

## Canter Strategic Wealth Management Business Continuity Plan

### BUSINESS CONTINUITY PLAN CONTENT

Under SEC Rule 206(4)-7, the SEC requires advisers to create and maintain written terms for business continuity planning as part of overall supervisory systems.

#### *Business Description*

Canter Strategic Wealth Management ("CW") is a registered investment adviser in with the state of California. We provide investment advisory services to individuals and high net worth individuals partnering quality money managers and third-party providers that share our deep-seated desire to provide clients with the highest level of service possible. We do not directly hold customer funds or securities. All transaction are handled by our qualified Custodian, who executes, compares, allocates clears and settles our orders. Our Custodian also maintains our client's account and grants our clients clean access to those accounts.

#### *Firm Policy*

Canter Strategic Wealth Management has a policy in place to respond to a Significant Business Disruption (SBD). In the event of an SBD, our policy is to safeguard our employees' lives and Firm property, to conduct a rapid financial and operational assessment, to recover quickly and resume operations swiftly, to protect the Firm's books and records, and to allow CW's clients to transact business seamlessly. If it is determined the Firm is unable to continue its business, CW will assure clients prompt access to their funds and securities.

### BUSINESS CONTINUITY PLAN BACKGROUND

While it is recognized that it is not possible to create a plan to handle every possible eventuality; it is the intent of the Firm to establish a framework to be used in most likely of scenarios. It is also the intent that this framework provides guidance as to how to respond, should an unforeseen situation occur.

### APPROVAL & EXECUTION AUTHORITY

Andrew E. Canter, Principal of CW, is responsible for approving the Firm's Business Continuity Plan.

The below named Executive Representative is responsible for conducting the required annual plan review & update(s) and has the authority to execute the BCP.

### DISASTER RECOVERY EXECUTIVE REPRESENTATIVE COORDINATOR

The Firm has designated Bobby Gahvari, Managing Partner, CFP®, AIF® as the Firm's Disaster Recovery Executive Representative - Coordinator ("DRC"). In his absence, Andrew E. Canter, Principal of CW, will assume the Firm's DRC responsibilities.

The DRC has the responsibility to make an immediate preliminary assessment of the nature and extent of the disruption. They will do this by assessing (at a minimum) the following: electricity supply; condition of

computer network/phones; damage to the building; HVAC in extreme weather; and other hazards as deemed necessary to determine the overall impact of the SBD on the Firm’s ability to conduct its business activities.

If the DRC determines that personnel should evacuate the affected location(s), they must make an announcement to all personnel as appropriate procedures. The announcement may be provided via personal contact, e-mail, intercom and other methods as appropriate given the systems available and size of staff and building operations. This announcement should be short and concise, should calmly identify the situation and should provide instructions to employees on how to respond. This announcement should be repeated as often as necessary to avoid confusion and to ensure all employees are aware of the situation. After ensuring the physical safety of the Firm’s personnel, the DRC must initiate the implementation of the Firm’s BCP.

If the situation does not merit evacuation, steps should be taken to alert designated persons of necessary actions to facilitate ongoing operations in the face of limited disruption. In this case, the DRC will determine which, if any, procedures in this BCP should be implemented.

In the event the SBD has directly affected other areas of the building but has not directly impacted the Firm’s office locations, the DRC will contact building security or emergency personnel for instructions on how the Firm should respond and proceed accordingly.

**EMERGENCY CONTACT INFORMATION**

*Firm Emergency Contact Personnel*

|                        |  |                          |  |
|------------------------|--|--------------------------|--|
| <b>Primary Contact</b> | Andrew E. Canter   | <b>Secondary Contact</b> | Babak Gahvari  |
| Title                  | Principal  | Title                    | Managing Partner   |
| Address                | 7825 Fay Avenue<br>Suite 140<br>San Diego, CA 92037                  | Address                  | 7825 Fay Avenue<br>Suite 140<br>San Diego, CA 92037                      |
| Cell #                 | 858.220.3040   | Cell #                   | 310.709.1089   |
| Home #                 | N/A  | Home #                   | N/A  |
| E-mail                 | <a href="mailto:andrew@canterwealth.com">andrew@canterwealth.com</a> | E-mail                   | <a href="mailto:bgahvari@canterwealth.com">bgahvari@canterwealth.com</a> |

