

# McKinney Asset Management, Inc.

## Disaster Recovery/Business Continuity Plan

### I. INTRODUCTION:

As part of its fiduciary duty to its clients, and as required under the federal Compliance Program Rule, McKinney Asset Management, Inc. (hereinafter, "MAM") has adopted this Disaster Recovery/Business Continuity Plan (hereinafter, the "Plan") to provide for the firm's recovery from an emergency or disaster and for the resumption of business operations in as short a period of time as possible. These policies and procedures are, to the extent practicable, designed to address those specific types of disasters that MAM might reasonably face given its business and location. (See "TYPES OF DISASTERS- VULNERABILITY ASSESSMENT" attached hereto as **Appendix F**). (Find the disclosure statement with a clearing arrangement at MAM's Business Continuity Planning attached hereto as **Appendix G**).

### II. BACKGROUND:

Since the terrorist activities of 9/11/2001, all advisory firms need to establish written disaster recovery and business continuity plans for the firm's business. This will allow advisers to meet their responsibilities to clients as a fiduciary in managing client assets, among other things. It also allows a firm to meet its regulatory requirements in the event of any kind of an emergency or disaster, such as a bombing, fire, flood, earthquake, power failure or any other event that may disable the firm or prevent access to our office(s).

### III. DISASTER RECOVERY TEAM:

<b>Name</b>	<b>Title</b>	<b>Home Phone</b>	<b>Cell/Blackberry</b>
John E. McKinney	President	404-226-7802	404-226-7802

Nooshin McKinney		404-610-6986	404-610-6986
Nicholas McKinney	Assistant	404-406-2094	404-406-2094

#### IV. RESPONSIBILITIES:

Each employee is responsible for understanding his/her role during a disaster. The following individuals have the primary responsibility for implementation and monitoring of the Plan:

- John E. McKinney is responsible for documenting computer back-up procedures, i.e., frequency, procedure, person(s) responsible, etc.
- John E. McKinney is responsible for designating back-up storage location(s) and persons responsible to maintain back-up data in separate locations.
- John E. McKinney is responsible for identifying and listing key or mission critical people in the event of an emergency or disaster, obtaining their names, addresses, e-mail, fax, cell phone and other information and distributing this information to all personnel.
- John E. McKinney is responsible for designating and arranging for “hot,” “warm,” or home site recovery location(s) for mission critical persons to meet to continue business, and for obtaining or arranging for adequate systems equipment for these locations.
- John E. McKinney is responsible for establishing back-up telephone/communication system for clients, personnel and others to contact the firm and for the firm to contact clients.
- John E. McKinney is responsible for determining and assessing back-up systems and/or recovery plans for key vendors and mission critical service providers.
- John E. McKinney is responsible for conducting periodic and actual testing and training for mission critical and all personnel.

## V. WHEN AN EMERGENCY/DISRUPTION OCCURS:

### 1. **Emergency During Office Hours:**

In the event of an emergency during office hours, call 911. The next appropriate course of action will depend on the nature of the emergency. Most types of emergencies will require all employees to quickly evacuate the building, including fire, bomb-threats, etc. If so, gather your belongings, including any medications, if time safely permits and promptly exit the building. Certain emergencies, however, may require that employees remain in-doors, including the release of a hazardous airborne substance in the immediate vicinity of the firm's principal office. Employees should, at all times, follow the instructions of emergency personnel. If it is necessary to evacuate the building please refer to the "BUILDING EVACUATION PLAN" attached to this Plan as **Appendix D**. Please note key alternative routes in the event that main exit-ways are impassable during an emergency. All employees are to meet at the designated area indicated below, if safe to do so, following any evacuation of the principal office.

Designated Meeting Area: Home Address: 4915 Green Pointe Way, Marietta, GA 30067

### 2. **After-Business Hours Disruption/Discovery and Notification of Employees:**

In the event of a business disruption or disaster occurring after business hours, each employee must be contacted, informed of the nature of the event and given instructions regarding if, when and where to convene. Any employee initially discovering an emergency situation at the principal office must contact John E. McKinney to inform him of the situation. If, for any reason, John E. McKinney cannot be reached, the employee is to contact Nicholas McKinney who will contact Nooshin McKinney, if possible, and together the two will determine a course of action. (If, for instance, the disruption involves a power failure, the two will attempt to contact the utility company to obtain an estimate of when power will be restored to the principal office). Once a plan of action has been decided upon, John E. McKinney shall initiate the Employee Call Tree. John E. McKinney will attempt to contact the first employee on the "EMPLOYEE CONTACT SHEET" attached to this Plan as **Appendix A**.

