

# Matson Financial Advisors, Inc Business Continuity Plan

Updated 11/23/2020

## Emergency Contact Persons

Matson Financial Advisors, Inc. (MFA) primary emergency contact person is Michael J. Matson, President (office) 203-743-0131 x11, cell 203-948-7454 and home number 203-740-2391 (office e-mail) [michael@matsonfinancial.com](mailto:michael@matsonfinancial.com). Sue Slater is the secondary emergency contact. (office) 203-743-0131 x10, cell 203-770-8833 (office e-mail) [sue@matsonfinancial.com](mailto:sue@matsonfinancial.com). In the event that neither Michael Matson nor Sue Slater are available, Wayne Locke should be contacted, (office) 203-743-0131 x 16, cell 203-770-7360 (office e-mail) [wayne@matsonfinancialadvisors.com](mailto:wayne@matsonfinancialadvisors.com).

## Firm Policy

It is the goal of the firm to maintain MFA as a continuing business in the face of significant business disruptions. It is our policy to respond to a Significant Business Disruption (SBD) by first safeguarding employees' lives, securing mission critical systems, protecting the firm's books and records, making an operational assessment and quickly resuming operations to allow clients the ability to transact business and provide client services. In the event that we determine we are unable to temporarily continue our business, we will notify clients and advise them of alternative procedures to access their funds.

Michael Matson, Sue Slater and Wayne Locke will maintain a copy of this Business Continuity Plan (BCP). A copy of the plan will be maintained at <https://matsonfinancialadvisors.com/learn-more>.

(NOTE: PASSWORD = journey). Updating and maintaining this plan on the website is the responsibility of Ali Cutonilli.

## 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 or loss of power or access to internet services.

External SBDs are more serious in nature and affect wider physical areas or disrupt entire operational segments such as preventing the operation of the securities markets or the operation of a number of our vendor partners, a terrorist attack, and a city flood, or wide-scale, regional disruption. Our response to an external SBD relies principally on other emergency organizations and systems and on the capabilities of our business partners located in diverse geographic localities. In the event of a pandemic situation, we plan to mitigate exposure and spread of a virus in the workplace by practicing social distancing and/or working remotely as needed.

## Approval and Execution Authority

Michael Matson is responsible for approving BCP, executing the plan and for conducting an annual review. Should Michael Matson be unavailable, Sue Slater will make a situation assessment with the authority to execute the BCP. Should both Michael Matson and Sue Slater not be available, Wayne Locke will make a situation assessment with the authority to execute the BCP. In their absence the senior employees of MFA have the authority to execute.

## Plan Location and Access

MFA will maintain copies of the BCP, the annual reviews, and the changes that have been made to it for inspection. An electronic copy of our current BCP is available on the web <https://matsonfinancialadvisors.com/learn-more> PASSWORD = journey with current and prior BCP documents accessible on MFA server located at 4 Mountainview Terrace, Danbury, CT 06810 under file name "I: MFA Compliance Documents Current/Matson Financial Advisors Business Continuity Plan." Ali Cutonilli is responsible for maintenance of BCP on website.

## Business Description

MFA is a Registered Investment Advisor with the SEC providing financial planning and asset management advice. MFA does not hold custody of client funds. Sales of mutual funds and annuities are executed on an application way basis with all funds and account enrollment information sent directly to the Broker Dealer (Cetera Advisor Networks, LLC). All client account information and account balance information are maintained by the individual vendor companies at their respective and separate locations. Security for this client information and the attendant Business Continuity Procedures is the responsibility of the respective vendor company. Client account information is accessible by MFA by agreement with the vendor companies through separate/dedicated electronic access via internet, including mobile platforms or unique electronic connection. These files are maintained electronically via scan in our Laserfiche (electronic document scanning) and/or SmartOffice CRM system.

Our clients have independent access to their account investment information via the specific vendor website and telephone connection subject to secure access protocols of the vendor. Such access permits account verification, funds transfer and withdrawal processing by the client.

## Office Location

MFA home office location is 4 Mountainview Terrace, Suite 104, Danbury, CT 06810. All client information, client application processing and review, the firm's books and records and networked server are housed at this location. Our employees travel to this office by means of automobile. This office is located within 2 miles of a fire department facility and 3.08 miles of the Danbury Police Department.

