

# Uphold Securities Inc.

## Business Continuity Plan (BCP) – 2022

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### I. Emergency Contact Persons

Our firm's two emergency contact persons are:

Scott Kaplan  
212.885.6354  
[scott@jnk.com](mailto:scott@jnk.com)

Curt Snyder  
212.885.6314  
[curt@jnk.com](mailto:curt@jnk.com)

Curt Snyder, President & COO/CCO of Uphold Securities, will promptly notify FINRA of any change in this information through FCS (but no later than 30 days following the change) and will review, and if necessary update, this information within 17 business days after the end of each calendar year.

*Rule: FINRA Rule 4370(f); NASD Rule 1160.*

### 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.

#### 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

Scott Kaplan, CEO of Uphold Securities and a registered principal, is responsible for approving the plan and for conducting the required annual review. Curt Snyder, President & COO/CCO of Uphold Securities, 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 ONE DRIVE as well as on our Firm's website: [www.jnksecurities.com](http://www.jnksecurities.com).

*Rule: FINRA Rule 4370(b), (d) and (e).*

### III. Business Description

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. All transactions are sent to our clearing firm, which compares them, allocates them, clears and settles them. Our clearing firm also maintains our customers' accounts, can grant customers access to them, and delivers funds and securities. Our firm services only institutional customers. We do not engage in any private placements. Our firm services only our public customers who clear trades and settle funds on an RVP/DVP basis.

Our clearing firm is RBC Clearing & Custody, 250 Nicollet Mall, Suite 1700, Minneapolis, MN 55401 and our contact person at that clearing firm is Greg Eichten, 612-371-7685, [greg.eichten@rbc.com](mailto:greg.eichten@rbc.com)

### IV. Office Locations

Our firm has offices located in 2 Locations: 1: Main Office, 2: NYSE floor

#### A. Office Location #1: Main Office

Our Location #1 Office is located at 530 Fifth Ave., 3<sup>rd</sup> Floor, New York, NY, 10036. Its main telephone number is 212.885.6300. Our employees may travel to that office by means of foot, car, subway, train, bus, boat, plane, etc. We engage in order taking and entry at this location as well as sales.

#### B. Office Location #2: NYSE Floor

Our Location #2 Office is located at 11 Wall Street, New York, NY, 10005 on the Floor of the NYSE. Its main telephone number is 212.248.7784. Our employees may travel to that office by means of foot, car, subway, train, bus, boat, plane, etc. We engage in order taking and entry at this location.

Since the onset of the pandemic, we also maintain a back-up satellite office with trading capabilities at 49 RT 520, UNIT 204, ENGLISHTOWN NJ 07726

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

In the event of an SBD that closes any location, we will move our staff from affected office(s) location to the closest of our unaffected office location(s). If none of our other office locations is available to receive those staff, we will move them to ACI Secure, 77 Water Street, Suite 1604, New York, NY 10005. Phone: 212.668.8700, Fax: 212.668.8428 (this will serve as an administrative office only – NO order taking will take place at this location)

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

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

Our firm does not maintain custody of customers' funds or securities, which are maintained at our clearing firm. 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 website that customers may access their funds and securities by contacting [www.rbc.com](http://www.rbc.com). 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.

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

### **VI. Data Back-Up and Recovery (Hard Copy and Electronic)**

Our firm maintains its primary hard copy books and records and its electronic records at ACI Secure, 77 Water Street, Suite 1604, New York, NY, 10005. Jay Gettenberg, CEO of ACI Secure, 212.668.8700 x24 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: Hard copies of all current year documents are housed in fire proof file cabinets. These records consist of but are not limited to the following: General Ledgers, Trial Balances, and Regulatory Reports including FOCUS and 600TC, Bank and Brokerage statements as applicable.

Our firm maintains its back-up hard copy books and records at 77 Water Street, Suite 1604, New York, NY 10005

Paid invoices are maintained on Docu-Xplorer and sent to an archiving service (Amerivault) every night. Accounting records prior to the prior calendar year are warehoused off-premise at GRM Information Management Services located at 215 Coles Street, Jersey City, NJ 07312.

