

# BUSINESS CONTINUITY PLAN (BCP)

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## 1. EMERGENCY CONTACT PERSONS

CSCM's primary emergency contact persons are:

Name	Title or Relationship to Firm	Mailing Address	Phone Number	Email
John Stepp	Managing Director & CEO	4200 West 83 <sup>rd</sup> St., Ste 101 Prairie Village, KS 66208	(913) 485-8809	dstepp@centralstatescapital.com
Michael Horton	Branch Manager & Partner	245 N Waco, Ste 525 Wichita, KS 67202	(316) 259-4449	mhorton@centralstatescapital.com
Robert Young	Chairman & Partner	2600 Westown Pkwy, Ste 220 West Des Moines, IA 50266	(515) 375-2838	ryoung@centralstatescapital.com

These names will be updated in the event of a material change and our Executive Representative will review them within 17 business days of the end of each calendar year and any updates will be processed via the FINRA Contact System or such other means as FINRA or other regulatory bodies may require.

## 2. FIRM POLICY

The firm's policy is to respond to a Significant Business Disruption (SBD) by safeguarding employee's lives and firm property, make a financial and operational assessment, quickly recover and resume operations, protect all of the firm's books and records, and allow our customers to continue to transact business and provide the customers prompt access to their funds and securities. This policy will be provided to all employees as well as all registered and non-registered associates.

## 3. SIGNIFICANT BUSINESS DISRUPTIONS (SBDs)

The plan anticipates two kinds of SBDs: internal and external. Internal SBDs affect only the firm's ability to communicate and to do business. *(An example of this would be a fire in the building)*. External SBDs which prevent the operation of the securities markets or several firms. *(Examples of such would be a terrorist attack, flooding, pandemic, tornado, or wide-scale disruptions: regional or national)*. Our response to an external SBD relies heavily on other organizations and systems, especially on the capabilities of our clearing firm.

## 4. APPROVAL AND EXECUTION AUTHORITY

The Chief Executive Officer is responsible for approving the plan and for conducting the required annual review. John Stepp has the authority to execute this BCP on behalf of the firm.

## 5. PLAN LOCATION AND ACCESS

The firm will maintain copies of the BCP Plan and the annual reviews along with any modifications that have been made for inspection. A hardcopy of the BCP will be available in each of CSCM's offices. An electronic copy of the BCP will be located on CSCM's primary server located in its home office at 4200 West 83rd St. Suite 101, Prairie Village, KS 66208 and on the company website at [www.centralstatescapital.com](http://www.centralstatescapital.com).

## 6. BUSINESS DESCRIPTION

The firm will primarily conduct business in fixed income, municipal security underwriting, equities, institutional cash management, mutual funds, and investment advisory services. The firm is an introducing firm and does not perform any type of clearing function for itself or others. The firm accepts and enters orders on behalf of its clients. Most transactions are sent to its clearing firm (Hilltop) which executes, compares, allocates, clears, and settles our orders. CSCM's clearing firm also maintains its customer's accounts, can grant customers access to their account, and delivers funds and securities. The firm services retail and institutional customers.

Our clearing firm is Hilltop Securities, Inc. Contact information is listed below including CSCM direct point of contact:

**Hilltop Securities, Inc. 717  
N Harwood St., Suite 3400  
Dallas, TX 75201  
Phone: (214) 859-6645**

**Hilltop POC: Paige Herrick  
[Paige.herrick@hilltopsecurities.com](mailto:Paige.herrick@hilltopsecurities.com)  
(214) 859-6602**

In the event our primary point of contact cannot be reached, please call the main number for Hilltop at (214) 859-6645.

## 7. OFFICE LOCATIONS

### Office Location #1

The corporate headquarters which is also referred to as the "home office" is located at 4200 West 83<sup>rd</sup> St, Suite 101, Prairie Village, KS 66208. The main telephone number is (913) 766-6565 or (800) 851-6459. Our employees may travel to that office by means of foot, car, bus, or bicycle. We engage in order taking, order entry, and operational activities at this location.

### Office Location #2

A registered branch is located at 245 N Waco, Ste 525, Wichita, Kansas 67202. The main telephone number is (316) 265-9411 or (800) 444-9411. Our employees travel to that office by means of foot, car, bus, or bicycle. We engage in order taking and entry at this location.

### Office Location #3

A registered branch is located at 2600 Westown Parkway, Suite 220, West Des Moines, IA 50266. The main telephone number is (515) 375-2838. Our employees travel to that office by means of foot, car, bus, or bicycle. We engage in order taking and entry at this location.