*External Emergency Support Services*

|                          |               |
|--------------------------|---------------|
| Emergency Services (EMS) | 858. 565.3490 |
| Fire Department          | 619.533.4300  |
| Police Department        | 858.484.3154  |

*Firm Primary Office Location*

(CW engages in client servicing, order taking and entry at the below location.)

|   |                              |
|---|------------------------------|
| Canter Strategic Wealth Management<br>7825 Fay Avenue – Suite 140<br>La Jolla, CA 92037 | 858.812.7550<br>858.454.2239 |
|---|------------------------------|

**SIGNIFICANT BUSINESS DISRUPTIONS (SBDs)**

CW’s plan anticipates two kinds of SBDs, internal and external. Internal SBDs affect only the Firm’s ability to communicate and do business, such as a fire in our building or the death of a key member of the Firm. External SBDs prevent the operation of the securities markets or apply to numerous firms, such as a terrorist attack, a city flood, or a wide-scale, regional disruption. Our response to an external SBD relies more heavily on other organizations and systems, such as the brokerage firm(s) we use.

Our BCP is tested periodically. Testing results are documented, along with any action required to be taken by the Firm based on the testing results (including any updates to the Firm’s BCP).

*Plan Location & Access*

CW will maintain copies of its BCP, annual reviews, and all changes that have been made to the plan. A physical copy of the BCP is maintained in the CCO's office. An electronic version of the BCP is stored as a PDF on the Firm's Box server (titled “Business Continuity Plan,” and saved within the “Compliance” sub-folder).

*BDC Alternative Physical Location(s) of Employees*

Below is the location at which business will be conducted in the event the primary office of the member Firm must be evacuated. CW will move the critical members of its staff from affected offices to the Firm’s closest unaffected office location.

|  |   |
|--|---|
| Primary Alternative Meeting Location   | 5623 La Jolla Boulevard<br>La Jolla, CA 92037<br>858.729.9943               |
| Secondary Alternative Meeting Location | 3914 Murphy Canyon Rd.<br>Suite A256<br>San Diego, CA 92123<br>619.930.9447 |

**CRITICAL BUSINESS CONSTITUENTS, BANKS & COUNTER-PARTIES**

CW has contacted its critical business constituents (businesses in which the Firm has an ongoing commercial relationship in support of its operating activities, such as vendors providing critical services), and determined the extent to which the Firm can continue its business relationship with these businesses in light of an internal or external SBD. The Firm will quickly establish alternative arrangements if a business constituent can no longer provide the needed goods or services as a result of the SBD.

*Critical Business Constituents, Banks & Counter-Parties*

| Type                   | Name                             | Address  | Telephone #           | Contact Name    |
|------------------------|----------------------------------|--|-----------------------|-----------------|
| Attorney               | In-House Counsel                 | 7825 Fay Ave<br>Suite 140<br>La Jolla, CA 92037                              | 619.546.0973          | Trisha Stone    |
| Auditor                | KornFeld & Levy, CPAs            | 2067 First Avenue<br>San Diego, CA 92101                                     | 619.563.8000, x<br>14 | -               |
| Bank                   | First Republic Bank              | 12626 High Bluff Drive, Suite 400<br>San Diego, CA 92130                     | 858.720.6971          | Katie Bloomberg |
| Compliance Support     | ACA                              | 140 E. 45 <sup>th</sup> Street, 29 <sup>th</sup> Floor<br>New York, NY 10017 | 540.543.2315          | Donna L. Cooper |
| Computer Provider (IT) | Crypto IT Solutions              | 6060 Nancy Ridge Drive, Suite 100<br>San Diego, CA 92121                     | 858.218.6318          | Tony Sanfilippo |
| Email Archiving        | SMARSH                           | 110 William Street<br>Suite 1804<br>New York, NY 10038                       | 866.SMARSH1           | -               |
| Insurance              | Starkweather & Shepley Insurance | 5309 Transportation Blvd<br>Cleveland, OH 44125                              | 781.234.0094          | Sarah Lund      |
| Landlord               | Cushman & Wakefield              | 3870 Murphy Canyon Road, Suite 150<br>San Diego, CA 92123                    | 858.625.5231          | Jackie Viavia   |

