

## **SagePoint Financial, Inc. Business Continuity Disclosure Statement**

SagePoint Financial, Inc. is providing you with this document to inform you of its ability to respond to certain business disruptions at your Registered Representative's local office or at the main office of SagePoint Financial, Inc. Advisors. Your Registered Representative is associated with SagePoint Financial, Inc. Advisors and, as a result, all transactions that you place through him or her are processed through SagePoint Financial's systems. SagePoint Financial Advisor's ability to respond to business disruptions is therefore important to your relationship with your Representative.

In general, SagePoint Financial maintains a business continuity plan and intends to continue business in the event of a significant business disruption. SagePoint Financial is an introducing broker/dealer and, as such, it relies on its correspondent-clearing firm to perform certain functions on its behalf, including the execution of securities transactions and the maintenance of customer funds and securities. Accordingly, SagePoint Financial's ability to respond to certain business disruptions is partially dependent on our clearing firm.

In the event of a significant business disruption at either the local or main office, SagePoint Financial may route calls to an office location in a separate geographic location and, if necessary, transfer operations to a facility maintained by a third-party vendor. Although SagePoint Financial intends to continue business in the event of a significant business disruption, there are some disruptions that may render SagePoint Financial or your Registered Representative unable to continue business. Under such circumstances, SagePoint Financial will ensure that clients will be able to access their funds and securities within a reasonable time.

To provide clients with up-to-date information during a significant business disruption to your Registered Representative's local office or the main office of SagePoint Financial clients may call SagePoint Financial's emergency telephone number at (866) 995-6498 or visit our emergency information Web page at [www.sagepointfinancial.com](http://www.sagepointfinancial.com).

### **I. SagePoint Financial's Response to Events of Varying Scope.**

The following sections describe specific events and SagePoint Financial's corresponding general response to those events. Clients, however, should note that these responses are subject to modification and, depending on the severity of a specific event, SagePoint Financial cannot guarantee that it will be able to follow the stated course of action. If these responses are modified, SagePoint Financial will post the updated disclosure statement on its Web site. In the alternative, you may request from your registered representative that SagePoint Financial send you, by mail, a copy of the updated disclosure statement.

Under the following scenarios, SagePoint Financial intends to continue its business:

#### A Disruption to a Single Building or Firm-Only Business Disruption

These disruptions may be caused by physical damage, technology problems, or an inability to have personnel arrive at an office. In the event that there is a significant business disruption to a single building or SagePoint Financial's internal primary systems, SagePoint Financial may, if necessary, transfer its operations or route incoming calls to another office in a separate geographic location. From this separate location, SagePoint Financial will accept client orders. In this process, clients may experience a minor delay in reaching SagePoint Financial due to increased client calls, technology delays, or other minor difficulties arising from the transfer of operations. SagePoint Financial expects that operations could be disrupted for up to one (1) hour. If SagePoint Financial's trading platform is affected, there may be a more significant delay. SagePoint Financial, however, will be able to place orders outside the trading platform.

#### A Business-District, City-Wide, or Regional Disruption

In the event that there is a significant business disruption that affects the business district, city, or region where any of SagePoint Financial's primary systems are located, SagePoint Financial may, if necessary, transfer its operations

or route incoming calls to another office in a separate geographic location office. In this process, clients may experience a minor delay in reaching SagePoint Financial due to increased client calls, technology delays, or other minor difficulties arising from the transfer of operations. If the disruption is significant, SagePoint Financial may transfer its operations to a third-party service provider. In addition, if our clearing firm is affected by the business-district, citywide, or regional disruption, clients may experience additional delays. Nevertheless, SagePoint Financial expects that operations could be disrupted for up to four (4) hours.

## **II. Our Clearing Firm may be contacted in Limited Situations.**

In the unlikely event that SagePoint Financial is unable to continue business, clients may directly contact Pershing, LLC (“Pershing”), our clearing firm, to process limited trade-related transactions, cash disbursements, and security transfers. Instructions to Pershing must be in writing and transmitted via facsimile or postal service as follows:

Pershing LLC  
P.O. Box 2065  
Jersey City, New Jersey 07303-2065  
Fax: (201) 413-5368

For additional information about how to request funds and securities when SagePoint Financial cannot be contacted due to a significant business interruption, please refer to the information below or call (201) 413-3635 for recorded instructions. If you cannot access the instructions from the previously noted telephone number, Pershing may be contacted at (213) 624-6100 extension 500 as an alternate telephone number for recorded instructions.

Through our clearing firm, you may process the following transactions:

### **A. Trades**

Pershing will process the following closing security trades: (1) Sale of security position held long in your account or (2) Purchase of a security to close-out a short security position. These orders will only be handled as market orders.

In order to place these specific orders, you must provide Pershing with the following information:

1. Your brokerage account number;
2. Your name (as registered on the brokerage account);
3. Security description, including symbol or CUSIP® number; and
4. Number of shares.

### **B. Cash Disbursements**

Pershing will process cash disbursements upon written instructions that must include the following information:

1. Your brokerage account number;
2. Your name (as registered on the brokerage account);
3. Exact amount to be disbursed;
4. Indicate method of disbursement (as follows) and provide the information indicated:
  - a) For a check, which is payable to account name only, indicate name and address of record check is to be mailed to;
  - b) For federal funds, please indicate receiving bank name, ABA number, and receiving bank account number. Please note that the receiving bank account name and brokerage account name must be identical unless we have a letter of authorization on file indicating alternate instructions.

### **C. Securities Transfers**

Pershing will process security transfer requests upon written instructions that must include the following

information:

1. Your brokerage account number;
2. Your name (as registered on the brokerage account);
3. Description of security (ies) to be transferred, including symbol(s) or CUSIP number(s);
4. Quantity to be transferred; and
5. Receiving account information for securities, as follows:
  - a) In order to transfer your account, to another brokerage account at Pershing, please provide receiving account number at Pershing (name and address on both accounts must be the same);
  - b) In order to transfer your account to another financial organization, please also provide the following information:
    - Name of the receiving financial organization;
    - DTC number (if the receiving financial organization is a registered broker-dealer);
    - Account number at the receiving financial organization.

### **III. Variable Product Holdings and Certain Mutual Fund Holdings.**

SagePoint Financial does not place its variable annuity transactions through its clearing firm; rather, transactions are placed directly through the variable annuity provider. Accordingly, in the unlikely event that SagePoint Financial is unable to continue business, clients may directly contact their variable annuity provider, as indicated on their periodic account statements, to process limited trade-related transactions. Certain mutual fund transactions also may not be placed through our clearing firm. If this is the case, in the unlikely event that SagePoint Financial is unable to continue business, clients may directly contact their mutual fund provider, as indicated on their periodic account statements, to process limited trade-related transactions. Please contact your representative to determine whether your mutual fund transactions are placed through our clearing firm or directly through a mutual fund provider.