

**A. Emergency Contact Persons**

Colorado Financial Service Corporation (CFSC) has two emergency contact persons: Chester Hebert (303) 962-7267 EXT 1001 [Chet.Hebert@coloradofsc.com](mailto:Chet.Hebert@coloradofsc.com) and Jack Thon (303) 962-7267 EXT 1009 [jack.thon@coloradofsc.com](mailto:jack.thon@coloradofsc.com). These names will be updated in the event of a material change, and our CEO will review them within 15 business days of the end of each quarter.

*Rule: FINRA Rule 4370.*

**B. Firm Policy**

CFSC'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.

**a. Significant Business Disruptions (SBDs)**

Our plan anticipates two kinds of SBDs, internal and external. Internal SBDs affect only CFSC's ability to communicate and do business, such as a fire in our office. 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 on other organizations and systems.

**b. Approval and Execution Authority**

Chet Hebert-CEO, a registered principal, is responsible for approving the plan and for conducting the required annual review. Jack Thon, Executive Vice President has the authority to execute this BCP.

**c. Plan Location and Access**

CFSC 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 [N:\Administration\BCP\CFSC BCP 2023](#). Additionally a hard copy is kept in CFSC's safe.

**C. Business Description**

CFSC is a general securities broker-dealer authorized to conduct transactions in investment company products, variable insurance products, municipal securities and municipal security funds, private placement securities as well as individual stocks and bonds through a fully disclosed clearing firm relationship. Our primary clearing firm is Hilltop Securities, 717 N. Harwood Street, Suite 3400, Dallas, TX 75201, and our contact person at the clearing firm is Cole Zamboanga (800) 678-3792 or (214) 859-1349 and E-mail at [Cole.Zamboanga@hilltopsecurities.com](mailto:Cole.Zamboanga@hilltopsecurities.com). Our clearing firm has also given us the following alternative mainline contact phone number in the event Mr. Zamboanga cannot be reached: (800) 678-3792 or (214) 859-9100.

#### **D. Office Location**

Our corporate office is located in Centennial, CO.

##### **1. Corporate Office**

Our corporate office is located at 188 Inverness Drive West, Suite 100, Centennial, CO, 80112. Our main phone number is (303) 962-7267. Our employees may travel to the home office via car, light rail, bus or plane. All of the records and systems for CFSC are kept in the cloud through Microsoft Azure.

##### **2. Branch Offices**

There are currently 17 branches. There locations may be found on the FINRA CRD System.

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

In the event of an SBD, we will move our staff from the affected office(s) to another office(s) in this complex. If the SBD affects this complex, we will move our employees to 7565 E Mineral Drive, Centennial CO 80112. The phone number for this location is (303) 689-9526. If unable to relocate to 7565 East Mineral Drive, we will seek alternate office space geographically remote from Colorado or will cease operations and assist clients with speedy access to funds and securities.

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

#### **F. Pandemic Preparedness Plan**

In the event of a pandemic occurrence and the corporate office is required to be closed for any period of time, we will issue each mission critical personnel with a secured and password protected laptop so that he/she can continue to work remotely. These individuals will be able to access the firm's emails and secured network from their remote locations and continue their daily functions in a secured environment so that the firm's operation is not disrupted. The firm will redirect all incoming calls to each respective personnel's CellTrust numbers so that customers can still contact us for any inquiries or conduct their business transactions and for vendors to reach us. These communications will continue to be archived for review and compliance purposes. Despite any relocation changes, we will continue to operate our business pursuant to the firm's Written Supervisory Procedures and all regulatory rules and standards. If there are material changes to the firm's business operation then we will take the necessary steps to notify and update any and all regulatory entities of those changes.

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

CFSC does not maintain custody of customer funds, which are maintained at the sponsoring companies. 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 the sponsoring company on their behalf. If web access is available, CFSC will post a notice on our web site that customers may access their funds by contacting the sponsoring company directly. The firm will make this information available to customers through its disclosure policy.

Customers may access their funds and securities by contacting Hilltop Securities at 800-678-3792 for their accounts held at Hilltop Securities.

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. CFSC does not hold customer funds or securities.

Rules: NASD Rule 3510(a); Securities Exchange Act Rule 15c3-1; 15 U.S.C. 78eee (2003).

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

CFSC maintains some hard copy books and records at 188 Inverness Drive West, Suite 100, Centennial, CO, 80112. Chester Hebert CEO (303) 962-7267 is responsible for the maintenance of these books and records. CFSC maintains the following document types and forms at this location:

- Customer documents: including Client Account Applications, applications and supporting documents, statements and any other items necessary for the setup and maintenance of the customer account are maintained electronically in the Microsoft Azure cloud.
- Representative documents including U-4, U-5, Rep agreement, compliance forms and any other items necessary for the setup and maintenance of the representative's file.
- All other documents and files necessary for the proper running of a broker/dealer are also maintained electronically in the Microsoft Azure cloud.