If an employee cannot reach the next employee named on the call sheet, he/she will attempt to contact the next employee until

he/she reaches an employee. Each employee notified must agree to contact the next employee on the list or continue down the list until an employee is reached. Each employee must keep track of the employees that could not be reached and inform the next contacted employee of these names. The employee reaching the end of the call sheet will attempt to contact the employees that could not be reached the first time until he/she either reaches an employee or fails to contact any of the remaining employees. When contacted, each employee is to be apprised of the situation and provided with instructions either to meet at the principal office at a later time, to meet at the alternative business location at a specific time or to await further instructions.

### **3. Disruption in Services of Critical Third-Party Vendor:**

In the event of a disruption in the services provided by a critical service provider, John E. McKinney or other designated individual will attempt to contact the vendor to determine the nature of the problem and an estimate of the restoration of services. If the vendor cannot be reached and services cannot be restored, John E. McKinney will put together a team of MAM employees from the critical service area affected to determine an appropriate “work-around” solution. MAM may also consider referencing the vendor’s own recovery plan on file in the Chief Compliance Officer’s office to attempt to determine likely causes of the disruption and the vendor’s own estimate of the restoration of services therefrom. If continued efforts to contact the vendor and/or to restore services are unsuccessful, consider contacting a back-up or replacement vendor.

## **VI. ALTERNATE SITE FOR BUSINESS OPERATIONS:**

If MAM’s principal office is damaged or otherwise inaccessible, MAM has designated John E. McKinney’s residence as a temporary alternate location from which to restore normal business operations. If the expected duration of the disruption or inaccessibility of MAM’s principal office is longer than a month, John E. McKinney will determine a more permanent alternative location or new principal office. Depending on an employee’s job requirements and the availability of a personal computer and Internet access at home, some employees may be permitted or required to work remotely for a time from his/her residence. Due to MAM’s relatively small size and staff, this determination will be made and communicated to each employee at the appropriate time based on the particular circumstances.

John E. McKinney's residence is:

4915 Green Pointe Way  
Marietta, GA 30067

Directions to John E. McKinney's residence are as follows: 4915 Green Pointe Way, Marietta, GA 30067

**(PROVIDE DIRECTIONS)**

In the initial stages of a disruption, each employee will be contacted and given instructions. (See Section VIII "COMMUNICATIONS" of this Plan).

**VII. DATA PROTECTION, BACK-UP & RECOVERY:**

**1. Back Up Procedures:**

All data on MAM systems and key client documents is backed-up by yHLsoft, Inc. to a remote location on a daily basis. (See "VENDOR CONTACT SHEET" attached hereto as **Appendix C** for contact information). This process is fully automated and is completed via a secure Internet connection. MAM has access to all client account documents uploaded to yHLsoft, Inc.'s Advyzon platform and accounts are reconciled daily. John E. McKinney verifies daily in the morning that client accounts are updated. In addition, electronically stored data is backed-up at least weekly to a disk that is then taken and securely stored off-site. MAM is currently in the process of having files, otherwise maintained by MAM in paper form (i.e., client agreements), scanned and disks stored offsite. All paper files maintained at MAM's principal office are kept in secure in secure filing cabinets.

**2. Recovery Procedures:**

If MAM's systems are accessible and otherwise undamaged following an emergency, as may be the case in the event of a power

failure, it may be possible to safely retrieve and transport MAM's server and hardware systems, containing all electronically-stored data, to the alternate site for restoration of business operations. In the initial stages of the disruption, John E. McKinney will make the determination regarding the physical and economic possibility and practicality of this course of action or whether a complete back-up to the alternate system is warranted. A computer and internet access is required to retrieve and used backed up info info to resume critical firm functions in the event that MAM's on-site systems are destroyed or inaccessible. John E. McKinney always carries a laptop with him away from the office to access critical firm's functions at a moment's notice. All backed-up data is easily restored on any new computer device.

