



## Lion Street Financial, LLC

Business Continuity Plan (BCP) for Lion Street Financial

(April 23, 2021)

### I. Emergency Contact Persons

Our firm's two emergency contact persons are John Burmeister and Carie Heckler.

### 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 (SBD)

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. The potential of a pandemic, such as Coronavirus (COVID-19), Influenza A (H1N1), etc., could affect our Firm internally, as well as externally.

#### b. Approval and Execution Authority

John Burmeister, Chief Executive Officer, President, and registered principal, is responsible for approving the plan and for conducting the required annual review. John Burmeister and Carie Heckler, Chief Compliance Officer, have the authority to execute this BCP.

#### c. Plan Location and Access

Our Firm will maintain copies of its BCP and the annual reviews and changes that have been made to it for inspection. An electronic copy of our plan is located on one of our storage servers. Also, the BCP can be viewed on our website [www.lionstreet.com](http://www.lionstreet.com). Additional supervisory aspects of this plan are located in the firm's Written Supervisory Procedures.

### III. Business Description

Our firm conducts business in equity, fixed income, derivative securities, variable annuities and other insurance-related products, alternative investments that include REITs, limited partnership programs,

private placements, investment banking and private equity. 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 do not accept and enter orders, except for certain alternative investments. All transactions are sent to our clearing firms or directly to product sponsors, which executes our 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. Our firm services retail and institutional customers. Our clearing firm is Pershing, LLC at One Pershing Plaza, Jersey City, NJ 07399 <https://www.pershing.com/>. For trade-related needs the number to call is 800-225-4830.

#### **IV. Office Location(s)**

Although we have registered and unregistered locations throughout various states of the U.S. our office (primary OSJ) of operation is located at 515 Congress Ave Ste. 2500, Austin, TX 78701. In the event of any SBD at any of our other locations, any and all business that is normally conducted through such office that would impact clients of this firm can be conducted by the primary OSJ.

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

Our plan takes into consideration two different SBD's. Temporary -- which would be defined as an interim period of time that we would be unable to operate from our primary office at the Austin, TX location -- and permanent, which could involve some form of destruction of our current office location and/or some form of city and/or regional destruction that could be the result of weather, terrorist activity or other uncontrollable event.

In the event of a temporary SBD, personnel will be working remotely. If the need arises to operate remotely, and if necessary, we will reroute our VOIP's (voice over internet protocol) phones to personal lines for each employee (home landline or cell phone) and use alternative power sources. Also, all laptop computers have been pre-configured that will be used by personnel that are at their homes or another location. If the SBD is not deemed temporary, we will continue to operate remotely. In the event of a flu pandemic or other form of viral outbreak that would cause us to close our primary office location, depending on the circumstances involved, the same aforementioned plan would be implemented. We maintain and distribute internally a firm contact list to assist with alternative communications methods, if necessary.

In the event of a permanent SBD where none of the aforementioned plan steps could be implemented, there will be certain designated persons locally and out of state that will be responsible for triggering a message board on our website that will immediately appear when someone initially enters our site. This message will notify the reader that the primary OSJ is closed due to a significant business disruption and will list contact information, including for our clearing firms.

As stated previously, any form of a pandemic SBD could be internal as well as external and would result in following the aforementioned procedures. All measures available will be taken by this Firm's Human Resources Department (HR) to minimize the impact of a wide spread pandemic occurrence, such as requesting potentially infected personnel to remain home and not come into the office, purchasing and using various forms of bacterial cleaning solutions in the offices and keeping personnel as separated as is feasible from a job function perspective. On an ongoing basis HR keeps employees informed via emails as it relates to the availability of influenza vaccines which may be available within our primary building offices or nearby facilities.

## **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, Pershing, LLC at One Pershing Plaza, Jersey City, NJ 07399. <https://www.pershing.com/>. For trade related needs the number to call 800-225-4830. 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 website access is available, our firm will post on our website that customers may access their funds and securities by contacting LSF Operations at (512) 776-8460. If the LSF Operations phone number is unavailable due to the SBD, then alternative phone numbers will be displayed on our website. The firm will make this information available to customers through its BCP disclosure statement that is delivered to them at the time of opening an account with this firm.

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 and any additional information needed in order to meet the requirements.

## **VII. Data Back-Up and Recovery (Hard copy and electronic)**

All of our client's records are held at the clearing firm Pershing, LLC. Our firm maintains its hard copy financial books and records with our President at our primary office location. The majority of books and records are stored electronically.

In the event of an internal or external SBD that causes the loss of our paper records, we will physically attempt to recover them from our clearing firm and other business constituents. 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, which is offsite from our primary business location, 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**

- i. 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. As mentioned in Section V we would operate remotely if necessary, for an indefinite period of time. All of our phones will be forwarded onto employees at their locations. All of our books and records can be retrieved via the internet at our data center facility. We can access all client data at Pershing via the internet.

### **b. Financial and Credit Risk**

- i. 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 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 to conduct business until the net capital deficiency is cured.

Periodic meetings will be conducted by the Firm's President, CEO and/or CCO and the FinOP to access our financial risk and capital adequacy. A record of these meetings will be maintained by the Firm at its main office.

