St. Bernard Financial Services, Inc.

Business Continuity Plan For 2021

12/31/2020

# Emergency Contact Persons

Our firm’s two emergency contact persons are: Robert Keenan, CEO, 479-967-1200, 479-264-2114, Robert.Keenan@stbernardfinancial.com, and Debra Wells, Director of Advisor Relations, 479-967-1200 or 479-970-5132, Debra.Wells@stbernardfinancial.com . These names will be updated in the event of a material change, and our Executive Representative will review them within 17 business days of the end of each quarter.

*Rule: FINRA Rule 3520.*

# 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. In this event we can communicate with our vendors and clients from telephones at another location. 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.

## Approval and Execution Authority

Robert Keenan, CEO, a registered principal, is responsible for approving the plan and for conducting the required annual review. Robert Keenan, CEO 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 Robert Keenan’s computer at work under My Documents – Business Continuity Plan and in the company’s Corporate Records.

# Business Description

Our firm conducts business in equity and fixed income securities, mutual funds, insurance, annuities, and fee based asset management. 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 equity and bond transactions are sent to our clearing firm, which executes our orders, compares them, allocates them, clears and settles them. Mutual funds, annuities, and insurance are transacted direct with the security vendors. Our clearing firm also maintains our customers’ accounts, can grant customers access to them, and delivers funds and securities. Our firm services only retail customers. We do not engage in any private placements nor market making.

 Our clearing firm is Hilltop Securities. There office is at 1201 Elm Street, Suite 3500, Dallas, TX 75270. The contact person is Clay Goodson and his number is 800-678-3792.

# Office Locations

St Bernard is headquartered in Russellville, AR. It has 43 registered branch offices in addition to 56 non-registered locations. Only the main office has mission critical systems.

## Office Location #1

Our main office is located at 1609 West Main St, Russellville, AR 72801. Its main telephone number is 479-967-1200. Our employees may travel to that office by means of foot or car. We engage in order taking and entry at this location.

## Office Location # 2

Our Location #2 Office is located at 130A North College Fayetteville, AR 72701. Its main telephone number is 479-444-9898. Our reps may travel to that office by means of foot or car. Only application way mutual fund and variable annuity business is conducted at this site.

 Office Location # 3

Our Location #3 Office is located at 8350 Double Springs Rd. Farmington, AR 72730. Its main telephone number is 479-267-5400. Our reps may travel to that office by means of foot or car. Only application way mutual fund and variable annuity business is conducted at this site.

 Office Location # 4

Our Location #4 Office is located at 1504 Caldwell St, Conway, AR. Its main telephone number is 501-327-1040. Our reps may travel to that office by means of foot or car. We engage in order taking and entry at this location.

 Office Location # 5

Our Location #5 Office is located at 425 West Capitol St. Suite 3010, Little Rock, AR Its main telephone number is 501-362-4316. Our reps may travel to that office by means of foot or car. We engage in order taking and entry at this location.

 Office Location #6

Our Location #6 Office is located at 425 West Walnut St. Rogers, AR. Its main telephone number is 479-633-8404. Our reps may travel to that office by means of foot or car. We engage in order taking and entry at this location.

 Office Location # 7

Our Location #7 Office is located at 168 South Broadview St. Greenbrier, AR 72058. Its main telephone number is 501-679-6388. Our reps may travel to that office by means of foot or car. We engage in order taking and entry at this location.

 Office Location #8

Our Location #8 Office is located at 114 So. 1st St. Suite 206 in Rogers, AR 72756. Its main telephone number is 479-276-1893. Our reps may travel to that office by means of foot or car. We engage in order taking and entry at this location.

 Office Location #9

Our Location #9 Office is located at 2722 E. Nettleton Ave. Jonesboro, AR 72401. Its main telephone number is 870-935-3777. Our reps may travel to that office by means of foot or car. We engage in order taking and entry at this location.

 Office Location #10

Our Location #10 Office is located at 3545 NW 58th St. Suite 715 Oklahoma City, OK. Its main telephone number is 405-947-4646. Our reps may travel to that office by means of foot or car. We engage in order taking and entry at this location.