#### VIII. FROM DISASTER TO RECOVERY- A TIMELINE OF TASKS:

As noted above, business disruption can occur from such relatively benign events as a power failure. Following the events of September 11, 2001, however, it is all too clear that very dangerous or malevolent forces can also be the cause of disruptions. As we all know, disasters or traumatic events can be disorienting. Be calm. The timeline provides step-by-step guidelines for MAM's response and recovery from such an event. Of course, an actual emergency may require some deviation from this guide and unique situations may require creative solutions. Throughout any emergency and business disruption, we remind each employee to be mindful of MAM's fiduciary duty to its clients both when evaluating the situation and when determining the appropriate course of action. See "FROM DISASTER TO RECOVER- A TIMELINE OF TASKS" attached hereto as **Appendix B**.

#### IX. COMMUNICATIONS:

##### 1. **Telecommunications Disruption:**

In the event that local "land-line" telephone service is disrupted, employees are encouraged to use their personal cellular phones to conduct business until service is restored. MAM has arranged with its local telephone service provider to use a feature called Remote Call Forwarding in the event of a local telecommunications disruption. This feature will forward all in-coming telephone calls made to the principal office to John E. McKinney's cellular telephone number. This contingency is for disruptions lasting

more than a day because the forwarding system will typically be operational within 24 hours following a disruption. Whenever the "land-line" telephone service is ever disrupted, the incoming phone calls will go directly to John E. McKinney's cellular telephone and will remain so until the "land-line" telephone service is restored. This call forwarding is automatic and is serviced by Nextiva.

## **2. Internet & Email Service Disruption:**

In the event that there's internet and email service disruption, Microsoft's Business Office offers preservation, compliance & archiving capabilities with continuous data backup that is accessible anytime, anywhere, remotely available.

## **X. LOSS OF KEY PERSONNEL:**

Currently, John E. McKinney, Managing Member of MAM manages all MAM client investment accounts. Should something happen to John E. McKinney rendering him incapable of fulfilling his duties, MAM clients could suffer lost investment opportunities, inaccessibility to accounts, etc. In such case MAM will have matters of operational control transferred to Nooshin McKinney, who's a qualified licensed representative, holding Series 7, 24, 63, and 65 licenses. Nooshin McKinney will follow a directive to notify all clients of the status of John E. McKinney, and how the continuing management of MAM will operate. This will give the clients the opportunity to review the situation and be given the help to seek advisement elsewhere. This process will be executed and followed up to help and assist all client accounts. Basically, if some event made it impossible for John E. McKinney to continue to service the firm, clients of the firm would, with little difficulty, be able to obtain similar services elsewhere. Client brokerage accounts would not depend on the well-being of the key personnel.

## **XI. TRAINING, TESTING & REVISION OF PLAN:**

### **1. Distribution of the Plan:**

Each employee will receive two (2) copies of the Plan and will be required to sign an acknowledgement that he/she has read and understands the Plan. (See "ACKNOWLEDGEMENT FORM" attached hereto as **Appendix H**). One copy of the Plan is to be kept at the employee's workstation. The other copy is to be kept at the employee's home address. **ALL EMPLOYEES ARE REQUIRED TO MAINTAIN A CURRENT COPY OF THIS PLAN AT HIS OR HER HOME ADDRESS.** The

acknowledgement is to be provided to John E. McKinney in a timely fashion. (Please note, to protect the privacy of non-public client information, not all employees' copies of the Plan will include a Client Contact Sheet).

A copy of the Plan is also maintained in a secure location at John E. McKinney's residence and in a web portal where access will be available via internet.

## **2. Training**

The Plan will be reviewed at least annually with all employees at a firm-wide meeting. Minutes of these meetings will be kept and attendance by all employees is mandatory. If an employee has any questions regarding the Plan or his/her role in the event of an emergency, he/she is encouraged to ask John E. McKinney for clarification. It is imperative that all personnel are familiar with the policies and procedures of the Plan and have a thorough understanding of his/her responsibilities in the event of an emergency.

## **3. Testing, Plan Revision & Recordkeeping:**

John E. McKinney periodically, and on at least an annual basis, will test the Plan. Such tests may be as complex as running a simulation of an actual disaster, including the restoration of data to alternate systems, or as basic as testing the employee call tree. Typically, but not always, testing will be conducted after hours to minimize disruption of normal business operations. In order to gain realistic results that may be used to revise and optimize the effectiveness of the Plan in the event of a real emergency, not all tests will be announced ahead of time to all employees.

