

# DiFrancesco Financial Concierge, LLC

## Business Continuity Plan (BCP)

and

## Disaster Recovery Plan (DRP)

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### Critical Elements

There are 10 critical elements of a BCP. As a best practice, DiFrancesco Financial Concierge, LLC, a State of Pennsylvania Registered Investment Adviser, has elected to follow these guidelines. Each firm need only address the elements applicable to its business; if we do not include a specified element in our firm's plan, our plan documents why it is not included:

- (1) Data back-up and recovery (hard copy and electronic);
- (2) All mission critical systems;
- (3) Financial and operational assessments;
- (4) Alternate communications between customers and the firm;
- (5) Alternate communications between the firm and its employees;
- (6) Alternate physical location of employees;
- (7) Critical business constituent, bank, and counter-party impact;
- (8) Regulatory reporting;
- (9) Communications with regulators; and
- (10) How the firm will assure customers' prompt access to their funds and securities in the event that the firm determines that it is unable to continue its business.

The above-listed elements are not exhaustive; for the plan to be complete and thorough, we have based it on our firm's business and operations.

## **I. Emergency Contact Persons**

DiFrancesco Financial Concierge, LLC's two emergency contact persons are: Matthew DiFrancesco (814) 201-5855, mjdifran@atlanticbb.net, and Krista Yeric, (855) 804-3547, krista@kifranfc.com.

## **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 custodian, TD Ameritrade.

#### B. Approval and Execution Authority

Matthew DiFrancesco, Chief Compliance Officer, is responsible for approving the plan and for conducting the required annual review. Matthew DiFrancesco 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 an internal and external drive in the Compliance file folder.

### **III. Business Description**

DiFrancesco Financial Concierge, LLC conducts investment advisory services primarily for individuals. Our firm is a State of Pennsylvania Registered Investment Adviser and we have a brokerage and custodial relationship with TD Ameritrade. We do not hold customer funds or securities. All brokerage transactions are sent to TD Ameritrade, which executes our orders, compares them, allocates them, clears and settles them. Our custodial firm also maintains our customers' accounts, can grant customers access to them, and delivers funds and securities. Our firm services primarily retail clients.

Our custodial firm is:

TD Ameritrade  
1 Plaza Four A  
Jersey City, NJ 07311  
(888) 613-2401, Select 2, Select 13

### **IV. Office Locations**

DiFrancesco Financial Concierge, LLC has one office location. The main office is located at 2150 Hillholm Street, Johnstown, PA 15905. Its main telephone number is (814) 201-5855. Our employees may travel to that office by means of foot, car, bicycle, and bus.

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

In the event of an SBD, we will move our staff from affected office(s) to an alternate location. The alternate telephone number is (814) 525-2065. In the event of a disaster our staff will meet at 334 Budfield Street, Johnstown, PA 15904.

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

DiFrancesco Financial Concierge, LLC does not maintain possession of customers' funds or securities, which are maintained at our custodian, TD Ameritrade. In the event of an internal or external SBD, if telephone service is available, we will contact our custodian to assess their capabilities and determine if they have been affected. The firm will make this information available to customers through its website.

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

DiFrancesco Financial Concierge, LLC maintains its primary hard copy books and records and its electronic records at 2150 Hillholm Street, Johnstown, PA 15905. Matthew DiFrancesco, Chief Compliance Officer, (814) 201-5855, 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 brokerage and custodial firm: Investment Advisory Agreements, Written Policies and Procedures, Privacy Policy, Code of Ethics, Form ADV (all parts), Correspondence, other compliance-related documents.

Our firm maintains its back-up copy books and records at electronically at a remote offsite location. Matthew DiFrancesco, Chief Compliance Officer, (814) 201-5855, is responsible for the maintenance of these back-up books and records. Our primary form of back-up is electronic. We back up our investment data records daily.

The firm backs up its electronic records daily by updating all files on our back-up server.

In the event of an internal or external SBD that causes the loss of our paper records, we will physically recover what we have 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 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 telephone and secure 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).