## 8. ALTERNATIVE PHYSICAL LOCATIONS OF EMPLOYEES

In the event of an SBD, our first efforts will be to contact our staff of the affected office(s) from the closest of unaffected office location(s). Affected staff will work from alternate office locations based on the most appropriate location or will call upon the staff of unaffected offices to temporarily maintain business on behalf of affected office location(s). In certain circumstances, employees will have the ability to conduct a majority of their work from a remote location, whether it is their residence or alternative office location as set by the company.

## 9. ALTERNATE COMMUNICATION BETWEEN THE FIRM AND ITS CUSTOMERS, EMPLOYEES, AND REGULATORS

### a. Customers

We communicate with our customers using telephone, facsimile, email, U.S. mail, express delivery services, and in person visits at our firm or other locations. 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 by email but the internet is unavailable, we will call them on the telephone and follow up, where a record is needed, with paper copy via the U.S. mail.)*

### b. Employees

We now communicate with our employees using telephone, email, 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. We will also employ a call tree so that senior management can reach all employees quickly during an SBD. The call tree includes all staff

home, office, and cell phone numbers. We have identified persons, as noted below, who live near each other and may reach out to each other in person. The persons to invoke use of the call tree will be John Stepp and Laurie Addison. The call process will occur as follows:

<b>Call Tree Leader</b>	<b>Call Recipients</b>
<b>John Stepp</b>	Other call tree leaders are specified below; state & regulatory authorities
<b>Laurie Addison</b>	Operations staff (Kansas City & Wichita), the building manager, appropriate law enforcement, and fire department authorities.
<b>Jim Brownfield</b>	Trading Staff (Kansas City & Wichita)
<b>Dennis Wagner</b>	Kansas City fixed income & equity sales staff.
<b>Michael Horton</b>	Wichita branch staff; building management, appropriate law enforcement, and fire department authorities.
<b>Bob Young</b>	Des Moines branch staff; building management, appropriate law enforcement, and fire department authorities.

## **10. CUSTOMER'S ACCESS TO FUNDS AND SECURITIES**

The firm does not maintain custody of customers' funds and/or securities at its home office or any other location controlled by the firm. All customer funds and securities are maintained at our clearing firm, Hilltop Securities, Inc. (see page 2 for contact details).

In the event of an internal or external SBD, if telephone service is available, our Registered Representatives will take customer orders or instructions and contact our clearing firm on their behalf. If web access is available, the firm's website will include how customers may access their funds and securities instructing them to contact their Registered Representative directly or alternatively contacting our clearing firm through their website or 800-number, (also found on page two). The firm will make this information available to its customers by way of regular disclosure policy.

If SIPC determines that we are unable to meet our obligations to our customers or if our liabilities exceed our assets in violation of the Securities Exchange Act Rule 15c3-1, SIPC may seek to appoint a trustee to disburse our assets to customers. CSCM shall assist SIPC and the trustee by providing our books and records identifying customer accounts subject to SIPC regulation.

## **11. DATA BACK-UP AND RECOVERY (HARD COPY AND ELECTRONIC)**

The firm maintains its primary hard copy of books and records along with its electronic records at 4200 West 83rd St, Suite 101, Prairie Village, KS 66208. John Stepp, Michael Horton, and Bob Young, along with the operation and compliance staff, are responsible for the maintenance of these books and records in hard copy. Executive Management will be responsible for assigning responsibility of the day-to-day maintenance of all electronic data through its staff and potential outside service providers and vendors.

The firm maintains the following document types and forms that may not be transmitted to our clearing firm: new account forms, order tickets, trade error forms, proprietary financial data, and other documents that are vital to the recordkeeping purposes of the firm's business. Secondary copies of product sponsor applications are held at the product sponsor. Secondary copies of the new account forms in hard copy are kept by the firm's Registered Representative(s) in their respective branch offices. The firm will also maintain certain books and records at our OSJ offices located in Wichita and West Des Moines. They are also backed up electronically.

The firm backs up its books and records electronically offsite daily. Each branch backs up the other branch site to provide physical separation of electronic records.

In the event of an internal or external SBD that causes the loss of our paper records, we will physically recover them via our back-up contingencies. For the loss of electronic records, we will either physically recover the storage media or electronically recover data from our backup site. If our primary site is inoperable, we will continue operations from our contingent site or an alternate location.