Office Location #11

Our Location #11 Office is located at 300 West Jefferson Ave Suite C Jonesboro, AR 72401. Its main telephone number is 870-203-0748. Our reps may travel to that office by means of foot or car. We engage in order taking and entry at this location.

Office Location #12

## Our Location #12 Office is located at 206 So. 2nd St. Suite B Rogers, AR 72756. Its main telephone number is 479-418-9906. Our reps may travel to that office by means of foot or car. We engage in order taking and entry at this location.

Office Location #13

## Our Location #13 Office is located at 6218 So. Lewis Ave. Suite 103 Tulsa, OK 74136. Its main telephone number is 918-742-2565. Our reps may travel to that office by means of foot or car. We engage in order taking and entry at this location.

Office Location #14

## Our Location #15 Office is located at 200 So. Main Mountain Home, AR 72653. Its main telephone number is 870-425-0616. Our reps may travel to that office by means of foot or car. We engage in order taking and entry at this location.

Office Location #15

Our Location #16 Office is located at 3545 NW 58th St Suite 725. Oklahoma City, OK 73112. Its main telephone number is 405-947-8800. Our reps may travel to that office by means of foot or car. Only application way mutual fund and variable annuity business is conducted at this site.

## Office Location #16

Our Location #17 Office is located at 2601 Tower Dr. Monroe, LA. Its main telephone number is 405-947-8800. Our reps may travel to that office by means of foot or car. Only application way mutual fund and variable annuity business is conducted at this site.

Office Location #17

## Our Location #18 Office is located at 905 Mena St. Mena, AR. Its main telephone number is 479-234-0016. Our reps may travel to that office by means of foot or car. We engage in order taking and entry at this location.

## Office Location #18

Our Location # Office is located at 2522 East 71st. in Tulsa, OK. Its main telephone number is 918-671-3344. Our reps may travel to that office by means of foot or car. Only application way mutual fund and variable annuity business is conducted at this site.

## Office Location #19

Our Location #20 Office is located at 8000 I-10 West STE 920 in San Antonio, TX. Its main telephone number is 956-212-2304. Our reps may travel to that office by means of foot or car. Only application way mutual fund and variable annuity business is conducted at this site.

## Office Location #20

Our Location #21 Office is located at 1300 N Main St in Williamstown, KY. Its main telephone number is 859-380-3271. Our reps may travel to that office by means of foot or car. Only application way mutual fund and variable annuity business is conducted at this site.

## Office Location #21

Our Location #22 Office is located at 166 Elm St. West Field, MA. Its main telephone number is 413-568-8390. Our reps may travel to that office by means of foot or car. Only application way mutual fund and variable annuity business is conducted at this site.

## Office Location #22

Our Location #24 Office is located at 1000 Heritage Center, Round Rock, TX. Its main telephone number is 512-759-0400. Our reps may travel to that office by means of foot or car. Only application way mutual fund and variable annuity business is conducted at this site.

## Office Location #23

Our Location #25 Office is located at 1651 Louisville Ave. in Monroe, LA. Its main telephone number is 318-323-8436. Our reps may travel to that office by means of foot or car. Only application way mutual fund and variable annuity business is conducted at this site.

## Office Location #24

Our Location #26 Office is located at 15 So. Bois D’Arc in Farmington, AR. Its main telephone number is 479-267-2020. Our reps may travel to that office by means of foot or car. Only application way mutual fund and variable annuity business is conducted at this site.

## Other Office Locations

All other reps operate from their homes. Their phone numbers are listed in the rep database. Our reps may travel to that office by means of foot or car. We engage in order taking and entry at these locations.

# Alternative Physical Location(s) of Employees

In the event of an SBD, we will move our staff from affected offices to the closest of our unaffected office locations. If none of our other office locations is available to receive those staff, we will move them to the home of the CEO, Robert Keenan. Its main telephone number is 479-264-2114.

*Rule: FINRA Rule 3510(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, Hilltop Securities or the various mutual fund and annuity families. 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 Hilltop Securities at 800-678-3792 or by calling their mutual fund family number from their statements. 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 and the Arkansas Securities Department.