Test results will be evaluated and documented by John E. McKinney and a determination of any weaknesses exposed by the test will be made at that time. The Plan will be revised accordingly to fill gaps discovered during testing. The Plan may also be revised pursuant to reviews and the issuance of regulatory guidance.

Changes in business operations, contracts and contacts, including new employees, new vendors or new addresses for existing employees or vendors, etc. must be reflected in the Plan. Most importantly, current client contact information must be maintained as part of the Plan. John E. McKinney will be responsible for ensuring that the Plan is updated periodically and as required by the



frequency of such changes. Changing the date in the lower left-hand corner of the Plan will indicate any such revision. Any revision to the Plan will be distributed to all employees and each employee will be required to provide a new, signed acknowledgement form of receipt to John E. McKinney. Old copies of the Plan will be exchanged for the new copies to assure that no employee holds an out-dated copy or confuses an out-dated copy for a current copy during an emergency. A revised copy will also be placed in the safe deposit box. All prior versions of the Plan will be destroyed except for one copy maintained in MAM's files as required by applicable regulations.

## **APPENDIX A**

### **EMPLOYEE CONTACT SHEET**

John E. McKinney, President

Home Address: 4915 Green Pointe Way, Marietta, GA 30067

Home Email Address: [jmckinney@maminvest.com](mailto:jmckinney@maminvest.com)

Home Phone: 404-226-7802

Cellular Phone: 404-226-7802

Fax: 404-891-6033

Nooshin McKinney

Home Address: 4915 Green Pointe Way, Marietta, GA 30067

Home Email Address: [nmckinney@maminvest.com](mailto:nmckinney@maminvest.com)

Home Phone: 404-610-6986

Cellular Phone: 404-610-6986

Fax: 404-891-6033

Nicholas McKinney

Home Address: 4915 Green Pointe Way, Marietta, GA 30067

Home Email Address: Nickydm6768@gmail.com

Home Phone: 404-406-2094

Cellular Phone: 404-406-2094

Fax: 404-891-6033

## **APPENDIX B**

### **FROM DISASTER TO RECOVERY**

#### **A Timeline of Tasks**

##### **0 – 2 hours:**

##### **Discovery and assessment:**

- Does disaster occur during business hours?

- If yes, CALL 911
  - Is evacuation necessary? Does remaining in the bldg pose a threat to the safety of employees?
  - If, yes, evacuate bldg and meet at safe, designated location outside bldg (CAVEAT: ALWAYS FOLLOW INSTRUCTIONS OF EMERGENCY PERSONNEL)
    - If safety permits, secure all confidential client information prior to evacuation.
    - Conduct a roll call at designated location to ensure the health and safety of all employees.
    - Attempt to assess estimated amount of time before possible resumption on-site. If more than a day, determine whether or not to initiate a set-up of alternate site.
- If safety does not demand evacuation of bldg, can normal operations resume (i.e., is there a power outage or other resulting disruption that does not permit resumption of business?)?
  - If the disruption does not permit the resumption of normal business activities, attempt to assess estimated amount of time before possible resumption on-site.
    - If less than a day, determine whether or not to dismiss employees for a number of hours.
    - If more than a day, determine whether or not to initiate a set-up of the firm's alternate location.
    - If disruption results from an emergency at a key third-party vendor, assess amount of time until restoration by vendor, formulate a work around or determine whether an alternative vendor may fill the gap.
- If no, anyone initially discovering situation must notify John E. McKinney immediately. Does situation preclude safe, normal business operations? (John E. McKinney will make this determination).

- If yes, execute call tree. Inform employees of situation, direct them to avoid principal office and to await further instruction.
- If no, attempt to quickly assess estimated amount of time before possible resumption on-site and execute call tree to inform employees of situation and where and when to reconvene.