CSCM's offices use an ethernet internet connection. The internet service provider maintains all necessary

updates. Contact information for the provider (s) is:

Office or Branch	Service Provider
Kansas City	United Private Networks 1828 Walnut Street Kansas City, MO 64108 (816) 903-9400
Des Moines	CenturyLink Des Moines St. Des Moines, IA 50309 (515) 650-9182
Wichita	Cox Communication 901 George Washington Blvd. Wichita, KS 67211 (316) 883-3982

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## 12. FINANCIAL AND OPERATIONAL ASSESSMENTS

In the event of an SBD, Executive Management will immediately identify those means to permit us to communicate with our clients, employees, critical business constituents, and regulators. Each office will maintain a call-tree in efforts to communicate with staff. Although the effects of an SBD will determine the means of alternative communication, the communications option the company will employ will include our website, telephone, voicemail, secure e-mail, and cell phones. In addition, we will retrieve our key activity records as described in the section above; Data Back-Up and Recovery (Hard Copy and Electronic).

Executive Management will determine the value and liquidity of our investments including other assets to evaluate our ability to continue to fund operations and remain in capital compliance. CSCM will contact its clearing firm and critical-point banks. Executive Management will assess the situation and take the appropriate steps necessary to continue operations and assure client access to funds.

## 13. MISSION CRITICAL SYSTEMS

Our firm's 'Mission Critical Systems' are those systems that ensure prompt and accurate processing of securities transactions. Including order taking, order entry, the maintenance of customer accounts, access to customer accounts, and the delivery of funds and securities. The primary systems for which CSCM deems as 'Mission Critical Systems' are: Clearing Firm and telephone.

We have primary responsibility for establishing and maintaining our business relationships with our customers and have sole responsibility for our mission critical functions of order taking and entry. Our clearing firm provides, through contract, maintenance of customer accounts, access to customer accounts, the execution, comparison, allocation, clearance, settlement, and delivery of securities transactions, and delivery of funds.

Our clearing firm contract provides that our clearing firm will maintain a business continuity plan and the capacity to execute that plan. Our clearing firm represents that it will advise us of any material changes to its plan that might affect our ability to maintain our business and has presented us with an executive summary of its plan, can be located at [www.hilltopsecurities.com/disclosures/business-continuity-plan/](http://www.hilltopsecurities.com/disclosures/business-continuity-plan/). In the event our clearing firm executes its BCP plan it will notify CSCM of such execution and provide us equal access to services as its other customers. If we reasonably determine that our clearing firm has not or cannot put its plan in place quickly enough to meet our needs or is otherwise unable to provide access to such services, our clearing firm represents that it will assist us in seeking services from an alternative source.

Our clearing firm represents that it backs up our records at a remote site. Our clearing firm has represented to us that it operates a backup operating facility in a geographically separate area with the capability to conduct the same volume of business as its primary site. Our clearing firm has also confirmed the effectiveness of its backup arrangements to recover from a wide scale disruption by testing and it has confirmed that it tests its backup arrangements on a very frequent periodic basis.

Recovery-time objectives provide concrete goals to plan for and test against. They are not, however, hard and fast deadlines that must be met in each 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. 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 clearing firm has the following SBD recovery time and resumption objectives: Recovery time period of [e.g., within 4 hours] and Resumption time of [e.g., within the same business day].

John Stepp or his designee(s) will periodically review our clearing firm's capabilities to perform the mission critical functions the clearing firm has contracted to perform for our firm.

**14. OUR FIRM'S MISSION CRITICAL SYSTEMS**

**a. Order Taking**

Our firm receives orders from customers via telephone, email, and in-person visits by the customer. During an SBD, either internal or external, we will continue to take orders through any of these methods that are available and reliable. In addition, as communications permit, we will inform our customers when communications become available to tell them what alternatives they have to send their orders to us. Customers will be informed of alternatives by use of personal cellular telephones by CSCM's associated persons. If necessary, we will advise our customers to place orders directly with our clearing firm as previously stated above.

**b. Order Entry**

Our firm enters orders by recording them on paper and then electronically entering them via our clearing firm's portal or contacting them via telephone. Our clearing firm states that under their BCP we can expect their services to be available within appropriate time frames of 1 to 4 hours depending upon the SBD. In the event of an internal SBD, CSCM will enter and send records to our clearing firm by the fastest alternative means available, which includes telephone and/or facsimile. In addition, during an internal SBD we may need to refer our customers to communicate directly with our clearing firm for order entry.