**CLIENTS' ACCESS TO FUNDS & SECURITIES**

CW does not maintain custody of client funds or securities. These are maintained at our Custodial brokerage firms. In the event of an internal or external SBD and if telephone service is available, our investment adviser representatives will take customer orders or instructions. They will then contact our Custodial brokerage firms on the client's behalf. If our Web access is available (<http://canterwealth.com>), our Firm will post on our website a notice that clients may access their funds and securities by contacting the Firm directly.

**DATA BACKUP & RECOVERY (HARD COPY & ELECTRONIC)**

*Hard Copy Records*

CW maintains its primary hard copy books and records and its electronic records at the following location:

*7825 Fay Ave, Suite 140  
La Jolla, CA 92037  
Telephone: (858) 812-7550*

The CCO is responsible for the maintenance of these books and records. The Firm maintains a backup copy of certain of its paper books and records in electronic format. Backup copies, in a non-rewritable format, are maintained either electronically or in the locked cabinet in wealth office.

The following document types and forms which are not transmitted to our brokerage firm: Investment Policy Statements, client contracts, and other related documents.

Crypto IT Solutions is responsible for coordinating the maintenance of these backup books and records. Since the Firm does not hold client funds and securities and client investments are maintained directly by the brokerage Custodian, an internal or external SBD affecting the Firm's offices should not pose a threat to client records or financial holdings. While the Firm may temporarily lose access to some or all its SEC required books and records in the event of an external SBD, or may permanently lose some or all such records in an internal SBD (such as a fire), the Firm believes its clients would not suffer as a result of this SBD.

### *Electronic Records*

The Firm backs up its electronic records daily via a secure, cloud-based enterprise content management system.

This system allows firm associates to access any kind of file from any location, online or off. In the event of a failure at one site, the system will be available on the backup site. This system is managed by Crypto IT Solutions. (*Please see "Critical Business Constituents, Banks & Counter-Parties" section for contact details*).

In the event of an internal or external SBD that causes the loss of the Firm's paper records, the Firm will attempt to physically recover the record from the cloud/ its backup site location. If the Firm's primary site is inoperable, it will continue operations from its backup site or an alternate location listed in this BCP.

If electronic records are lost, the Firm will either physically recover the storage media or electronically recover data from the cloud/ its backup site, or, if the Firm's primary site is inoperable, continue operations from the cloud/ its backup site or an alternate location.

## **MISSION CRITICAL, OPERATIONAL, FINANCIAL & CREDIT RISK ASSESSMENTS**

### *Mission Critical Assessment*

Our Firm's "mission critical systems" are those that ensure client communication, access to client accounts and trading systems. More specifically, these systems include CW's office computer systems.

We have primary responsibility for establishing and maintaining our business relationships with our clients. Our Custodian provides the execution, comparison, allocation, clearance and settlement of securities transactions, the maintenance of customer accounts, access to customer accounts, and the delivery of funds and securities.

Our Custodian firm contract provides that our Custodial brokerage firm will maintain a business continuity plan of its own and the capacity to execute that plan. Our Custodian represents that it backs up our records at a remote site, and represents that it operates a backup operating facility in a geographically separate area, with the capability to conduct the same volume of business as it does from its primary site. They have also confirmed the effectiveness of their backup arrangements to recover from a wide scale disruption by testing.

Recovery-time objectives provide concrete goals for which to plan and test. They are not, however, hard and fast deadlines that must be met in every emergency. Various external factors surrounding a disruption, such as time of day, the scope of disruption, and status of critical infrastructure—particularly telecommunications—can affect actual recovery times. Recovery refers to the restoration of clearing and settlement activities after a wide-scale disruption; resumption refers to the capacity to accept and process

new transactions and payments after a wide-scale disruption. Our Custodian has the following SBD recovery time objectives: recovery period of critical, core trading functions within minutes following a disruption.

