

# **MID-ATLANTIC SECURITIES, INC.**

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

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

Mid-Atlantic Securities, Inc. has two emergency contact persons:

- James B. Glover, Jr., Treasurer  
(919) 781-3530 – Home  
(919) 801-8244 – Mobile  
[jglover@masecurities.com](mailto:jglover@masecurities.com)
- John F. Nash, President  
(919) 781-9067 – Home  
(919) 801-8326 – Mobile  
[jnash@masecurities.com](mailto:jnash@masecurities.com)

*For any technology or administrative needs, please contact the following persons:*

- James B. Glover, Jr.  
(919) 783-7787 Work  
(919) 801-8244 - Mobile  
[jglover@masecurities.com](mailto:jglover@masecurities.com)
- Tony Stephenson, Associate of Information Technology  
(919) 783-7787 - Work  
[tstephenson@masecurities.com](mailto:tstephenson@masecurities.com)
- Elizabeth T. Powell, Chief Compliance Officer  
(919) 783-7787 - Work  
(919) 971-8847 Mobile  
[bpowell@massecurities.com](mailto:bpowell@massecurities.com)

These Emergency Contact Persons will be instrumental in overseeing, coordinating, and executing this Business Continuity Plan. This plan will be updated in the event of a material change, or at least annually.

#### **A. Roles and Communication Defined:**

All listed emergency contacts have undergone individual training to prepare them for different types of disasters. Additionally, each principal is required to be current with the plan and ready to coordinate any BCP efforts.

To assist with communications, the firm has created a business continuity communication tool to allow for effective communications. Specifically, [headquarters@masecurities.com](mailto:headquarters@masecurities.com) has been established to enable all associated persons and vendors to notify all emergency and other BCP contacts at once. This e-mail address will forward messages to all emergency contact persons. All emergency contacts are to immediately respond to this e-mail address and provide availability and contact information.

All Associated Persons are required to notify the Emergency Contacts through the BCP communication tool ([headquarters@masecurities.com](mailto:headquarters@masecurities.com)) and identify any situation defined as a disruption to business. This is to include existing or potential disturbances at any branch office location, including disruption in branch communications, facilities issue, incoming threat of significant storm, critical business disruption, threat of disaster, etc. This notification is to include detailed information, including date, description of disruption, location, magnitude, your contact information, status, etc.

### 1. Example:

An Advisor experiences a situation that the internet is not properly functioning. The Advisor sends an e-mail to [headquarters@masecurities.com](mailto:headquarters@masecurities.com) and provides the following information:

Date:	08/01/2019
Disruption:	Internet disruption
Location:	Raleigh Main Office
Others Effected:	Unknown – assume others
Status:	Waiting for Instruction
Contact:	cell- 919-801-8244

BCP Contacts are to immediately coordinate with other BCP Contacts and delegate the following:

- Vendor Communications Leader
- Firm Management Communications
- Employee Communications
- Building Access
- Disaster Declaration and Alternate Facility Coordinator

**All Communications are to be copied to [headquarters@masecurities.com](mailto:headquarters@masecurities.com). Following resolution of the issue, the CCO is to verify that a final resolution is reported and documented via summary e-mail to BCP communication tool.**

### B. Training Program

Each new hire must receive a copy of the firm's business continuity plan and receive direct training by a principal listed as an emergency contact. During this training, there will be a discussion of various scenarios, ranging from technological disasters to regional disasters. Each office location must be able to apply the firm's plan to the location in

which its employees work and understand the emergency contact tools. In the event that e-mail is inaccessible or inoperable, the Firm has developed alternate contacts, each located in separate geographic locations. Each backup has received training on how to respond and notify senior management of the situation. This alternate plan will ensure that a person of authority handles the situation until an emergency contact is reached.

### C. Emergency Situations and Required Testing

As a requirement, testing is to be performed not less than annually. Additionally, each time a business disruption occurs. The CCO is to periodically run tests of the BCP communication tool and verify that all parties are responsive.

