

# **Lauer Financial LLC**

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

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

Two emergency contacts for Lauer Financial LLC (the “firm”) are:

- Daniel Lauer, 312-881-6472, [dan@lauer-financial.com](mailto:dan@lauer-financial.com) (Managing Member)
- Natasha Lauer, 312-881-6497, [natasha@lauer-financial.com](mailto:natasha@lauer-financial.com)

The firm will provide our broker-dealer (“BD”), Cambridge Investment Research, Inc., and corporate registered investment advisor (“CRIA”), Cambridge Investment Research Advisors, Inc. (collectively, “Cambridge”), with the contact information for the two emergency contact persons: (1) name, (2) title, (3) mailing address, (4) email address, (5) mobile telephone number, and (6) facsimile number for CIR’s use and for entry into the FINRA Contact System (FCS). The Managing Member will promptly notify CIR 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); FINRA Rule 4517.*

### **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 firms.

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

The Managing Member is responsible for approving the plan and for conducting the required annual review. The Managing Member has the authority to execute this BCP. In

the event that the Managing Member is unable to execute his duties as a result of the business interruption involved, the BCP may be executed by the next most senior Member of the firm who can be contacted after reasonably diligent efforts to make contact with Members in order of seniority.

### 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 is located in our eFileCabinet.com account, for which the passwords reside in firm's password management system.

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

## III. Business Description

Our firm conducts business in equity, fixed income, and derivative securities. Cambridge 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 the appropriate clearing firm, which executes our orders, compares them, allocates them, clears and settles them. Each of our clearing firms 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.

Our primary clearing firm is Fidelity Clearing & Custody Service and can be contacted via Cambridge FCCS Operations team at 866-866-5005. Secondary clearing firms include SEI Private Trust Co. (800-734-1003) and Capital Bank & Trust (d/b/a American Funds (800-421-0180). These are referenced herein as "our clearing firms."

## IV. Office Locations

### A. Office Location #1

Our Location #1 Office is located at 1742 W. Huron St., #1, Chicago, IL 60622. Its main telephone number is 312-880-7798. Our employees may travel to that office by foot, car, subway, train, or bus. We engage in order taking and entry at this location.

### B. Office Location #2

Our Location #2 Office is located at 444 W. Lake St., 17<sup>th</sup> Floor, Chicago, IL 60606. Its main telephone number is 312-880-7798. Our employees may travel to that office foot, car, subway, train, or bus. We can engage in order taking and entry at this location. However, we do not do so on a regular basis. This is a virtual/shared office location that we use as our primary mailing address and on our marketing materials. It would also be our primary backup location in the event that business could not be conducted at Office Location #1.

## **V. Alternative Physical Location(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). If none of our other office locations is available to receive those staff, we will take advantage of our cloud-based infrastructure to conduct business remotely until such time as an office can be restored or another location created.

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

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

Our firm does not maintain custody of customers' funds or securities, which are maintained at our clearing firms, primarily Fidelity Clearing & Custody Services ("FCCS"). 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 firms 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 us at 312-880-7798 x. 402. 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.*

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

Our firm maintains no hard copy books and records and its electronic records are stored via eFileCabinet.com. Copies of all securities related paperwork are available through Cambridge. Daniel Lauer, 312-881-6472, [dan@lauer-financial.com](mailto:dan@lauer-financial.com) has primary responsibility for the maintenance of these books and records. Our firm maintains no documents or forms that are not transmitted to our clearing firms.

The firm backs up its local electronic records daily via CrashplanPro. Primary responsibility for backup of other systems is as follows:

- CRM: Redtail Technology
- Email: Redtail Technology
- Electronic document management: eFileCabinet
- Account forms and documents: Cambridge

In the event of an internal or external SBD that causes the loss of our records, we will 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).*

## **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 our website, telephone voice mail, secure email, compliant texting, social media, 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)).*

### **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 firms, 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.

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

## **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. These systems are all maintained by Cambridge and custodian/clearing firms. These are all available remotely and have their own business continuity plans.

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. Each of our clearing firms 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.

Each of our clearing firms contracts provide that our clearing firms will maintain business continuity plans and the capacity to execute those plans. Each of our clearing firms represent that they will advise us of any material changes to their plans that might affect our ability to maintain our business. In the event one of our clearing firms 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 one of our clearing firms 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 firms represents that they will assist us in seeking services from an alternative source.

Each of our clearing firms represents that it backs up our records at a remote, out of region site. Each of our clearing firms 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. Each of our clearing firms 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.

The Managing Member will periodically review our clearing firms' capabilities to perform the mission critical functions each clearing firm has contracted to perform for our firm.

## A. Our Firm's Mission Critical Systems

### 1. **Order Taking**

Currently, our firm receives orders from customers via telephone, email, and 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 phone, email, text, our website, and social media. If necessary, we will advise our customers to place orders directly with our clearing firms at [investor.wealthscape.com](http://investor.wealthscape.com) (FCCS), [www.accessmyportfolio.com](http://www.accessmyportfolio.com) (SEI), or [www.americanfunds.com](http://www.americanfunds.com) (Capital Bank & Trust Co.).

## **2. Order Entry**

Currently, our firm enters orders electronically by sending them to our clearing firms electronically or telephonically.

In the event of an internal SBD, we will enter and send records to our clearing firms by the fastest means available, including, but not limited to, phone or email. In the event of an external SBD, we will maintain the order in electronic or paper format, and deliver the order to the clearing firms 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 firms for order entry.

