
Business Continuity Plan

Introduction

The Firm is committed to complying with FINRA Rule 4370 and the provisions outlined in the NASD Notice to Members 04-37 in order to provide procedures for business continuity. The following section outlines the Firm's procedures for complying with the provisions of these rules.

[NASD Notice to Members 04-27](#)

I. Emergency Contact Person

Our Firm's emergency contact persons are:

Andrew Kowalczyk, GSP
212-333-8634
Email: andrew@akcapital.com

Peter Melo
786-497-3333
Email: pete@akcapital.com

These names will be updated in the event of a material change within 30 days of the change, and our Executive Representative will review them within 17 business days of the end of each calendar year.

[FINRA Rule 1160 - Executive Representative; Rule 4370
Emergency Contact Information](#)

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 clearing firm.

B. Approval & Execution Authority

The following registered principal is responsible for approving the plan, for conducting the required annual review, and has the authority to execute this BCP, including the use of our communication tree:

Andrew Kowalczyk or Peter Melo

C. Plan Location & 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.

We maintain an electronic copy of our plan on our internal computer system. In addition, an electronic copy of our plan is maintained at MarcumBuchanan Associates LLC, with whom we maintain a Management Services Agreement.

III. Business Description

Our firm conducts the following lines of business:

BDR - Broker or Dealer retailing corporate equity securities over-the-counter

BDD - Broker or Dealer selling corporate equity securities

GSB - US Government securities broker

MSB - Municipal Securities Broker

NEX-non-exchange member arranging for transactions in listed securities by exchange member

TRA - Trading Securities for own account

PLA - Private Placement of Securities

OTH - Other

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. Our clearing firm maintains our customers' accounts, can grant customers access to them, and delivers funds and securities.

Our clearing firm is:

Pershing LLC
P.O. Box 2065
Jersey City, New Jersey 07303-2065
Attn: Porsha Vogt (201) 761-5217

IV. Office Locations:

Our firm maintains the following office locations:

445 Park Avenue, 9th Floor New York, NY 10022 (Main)

1330 Ocean Dr., 4th Fl., Miami Beach, FL. 33139 (Branch)

245 N. Ocean Blvd. Suite 208 Deerfield Beach, FL 33441(Branch)

We engage in all business lines and activities outlined above at this/these locations.

Our employees may travel to our office(s) by means of

Foot (NY&FL)
Subway (NY)
Train (NY)
Bus (NY)
Boat (NY)
Car (FL)

V. Alternate Physical Location of Employees

In the event of an SBD, we will move all personnel to one of our other locations that is unaffected. We will employ the use of home residences, home phone lines, cell phones, and e-mail access to communicate.

The primary alternative location will become the home addresses of our emergency contact persons, as outlined above and further detailed in our Communication Tree, Appendix A.

■ *FINRA Rule 4370c(6)*

VI. Customer Access to Funds & 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 Web site that customers may access their funds and securities by contacting appropriate personnel at our 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.

■ *FINRA Rule 4370(a) SEC RULE 15c3-1.*

VII. Data Backup & Recovery (Hard Copy & Electronic)

Our firm maintains its primary hard copy books and records and its electronic records at our main address, outlined in Section IV above.

Our registered principal outlined in Section II (B) of this plan is responsible for the maintenance of these books and records for the purposes of business continuity planning.

In addition, certain financial books and records are maintained in hard copy and in electronic format with MarcumBuchanan Associates LLC located at 750 Third Ave, New York, NY 10017.

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.

■ *FINRA Rule 4370(c)(1).*

VIII. Financial & Operational Assessment

A. Operational Risk:

As an introducing firm, our key activity records are maintained on mission critical systems provided by our clearing firm and/or third party vendors. We do not maintain internal, proprietary 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 counter-parties, and regulators. The effects of an SBD will determine the means of alternative communication which we employ.

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 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.

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.

As an introducing firm, our "mission critical systems" are external systems maintained by our clearing firm and other third parties. We do not maintain internal, proprietary "mission critical systems."

Our ability to ensure the prompt and accurate processing of securities transactions is dependant upon our access to our clearing firm's, and other third party systems. This access is obtained via high-speed Internet connections and phone communications.

The critical clearing firm and third-party systems that we must ensure access to:

- Bloomberg Toms (Trade Order Management System)
- Netexchange through Pershing

We have primary responsibility for establishing and maintaining our business relationships with our customers and have sole responsibility for our mission critical functions. Our clearing firm provides, through contract, the 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 is required to advise us of any material changes to its plan that might affect our ability to maintain our business. We have requested an executive summary of our clearing firm's, which is to be attached upon receipt. In the event our clearing firm executes its plan, it is required to 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 required to assist us in seeking services from an alternative source.

Our clearing firm required to back up our records at a remote site. Our clearing firm is required to operate 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 is required to confirm the effectiveness of its 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 clearing firm is required to outline SBD recovery time and resumption objectives in its plan.

A. Mission Critical Systems Provided by Our Firm

Order Taking

Currently, our firm receives orders from customers via phone, fax, and/or e-mail. 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, as they are determined based upon the circumstances surrounding the SBD and the resources available to us at that time. If necessary, we will advise our customers to place orders directly with our clearing firm.

Order Entry

Currently, our firm enters orders by recording them on paper and/or electronically and sending them to our clearing firm electronically or telephonically.

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.

Order Execution

Our firm does not perform order execution

B. Mission Critical Systems Provided By Our Clearing Firm

Our firm relies, by contract, on our clearing firm to provide, order comparison, order allocation, and the maintenance of customer accounts, delivery of funds and securities, and access to customer accounts.

■ *FINRA Rules 4370(c) & (f)(1).*

X. Alternate Communications Between Firm & Customers, Employees & Regulators

A. Customers

We now communicate with our customers via telephone, e-mail, fax, U.S. mail, and/or 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.

■ *FINRA Rule 4370(c)(4)*

B. Employees

We now communicate with our employees via telephone, e-mail, and/or 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 Communication Tree (attached as an Appendix to this document) so that senior management can reach all employees quickly during an SBD. The Communication Tree includes all staff home and office phone numbers, and personal e-mail address (if available). 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 Communication Tree is outlined in Section II (B) of this plan.

■ *FINRA Rule 4370(c)(5).*

C. Regulators

We are currently members of FINRA and certain state regulatory authorities. We communicate with our regulators using via telephone, e-mail, fax, U.S. mail, and/or 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. FINRA Contact: Ernesto Conte; One Liberty Plaza New York, NY 10017 (212)858-4126.

FINRA Rule 4370(c)(9).

XI. Critical Business Constituents, Banks & Counter-Parties

A. Business Constituents

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.

FINRA Rule 4370(c)(7).

B. Banks

Our banks and lenders will be relied upon to provide the financing that we will need in light of the internal or external SBD.

Our Proprietary Account of Introducing Brokers/Dealers (PAIB account) is held with our clearing firm.

If our banks and other lenders are unable to provide the financing, we will seek alternative financing immediately.

FINRA Rule 4370(c)(7).

C. Counterparties

Where the transactions involving critical counter-parties 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.

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

XII. Regulatory Reporting

Our firm is subject to regulation by the SEC, FINRA and by certain state regulatory authorities. 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.

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 immediately upon request. We also post the summary on our Web site at all times that a public website is available.

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 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. Summary Disclosure Statement is attached as Appendix B of this document.

FINRA Rule 4370(e).

XIV. Updates & 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.

FINRA Rule 4370(b)