## **Alternative Physical Location(s)**

In the event of an SBD, we will move our staff to the closest of our unaffected alternate office locations. The priority of these alternate locations is as follows:

1. 6 Sunset Hill Road, Brookfield, CT 06804
2. Each Associated Person's home residence

RingCentral as the telephone communication service allows for consistent access to key phone line connections for continuation of client service/inquiries. RingCentral relies mainly on the internet connection or cellular service to stay connected. Should there be a disruption in the RingCentral telephone service the North American support line can be reached by calling [1-888-898-4591](tel:1-888-898-4591), additionally we can reach out to Susan Butera of Network Synergy for assistance in getting systems back up and running at (203) 261-2201 ext. 3007, or via email [sbutera@netsynergy.com](mailto:sbutera@netsynergy.com). RingCentral identifies the caller as under the Matson Financial Advisors, Inc account. Mail service would be maintained with daily pick-up and transport to the alternate location. The U.S. Mail Danbury Postmaster can be reached at 203-796-1945.

Since access to client records through our vendors are now conveyed via secured password-protected protocols on the Internet, service connections with our vendors would be established through alternate portable personal computer links into the vendors' system databases. Auxiliary and/or peripheral equipment such as printers, computer screens, telephone communication sets, general office supplies and stationery would be moved to the alternate location or purchased locally. Virtual Private Network (VPN) access exists to the server which enables users to send and receive data across the shared encrypted network.

## **Clients' Access to Funds and Securities**

MFA does not maintain custody of clients' funds. All client investment data is the responsibility of our program vendors who are the custodian and record keeper of our clients' investments. Client statements on investment positions and account balance information are sent to the client monthly or quarterly by each respective vendor partner. Client access for purposes of investment re-allocation changes, fund withdrawal requests and minimum distribution arrangements are direct to the vendor through the U.S. Mail, telephone processing or website internet access.

Any SBD affecting MFA will not have any direct affect on this transaction communication procedure.

In the event of any SBD, immediate client notification as to the event and alternate communication arrangements will be posted to MFA website. Ali Cutonilli is responsible for posting this emergency message to the company's site. If Ali is unavailable, Michael Matson will perform these duties. The Firm's Emergency Communications Calling Tree, located in I: MFA Compliance

Documents – Current – MFA Business Continuity Plan, will be activated by Michael Matson. The contact information for website hosting company Twenty Over Ten is (855-360-1732). A “status” information message will be established on our recorded phone line message system detailing the nature of the event and directing clients to an alternate phone number or an alternate location, if necessary.

In the event of a serious, extended SBD, the aforementioned procedures will be supplemented with a newspaper announcement in the Danbury News-Times (203-744-5100).

### **Data Back-Up and Recovery**

MFA maintains its primary hard copy of our firm’s corporate books and records at our office location in Danbury. The same office site houses the firm’s electronic files contained in a secure area of the office building. Bob Leigh of Yucatech, Inc. (860) 302-8115 (help@yucatech.com) is responsible for the maintenance of the firm’s computer systems, servers, back-up systems and programming applications. Maintenance of electronic client files that are stored in Laserfiche is the responsibility of Deborah Cawley. Our firm maintains the following document types and forms.

1. Confidential Customer Account Form. Used for client suitability indicating income level, net worth, risk tolerance, investment objectives and employment information.
2. Client Investment Policy Statements used in the allocation of investment portfolios.
3. All incoming and outgoing email is retained through Smarsh (matsonfinancialadvisors.com domain) and Barracuda (matsonfinancial.com domain.)

MFA’s normal transaction processing is on a “check and application way” basis sent directly to the vendor sponsor. Therefore, original or images of original client applications, supporting beneficiary forms and investment elections are located at the respective offices of the specific vendor. Should a significant SBD occur resulting in partial or total destruction of our client records, duplicate copies of specific non-proprietary records can be obtained from our vendor partners.

In the event of an internal or external SBD that causes the loss of paper records, we may physically recover them from our business vendor partners. If our primary office site is inoperable, we will continue operations from our back-up site and retrieve files from our Barracuda back-up device or an alternate location. For the loss of electronic records, we will either physically recover the storage media or electronically recover data from our Barracuda back-up site with the guidance from Yucatech. If our primary site is inoperable the firm will continue operations from our back-up site or an alternate location.

## **Financial and Operational Assessment**

In the event of an SBD, Michael Matson will identify what means will permit the firm to communicate with our clients, employees, critical business constituents, banks, vendor suppliers, and regulators. Although the effects of an SBD will determine the means of alternative communication, the communications options we employ will include our website, the websites of affiliate organizations, telephone voice mail, secure e-mail, and if need requires, general public announcements through commercial radio stations WLAD (203-792-8080) and WRKI (203-775-9595) or WSHU (203-365-6604) or for a long duration, newspaper notices.

The capital funding of MFA is primarily through cash-like financial instruments with de-minimums reliance on the capital markets. Therefore, the risk associated with capital market fluxions which could impede the liquidity of the firm are considered remote.