## **2 – 6 hours:**

### **Initiate Emergency Recovery/Contact Critical Vendors:**

- Assess which staff will meet at alternative location and which will work from home. Set a time the following day for a conference call, if possible, or otherwise require each staff member to call in a set time. Notify staff accordingly.
- Begin to compile list of data lost or otherwise inaccessible.
- If possible, begin to salvage data and files from principal office or make plans for such salvage as soon as safety and the authorities permit.
- If necessary, initiate recovery of backed-up data to alternate systems.
- Begin to capture expenses associated with disruption.
- If necessary, notify insurance carriers of situation.
- Arrange with authorities and/or landlord to participate in salvage operations and secure confidential information ASAP.
- Notify and brief key vendors on situation, including broker-dealers.
- Request broker dealers send (fax email or other remaining means) information regarding client holdings and trade blotters.
- Contact Telephone Company to redirect all calls made to firm's main number to John E. McKinney's cell phone number.

- Determine if and what client communication is necessary.
- If possible and if estimated time of disruption calls for it, consider recording emergency voicemail to provide basic information regarding situation to clients and vendors calling in.
- If possible and if estimated time of disruption calls for it, contact web-host to post a notice to clients on the firm's home page informing them of the situation, how to contact MAM and any other prudent information.
- If possible and if estimated time of disruption calls for it, consider sending an email to all clients informing them of situation and other important information. If disruption includes a failure of website and email systems, use firm's back-up national email system (yahoo) and send an email to all clients informing them of situation and other important information.
- Verify that restoration of back-up data was successful and systems are fully operational. If necessary, contact IT vendors for priority assistance. (If disruption is not localized, priority assistance may not be feasible, thus, testing systems before an emergency occurs is critical).

### **6 – 8 hours:**

#### **Restoration of Normal Business Operations.**

- Conduct a reconciliation of accounts to verify that holdings match broker-dealer information.
- Resume normal operations.
- Assess damage and estimated time until principal office will be accessible and operational. If estimate is more than a month, begin to formulate plan for new principal office or a more-permanent alternate location.
- Review compliance checklist to determine whether any critical filings are required in the near future.

- Notify regulators to inform them of situation and new operating location, if necessary.

## **APPENDIX C**

### **CRITICAL VENDOR CONTACT SHEET**

#### Securities and Exchange Commission:

United States Securities and Exchange Commission  
Atlanta Regional Office  
950 East Paces Ferry Road NE  
Atlanta, GA 30326

404-842-7676

#### Georgia Secretary of State Office:

Securities Division  
Office of Brad Raffensperger  
214 State Capitol  
Atlanta, Georgia 30334

844-753-7825

Local Phone Company:

AT&T Mobility  
800-331-0500

Nextiva Office for Business Phone Service  
800-285-7995

Data Back-up & Recovery:

yHLsoft, Inc. (Advizon)  
Josh Staske  
312-967-2376

Broker Dealers:

Schwab Advisor Services  
1958 Summit Park Drive  
Orlando, FL 32810  
Phone: 877-774-3892  
FA Primary #0826-2921

Website Host:

GoDaddy Operating Company  
480-505-8877  
ID #: 167113603

Insurance Carriers:

NAPA

Lori Ann Marinaccio

866-389-0023

Policy# FNO0001695-VA-10-06

8430 Enterprise Circle

Suite 200

Lakewood Ranch, FL 34202

Payroll & Benefits Providers:

Intuit Quickbooks

800-488-7330

Company ID: 1231 4598 3365 759

Alternate Office Space:

Regus Office Space Solutions

404-995-7000

**APPENDIX D**

**BUILDING EVACUATION PLAN**

In emergencies, the office building at 3350 Riverwood Parkway has an evacuation policy and procedure that



will be followed until all employees are safely off site. Plan is readily available on-site at the office.

## **APPENDIX E**

### **CLIENT CONTACT SHEET**

(on File)

## **APPENDIX F**

### **TYPES OF DISASTERS – VULNERABILITY ASSESSMENT BUSINESS IMPACT ANALYSIS**

#### **FIRM VULNERABILITY WORKSHEET**

The following is designed to assist the Disaster Recovery Team to assess the firm's vulnerability and plan for possible disaster scenarios.

## Approximate Risk Level\*

(If yes, assign likelihood of occurrence impacting firm)

1. Is the firm located in an area at all susceptible to hurricanes, tornadoes or other severe weather?	Yes	Medium
2. Is the firm located near the shore, a flood plain or low lying area?	No	Low
3. Is the firm located in an earthquake zone or an area susceptible to volcanic activity?	No	Low
4. Is the firm located near hazardous industry or potential terrorist targets (concentrated financial district, airport, nuclear power plant, oil refinery, etc.)?	No	Low
5. Is the firm located in an area that may be impacted by mudslides or wildfires?	No	Low

\*For this assessment, the following definitions of the measures of risk are used:

High - Event likely to be experienced once per year.