The firm backs up its electronic records on Microsoft Azure. Our servers are backed up daily. The data is retained until the retention requirements have expired.

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

#### **I. 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 telephones both landlines and, if possible, cellular as well as secured email. 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) & (f) (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 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, including ceasing the conduct of securities business, if necessary.

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

**J. Mission Critical Systems**

CFSC's "mission critical systems" are those that ensure prompt and accurate processing of securities transactions as well as the maintenance of customer accounts, and access to customer accounts. More specifically, these systems include:

- Azure- This is the Microsoft's cloud service that is used to manage CFSC access to software and application.
- The WinOPS system which contains all of the customer, representative and product information. Additionally the WinOPS system maintains the orders for customer trades. WinOPS is hosted in the Microsoft Azure cloud.
- Microsoft Office products. These would include Excel and Word.
- World Wide Web. We would need to find access to connect with the fund companies.
- Sage accounting which is hosted in the Microsoft Azure cloud.
- Hilltop Securities and Hilltop Securities Inc. Momentum Advisor, which provides Hilltop Securities held customer accounts information. CFSC and its Representatives enter our customers' securities orders through these systems.
- Smarsh which processes and contains all of our electronic communications

We have primary responsibility for establishing and maintaining our business relationships with our customers and have sole responsibility for our mission critical functions.

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.

**K. 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, website ([www.coloradofsc.com](http://www.coloradofsc.com)) and in person visits at CFSC or at other branch 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 U.S. mail.

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

**B. Employees**

We now communicate with our employees using the telephone, e-mail, website ([www.coloradofsc.com](http://www.coloradofsc.com)) 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: **Chet Hebert**

Caller	Call Recipients
Chet Hebert	Senior Management
Marlene Hebert	All Corporate Employees
Jack Thon	Independent Contractors

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

### C. Regulators

We are currently members of the following self regulatory organizations: Financial Industry Regulatory Authority (FINRA), Securities Investors Protection Corporation (SIPC) and Municipal Securities Rulemaking Board (MSRB). We communicate with our regulators using the telephone, e-mail, fax, and 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. Our FINRA contact person is Kim Fitzgerald at (303) 446-3126.

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

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

### Business constituents

We have contacted our critical business constituents (businesses with which we have an ongoing 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 CFSC. Our major suppliers are:

- Techmate providers of WinOPS software PO Box 749 Morrison, CO 80465 (303) 985-9956 [techmate@opsplus.com](mailto:techmate@opsplus.com)
- Applied Tech Provides our technical support for hosting our cloud servers which include backing up the data on the servers: 5700 Washington St, Denver, CO 80216 (303) 255-1941.
- Hilltop Securities our clearing firm: 717 N. Harwood Street, Suite 3400, Dallas, TX 75201 (800) 678-3792
- Charles Schwab an advisory asset custodian firm: 211 Main Street, San Francisco CA 94105
- First Western Trust Bank-our primary banking source located at: 233 Milwaukee Street, Denver, CO 80206

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

### Counter-Parties

We currently have no counter parties.

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

## M. Regulatory Reporting

CFSC is subject to regulation by: SEC, FINRA, the State of Colorado and MSRB. We are now filing electronically using fax, e-mail, and the Internet. In the event of an SBD, we will check with the SEC, FINRA, MSRB and the State of Colorado 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. Our designated examining authority is FINRA, District 3, 4600 S Syracuse St Suite 1400, Denver, Colorado 80237 (303) 446-3100.

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

**N. Disclosure of Business Continuity Plan**

We provide in writing a BCP disclosure statement to customers at account opening and maintain accessibility to the statement on our website, [www.coloradofsc.com](http://www.coloradofsc.com). We also mail it to customers upon request.

Rule: *FINRA Rule 4370(e).*

**O. Updates and Annual Review**

CFSC will update this plan whenever we have a material change to our operations, structure, or business or location. In addition, CFSC will review this BCP annually, on or before January 31st, for any changes in our operations, structure or business. We will modify the plan accordingly.

Rule: *FINRA Rule 4370(b).*

**P. Senior Manager Approval**

I have approved this Business Continuity Plan as reasonably designed to enable CFSC to meet its obligations to customers in the event of an SBD.

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

Name: Chester Hebert  
Title: Chief Executive Officer  
Date: July 12, 2023