### D. Senior Managers

All Executive Officers and/or Senior Managers are to receive a copy of the firm's plan annually or upon change and be requested to comment in writing with any comments and/or suggestions if applicable.

## 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

Elizabeth T. Powell, Chief Compliance Officer is responsible for approving the plan and for conducting the required annual review. Elizabeth T. Powell 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 server in the BCP Plan.

### **III. Business Description**

Our firm conducts business in equity, fixed income, annuities, mutual funds and managed accounts. 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 executes our firm's orders, 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. Some of the applications for mutual funds and annuities are sent directly to the companies by the representatives. Our firm services only retail customers. We do not engage in any private placements.

Our clearing firm is Raymond James and Associates, Inc. at 880 Carillon Parkway, St. Petersburg, FL.33716 , 757-567-1000, [www.raymondjames.com](http://www.raymondjames.com) and Correspondent Services can be reached at 1-800-248-8863 ext. 73990 or [CCD-ServiceRequests@Raymondjames.com](mailto:CCD-ServiceRequests@Raymondjames.com).

Raymond James has also provided the following alternative contact in the event the first contact cannot be reached: Kerry Kelly 1-800-248-8863 ext.73996, [Kerry.Kelly@Raymondjames.com](mailto:Kerry.Kelly@Raymondjames.com)

### **IV. Office Locations**

Our Firm has offices located at the following addresses:

#### **A. Office Location #1**

Our Location #1 Office is located at 4001 Barrett Dr., Suite 100, Raleigh, NC 27609. Its main telephone number is 919-783-7787. Our employees may travel to that office by means of foot or car. This is the main office for the firm with almost all books and records. We engage in order taking and entry at this location.

#### **B. Office Location #2**

Our Location #2 is located at 3901 Barrett Dr., Suite 317, Raleigh, NC 27609. Its main telephone number is 919-787-0415. Our representatives may travel to that office by foot or by car. We engage in order taking and entry at this location.

#### **C. Office Location #3**

Our location #3 Office is located at 2217 Crystal Spring Av., Suite 100, Roanoke, VA 24014. Its main telephone number is 540-344-4422. Our representatives may travel to that office by means of foot or car. We engage in order taking and entry at this location.

#### D. Office Location #4

Our Location #4 Office is located at 2025 Woodbrook Ct., Charlottesville, VA 22901. Its main telephone number is 434-295-2091. Our representative lives there. We engage in order taking and entry at this location.

#### E. Office Location #5

Our location #5 Office is located at 110-C Applecross Rd., Pinehurst, NC 28374. Its main telephone number is 910-692-1052. Our representatives may travel to that office by car. We engage in order taking and entry at this location.

#### F. Office Location #6

Our location #6 Office is located at 763 Madison Rd., Suite 203, Culpeper, VA 22701. Its main telephone number is 540-829-6134. Our representative may travel to that office by car. We engage in order taking and entry at this location.

#### G. Office Location #7

Our location #7 Office is located at 98 Cutter Mill Rd., Suite 273 South, Great Neck, NY 11021. Its main telephone number is 516-472-0900. Our representatives may travel to that office by car, bus, or train. We engage in order taking and entry at this location.

#### H. Office Location #8

Our location #8 Office is located at 1251 Windsor Dr., Gallatin, TN 37066. Its main telephone number is 615-452-1775. Our representative lives here. We engage in order taking and entry at this location.

#### I. Office Location #9

Our location #9 Office is located at 221 Commerce Place, Suite B – Greensboro, NC 27401. Our representative may travel to that office by car from the Pinehurst office.

### **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 the homes of the principals of each office.

### **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, Raymond James and Associates. 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 James B. Glover - [jglover@masecurities.com](mailto:jglover@masecurities.com) or 919-801-8244. 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 4001 Barrett Dr., Raleigh, NC 27609. James B. Glover 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 firms: New Account Forms with Suitability Information, Cash Blotters and copies of checks, Operation account for TowneBank, Mutual Fund and Annuity Direct Accounts, Client Information Forms, and Compliance Documents of the firm, Accounting documents of the firm, Clearing Firm Agreements, and Payroll.