Med - Event likely to be experienced once every ten years.

Low- Event likely to be experienced once every hundred years.

## EXPLANATION OF RESPONSES AND/OR OTHER RISKS AND COMMENTS

Severe weather at times will cause power outages in the area. Depending on the severity and location of these outages will determine the contingency plan. Most often, these power outages are easily remedied by finding a virtual office of Regus with current power so that I can maintain the critical functions of the firm.

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The above vulnerability/risk assessment is based on the firm's geographic location and an attempt to account for unforeseen events. Bear in mind that even if the firm is not currently situated in a risk-prone environment, critical vendors, communication lines and transportation routes of employees may be. This is considered in the "Resulting Business Disruptions" analysis below.

### **Resulting Business Disruptions Possible**

Certain disruptions may result from any or several of the causes listed above (although the particular cause may impact the duration of the disruption). The Plan must provide for the recovery of critical processes from these disruptions. These include (among others):

- Partial or total physical damage to the firm's office and/or equipment and/or files.
- Partial or total physical damage to a critical vendor's office and/or equipment and/or files.
- Inaccessibility to office, equipment or files (whether damaged or not).
- Inaccessibility of a critical vendor to its office, equipment or files
- Power outage.
- Loss of life or incapacity of critical personnel.
- Loss of communications (phones/internet).

**Critical Processes of Various Business Groups:** MAM is a small adviser with a small staff. As such, the same individuals will handle its critical processes and the firm is not, strictly speaking, separated into business groups. Nevertheless, for purposes of this analysis, the firm's critical processes are categorized as follows:

1. Finance:

- Tax materials and preparation
- Monthly close (including calculating returns, account valuations, calculating fees and billing client accounts) (dependent on third-party vendors)

2. Portfolio Management and Other Advisory Services:

- Research and analysis (dependent on third-party vendors)
- Trading capability (dependent on third-party vendors)
- Adhering to client suitability, portfolio guidelines and client imposed restrictions

3. HR:

- Payroll (dependent on third-party vendors)
- Benefit administration (dependent on third-party vendors)

4. Client Relations:

- Quarterly reports summarizing performance (dependent upon Finance Unit and third-party vendors)
- Website updates (posting dependent on third-party vendors)

5. Legal:

- Regulatory compliance (including Form ADV amendments, state notice filings and fees, Form 13F filings, if applicable, etc.)
- Client reporting (Proxy voting, Form ADV, Part II offering, privacy notice delivery & proxy reporting)
- Trading compliance (proprietary & personal, including initial and annual holdings reports and quarterly transaction reports)

6. IT:

- User support (dependent on third-party vendors)

- System recovery (dependent on third-party vendors)
- User account administration (dependent on third-party vendors)

7. Central files:

- Organization, maintenance and security of records
- Regulatory Compliance- all required books and records
- Insurance documents

The Plan must address the back-up and recovery of all critical and required books and records pertaining to the above processes, not only to the firm’s main systems but also to the firm’s alternate site for business operations in the event of a loss of the firm’s principal place of business. The Plan must also provide for back-up systems (hardware and software) by which these critical processes can be carried out notwithstanding a loss of the firm’s principal address.

Because many of the firm’s critical processes are dependent to a large extent on third party vendors, the Plan must also provide for a review of 1) who the firm’s critical vendors are, and 2) due diligence reviews of those vendor’s disaster recover/business continuity plans.

**Business Impact Analysis**

Business Disruption/Impact Analysis Depending on Duration (complete as appropriate):

<b>Category</b>	<b>Potential Impact</b>	<b>6 Hrs</b>	<b>24 Hrs</b>	<b>72 Hrs</b>	<b>5 Days</b>
	Less than \$100,000				
	\$100,000 -				

