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Liberty Group, LLC  
Business Continuity Plan (BCP)

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**I. Emergency Contact Persons**

Our firm's two emergency contact persons are: David J. Hollander, Chief Compliance Officer, (510) 658-1880, david@libertygroupllc.com and Ed Smith, Principal, (510) 658-1880, ed@libertygroupllc.com. These names will be updated in the event of a material change.

*Rule: FINRA Rule 4370*

**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 by moving offsite to another secure location if necessary, 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 provide 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 at one of our locations. 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 and other product and service providers.

**B. Approval and Execution Authority**

The Chief Compliance Officer is responsible for approving the plan and for conducting the required annual review and has the authority to execute this BCP.

### C. Plan Location and Access

Our firm will maintain copies of its BCP and the annual reviews, and the changes that have been made to it for inspection. We have given all of our branch offices access to a copy of our plan. An electronic copy of our plan is located on the fileserver in the Liberty folder/Compliance/BCP.

### **III. Business Description**

Liberty Group, LLC conducts business in equity, fixed income, mutual funds, and other types of securities. Our firm services primarily retail customers. Our firm is an introducing firm and does not perform any type of clearing function for itself or others. We do not hold customer funds or securities. We accept and enter orders. Brokerage account transactions are sent to our clearing firm, which executes our orders, compares them, allocates them, clears and settles them. Our clearing firm also carries our customers' brokerage accounts and delivers funds and securities. We also engage in the sales of private placements, direct mutual fund investments (investments held by the mutual fund company and not in a brokerage account carried by our clearing broker), variable annuity products and real estate investment trust investments.

Our clearing firm for brokerage accounts is National Financial Services, 350 California Street, 5<sup>th</sup> Floor, San Francisco, CA 94111, attention Aaron Jasper, (415) 445- 7157, aaron.jasper@fmr.com. Our clearing firm has also given us the following alternative contact in the event it cannot be reached: Christine Cilley (415) 445-7149, [christine.cilley@fmr.com](mailto:christine.cilley@fmr.com) or 1-800-877-2410.

### **IV. Office Locations**

Our Firm has offices located in several locations.

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

Our Main Office is located at 3923 Grand Avenue, Oakland, CA 94610. Its main telephone number is (510) 658-1880. Our employees may travel to that office by means of foot, bike, car, subway, train, bus, or boat. We engage in order taking and entry at this location.

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

Our Location #2 is located at 900 North Shoreline Blvd, Mountain View, CA 94043. Its main telephone number is (650) 968-8811. Our registered representatives may travel to that office by means of foot, bike, car, train or bus. We engage in order taking and entry at this location.

### C. Office Location #3

Our location #3 is located at 6722 Magnolia Ave, Riverside, CA 92506. Its main telephone number is (951) 684-7011. Our registered representatives may travel to that office by means of foot, car, or bus. We engage in order taking and entry at this location.

### D. Office Location #4

Our location #4 is located at 16 Pacific Crest, Laguna Niguel, CA 92677. Its main telephone number is (949) 340-8590. The mailing address for this location is Liberty Group, LLC, 32545 Golden Lantern # 407, Dana Point, CA 92629. A registered representative lives at this location. We engage in order taking and entry at this location.

### E. Office Location #5

Our office #5 is located at 2404 Professional Drive, Roseville, CA 95661. Its main telephone number is (916) 791-1737. Our registered representatives may travel to that office by means of foot, car, or bus. We engage in order taking and entry at this location.

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

In the event of an SBD affecting our main office, we will move our staff from affected offices to our Mountain View office, 419 North Shoreline Blvd, Mountain View, CA 94043. Its main telephone number is (650) 968-8811.

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

## 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 or at outside mutual fund companies, insurance carriers or real estate investment trusts. 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 brokerage accounts and securities by contacting National Financial Services, 350 California Street, 5<sup>th</sup> Floor, San Francisco, CA 94111, 1-800-877-2410. They may access their direct mutual fund investments, variable annuity accounts or real estate investment trust investments by contacting the custodian as described on their account statements.

If the Securities Investor Protection Corporation (SIPC) determines that we are unable to meet our obligations to our customers or if our liabilities exceed our assets in violation of Securities Exchange Act Rule 15c3-1, SIPC may seek to appoint a trustee to disburse our

assets to customers. We will assist SIPC and the trustee by providing our books and records identifying customer accounts subject to SIPC regulation.

*Rules: FINRA Rule 4370(a); Securities Exchange Act Rule 15c3-1; 15 U.S.C. 78eee (2003).*

## **VII. Data Back-Up and Recovery**

Our firm maintains its primary hard copy books and records at 3923 Grand Avenue, Oakland, CA 94610. Ed Smith, FINOP, (510) 658-1880, [ed@libertygrouppllc.com](mailto:ed@libertygrouppllc.com) is responsible for the maintenance of these books and records. Our firm maintains the following document types and forms that are not transmitted to our clearing firm: New account forms, client agreements, transfer instructions, statements from third parties.

The firm backs up its primary electronic records daily via the internet through a vendor, E-Vault.

If our primary site is inoperable, we will continue operations from our alternate location. In the event of the loss of electronic records, we will either physically recover the storage media or electronically recover data from our vendor.

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

## **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 voice mail and e-mail*. In addition, we will retrieve our key activity records as described in the section above, Data Back-Up and Recovery

*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 clearing firm, insurance companies, outside mutual funds, 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 banks or other credit sources to fulfill our obligations to our customers. If we cannot

remedy a capital deficiency, we will file appropriate notices with our regulators and immediately take appropriate steps, including notifying our customers.. All efforts will be taken to secure lines of credit and currently substantial multiple personal equity lines are available which should be more than sufficient and are available for such a contingency.

