

Stonecrest Capital Markets, Inc.

Business Continuity Plan (BCP)

**Revised as of
November 2020**

The [FINRA BCP Web page](#) includes important information and links to other websites with useful information that we will review periodically. We may also consider consulting the General Accounting Office's reports on "Potential Terrorist Attacks: Additional Actions Needed to Better Prepare Critical Financial Market Participants," Report Nos. [GAO-03-251](#) (Feb. 2003) and [GAO-03-414](#) (Feb. 2003); the Draft Interagency White Paper on Sound Practices to Strengthen the Resilience of the U. S. Financial System by the Securities and Exchange Commission (SEC) and other federal financial institution regulators; and the business continuity information on the websites of the [Securities Industry and Financial Markets Association \(SIFMA\)](#), the [Business Continuity Institute \(BCI\)](#) and the [Financial Services Sector Coordinating Council for Critical Infrastructure Protection and Homeland Security \(FSSCC\)](#). We will also review *Notice to Members (NTM) 05-48, NTM 04-37 and Regulatory Notices 07-42 and 09-60*.

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Emergency Contact Persons

Identify your firm's two emergency contact persons. Your firm must identify its emergency contact persons through the FINRA Contact System (FCS). In addition, your firm must use FCS to update the contact information promptly (but no later than 30 days following any change in the information) and annually review and update, if necessary, the information within 17 business days after the end of each calendar year. Each emergency contact person must be an associated person of the firm, and at least one emergency contact person must be a member of senior management and a registered principal of the firm. If your firm designates a second emergency contact person who is not a registered principal of your firm, then that contact person must be a member of senior management who has knowledge of the firm's business operations. If your firm has only one associated person, the second emergency contact must be an individual, either registered with another firm or non-registered, who has knowledge of your firm's business operations (e.g., your firm's attorney, accountant or clearing firm contact person).

Our firm's two emergency contact persons are: John Randolph and Dave Jones.

Key Persons referenced in BCP by title:

CEO/CCO

John Randolph

jrandolph@stonecrestpartners.com

Director of Operations/COO

Dave Jones

djones@stonecrestpartners.com

The firm will provide FINRA with the contact information for the two emergency contact persons: (1) name; (2) title; (3) mailing address; (4) email address; (5) telephone number; and (6) facsimile number through the FINRA Contact System (FCS). We will promptly notify FINRA of any change in this information through FCS (but no later than 30 days following the change) and will review, and if necessary, update this information within 17 business days after the end of each calendar year.

Rule: *FINRA Rule 4370(f); NASD Rule 1160.*

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.

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, pandemic, 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.

Approval and Execution Authority

The CCO is a registered principal and is responsible for approving the plan and for conducting the required annual review. The CCO has the authority to execute this BCP.

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 Dropbox in the SCMI/Compliance/BCP folder.

Rule: FINRA Rule 4370(b), (d) and (e).

Business Description

Our firm conducts business in fixed income, equity, private placement and derivative securities. 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 accept and enter orders. All transactions are sent to our clearing firm, 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.

Key Vendors identified:

Product/Service: **Telephone, Internet Service Provider**

Vendor Name: VONAGE; AT&T

Contact Person:

Vonage: Customer Service

AT&T: Sherri McKenzie

Phone No.:

Vonage: 866-901-0242

AT&T: 512-954-2031

Product/Service: **Clearing firm/Custodian**

Vendor Name: PERSHING

Contact Person: Ferdinando Catania

Phone No.: 201-761-5148

Product/Service: **Compliance**

Vendor Name: Foreside

Contact Person: Virginia Voos

Phone No.: 603-216-8971

Product/Service: **Insurance**

Vendor Name: MERCER

Contact Person: Susan Goetsch

Phone No.: 804-214-5124

Product/Service: **Bank**

Vendor Name: JPMORGAN CHASE

Contact Person: Carla Lira

Phone No.: 512-479-1581

Office Locations

Main Office - Austin, Texas

300 West 6th Street
Suite 1520
Austin, TX 78701

Main office number: 512-275-6520
866-342-1069

Website address: www.stonecrestpartners.com

This web site can be updated remotely and will be updated, as needed, to provide direction to clients who wish to contact the Company. Clients may also be contacted directly, via phone or email, if necessary and possible.