<b>Revenue</b>	\$1,000,000 \$1,000,000 - \$1,000,000,000 More than \$1,000,000,000	Less than \$100,000	Less than \$100,000	Less than \$100,000	Less than \$100,000
<b>Financial Exposure</b>	Less than \$100,000 \$100,000 - \$1,000,000 \$1,000,000 - \$1,000,000,000 More than \$1,000,000,000	Less than \$100,000	Less than \$100,000	Less than \$100,000	Less than \$100,000
<b>Additional Operating Costs</b>	Less than \$100,000 \$100,000 - \$1,000,000 \$1,000,000 - \$1,000,000,000 More than \$1,000,000,000	Less than \$100,000	Less than \$100,000	Less than \$100,000	Less than \$100,000
	None/negligible impact Minor impact (rumor among fin'l community)				

<b>Reputational Impact</b>	Significant impact (Limited local publicity) Serious impact Very serious impact (Major regional publicity)	None/negligible impact	None/negligible impact	None/negligible impact	None/negligible impact
<b>Legal / Regulatory</b>	None/negligible impact Minor impact (May negotiate resolution) Significant impact (May receive penalty) Serious impact (May receive sanction) Very serious impact (Risk of closure)	None/negligible impact	None/negligible impact	None/negligible impact	None/negligible impact

## APPENDIX G

### DISCLOSURE STATEMENT WITH A CLEARING ARRANGEMENT

McKinney Asset Management, Inc. has developed a Business Continuity Plan on how we will respond to events that significantly disrupt our business. Since the timing and impact of disasters and disruptions is unpredictable, we will have to be flexible in responding to actual events as they occur. With that in mind, we are providing you with this information on our business continuity plan.

**Contacting Us** – If after a significant business disruption you cannot contact us as you usually do at 404-567-5023 or via email at [jmckinney@maminvest.com](mailto:jmckinney@maminvest.com), you should call our alternative number 404-226-7802 or go to our website at [www.maminvest.com](http://www.maminvest.com). If you cannot access us through either of those means, you should contact our clearing firm, Charles Schwab & Co., Inc. at 866-232-9883 and [www.schwab.com](http://www.schwab.com) for you to have prompt access to funds and securities, enter orders and process other trade-related, cash and security transfer transactions as you see fit.

**Our Business Continuity Plan** – We plan to quickly recover and resume business operations after a significant business disruption and respond by safeguarding our employees and property, making a financial and operational assessment, protecting the firm’s books and records, and allowing our customers to transact business. In short, our business continuity plan is designed to permit our firm to resume operations as quickly as possible, given the scope and severity of the significant business disruption.

Our business continuity plan addresses: data backup and recovery; all mission critical systems; financial and operational assessments; alternative communications with customers, employees, and regulators; alternate physical location of employees; critical supplier, contractor, bank and counter-party impact; regulatory reporting; and assuring our customers prompt access to their funds and securities if we are unable to continue our business.

Our clearing firm, Charles Schwab & Co., Inc., backs up our important records in a geographically separate area. While every emergency poses unique problems based on external factors, such as time of day and the severity of the disruption, we have been advised by our clearing firm that its objective is to restore its own operations and be able to complete existing transactions and accept new transactions and payments within the same business day. Your orders and requests for funds and securities could be delayed during this period.

**Varying Disruptions** – Significant business disruptions can vary in their scope, such as only our firm, a single building housing our firm, the business district where our firm is located, the city where we are located, or the whole region. Within each of these areas, the severity of the disruption can also vary from minimal to severe. In a disruption to only our firm or a building housing our firm, we will transfer our operations to a local site when needed and expect to recover and resume business within in the same business day. In a disruption affecting our business district, city, or region, we will transfer our operations to a site outside of the affected area and recover and resume business within the same business day. In either situation, we plan to continue in business, transfer operations to our clearing firm if necessary, and notify you through our website at [www.maminvest.com](http://www.maminvest.com) or our customer emergency number, 404-226-7802 how to contact us. If the significant business disruption is so severe that it prevents us from remaining in business, we will assure our customer’s prompt access to their funds and securities.



**For more information** – If you have questions about our business continuity planning, you can contact us at 404-567-5023 or [jmckinney@maminvest.com](mailto:jmckinney@maminvest.com).

## **APPENDIX H**

### **ACKNOWLEDGEMENT FORM DISASTER RECOVERY PLAN**

I, the undersigned employee of MAM do hereby acknowledge and certify that I have read and reviewed the entire contents of MAM's Disaster Recovery Plan. I accept responsibility for understanding my role in the event of an emergency.

John E. McKinney, President

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Printed Name of Employee

John E. McKinney

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Signature

September 1, 2020

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Date