Electronic (computer) records are transmitted every night to an archiving service. Amerivault provides a highly secure, managed archiving service that fully protects and preserves file records in two separate offsite locations. This methodology fulfills FINRA and SEC compliance standards.

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.

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

## **VII. 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 website, telephone voicemail, secure email and instant message. In addition, we will retrieve our key activity records as described in the section above, Data Back-Up and Recovery (Hard Copy and Electronic).

*Rules: FINRA Rules 4370(c)(3),(c)(4), (c)(5), (c)(7), (c)(9 & (g)(2)).*

### **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 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 parent, Uphold Inc. 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.

Rules: FINRA Rules 4370(c)(3), (c)(8) & (g)(2).

## **VIII. 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: FIS VALDI, EMAIL, Bloomberg, Internet Access to RBC Portal. BBSS, CATS and FIX NETWORKS.

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 and execution. Our clearing firm provides, through contract, comparison, allocation, clearance and settlement of securities transactions, 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. 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 [or, *preferably*, out of region] 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.

Curt Snyder, our President will periodically review our clearing firm's capabilities to perform the mission critical functions the clearing firm has 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, email, bloomberg messenger and via FIX connection. 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 telephone, email or instant message. If necessary, we will advise our customers to place orders directly with our clearing firm at RBC.

##### **2. Order Entry**

Currently, our firm enters orders by recording them electronically and sending them through the BBSS and VALDI, sending them to an NYSE Floor Member / ECN or other exchange. If the NYSE is open for business, we will place customer orders through the NYSE BBSS and VALDI systems.

In the event of an internal SBD, we will enter and send records to our clearing firm by the fastest alternative means available. 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**

We currently execute orders by using the NYSE BBSS and VALDI systems. In the event of an internal SBD, we would have an NYSE member execute orders manually. In the event of an external SBD, provided the NYSE is open for business, we would expect to execute orders in the same manner.

##### **4. Other Services Currently Provided to Customers**

We currently provide exclusive 3<sup>rd</sup> party research to our customers.

B. Mission Critical Systems Provided by Our Clearing Firm

Our firm relies, by contract, on our clearing firm to provide, customer account maintenance and/or access and delivery of funds and securities and access to customer accounts.

Rules: FINRA Rules 3510(c)(2) & (g)(1).

IX. Alternate Communications Between the Firm and Customers, Employees, and Regulators

A. Customers

We now communicate with our customers using telephone, email, bloomberg message, and in-person visits at our firm or another 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 email 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 email or telephone. 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: Scott Kaplan, CEO

Caller	Call Recipients
Scott Kaplan, CEO	All Msmagers
Scott Kaplan, CEO	All Sales Traders
Scott Kaplan, CEO	All Research Sales & Assistants
Curtis Snyder, Jr., President	Operations
Steve Kaplan	All Floor Traders




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

C. Regulators

We are currently members of the following self-regulatory organizations (SROs), and are also regulated by: FINRA & NYSE. We communicate with our regulators using telephone, regular mail, fax and email. 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).*

X. 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. Our major suppliers are: ACI Secure – address and information provided above.

*Rules: 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: Signature Bank, 71 Broadway, New York, NY, 10005, 646.882.1260.

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

C. Counter-Parties

We have contacted our critical counterparties, 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 counterparties directly to make alternative arrangements to complete those transactions as soon as possible.

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

#### **XI. Regulatory Reporting**

Our firm is subject to regulation by: FINRA & the SEC. ACI Secure and Uphold Securities file reports with our regulators using paper copies in the U.S. mail, and electronically using fax, email 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.

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

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

Attached is our written BCP disclosure statement we provide customers at account opening and send it out annually. We also post the disclosure statement on our website and mail it to customers upon request.

Rule: *FINRA Rule 4370(e).*

#### **XIII. 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, on or about January 1<sup>st</sup> to modify it for any changes in our operations, structure, business or location or those of our clearing firm.

Rule: *FINRA Rule 4370(b).*

#### **XIV. Senior Manager Approval**

*Approve the firm's BCP by signing below.*

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).*

Signed: 

Title: President

Date: January 7, 2022