

BUSINESS CONTINUITY AND DISASTER RECOVERY PLAN

FAF has developed this Business Continuity and Disaster Recovery Plan (the “Plan” or BCP) in order to provide guidance regarding the steps and actions that should be taken in the event of an unanticipated interruption of normal business operations. This document will outline the triggers for when alternate business processes need to be deployed, the steps to deploy the alternate business processes, the methods for verifying that business has been properly restored and ensuring data integrity and activities for returning to normal business processing. This Plan will help safeguard employees’ lives and firm property, allow a method of making financial and operational assessments, recover and resume business operations in a rapid and efficient manner, protect firm books and records, continue to allow our Clients to transact business at all times, and provide Clients with access to their funds and securities in the event the firm determines that it cannot continue to do business. All employees/independent contractors will receive a copy of this Plan as a part of the Compliance Procedures Manual and will sign an acknowledgement of receipt, review and understanding.

FIRST ASSET FINANCIAL INC. CHARACTERISTICS

First Asset Financial Inc. is a registered broker dealer with one “home” office in Kansas and other branch offices. The official home office is located in Kansas. The financial services business (brokerage) is a “personal business” with the Associated Person (AP) interfacing with clients, usually “face to face.” A disruption in any strategic location may cause cessation of services for a short time (estimated to be 48 hours) for resumption of services. Although the AP’s services to clients occur in Kansas or from other locations, the actual transactions occur with a “clearing broker dealer” (Hilltop Securities Inc. or HTS) located in Dallas, TX or at a “direct investment” home office (multiple locations). As the transactions in the customers’ accounts are pivotal in the delivery of advice, an outage of the services of either brokerage firm would, perhaps, be more disruptive than an outage at the Kansas or other offices. HTS has their own BCP and those protocols would be followed (<https://www.hilltopsecurities.com/disclosures/business-continuity-plan/>). Hilltop Securities Inc. will supply additional information at 866-SWS-5BCP (866-797-5227).

SIGNIFICANT BUSINESS DISRUPTIONS

FAF has written this Plan anticipating two kinds of significant business disruptions (“SBDs”): internal and external. Internal SBDs affect the firm’s ability to communicate and do business (i.e., a fire in the building). External SBDs prevent the operation of the securities markets or a number of firms. Examples of an external SBD include terrorist attacks, a city flood, or a wide-scale, regional disruption. Firm response to an external SBD relies more heavily on other organizations and systems, especially on the capabilities of any clearing firms or other custodians. The first step to responding to an SBD is to ensure the safety of employees and, if necessary, calling 911.

OFFICE RELOCATION OF THE “SUPER BRANCH OFFICE” LOCATION

If there is a temporary or permanent loss of FAF office location, operations will be moved to 2420 Melrose Lane, Salina, Kansas, where there is adequate room to provide the services and functions of FAF. A second option, in the case of a city-wide event, would be to move operations to 945 E. 8th St., Traverse City, Michigan, where there is experienced and qualified personnel able to assume the operational aspect of FAF.

MISSION CRITICAL SYSTEMS PROVIDED BY OUTSIDE CUSTODIAN(S)

FAF relies on HTS to provide order execution, order comparison, order allocation, and the maintenance of customer accounts, delivery of funds and securities, and access to customer accounts. HTS operations are critical to FAF's brokerage services as that is the location where transactions actually take place and securities are held. This Custodian is Hilltop Securities Inc. (HTS) which houses virtually all of FAF customer securities and funds. HTS, as a clearing broker dealer, have their own BCP plan and can be requested from FAF or found on the HTS website which can be found at: <https://www.hilltopsecurities.com/disclosures/business-continuity-plan/>

CUSTOMERS' ACCESS TO FUNDS AND SECURITIES

FAF does not maintain custody of Clients' funds and securities. Custody is maintained at HTS. In the event of an internal or external SBD, if telephone service is available, investment adviser representatives will manage accounts by calling orders in on the telephone to HTS rather than the “normal” electronic entry of orders for client accounts. If the “land line” of FAF is unavailable (785-825-5050) and cell phone service is available, it would be used to contact HTS. If firm Web access is unavailable at FAF's Kansas location, the Michigan location can be called at (231) 941-4447. Clients may also call HTS direct at (214) 859-1800 at their Dallas office to access their funds and securities. A lesser attractive alternative can be the home office of First Asset Financial Inc. in McDonough, GA at (770) 400-9800. Four alternative locations should prove helpful in the case of a disruption of business at the Kansas location and in the case of the death or unavailability of key personnel. In case of the death of the President, Robert Hamman, Tom Cosgrove of Traverse City, Michigan or James Webb, McDonough, GA, (both Series 24 Principals) will assume management of FAF.

ALTERNATE COMMUNICATIONS BETWEEN THE FIRM AND CUSTOMERS

Refer to the above section for specific instructions/number for telephonic communication alternatives in case of an SBD.

FAF now communicates with customers using the telephone, email, Website, fax, U.S. mail, and in person visits at our office locations. In the event of an SBD, the firm will access which means of communications are still available and use the means closest in speed and form (written or oral) to the means used in the past to communicate with Clients. For example, if the firm has communicated with a party by email but the Internet is unavailable, the firm will call them on the telephone and follow-up where a record is needed with a paper copy in the U.S. mail. The firm will continue to provide status communications until normal business hours can resume.

PROTECTION, BACKUP, AND RECOVERY OF BOOKS & RECORDS

Client securities records are held by HTS and subject to their BCPs. Records specifically related to FAF only are primarily in electronic format. Those electronic records (computer) are (1) backed up on premises continually by a “backup” hard drive and (2) are backed up off premise each night by a third party vendor called iDrive. In case of a SBD that destroyed the data at the home office location, iDrive would be able to supply the data up to the time of the SBD. Additional computer equipment would have to be purchased (which FAF has adequate funds to do) and the data from iDrive loaded onto a new hard drive. iDrive is one of the leading backup sources nationally and sustains an excellent reputation for providing backup services. Client files and financial files are also backed up at an alternate location with backup administered by Ram-Tech PC Solutions, LLC, Stockbridge, Georgia (678-999-2172).

On site computers employ the use of firewalls, passwords for each computer, malware prevention applications, virus protection (antivirus), passwords for the router/modem and the use of “hardwire” internet connection for office computers. All email containing personal identification information (PII) is to be emailed “encrypted.” Areas containing the computers and other PII are locked when personnel are not present.

PLAN REVIEW

The FAF compliance officer and sole firm manager is designated and responsible for administering the broker dealer policies and procedures. As such, he is required to review, at least annually, the adequacy and effectiveness of the policies and procedures established pursuant to regulations.