### *Operational Risk Assessment*

In the event of an SBD, we will immediately identify what means will permit us to communicate with our clients, employees, critical business constituents, and regulators. Although the effects of an SBD will determine the means of alternative communication, the communications options we will employ will include our website, telephone voice mail, secure e-mail, etc. We will retrieve our key activity records as described in the section above, *Data Back-Up & Recovery (Hard Copy & Electronic)*.

### *Financial & Credit Risk Assessment*

In the event of an SBD, Andrew E. Canter, Principal, will determine the value and liquidity of its investments and other assets to evaluate the Firm's ability to continue to fund its operations and remain in regulatory compliance.

If the Firm determines that it may be unable to meet its obligations to counterparties or otherwise continue to fund its operations, the Firm will request additional financing from its bank or other credit sources to fulfill its obligations to its clients. If the Firm cannot remedy a capital deficiency, it will file appropriate notices with applicable regulators and immediately take appropriate steps, including the suspension of certain business activities, contact regulatory agencies as necessary, and in certain instances, undertake the temporary layoff of non-essential personnel.

In the event there is suspension or termination of the Firm's business, the Firm will attempt to notify clients regarding the situation and provide them with the following the necessary contact information to access their funds, securities, and investments. The Firm may provide this notification in various forms (i.e. Firm website, email, U.S. mail, telephone), which will be based on the circumstances permitted by regulatory authorities.

## MISSION CRITICAL SYSTEMS

### *Trading*

Currently, our Firm enters trades electronically and transmits them to our brokerage Firm electronically or telephonically. In the event of an internal SBD, we will enter and transmit records to our brokerage Firm by the fastest alternative means available. In the event of an external SBD, we will maintain orders in electronic or paper format, and deliver orders to our brokerage firm by the fastest means available, when it resumes operations. Also, during an internal SBD, we may refer our clients to deal directly with our brokerage firm for order entry.

### *Client Account Information*

We currently access client account information via our Custodial brokerage firm website. In the event of an internal SBD, we would access client information via fax correspondence, alternate phone systems, etc.

## ALTERNATE COMMUNICATIONS WITH CLIENTS, EMPLOYEES & REGULATORS

### *Clients*

We now communicate with our clients using the telephone, e-mail, our website, fax, U.S. mail, and by in person visits at our Firm and at other locations (as applicable). 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, to communicate with the other party. For example, if we have communicated with a party in the past via e-mail, but the Internet is unavailable, we will call them directly by telephone. We will follow up where a record is needed by the use of a paper copy sent to them, via the U.S. mail.

### *Employees*

We now communicate with our employees using the telephone, e-mail, and in person. 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 to communicate with the other party.

### *Regulators*

CW communicates with our regulators using the telephone, e-mail, fax, U.S. mail, and in person. 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 to communicate with the other party. If we cannot contact our regulators, we will continue to file required reports using the communication means available to us.

The following are filings that are not required, since the firm is not subject to certain filings now, but may be required in the future:

#### Schedule 13D, F & G Filings

If an investment adviser has investment discretion (i.e., the power to determine what securities to buy or sell) over \$100 million or more of individual equity securities, the investment adviser may be required to file quarterly reports with the SEC on Form 13F under the Securities Exchange Act of 1934. Also, if the adviser beneficially owns 5% or more of a class of a registered company's equity securities, it may be required to file a Schedule 13D or a Schedule 13G under the '34 Act. Further, an investment adviser's clients may be required to submit Schedule 13D or Schedule 13G as a result of the investment adviser purchasing securities holdings for that client's account.

The CCO is responsible for determining whether the Firm is required to make 13D, F and G filings, and, if the Firm is so required, for ensuring that such filings are timely made.

#### SEC Rule 13h-1 & Form 13H

On October 3, 2011, the U.S. Securities and Exchange Commission's ("SEC") new Rule 13h-1, under Section 13(h) of the Securities Exchange Act of 1934, became effective. The purpose of the new rule is to assist the SEC in identifying and obtaining trading information on market participants that are involved in a large amount of trading activity in the U.S. securities markets.