We have the following additional branch offices:

CRD Branch Number	Branch Location	Branch Operational Status	Supervisor/PIC
686172	1369 Ashford Ave San Juan, PR 00907 United States	Active	PRANN, RICHARD (2066950)
640053	45 N Broad St Suite 401 Ridgewood, NJ 07450 United States	Active	STACKPOLE, DEBORAH (4969850)
662850	4000 Ponce de Leon Blvd Suite 470 Coral Gables, FL 33146 United States	Active	BAUZA, ANTONIO SALVADOR (860146)
681953	7373 Broadway St Suite 507 San Antonio, TX 78209 United States	Active	MURPHY, MICHAEL FAGAN (6347760)

Alternative Physical Locations(s) of Employees

In the event of an SBD, we will move our staff from affected office(s) to the closest of our unaffected office location(s). With offices in several different states and geographically dispersed, there should be offices that are not impacted by a disruption

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

Customers' Access to Funds and Securities

Our firm does not maintain custody of customers' funds or securities, which are maintained at our clearing firm. 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 funds and securities by contacting the clearing firm. The firm will make this information available to customers through its disclosure policy.

If SIPC determines that we are unable to meet our obligations to our customers or if our liabilities exceed our assets in violation of Securities Exchange Act Rule 15c3-1, SIPC may seek to appoint a trustee to disburse our assets to customers. We will assist SIPC and the trustee by providing our books and records identifying customer accounts subject to SIPC regulation.

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

Data Back Up and Recovery (Hard Copy and Electronic)

Our firm maintains its primary hard copy books and records and its electronic records at the firm's main office in Austin, TX. John Randolph, CCO, is responsible for the maintenance of these books and records.

Our firm maintains its back-up hard copy books and records at the firm's main office. These records are primarily paper copies and electronic copies are also maintained. The COO is responsible for the maintenance of these back-up books and records.

The firm backs up its electronic records weekly via Amazon Glacier with Vault Lock and keeps a copy at the main office.

In the event of an internal or external SBD that causes the loss of our paper records, we will physically recover them 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.

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

Financial and Operational Assessments

Operational Risk

Operational risk includes the firm's ability to maintain communications with customers and to retrieve key activity records through its mission critical systems.

In the event of an SBD, we will immediately identify what means will permit us to communicate with our customers, employees, critical business constituents, critical banks, critical counterparties and regulators. Although the effects of an SBD will determine the means of alternative communication, the communications options we will employ include one or more of the following: our website, telephone, message blast, voice mail, email, etc. In addition, we will retrieve our key activity records as described in the section above, Data Back-Up and Recovery (Hard Copy and Electronic).

Rules: *FINRA Rules 4370(c)(3), (c)(4), (c)(5), (c)(7), (c)(9) & (g)(2).*

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, 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 counterparties 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 as required.

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

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 and execution. Our clearing firm provides, through contract, 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 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 has presented us with an executive summary of its plan, which is maintained in our BCP records. In the event our clearing firm executes its plan, it represents that 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 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. 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.

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 4 hours or less; and resumption time within the same business day.

Our COO will periodically review our clearing firm’s capabilities to perform the mission critical functions the clearing firm has contracted to perform for our firm.

Our Firm’s Mission Critical Systems

Order Taking

Currently, our firm receives orders from customers via telephone, email, or 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 telephone or email. If necessary, we will advise our customers to place orders directly with our clearing firm.

Order Entry

Currently, our firm enters orders telephonically with Pershing's trading desks or through Pershing's Netx360 platform.

In the event of an internal SBD, we will enter and send records to our clearing firm by the fastest alternative means available. In the event of an external SBD, we will maintain the order in electronic or paper format, and deliver the order to the clearing 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 clearing firm 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, customer account maintenance and/or access and delivery of funds and securities.