#### **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 Pershing's electronic tool for broker access, account inquiry and limited back office support functions.

We have primary responsibility for establishing and maintaining our business relationships with our customers and have responsibility for our mission critical functions to ensure order taking and entry and execution. 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 (<https://www.pershing.com/disclosures>). In the event our clearing firm executes its plan, 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 will assist us in seeking services from an alternative source.

Our clearing firm backs up our records at a remote or out of region site and 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. Pershing tests the back-up arrangements on a regular basis.

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. has a recovery time period of four hours or less.

- a. Our Firm's Mission Critical Systems
  - i. Order Taking

Currently, our firm receives direct business and alternative investment orders primarily electronically and occasionally hardcopy via U.S. postal service or overnight delivery service from registered representatives of Lion Street Financial and/or Investment Advisors of Lion Street Advisors. Brokerage orders are placed directly with Pershing. 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 or place brokerage orders with Pershing. Customers will be informed of alternatives by our website, [www.lionstreet.com](http://www.lionstreet.com), phone and any other means accessible. If necessary, we will advise our customers to place orders directly with our clearing firm Pershing by calling 800-225-4830.

Pershing will process the following closing security transactions: Sale of security position held long in the client's account and buy of security to close-out short security position. Pershing will process closing security transactions upon receipt of written instructions that must include the following information:

- Client brokerage account number
- Client name (as registered on the brokerage account)
- Security description, including symbol or CUSIP® number
- Number of shares

Note: All orders will be handled as market orders. Instructions to Pershing must be in writing and transmitted via facsimile or postal service as follows:

Pershing LLC  
P.O. Box 2065  
Jersey City, New Jersey 07303-2065  
Fax number (201) 413-5368

#### ii. Order Entry

Currently, our firm enters orders for alternative investments through Pershing's NetX360. For other trading, we will refer our customers directly to our clearing firm for order entry.

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

#### iii. Order Execution

We currently execute alternative investment orders by entering trades electronically using the clearing firm's trading system. In the event of an internal SBD, we would give trade instructions to the clearing firm's trade desk by the fastest alternative means available via fax, phone or email. In the event of an external SBD, we would submit trades as usual and systems would operate by defaulting to the alternate locations.

iv. Other Services currently provided to customers

In addition to those services listed above in this section we also provide fund disbursements and open and maintain client accounts. In the event of an internal SBD, we would perform these functions from our alternate location. In the event of an external SBD, and we could not perform these services from our alternate locations, we would provide our customers, broker's and other vital entities or persons information on our website as to where these services can be performed.

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

- i. We now communicate with our customers using phone, email, our website, fax, U.S. mail, and in person visits at our firm or at the firm's other office 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 part. For example, if we have communicated with a party by email but the internet is unavailable, we will call them via phone and follow up where a record is needed with paper copy in the U.S. mail or electronically via secure means.

b. Employees

- i. We now communicate with our employees using phone, email, 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 part. 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 cell phone and office phone numbers and is distributed internally to all employees along with a BCP important links document that contains contact and access information for critical business partners, tools and vendors.

The person to invoke use of the call tree is John Burmeister, who will contact key LSF company employees to contact all LSF staff. They will in turn initiate further call tree contacts. The entire call tree and contact list will be maintained by administrative personnel. In the absence of John Burmeister, Carie Heckler will contact these individuals.

- ii. In addition, the Firm has implemented an electronic employee notification process through cell text messaging, coupled with emails. This system notifies employees concerning communications of any type relating to the business of this Firm during non-business hours. It is maintained by administrative personal

c. Regulators

- i. We are currently members of the following SRO: Financial Industry Regulatory Authority (FINRA). We communicate with our regulators using phone, 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.

## **XI. Critical Business Constituents, Banks and Counter-Parties**

### **a. Business Constituents**

- i. 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 an SBD to them or our firm.

### **b. Banks**

- i. We rely upon Lion Street, Inc., our parent corporation, for capital funding as needed. Lion Street, Inc. has ample cash on hand, access to bank credit facilities and sources of capital through private investors.

### **c. Counter-Parties**

- i. We have contacted 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 contact those counter-parties 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 and various state securities boards. 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, 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. Our SEC and FINRA regulatory contact information is:

SEC - Fort Worth District Office, 801 Cherry Street, 19<sup>th</sup> Floor, Fort Worth, TX 76102, (817) 978-3821, and;

FINRA - District 6, 12801 N. Central Expressway, Suite 1050, Dallas, TX 75243, (972) 701-8554, Fax (972) 716-7646.

## **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.

**XIV. Updates and Annual Review**

Our firm will update this plan whenever we have a material change to our operations, structure, business or location. In addition, our firm will review this BCP annually.

**XV. Annual BCP Testing**

Each year, we conduct exercises in an effort to validate and update the BCP and procedures. Annual exercises may include elements of communication, technology, and critical process recovery.

Questions on this BCP Plan can be directed to [lsfcompliance@lionstreet.com](mailto:lsfcompliance@lionstreet.com) or contact Lion Street Financial Operations at (512) 776-8460.