Our firm maintains its back-up computer generated books and records at 3421 Williamsborough Ct., Raleigh, NC 27609. These records are in back up drives. James B. Glover, Treasurer – 919-804-8244 is responsible for the maintenance of these back-up books and records. We back up our records at least every week.

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.

## **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 counterparties, and regulators. Although the effects of an SBD will determine the means of alternative communication, the communications options we will employ will include telephone voice mail, secure e-mail and mobile phones. 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 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 counterparties 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 remedy the net capital deficiency.

## **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: those systems that our clearing firms have to execute all transactions and maintain all of our customer accounts. James B. Glover, Jr. will be responsible for notifying customers of alternative means of contacting the home office.

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. In the event our clearing firm executes its plan, it represents that it will notify us of such execution and provide 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. 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 will work to restore operations as soon as possible.

## A. Our Firm’s Mission Critical Systems

### 1. **Order Taking**

Currently, our firm receives orders from customers via telephone, fax, written instructions or personal visits to or by the customer. 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 voice mail, email, or telephone. If necessary, we will advise our customers to place orders directly with our clearing firm at 1-800-248-8863.

### 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. We place customer orders through Advisors Resource with Raymond James via electronic communications.

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 the same electronic communication systems from other computers and via telephone or fax. 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 do not execute the orders. They are done at our clearing firms.

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

None.

## 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 website, fax, US mail, and in person visits at our firm or at the other 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, US mail, fax, 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: James B. Glover

<b>Caller</b>	<b>Call Recipients</b>
James B. Glover, Jr.	John F. Nash, Elizabeth Powell, Ken Allman, Don Brown, Chuck Hunter, Noelle McIntyre
Elizabeth T. Powell	Daniel Russler, Bobby Woronoff, Jin Lee, Jessica Titus
John F. Nash	Rosilyn Overton, Tony Stephenson, Brian Early, Lou Orgera, James Lee, Jimmy Hill, Charlie Lefort
Chuck Hunter	John D. Zaleski, Robert Fraim, John Miller, Richard Harrington, Cathy Poe, Wendy Pauley
Noelle McIntyre	Thomas Walters, Melanie G. Nichols, Suzanne Graham
Don Brown	Stew Roberson

Numbers are available on the Mid-Atlantic Securities, Inc. website.  
[www.midatlanticsecurities.com](http://www.midatlanticsecurities.com)

### C. Regulators

We are currently members of the following SRO: FINRA. 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 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.

## **XI. Critical Business Constituents, Banks, and CounterParties**

### 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. We have entered into a supplemental contract with certain critical business constituents to provide such services. Our major supplier is Spectrum for internet access and Tricom for telephone access. Our alternative internet supplier is Windstream Communications.

### 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: TowneBank, 3535 Glenwood Ave., Raleigh, NC 27612. The bank maintaining our Proprietary Account of Introducing Brokers/Dealers (PAIB account) is Raymond James. If our banks and other lenders are unable to provide the financing, we will seek alternative financing through First National Bank.

### C. Counterparties

We have contacted our critical counterparties 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.

## **XII. Regulatory Reporting**

Our firm is subject to regulation by: SEC, FINRA, NC Secretary of State, and other state regulators. 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, 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 number for contacting FINRA in Atlanta is 404-239-6100. The number for the NC Securities Division is 919-733-3924.

**XIII. Disclosure of Business Continuity Plan**

We disclose in writing a summary of our BCP to customers at account opening. We also post the summary on our website and mail it to customers upon request. Our summary addresses the possibility of a future SBD and how we plan to respond to events of varying scope. In addressing the events of varying scope, our summary (1) provides specific scenarios of varying severity (e.g., a firm-only business disruption, a disruption to a single building, a disruption to a business district, a city-wide business disruption, and a regional disruption); (2) states whether we plan to continue business during that scenario and, if so, our planned recovery time; and (3) provides general information on our intended response. Our summary discloses the existence of back-up facilities and arrangements.

**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, on or about September 1st, 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: Elizabeth J. Powell  
Title: CCO  
Date: 7-31-19