*Rules: FINRA Rule 3510(a);* Securities Exchange Act Rule 15c3-1;15 U.S.C. 78eee (2003).

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

Our firm maintains its primary hard copy books and records and its electronic records at 1609 West Main St. Russellville, AR. Robert Keenan, CEO 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: Client Profiles, Rep records, transaction blotters, and communication. All of these documents are stored electronically. The Client Profiles and Rep records also have paper copies.

Our firm maintains its back-up books and records at 1609 West Main St. Russellville, AR 72834 in a fireproof safe. These records are in electronic format. Robert Keenan, CEO is responsible for the maintenance of these back-up books and records. The firm backs up its electronic records twice weekly.

In the event of an internal or external SBD that causes the loss of our paper records, we will physically recover them from our vendors. 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 3510(c)(1).*

# Financial and Operational Assessments

## 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 our Website (StBernardFinancial.com), telephone voice mail,and cell phones. 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 3510(c)(3) & (f)(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 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 borrowing from family.

*Rules: FINRA Rules 3510(c)(3), (c)(8) & (f)(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. More specifically, these systems include: telephone lines with CenturyLink Communications and computer linked internet access with SuddenLink .

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 has 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 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*.*

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 24 hours; and resumption time of the same business day.

## Our Firm’s Mission Critical Systems

### Order Taking

Currently, our firm receives orders from customers via telephone or in personal 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 our Website or by telephone. If necessary, we will advise our customers to place orders directly with our clearing firm at 800-678-3792.

### Order Entry

 Currently, our firm enters orders by recording them electronically and sending them to our clearing firm electronically or telephonically. Alternatively*, w*e place customer orders through direct calling to Hilltop Securities*.*

In the event of an internal SBD, we will enter and send records to our clearing firm by the fastest alternative means available, which include e-mail, fax, and/or telephone. In the event of an external SBD, we will maintain the order in electronic 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

We currently execute orders electronically for equities and bonds and application direct for all other securities. In the event of an internal SBD, we would continue at our alternate location. In the event of an external SBD, we would communicate with Hilltop Securities direct.

## 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. They have backup systems in place to be able to perform these functions.

 C. Mission Critical Services Provided by Senior Management

In the event of incapacitation of Robert Keenan, our current CEO, Muni Principal, and FINOP there are adequate personnel to replace him. For sales supervision role, Sharon Dyer, CRD# 1456415 holds the appropriate Series 24 license and has 29 years experience.

*Rules: FINRA Rules 3510(c) & (f)(1).*

# Alternate Communications Between the Firm and Customers, Employees, and Regulators

A. Customers

We now communicate with our customers using the telephone, e-mail, our Web site, 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 3510(c)(4).*

 B. Employees

We now communicate with our employees 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. Our Website is available to facilitate communications with our employees.

*Rule: FINRA Rule 3510(c)(5).*

 C. Regulators

We are currently members of the FINRA*.* We communicate with our regulators using the telephone, 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 3510(c)(9).*

# Critical Business Constituents, Banks, and Counter-Parties

## 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: Hilltop Securities and the various mutual fund vendors listed on our vendor list.

*Rules: FINRA Rule 3510(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: Bank OZK 450 West Main Russellville, AR 479-498-2265 and the contact is Monica Rainey. The entity maintaining our Proprietary Account of Introducing Brokers/Dealers (PAIB account) is Hilltop Securities and the contact there is Clay Goodson at 800-678-3792

*Rules: FINRA Rule 3510(c)(7).*

## Counter-Parties

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.

*Rules: FINRA Rules 3510(a) &(c)(7).*

# Regulatory Reporting

Our firm is subject to regulation by: FINRA, SEC, Arkansas Securities Department, MSRB, and SIPC*.* 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, 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 3510(c)(8).*

# Disclosure of Business Continuity Plan

We provide in writing a BCP disclosure statement to customers at their request. Our disclosure statement is attached.

*Rule: FINRA Rule 3510(e).*

# 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, in January of each year, to modify it for any changes in our operations, structure, business, or location or those of our clearing firm.

*Rule: FINRA Rule 3510(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 3510(d).*

Signed: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Title: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_