



# BUSINESS CONTINUITY DISCLOSURE STATEMENT

## DISCLOSURE REQUIRED BY FINANCIAL INDUSTRY REGULATORY AUTHORITY (FINRA) 4370 American Portfolios Financial Services, Inc. American Portfolios Advisors, Inc.

This disclosure statement is intended for American Portfolios Financial Services, Inc. (APFS) and American Portfolios Advisors, Inc. (APA) to inform of its ability to respond to certain business disruptions at a registered representative's/investment advisor representative's (investment professional) local office or at the main office of American Portfolios (AP). The investment professional is associated with APFS and/or APA and, as a result, all transactions that are placed through him or her are processed through AP's systems. AP's ability to respond to business disruptions is, therefore, important to a client's relationship with their investment professional.

In general, AP maintains a business continuity plan and intends to continue business in the event of a significant business disruption. AP conducts business directly with mutual fund companies, insurance companies, various custodian's and with a clearing firm as an introducing broker/dealer. As such, AP 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, AP's ability to respond to certain business disruptions is partially dependent on its clearing firm, mutual fund, insurance companies and various custodians with which it has agreements.

In the event of a significant business disruption at either the local or main office, AP may route calls to an office in a separate geographic location. Although AP intends to continue business in the event of a significant business disruption, there are some disruptions that may render AP or the investment professional unable to continue business. Under such circumstances, AP 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 their investment professional's local office or the main office of AP, clients may call the headquarters in Holbrook, N.Y., at (631) 439-4600, or visit the website at [www.americanportfolios.com](http://www.americanportfolios.com).

### AP Response to Events of Varying Scope

The following sections describe specific events and AP'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, AP cannot guarantee that it will be able to follow the stated course of action. If these responses are modified, AP will post the updated disclosure statement on [www.americanportfolios.com](http://www.americanportfolios.com). In the alternative, clients may request from their investment professional that AP send mail a copy of the updated disclosure statement.

Under the following scenarios, AP 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 AP's internal primary systems, AP's suite of responses to such events include: use of a pre-established alternate business location, telecommunication systems, data networks and a distributed, mobile-ready workforce. Each of these solutions can be quickly activated as dictated by the given circumstances. AP will continue to accept client orders for AP/Pershing, LLC accounts. 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. AP expects that operations could be disrupted for a period of time. If AP's trading platform is affected, there may be a more significant delay. AP, however, will be able to place orders outside of the Pershing trading platform, if necessary.

- **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 AP's primary systems are located, AP may, if necessary, transfer its operations or route incoming calls to another office in a separate geographic location. 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, AP may transfer its operations to a third-party service provider.

In addition, if AP's clearing firm is affected by the business-district, city-wide or regional disruption, clients may experience additional delays. Nevertheless, AP expects that operations could be disrupted for a period of time.

### **Contact with Clearing Firm/Mutual Fund/Insurance Company/Other Custodians**

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

#### **Pershing, LLC**

As noted above, in the event AP experiences a significant business disruption, Pershing may be contacted directly to process limited trade-related transactions, cash disbursements and security transfers for those accountholders with an AP/Pershing account.

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

Depending upon the request, Pershing may request that instructions are sent 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

Please note that this fax number is for business interruption-related issues only and should not be used for any other purposes, such as change of address notices, account transfers and credit verification. Information received on this fax that is unrelated to business interruption issues will not be acted upon.

Through Pershing the following transactions may be processed:

1. **Trades**—Pershing will process the following closing security trades: (1) sale of security position held long in the 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:
  - a. Client brokerage account number
  - b. Client name (as registered on the brokerage account)
  - c. Security description, including symbol or CUSIP number
  - d. Number of shares



2. **Cash Disbursements**—Pershing will process cash disbursements upon receipt of signed, written instructions that must include the following information:
  - a. Client brokerage account number
  - b. Client name (as registered on the brokerage account)
  - c. Exact amount to be disbursed
  - d. Indicate method of disbursement (as follows) and provide the information indicated:
    - i. For a check, indicate name and address of record to which the check is to be mailed to
    - ii. For federal fund wire, 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 there is a letter of authorization on file indicating alternate instructions
3. **Securities Transfers**—Pershing will process security transfer requests upon written instructions that must include the following information:
  - a. Client brokerage account number
  - b. Client name (as registered on the brokerage account)
  - c. Description of security(ies) to be transferred, including symbol(s) or CUSIP number(s)
  - d. Quantity to be transferred
  - e. Receiving account information for securities, as follows:
    - i. In order to transfer an account to another brokerage account at Pershing, please provide receiving account number at Pershing (the name and address on both accounts must be the same)
    - ii. In order to transfer an account to another financial organization, please also provide the following information:
      1. Name of the receiving financial organization
      2. DTC number (if the receiving financial organization is a registered broker/dealer)
      3. Account number at the receiving financial organization

### **Mutual Fund/Insurance Companies**

In the event AP experiences a significant business disruption, accountholders who have accounts with mutual fund companies, insurance companies or other custodians may contact such companies directly by referencing the telephone number listed on their latest statement.

Through the mutual fund company, insurance company or other custodians, the following may be processed (liquidations of investment(s) and disbursements will require you to disclose):

1. Title of the account
2. Investment description
3. Account number and Social Security Number/Tax ID number
4. Name of investment professional