

# **Puget Sound Capital Services, LLC**

## **Business Continuity Plan (BCP)**

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### **I. Emergency Contact Persons**

Our firm's emergency contact person is:

- William Chao, President, 206-420-3889, [bill@pscsea.com](mailto:bill@pscsea.com)

These names will be updated in the event of a material change, and our President will review them within 17 days of the end of each calendar quarter.

### **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 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.

#### **B. Approval and Execution Authority**

William Chao, President, is responsible for approving the plan and for conducting the required annual review. William Chao, President, 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 are located on two flash drive contained in an envelopes labeled “Puget Sound Capital Services BCP”. These envelopes are stored at 1314 6<sup>th</sup> Ave W, Seattle, WA 98119 (company office) and a safe deposit box at Wells Fargo Bank. The plan is also available on our website at [www.pscssea.com](http://www.pscssea.com).

### **III. Business Description**

Puget Sound Capital Services, LLC is a registered investment advisory firm that conducts business as an investment advisor with respect to investment of bond proceeds, general funds and special situations.

For clients, our services involve developing and implementing investment strategies. We do not manage client assets on a discretionary basis. We do not act as a broker and our firm does not hold client funds or securities.

### **IV. Office Locations**

Our Firm has one office, located at 1314 6<sup>th</sup> Ave W, Seattle, WA 98119, phone 206-285-0800.

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

In the event of an SBD, we will move our staff from affected offices to 500 Yale Ave N, Seattle, WA, 98109.

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

Our firm does not maintain custody of customers' funds or securities. All client assets are held at 3<sup>rd</sup> party investment providers (primarily money center and large international banks and financial institutions). All of these organizations maintain their own BCP and, in the event of an internal or external SBD, we will work with our clients to make them aware of the BCP and help them navigate the processes to access their funds and securities.

In the event the SIPC should determine that any investment provider under SIPC jurisdiction is unable to meet their obligations to customers, SIPC may seek to appoint a trustee to disburse the provider's assets to customers. We will assist SIPC and the trustee by providing our books and records identifying customer accounts subject to SIPC regulation.

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

Our firm maintains its primary hard copy books and records and its electronic records at Puget Sound Capital Services, LLC. William Chao is responsible for the maintenance of these books and records.

We generally scan original client documents and save them on a redundant cloud-based storage platform (currently Just Cloud). We maintain the records in both hardcopy and electronic format.

Our firm maintains electronic records of client information and backs up its data on a regular basis to avoid loss of important client data. We maintain our company financial records on financial software programs (iBank and Excel). We perform monthly backups of this data and keep a copy in cloud storage.

In the event of an internal or external SBD that causes the loss of our paper records, we will physically recover client records from the investment provider firms. 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, voice mail and email. In addition, we will retrieve 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 service our clients. We will contact our investment provider firm, clients, and critical banks to apprise them of our financial status. If we determine that we may be unable to meet our obligations to 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 our financial situation, we will file appropriate notices with our regulators and immediately take appropriate steps, including instructing our clients to contact their investment provider immediately and from that point forward.

## **IX. Mission Critical Systems**

Our firm's "mission critical systems" are those that ensure prompt and accurate access to client accounts and records and processing of securities transactions. These systems include the systems of our investment provider firms to provide custody services and processing 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 clients and have sole responsibility for our mission critical functions. We rely on our investment provider firms to provide account access, transaction services, clearance and settlement of securities transactions, the maintenance of customer accounts, access to customer accounts, and the delivery of funds and securities.

Our investment provider firms represent that they will advise us of any material changes to their business continuity plan that might affect our ability to maintain our business.

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

### **A. Customers**

We now communicate with our customers using the telephone, email, U.S. mail, and in person visits at 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 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.

### **B. Employees**

Since our firm has no employees other than William Chao, there is no need for an employee communication strategy.

### **C. Regulators**

We are currently registered as an investment advisory firm with the Washington State Department of Financial Institutions. We communicate with our regulators using the telephone, e-mail, 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**

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 suppliers are:

- Xfinity  
(800) 934-6489
- T-Mobile  
(800) 937-8997

### **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. The bank maintaining our operating account is: Wells Fargo Bank, 999 Third Ave, Seattle, WA 98104, (206) 292-3415.

### C. Counter-Parties

We have contacted our critical counter-parties, such as other bank, financial institutions 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 the investment provider 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 the SEC and the Washington State Department of Financial Institutions. We now file reports with our regulators electronically using fax, e-mail, and the Internet. In the event of an SBD, we will check with the SEC and the Washington State Department of Financial Institutions 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. The contact information for the Washington State Department of Financial Institutions is [IALicensing@dfi.wa.gov](mailto:IALicensing@dfi.wa.gov). In the event that we cannot contact our regulators, we will continue to file required reports using the communication means available to us.

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

We post our BCP on our website and we offer to provide it to our clients 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 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.

### **XV. Key Person Business Structure**

As a sole person limited liability company, William Chao is defined as Key Person. In the event of a Key Person Loss, M.L. Chao (relative, Email: [monikachao@comcast.net](mailto:monikachao@comcast.net)) will notify the Washington DFI Securities Division ([IALicensing@dfi.wa.gov](mailto:IALicensing@dfi.wa.gov)), update ADV-W and notify current clients. In the event of death or incapacitation of the Key Person, M.L. Chao (relative, Email: [monikachao@comcast.net](mailto:monikachao@comcast.net)) will notify the Washington DFI Securities Division, update ADV-W and notify current client

### **XVI. 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: William Chao

Title: President

Date: 1/2/2019