either the listed trading desk at 1-800-422-4140 or the OTC trading desk at 1-800-225-2466. In the event of an external SBD, we will maintain the order in electronic or paper format, and deliver the order to the clearing firm by the fastest means available when it resumes operations. In addition, during an internal SBD, we may need to refer our customers to deal directly with our clearing firm for order entry.

## **3. Order Execution**

As we are a *very* small broker-dealer, we do not execute any orders in house. All orders are executed by NFS.

### **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. Margin, money markets, communication lines, new account credit checks, and excess SIPC insurance are also supplied to us through NFS.

## **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, 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.

## 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. 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: Pat Bradley

Caller	Call Recipients
<i>Pat Bradley(266-4679, 489-3594)</i>	<i>Nancy T. Barron II(252-2300 or 948-5513), Jackie Brackett( 321-1191), Tim Fisher (859-806-</i>

## C. Regulators

We are currently members of FINRA, MSRB and SIPC. We communicate with them using the telephone, e-mail, fax, and the U.S. 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. Steven Pak is our primary contact at FINRA: 312-899-4613 or [StevenPak@finra.org](mailto:StevenPak@finra.org). A secondary contact for us at the FINRA is Phillip Harris: 312-899-4390 or [phil.harris@finra.org](mailto:phil.harris@finra.org). Both are located at 55 West Monroe Street, Suite 2700, Chicago, IL, 60603.

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

### A. Business constituents

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: Windstream – our phone company and ISP can be

reached at 800-843-9214; our electric company is LG&E Energy, 1 Quality Street, Lexington, KY 40507, 800-331-7370.

## **B. Banks**

The bank maintaining our operating account is Traditional Bank of Lexington located at 142 North Upper Street, Lexington, KY 40507. Our contact is Chuck Redwine and he may be contacted at 859-988-1156. NFS maintains our Proprietary Account of Introducing Brokers/Dealers (PAIB account). If our banks and other lenders are unable to provide the financing, we will seek alternative financing immediately from Central Bank & Trust Company, located at 300 West Vine Street, Lexington, KY 40507, and can be contacted at 859-253-6017.

## **XII. Regulatory Reporting**

Our firm is subject to regulation by FINRA and the Kentucky Department of Financial Institutions. 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 the SEC, 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. The physical location of the Department of Financial Institutions is 500 Metro St, 218NC,, Frankfort, KY 40601. Phone is 800-223-2579, fax 502-573-0086, and web <http://www.kfi.ky.gov/>.

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

We will provide in writing a BCP disclosure statement to customers at account opening. We also post the disclosure statement on our Web site ([www.nancybarron.com](http://www.nancybarron.com)) and mail it to customers upon request. Our disclosure statement is attached to this BCP.

## **XIV. Updates and Annual Review**

Our firm, via Pat Bradley, 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 during the month of September, to modify it for any changes in our operations, structure, business, or location or those of our clearing firm.

## **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.

Signed: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_