In the event of an external SBD, we will maintain the order in electronic or paper format and deliver the order to the clearing firm by fastest means available when it resumes operations.

**c. Mission Critical Systems Provided by Our Clearing Firm**

Our firm relies, by virtue of a contract, on our clearing firm to provide order execution, order comparison, order allocation, customer account maintenance, and/or access and delivery of funds and securities.

**15. CRITICAL BUSINESS CONSTITUENTS, BANKS, AND COUNTER-PARTIES**

Executive Management at CSCM has contacted our critical business constituents (businesses with which we have an ongoing commercial relationship in support of our operating activities; such as vendors providing us critical services) and determined the extent to which we can continue our business relationship with them. In event of an internal or external SBD, and a business constituent can no longer provide the needed goods or services when we need them because of a SBD to them or our firm, CSCM will quickly establish alternative arrangements. The company's major suppliers are:

Type of Service	Service Provider	Address	Phone Number
Email & Server Storage	Global Relay	220 Cambie Street Vancouver, BC	(866) 484-6630
Client Information	Hilltop Securities	1201 Elm St., Ste 3500 Dallas, TX 75270	(214) 859-1349
Telephone Network	AVID Communications	500 Southwest Blvd Kansas, MO 64108	(816) 994-7070
Banking	Security Bank	701 Minnesota Ave Kansas City, KS 66101	(913) 281-3165

**16. DISCLOSURE OF BUSINESS CONTINUITY PLAN**

CSCM shall make available to its customers a summary of the company's BCP disclosure statement to customers at the time of opening an account and has incorporated the summary into the New Account Form. The full BCP is posted on our website at [www.centralstatescapital.com](http://www.centralstatescapital.com). A customer may request a

hard copy or electronic copy of the entire BCP at any time. The summary of the BCP disclosure is as follows:

This Business Continuity Plan Summary Disclosure Statement provides a summary deal on CSCM's risk mitigation strategy in the event of interruption(s) to daily business operations. CSCM's plan is designed to respond to a Significant Business Disruption (SBD) by safeguarding employees' lives and firm property, making a financial and operational assessment, quickly recovering and resuming operations, protecting all of the firm's books and records, and allowing our customers to transact business. This is intended to comply with obligations pursuant to regulatory rules and requirements as promulgated by the Financial Industry Regulatory Authority (FINRA), particularly Rule 3510(e).

All mission critical systems are backed up and a copy is stored offsite. Mission-critical systems are defined by CSCM. In the event of an SBD, these backups will be obtained and restored as necessary.

Regardless of all the effort put forth on this vital concern, we acknowledge that no disaster recovery plan is perfect. The unpredictable nature of disasters precludes absolute preparedness for any plan. Certain situations may arise that affect outside entities upon which we rely for some service or collaboration. It is possible for circumstances to arise outside of what has been defined within this plan.

The plan is subject to modification. A version in its entirety can be obtained by requesting a full copy via email to your RR on file or via mail to:

**Central States Capital Markets, LLC**  
**Attn: Business Continuity Plan**  
**4200 West 83rd Street, Suite 101**  
**Prairie Village, KS 66208**

**17. REGULATORY NOTIFICATION**

Our firm is subject to regulation by the Securities & Exchange Commission (SEC), Financial Industry Regulatory Authority (FINRA) and the state of Kansas securities regulators. We file reports with our regulators using paper copies via U.S. mail, and electronically using fax, email and internet. In the event of an SBD, we will communicate with the SEC, FINRA and other regulators to determine which means of filing are still available to us and will use the means closest in speed and form (written or oral) to our previous filing method. In the event that we cannot contact our regulators, we will continue to file required reports using the best communication means available to us. Executive Management shall be responsible for notifying regulators of any address changes and/or material changes to its Business Continuity Plan. Furthermore, all Information will be communicated to the regulators in the event of an SBD.

The SEC's main phone line is (800) 732-0330. Contact information for state regulators may be obtained at <https://www.nasaa.org/contact-your-regulator/>.

**18. UPDATES AND ANNUAL REVIEW**

Designated persons at Central States Capital Markets shall be responsible to update this plan whenever there is a material change in our operations, structure, business, location, or those of our clearing firm. In addition, our firm will review this BCP annually, to modify it for any changes in our operations, structure, business, location, or those of our clearing firm.

**19. EXECUTIVE MANAGEMENT APPROVAL**

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

*Rule: FINRA Rule 4370(d).*

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

Title: \_\_\_\_\_

Date: \_\_\_\_\_