## **B. Financial and Credit Risk**

In the event of an SBD, we will assess our financial situation and evaluate our ability to continue to fund our operations and remain in business. We will contact our brokerage and custodial firms, 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 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 filing a Form ADV-W. Since our firm is a Registered Investment Adviser and we do not maintain possession of customer funds or securities, our financial and credit risk is minimal in the event of an SBD.

## **IX. Mission Critical Systems**

DiFrancesco Financial Concierge, LLC' "mission critical systems" are those that ensure prompt and accurate customer account information, including but not limited to, the maintenance of customer accounts, access to customer accounts and the status and availability of funds and securities. More specifically, these systems include: TD Ameritrade Platform and Microsoft Office applications.

We have primary responsibility for establishing and maintaining our business relationships with our customers and have sole responsibility for our mission critical functions of current customer account information. Our brokerage firm and custodian provides, through contracts, the execution, comparison, allocation, clearance and settlement of securities transactions, maintenance of customer accounts, access to customer accounts and the delivery of funds and securities.

Our custodial contract provides that our custodial firm will maintain business continuity plans and the capacity to execute those plans. Our custodian represents that they will advise us of any material changes to their plans that might affect our ability to maintain our business and have presented us with an executive summary of their plan. In the event that our custodian executes their plan, they represent that they will notify us of such execution and provide us equal access to services as its other customers. If we reasonably determine that our custodial firm has not or cannot put their plan in place quickly enough to meet our needs, or is otherwise unable to provide access to such services, our custodian represents that it will assist us in seeking services from an alternative source.

Our custodial firm represents that they back up our records at a remote site. Our custodial firm represents that they operate back-up operating facilities in geographically separate areas with the capability to conduct the same volume of business as their primary site. Our custodial firm has also confirmed the effectiveness of their 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 custodians have the following SBD recovery time for a limited scope disruption: 24 hours, and a catastrophic disaster recovery time of greater than 24 hours.

## A. Our Firm's Mission Critical Systems

### **1. Order Taking**

Currently, our firm receives orders from customers via telephone and in-person visits 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 phone or email. If necessary, we will advise our customers to place orders directly with our custodial firm, TD Ameritrade.

### **2. Order Entry**

Currently, our firm enters orders by recording them on paper and electronically and sending them to our custodial firm electronically or telephonically. In the event of an internal SBD, we will enter and send records to our brokerage firm by the fastest alternative means available, which include by telephone, fax, or email. In the event of an external SBD, we will maintain the order in electronic or paper format, and deliver the order to the brokerage 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 brokerage firm for order entry.

## B. Mission Critical Systems Provided by Our Brokerage/Custodial Firms

Our firm relies, by contract, on our brokerage and custodial firm to provide order execution, order comparison, order allocation, customer account maintenance and/or access and delivery of funds and securities.

## **X. Alternate Communications Between the Firm and Customers, Employees, and Regulators**

### A. Customers

We now communicate with our customers using the telephone, email, fax, U.S. mail and in-person visits at our firm or 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 paper copy via the U.S. Mail and it is unavailable, we will call them on the telephone.

## B. Employees

Matthew DiFrancesco is the sole employee of the firm at this time, therefore this section is not applicable.

## C. Regulators

We are currently regulated by the State of Pennsylvania Securities Division. We communicate with our regulators using telephone, email, fax, US mail, and internet. 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 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 primary business relationship is: TD Ameritrade.

## 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. Since our firm only provides advisory services and we do not maintain custody, lending and financing availability during an SBD is not applicable.

## 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 custodial 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 the State of Pennsylvania Securities Division. We 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 State of Pennsylvania 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. State of Pennsylvania and SEC Contact Information regarding Regulatory Filings: 1-866-275-2677 or [IARDLive@sec.gov](mailto:IARDLive@sec.gov).

## **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 custodian. In addition, our firm will review this BCP annually, to modify it for any changes in our operations, structure, business or location or those of our brokerage or custodial firms.

## **XIV. Senior Manager Approval**

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

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

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

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