## **Mission Critical Systems**

Management has sole responsibility for our mission critical functions for order processing, remittance processing, client service and internal control. Our business vendor partners provide the maintenance of customer accounts, access to customer accounts, and the distribution of funds. We have contacted our business vendor suppliers to require the existence of a BCP, the maintenance of such a plan and the capacity to execute that plan. Our business vendor partner firms represent that they will advise us of any material changes to their plan that might affect our ability to maintain our business. In the event any of our business vendor partner firms execute their BCP, they represent that they will notify us of such execution and provide us equal access to services and instructions as to alternate arrangements for business processing. Our vendor partner firm's represent that our records are encrypted and backed up at a remote site and represent that they operate a back-up operating facility in a geographically separate area with the capability to conduct the same volume of business as its primary site.

We have targeted a recovery-time objective of 48 hours as a goal, 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. Resumption recovery refers to the restoration of normal processing routines, schedules and communications after a wide-scale disruption.

## **SmartOffice CRM/Database System**

The SmartOffice System by Ebix is the firm's central internet-hosted CRM/database containing individual client profile, investment, and account suitability information. All system information and daily system transactions are backed up. Should a business disruption occur, loss of transactional information

would be kept to a minimum of the day's activity. We can reach technical support at SmartOffice by dialing 855-275-3249.

**Website:** <https://www.matsonfinancialadvisors.com>

In the event the web site is down, contact Michael Matson:

Email: [michael@matsonfinancial.com](mailto:michael@matsonfinancial.com) Phone: 203-743-0131 ext. 11 or 203-948-7454 (cell). If Michael is not available contact Sue Slater at: [sue@matsonfinancial.com](mailto:sue@matsonfinancial.com), 203 743-0131 ext. 10 or 203-770-8833 (cell). If neither is available, go directly to web host Twenty Over Ten, (855) 360-1732.

In the event of an emergency that will affect service to our clients, Ali Cutonilli will publish a message on our website.

## **Document Retention and Recovery Procedures**

### File Retention / Recovery:

The Firm has retained the services of an independent third party (Momentum – 833-585-7474 x 0) for the purpose of capturing the Firm's documents into an electronic format in Laserfiche. These records are retained indefinitely. Access to Laserfiche is enabled through the server and through a secure VPN if attempting to access remotely. IT Support is available Momentum by phone 833-585-7474 x 0 or email to Patrick McNickle [patrick@momentumecm.com](mailto:patrick@momentumecm.com).

### Electronic File Access / Retention / Recovery:

MFA utilizes an Ethernet network running on a Server with a Microsoft Server 2019 at the home office. This network supports file services for support staff, and supports our applications and databases that house the electronic form (Laserfiche) of our client information.

## **Alternate Communications with Staff, Clients and Regulators**

Communication with our staff is by telephone, cell phone, internet e-mail, and in person. In the event of an SBD, we will assess which means of communication is still available to us, and use the means closest in speed and form to the means that we have used in the past to communicate with the other party. We will also employ a call-tree notification system to reach all employees quickly during an SBD. The emergency call-tree communications include all staff telephone numbers (residence and cell). Michael Matson and Sue Slater are the individuals authorized to invoke the use of the emergency calling tree.

Communication with our clients is through telephone, our website, video conferencing, cell phone, fax, U.S. Mail, and in person visits at our firm'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.

We are currently members of the Financial Industry Regulatory Authority (FINRA) and the Securities Exchange Commission (SEC). We communicate with our regulators using the telephone, video conferencing, e-mail, fax and U.S. Mail.

### **Business Suppliers and Business Vendor Partners**

We have contacted our critical business suppliers to determine the extent to which we can continue our business relationship with them in light of any internal or external SBD. We will attempt to quickly establish alternative arrangements if a business constituent can no longer provide needed services to our firm because of an SBD to their business.

We have contacted our critical business vendor partners to determine if we will be able to carry out our transactions with them in light of any internal or external SBD. Where the transactions cannot be completed, we will work with our business vendor partners directly to make alternative arrangements to complete transactions as soon as possible.

### **Disclosure of Business Continuity Plan**

We disclose in writing a summary of our BCP to clients at account opening and offer annually in our required privacy mailing. We also post the BCP summary on our website. Our summary discloses the existence of back-up arrangements.

### **Updates and Annual Review**

MFA will update this plan and supplemental appendices whenever we have a material change to our operations, structure, business or location or to those of our vendor partners upon our receiving notification of such changes. In addition, Matson Financial Advisors will review this BCP annually, on or before October 31st of each year to modify it for any changes in our operations, structure, business or location or those of our vendor partners.

***I have approved this Business Continuity Plan as reasonably designed to enable our firm to meet its obligations to clients in the event of an SBD.***

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

  
Michael J. Matson

Title: President, Matson Financial Advisors, Inc

Date: November 23, 2020