## **3. Order Execution**

We currently execute orders by direct electronic entry with our custodians or forwarding them via phone or electronic entry to Cambridge for transmission to our custodians. In the event of an internal SBD, we would leverage our cloud-based infrastructure to continue this same process. In the event of an external SBD, we would make best efforts to ensure execution via these same processes, subject to factors beyond our control including, but not limited to, interference or failure of public and/or private communications networks.

## **4. Other Services Currently Provided to Customers**

In addition to those services listed above in this section, we also provide insurance services and financial planning advice. In the event of an SBD, internal or external, we would continue to provide these services using available communications systems including telephone, email, text, and social media.

### **B. Mission Critical Systems Provided by Our Clearing firms**

Our firm relies, by contract, on our clearing firms 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).*

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

### A. Customers

We now communicate with our customers using the telephone, email, our website, text, social media, U.S. mail and in-person visits at our firm 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).

### B. Employees

We now communicate with our employees using telephone, email, text, 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. 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: *[insert name]*

<b>Caller</b>	<b>Call Recipients</b>
<i>A – Dan Lauer</i>	<i>B, C</i>
<i>B – Natasha Lauer</i>	<i>D</i>
<i>C – Cambridge Management</i>	
<i>D – Cambridge Office Assistant</i>	

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

### C. Regulators

We are currently members of the following self-regulatory organizations (SROs), and are also regulated by FINRA, the SEC, and numerous State Insurance Commissioners. We communicate with our regulators using telephone, email, fax, U.S. mail, and, if necessary, 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 4370(c)(9).*

## **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.

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

### **B. Banks**

While we do not currently require bank financing, should we in the future, we will contact 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: Capital One Spark Business, PO Box 60, St. Cloud, MN 56302-0060, 844-88-SPARK.

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

### **C. Counter-Parties**

We do not at this time have counterparties, such as other broker-dealers or institutional customers. If we do in the future, we will contact them 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 firms or contact those counterparties directly to make alternative arrangements to complete those transactions as soon as possible.

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

## **XII. Regulatory Reporting**

Our firm is subject to regulation by the SEC, FINRA, and numerous State Insurance Commissioners. We now file reports with our regulators using paper copies in the U.S.

mail, and electronically using fax, email 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 4370(c)(8).*

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

Attached is our written BCP disclosure statement we provide customers at account opening or when updates to this BCP occur. We also post the disclosure statement on our website and provide it to customers upon request.

*Rule: FINRA Rule 4370(e).*

### **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 firms. In addition, our firm will review this BCP annually, on January 3, to modify it for any changes in our operations, structure, business or location or those of our clearing firms.

*Rule: FINRA Rule 4370(b).*

### **XV. 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: Managing Member, Lauer Financial LLC

Date: February 22, 2020

### **Lauer Financial LLC's Business Continuity Planning**

Lauer Financial LLC has developed a Business Continuity Plan on how we will respond to events that significantly disrupt our business. Since the timing and impact of disasters and disruptions is unpredictable, we will have to be flexible in responding to actual events as they occur. With that in mind, we are providing you with this information on our business continuity plan.

**Contacting Us** – If after a significant business disruption you cannot contact us as you usually do by phone (312-880-7798 x. 402), email ([info@lauer-financial.com](mailto:info@lauer-financial.com)), or text (312-500-8338), you should call 855-528-4064 or go to our website at [www.lauer-financial.com](http://www.lauer-financial.com). If you cannot access us through either of those means, you should contact our clearing firms:

- Fidelity Clearing & Custody Service (aka FCCS, Fidelity, or NFS) via Cambridge FCCS Operations team: 866-866-5005 or [investor.wealthscape.com](http://investor.wealthscape.com)
- SEI Private Trust Co.: 800-734-1003 or [www.accessmyportfolio.com](http://www.accessmyportfolio.com)
- Capital Bank & Trust Co.: 800-421-0180 or [www.americanfunds.com](http://www.americanfunds.com)

for instructions on how each clearing firm may provide prompt access to funds and securities, enter orders and process other trade-related, cash, and security transfer transactions.

**Our Business Continuity Plan** – We plan to quickly recover and resume business operations after a significant business disruption and respond by safeguarding our employees and property, making a financial and operational assessment, protecting the firm's books and records, and allowing our customers to transact business. In short, our business continuity plan is designed to permit our firm to resume operations as quickly as possible, given the scope and severity of the significant business disruption.

Our business continuity plan addresses: data backup and recovery; all mission critical systems; financial and operational assessments; alternative communications with customers, employees, and regulators; alternate physical location of employees; critical supplier, contractor, bank and counter-party impact; regulatory reporting; and assuring our customers prompt access to their funds and securities if we are unable to continue our business.

Our broker-dealer/corporate registered investment advisory, Cambridge, and our clearing firms (FCCS, SEI, and American Funds) back up our important records in a geographically separate areas. While every emergency situation poses unique problems based on external factors, such as time of day and the severity of the disruption, our clearing firms objective is to restore their own operations and be able to complete existing transactions and accept new transactions and payments as soon as possible. However, your orders and requests for funds and securities could be delayed during this period.

**Varying Disruptions** – 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 we are 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 and expect to recover and resume business within 24 hours. 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 within one week. In either situation, we plan to continue in business, transfer operations to our clearing firms if necessary, and notify you through our website ([www.lauer-financial.com](http://www.lauer-financial.com)) or our customer emergency number (312-217-0214) how to contact us. If the significant business disruption is so severe that it prevents us from remaining in business, we will assure our customer's prompt access to their funds and securities.

**For more information** – If you have questions about our business continuity planning, you can contact us at 312-880-7798 or [info@lauer-financial.com](mailto:info@lauer-financial.com).

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