

4250 Veterans Memorial Hwy., Suite 420E  
Holbrook, NY 11741  
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## **American Portfolios Financial Services, Inc. Business Continuity Disclosure Statement**

American Portfolios Financial Services Inc. (“APFS” or the “Firm”) 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 APFS. Your Registered Representative is associated with APFS and, as a result, all transactions that you place through him or her are processed through APFS’ systems. APFS’ ability to respond to business disruptions is therefore important to your relationship with your Representative.

In general, APFS maintains a business continuity plan and intends to continue business in the event of a significant business disruption. APFS conducts business direct with mutual fund companies, insurance companies and with a clearing firm as an introducing broker/dealer. As such, APFS relies on these companies to perform certain functions on its behalf, including the execution of securities transactions and the maintenance of customer funds and securities. Accordingly, the Firm’s ability to respond to certain business disruptions is partially dependent on our clearing firm, mutual fund and insurance company.

In the event of a significant business disruption at either the local or main office, APFS may route calls to an office location in a separate geographic location. Although APFS intends to continue business in the event of a significant business disruption, there are some disruptions that may render the Firm or your Registered Representative unable to continue business. Under such circumstances, APFS 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 APFS, clients may call the main office in Holbrook NY 631.439.4600 or the Firm’s emergency telephone number at 800.526.6634 or visit our emergency information Web page at [www.americanportfolios.com](http://www.americanportfolios.com) or if the site is disabled you may visit our BCP site at [www.americanportfolios.net](http://www.americanportfolios.net).

### **APFS Response to Events of Varying Scope**

The following sections describe specific events and APFS’ 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, APFS cannot guarantee that it will be able to follow the stated course of action. If these responses are modified, APFS will post the updated disclosure statement on its Web site. In the alternative, you may request from your registered representative that the Firm send you, by mail, a copy of the updated disclosure statement.

Under the following scenarios, APFS 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 the Firm’s internal primary systems, APFS may, if necessary, transfer its operations or route incoming calls to another office in a separate geographic location. From this separate location, APFS will accept client orders. In this process, clients may experience a minor delay in reaching the firm due to increased client calls, technology delays, or other minor difficulties arising from the transfer of operations. APFS expects that operations could be disrupted for up to one (1) hour. If APFS’ trading platform is affected, there may be a more significant delay. APFS, however, will be able to place orders outside the trading platform.

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**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 the Firm's primary systems are located, APFS 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 the firm due to increased client calls, technology delays, or other minor difficulties arising from the transfer of operations. If the disruption is significant, APFS may transfer its operations to a third-party service provider.

In addition, if our clearing firm is affected by the business-district, city-wide, or regional disruption, clients may experience additional delays. Nevertheless, APFS expects that operations could be disrupted for up to four (4) hours.

**Contact with Clearing Firm/Mutual Fund/Insurance Company**

In the unlikely event that APFS is unable to continue business, clients of our clearing firm may directly contact Pershing, LLC ("Pershing") our clearing firm, to process limited trade-related transactions, cash disbursements, and security transfers. If your investment account is held directly by a mutual fund company, insurance company, or other custodian, you may contact them directly.

**Pershing, LLC**

In the event APFS experiences a significant business disruption, Pershing may be contacted directly 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, NJ 07303-2065 Fax: 201.413.5368

For additional information about how to request funds and securities when APFS 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, ext. 500, as an alternate telephone number for recorded instructions.

**Mutual Fund/Insurance Companies**

In the event APFS experiences a significant business disruption, mutual fund companies, insurance companies, or other custodians may be contacted directly by referencing the telephone listed on your latest statement.

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## **Instructions to Follow:**

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 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

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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.

Through the mutual fund company, insurance company, or other custodian you may process the following:

Liquidations of investments and disbursements will require you to disclose:

- 1) Title of the account;
- 2) Investment description;
- 3) Account number and social security number;
- 4) Name of your registered representative.

Last Updated: May 5, 2011