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

## **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. 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 and presented us with an executive summary of its plan. In the event our clearing firm executes its plan, it represents that it will notify us of such execution and provides us equal access to services as its other customers. If we reasonably determine that our clearing firm has not or cannot put its plan in place quickly enough to meet our needs, or is otherwise unable to provide access to such services, our clearing firm represents that it will assist us in seeking services from an alternative source.

Our clearing firm represents that it backs up our records at a remote site and in addition an out of region site. Our clearing firm represents that it operates a back-up operating facility in a geographically separate area with the capability to conduct the same volume of business as its primary site. Our clearing firm has also confirmed the effectiveness of its back-up arrangements to recover from a wide scale disruption by testing and it has confirmed that it tests its back-up arrangements every month.

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 has the following SBD recovery time and resumption objectives: recovery time period of within 4 hours and resumption time of within the same business day.

## A. Our Firm's Mission Critical Systems

### 1. **Order Taking**

Currently, our firm receives orders from customers via telephone or in person. During an SBD, either internal or external, we will continue to take orders through any of these methods that are available and reliable, and in addition, as communications permit, we will inform our customers when communications become available to tell them what alternatives they have to send their orders to us. Customers will be informed of alternatives by telephone, fax, email, or in person. If necessary, we will advise our customers to place orders directly with our clearing firm at National Financial Services, A Fidelity Company, at mutual fund companies or at insurance companies.

### 2. **Order Entry**

Currently, our firm enters orders by recording them electronically and sending them to our clearing firm and at other providers electronically. *Alternatively*, we place customer orders telephonically. We have contacted National Financial Services and were advised that, under its BCP, we can expect complete trading immediately.

In the event of an internal SBD, we will enter and send records to our clearing firm and at other providers by the fastest alternative means available, which may include fax, email or in person. In the event of an external SBD, we will maintain the order in electronic or paper format, and deliver the order by the fastest means available. In addition, during an internal SBD, we may need to refer our customers to deal directly with our clearing firm or other provider for order entry.

### 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.

*Rules: FINRA Rules 4370(c) & (f)(1).*

## **X. 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, and in person visits at our firm or at the other's location. In the event of an SBD, we will assess which means of communication are still available to us, and use the means closest in speed and form (written or oral) to the means that we have used in the past to communicate with the other party. For example, if we have communicated with a party

by 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 and independent contractors using the telephone, e-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. 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.

The person to invoke use of the call tree is: David Hollander or Ed Smith

Callers: David Hollander, Ed Smith

Call Recipients: Adam McNulty; Andrew Aldrich; Bal Trunec; Barbara Barkley; Brian Rees; Ram Balakrishnan; David Minor; Dennis Good; Karl Hansen; Lyle Johnson; Matthew Olesen; Melanie Lillestol; Michele Jung; Nathan Wall; Raelee Olson; Randy Barkley; Scott Shapiro; Tony Kai, Steven Jones; Ted Chen; David Hedger; Tapi Hedger; Daniel Ross, Michael Hullen, Nick Moore, Todd Fulks and Mark Ruderman.

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

## C. Regulators

We are currently a member of FINRA and are registered with the MSRB. In addition we are regulated by the SEC and the states in which we conduct business. We communicate with our regulators using the telephone, e-mail, fax, U.S. 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.

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

# 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 expect to continue our business relationship with them in light of the internal or external SBD. We will quickly establish alternative arrangements if a business constituent can no longer provide the needed goods or services when we need them because of a SBD to them or our firm. Our major suppliers are: Bank of America, general banking, (510) 273-5011, 345 Highland Avenue, Piedmont, CA 94611 and Wells Fargo Bank, 1111 Broadway, Suite 1650, Oakland, CA 94607.

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

## **B. Banks**

We have contacted our banks and lenders to determine if they can continue to provide the financing that we potentially will need in light of an internal or external SBD. The bank maintaining our general operating account is: Bank of America, (510) 273-5011, 345 Highland Avenue, Piedmont, CA 94611. We also maintain an account at Wells Fargo Bank, (510) 433-4164, 1111 Broadway, Suite 1650, Oakland, CA 94607. Both banks have made available lines of credit that can be accessed as necessary in the event of an internal or external SBD.

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

## **C. Counter-Parties**

We will contact our critical counter-parties, such as other broker-dealers or institutional customers, to determine if we will be able to carry out our transactions with them in light of the internal or external SBD. Where the transactions cannot be completed, we will work with our clearing firm or other provider or contact those counter-parties directly to make alternative arrangements to complete those transactions as soon as possible.

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

## **XII. Regulatory Reporting**

Our firm is subject to regulation by: FINRA, the MSRB, the SEC, the California Department of Corporations, and other states. We now file reports with our regulators using paper copies in the U.S. mail, and electronically using fax, e-mail, and the Internet. In the event of an SBD, we will check with the SEC, FINRA, MSRB and other regulators to determine which means of filing are still available to us, and use the means closest in speed and form (written or oral) to our previous filing method. In the event that we cannot contact our regulators, we will continue to file required reports using the communication means available to us.

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

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

We disclose in writing a summary of our BCP to customers at account opening and in annual mailings. We also 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.

In summary, in the event of an SBD affecting our main office, we will move our main office staff from affected offices to our Mountain View office, 900 North Shoreline Blvd., Mountain View, CA 94043. Its main telephone number is (650) 968-8811.

Rule: *FINRA Rule 4370(e).*

### **XIV. Updates and Annual Review**

Our firm will update this plan whenever we are advised of changes to our operations, structure, business or location or to those of our clearing firm. 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 clearing firm.

Rule: *FINRA Rule 4370(b).*