The new rule imposes new filing requirements on “Large Traders,” and new recordkeeping, reporting and monitoring requirements on broker-dealers. Rule 13h-1 defines Large Trader: as any person or entity, including investment advisers, that directly or indirectly exercises investment discretion over one or more accounts and effects transactions for the purchase or sale of any [exchange-listed] security for or on behalf of such accounts, by or through one or more registered broker-dealers, in an aggregate amount equal to or greater than either 2 million shares or \$20 million in a single day; or 20 million shares or \$200 million in a calendar month. There are a limited number of exceptions to the definition of Large Trader including trades related to gifts, distributions of estates, court-ordered transactions, exercises or assignments of options contracts, and the creation of ETFs.

Rule 13h-1 requires a Large Trader to identify itself to the SEC and make certain disclosures on Form 13H. The information requested by Form 13H includes basic identifying information, the name of the organization and any affiliates, an organization chart, a description of the nature of the firm’s business, a list of forms the business filed with the SEC, the names of each general partner and executive officers, directors or trustees, and a list of broker-dealers where the trader has an account. The Form 13H will be kept confidential by the SEC and will be exempt from Freedom of Information Act requests.

Upon receipt of the Form 13H, the SEC will assign the Large Trader an identification number known as an LTID. The Large Trader must provide its LTID to each registered broker-dealer effecting transactions on its behalf. The registered broker-dealer(s) are required to maintain records concerning the Large Trader’s trades.

Organizations that are required to file Form 13H have until December 1, 2011, to do so. If an organization has not recently placed any trades that would require it to register as a Large Trader, it can file a Form 13H now (before 12/1/11), or it can wait and file the Form 13H within ten days of qualifying as a Large Trader. After making an initial Form 13H filing, Large Traders must continue to file Form 13H annually. Further, if any information contained within the form becomes inaccurate or outdated, an amended filing must be made by the end of the calendar quarter. If an organization has filed a Form 13H, but during the previous calendar year did not place a trade that qualified as a large trade, it can make a filing to request “inactive” status and re-activate whenever necessary.

The CCO is responsible for determining whether the Firm is required to make a 13H filing, and, if the Firm is so required, for ensuring that such filings are timely made.

### *Regulatory Contact*

*U.S. Securities and Exchange Commission  
Office of Compliance Inspections and Examinations  
100 F Street, N.E.  
Washington, DC 20549-8549  
Telephone: (202) 551-5804*

### **DEATH OF KEY PERSONNEL**

The following personnel is identified as “Key Personnel” without which it would be difficult or impossible to continue operating the firm and properly service clients (day-to-day operations):



*Andrew E. Canter, Principal*

If some event made it impossible for the person listed above able to continue to service the firm, clients of the firm would, with little difficulty, be able to obtain similar services elsewhere. Their brokerage accounts would not depend on the well-being of the key personnel.

#### **EMPLOYEE TRAINING**

Employee training and preparation are crucial parts of maintaining our BCP. Key personnel is involved in developing both the BCP and its maintenance strategies. This preparation encompasses industry standards, along with specific training related to the Firm's business operations. Employees are expected to be able to answer the following questions, and be cross trained regularly:

- Who is the immediate contact for each division or unit?
- What events trigger implementation of all or parts of the BCP?
- Who is responsible for implementing the BCP for each division or unit and the organization as a whole?
- Who should employees contact in an emergency?
- Where should employees report if normal means of communication are unavailable?
- What actions should the adviser take if key persons become unavailable?

#### **CONTACT INFORMATION**

Should you have any questions or concerns about Canter Strategic Wealth Management's BCP, please be in touch with us directly as follows:

*Babak Gahvari*  
*7825 Fay Avenue, Suite 140*  
*La Jolla, California 92037*  
*Telephone: (858) 812-7550*  
*Fax: (858) 454-2239*  
[www.canterwealth.com](http://www.canterwealth.com)