Rules: *FINRA Rules 3510(c)(2) & (g)(1).*

Alternative Communications Between the Firm and Customers, Employees, and Regulators

Customers

We now communicate with our customers using the telephone, email, our website, fax, U.S. mail and in-person visits at our firm offices or another 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 email 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).*

Employees

We now communicate with our employees using telephone, email, and in person, etc. In the event of an SBD, we will assess which means of communication are still available to us, and use the means closest in speed and form (written or oral) to the means that we have used in the past to communicate with the other party. We will also employ a call tree so that senior management can reach all employees quickly during an SBD. The call tree includes all staff home and office phone numbers. We have identified persons, noted below, who live near each other and may reach each other in person:

The person to invoke use of the call tree is: Dave Jones

Caller	Call Recipients
<i>Dave Jones</i>	<i>John Randolph; David Weibel; Rachel Chastain; Kyle Matusek</i>
<i>John Randolph</i>	<i>Antonio Bauza; Richard Prann; Harry Friedberg</i>
<i>David Weibel</i>	<i>Caleb Chao; Thomas Coleman; Deborah Stackpole; Ed Kasperavich; Jose Castillo</i>
<i>Rachel Chastain</i>	<i>Michael Murphy; Joe Coccaro; John Rodriguez; Les Sweetow; Jeffrey Cohen</i>
<i>Jose Castillo</i>	<i>Nanette Domenech; Rebecca Feliciano; Ruben Fernandez; Adrian Fernandez; Sara Fernandez; Peter Gonzalez; Tensy Llavat; Enrique Pascual; Roberto Pineda; Carlos Rodriguez</i>

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

Regulators

We are currently regulated by: FINRA and the SEC. We communicate with our regulators using telephone, email, fax, U.S. mail, in person, etc. 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).

Critical Business Constituents, Banks, and Counterparties

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 major vendors are identified in Section 3 of this Plan.

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

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. The bank maintaining our operating account is: JP Morgan Chase. The bank maintaining our Proprietary Account of Introducing Brokers/Dealers (PAIB account) is JP Morgan Chase.

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

Counterparties

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 clearing firm or contact those counterparties directly to make alternative arrangements to complete those transactions as soon as possible.

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

Regulatory Reporting

Our firm is subject to regulation by: FINRA, SEC and the various states where we are registered. We now file reports with our regulators using paper copies in the U.S. mail, and electronically using email and web-based reporting platforms. 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.

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

Disclosure of Business Continuity Plan

Pursuant to FINRA Rule 4370(e), attached at the end of this Plan is our written BCP disclosure statement we provide customers at account opening. We also post the disclosure statement on our website and mail it to customers upon request.

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 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).*

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.

Rule: FINRA Rule 4370(d).

Signed: 

Title: CEO, CCO

Date: 11/25/2020

Attachment A to Business Continuity Plan

Stonecrest Capital Markets' Business Continuity Plan

Stonecrest Capital Markets, Inc., a Stonecrest Partners company, maintains a Business Continuity Plan (BCP) in the event of a Significant Business Disruption (SBD) to safeguard employees' lives and firm property, make a financial and operational assessment, quickly recover and resume operations, protect all of the firm's books and records, and allow 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.

In the event of a SBD, if telephone service is available, our registered persons will take customer orders or instructions and contact our clearing firm, the product sponsor or offeror on their behalf, or provide information to the customer with information on contacting the clearing firm, product sponsor or offeror.

Stonecrest Capital Markets does not maintain custody of customers' funds or securities. Customer accounts are maintained at our clearing firm, Pershing LLC, or at the product issuers. Pershing backs important customer records in a geographically separate area. If Pershing were to experience a significant business disruption, Pershing's BCP outlines their actions, including relocating technology and operational personnel to preassigned alternate regional facilities. While every emergency situation 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 four hours or less. Your orders and requests for funds and securities could be delayed during this period. For further information, see link to [Pershing's BCP](#).

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 and office is 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. 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 immediately thereafter. In either situation, we plan to continue in business, transfer operations to our clearing firm if necessary, and notify you through our website www.stonecrestpartners.com or other communications on how to contact us.

Client Instructions

If Stonecrest Capital Markets were to experience a significant business disruption and your registered representative cannot be reached, alternative contacts are given below:

Stonecrest Capital Markets BCP Primary Contact

John Randolph - CEO, CCO
(512) 275-6515

Stonecrest Capital Markets BCP Secondary Contact

Dave Jones, COO, Director of Operations
(512) 275-6520

Pershing LLC
P.O. Box 20165
Jersey City, NJ 07303-2065
Fax number* (201) 413-5368

*Please note that this fax number is for business interruption-related issues only, and should not be used for any other purposes, such as change of address notices, account transfers and credit verification. Information received on this fax that is unrelated to business interruption issues will not be acted upon.