

## **PRUDENT INVESTORS NETWORK BUSINESS CONTINUITY PLAN**

### **I. Purpose and Advisor Policy**

Prudent Investors Network (“Advisor”) has adopted this Business Continuity Plan (“BCP”) pursuant to the Investment Advisers Act and the rules and guidance of the U.S. Securities and Exchange Commission (“SEC”).

The purpose of this BCP is to define the strategies and plans that will be used by Advisor during a significant business disruption (“SBD”). An SBD includes any event or situation that significantly impacts the Advisor’s ability to provide advisory services to its clients. The BCP outlines the Advisor’s procedures designed to ensure that critical business functions can continue during and after an SBD and that the Advisor can resume operations as quickly as possible after an SBD. The BCP is prepared to address both internal SBDs, such as a fire in Advisor’s building or the death of key personnel, and external SBDs, such as a natural disaster, terrorist attack, or citywide power disruption. It is also designed to address SBDs of different severities.

In the event of an SBD, it is Advisor’s policy to do the following to the extent reasonable and practical under the circumstances:

- Safeguard employee lives and firm property;
- Make a financial and operational assessment;
- Promptly recover and resume operations;
- Protect the firm’s books and records; and
- Communicate with its customers and allow them to transact business.

Although the firm does not maintain custody of customer assets, in the event of an SBD, Advisor will assist customers to access their assets at the custodians that have custody of the assets. In the case of an external SBD, Advisor’s ability to react will depend heavily on access to other organizations and systems, such as the availability of electricity, telephones, Internet and transportation.

In creating this BCP, the Advisor has assumed that the firm’s designated alternate office will be available, that Advisor has sufficient personnel, and that government agencies and market systems are operational during and after the SBD. If any of these assumptions are incorrect, the Advisor’s business could be disrupted until matters are resolved. No contingency plan can eliminate all risk of service interruption but Advisor will continue to assess and update its plans to mitigate all reasonable risks.

### **II. Plan Approval, Review, Location and Disbursement**

#### **Approval and Review of Plan**

The below chart reflects the dates of creation and review and necessary revisions to the BCP. The BCP will be reviewed annually to determine whether any modifications are necessary in light of changes to Advisor’s operations, structure, business or location or new regulatory requirements.

Ted Ong, Principle, is responsible for approving the plan. During each fiscal year, Elisa Williamson, Director of Operations, will review the Advisor’s BCP to determine whether any revisions are needed, and will revise the BCP if necessary to ensure it meets the firm’s needs and regulatory requirements. An

updated copy of the BCP will be distributed to all of Advisor's employees within 48 hours of any amendment.

Advisor will also test the Business Continuity Plan to identify any weaknesses and gaps at least annually. This may include testing of areas such as: accessing back-up records; hardware functions at the alternate business location; verification of current contact information and any designated duties for employees, clients and business partners; verification of vendors, service providers, software and equipment; and conforming the firm's business practices to the BCP and regulatory requirements.

<b>Effective Date</b>	<b>Description of Action</b>	<b>Name of Firm Employee</b>
May 1, 2018	Creation of BCP	Ted Ong
January 3, 2019	Annual Review of BCP	Elisa Williamson
December 3, 2020	Annual Review of BCP	Elisa Williamson

### **Plan Location and Access**

Advisor will maintain copies of its BCP, the annual reviews, and any revisions made to the plan. An electronic copy of Advisor's BCP is located on PIN Server in the Main Docs/Compliance/Business Continuity Plan folder.

All employees of Advisor will review the BCP upon beginning their employment. When the BCP is updated, all employees will review the revised plan. The Advisor will periodically train all its employees on the BCP's requirements.

### **III. Key Personnel and Succession Plan**

Advisor's key personnel and persons responsible for executing this BCP in the event of an SBD are: Jeremy Lau, President & CEO, [jeremy@prudentnetwork.com](mailto:jeremy@prudentnetwork.com); Ted Ong, Principal, [ted@prudentnetwork.com](mailto:ted@prudentnetwork.com); Elisa Williamson, Director of Operations [elisa@prudentnetwork.com](mailto:elisa@prudentnetwork.com); Jared Ong, Portfolio Analyst, [jared@prudentnetwork.com](mailto:jared@prudentnetwork.com).

In the event that Jeremy Lau and Ted Ong die or become incapacitated or otherwise unavailable, Elisa Williamson and Jared Ong are authorized to execute this BCP and carry on Advisor's business and/or wind down the business. Jared Ong has power of attorney to act on behalf of Advisor with third parties, including custodian institutions, banks and regulators.

Prudent Investors Network is an S Corporation with Jeremy Lau holding 100% of the outstanding shares. In the event of the death or unavailability of Jeremy Lau, it is desired that Ted Ong would find interested parties to acquire Prudent and if Ted is unavailable, then Jared Ong or Elisa Williamson have authority to act. In the event of the death of Jeremy Lau, clients and regulators will be notified by email and phone calls. Elisa Williamson will be responsible for updating the firm's Form ADV.

### **IV. Business Description**

Advisor is an SEC-registered advisor that transacts business in managed portfolios. Advisor provides analysis and advice on securities by making direct or indirect recommendations to clients or by providing research or opinions on securities or securities markets. Advisor is compensated for providing this analysis and advice. Advisor is also authorized to execute trades in customer's accounts on their behalf.

Advisor sends all public securities transactions to executing brokers, which process and settle its orders. Advisor does not act as a broker and does not hold client funds or securities.

#### **V. Office Location**

Advisor's primary office is located at 2598 Fortune Way, Ste G, Vista, CA 92081. The main telephone number is 760-597-9255. Advisor engages in portfolio management, client interactions, order entry, keeping of books and records, etc. at the primary office as well as at the satellite office at 999 Corporate Drive, Suite 255, Ladera Ranch, CA 92694.

#### **VI. Alternative Physical Locations of Employees**

In the event of an SBD, Advisor will move its staff from the affected office to work remotely from their homes or the other office. If Advisor cannot return to its primary office within a reasonable amount of time following the SBD, it will evaluate whether to permanently move to a new primary office location.

In the event of an SBD involving widespread lack of telecommunications, transportation, electricity, office space, fuel and water, Advisor will consider its employees' ability to work remotely during the SBD, as well as how employees may work in the absence of telephone and/or Internet access if necessary.

#### **VII. Customer Access to Funds and Securities**

Advisor does not hold customer funds or securities. Customer funds and securities are held with National Financial Services or TD Ameritrade and customers have access to those funds and securities independent of Advisor. The business continuity plan of NFS and TD Ameritrade are available in the Compliance files. In the event of an SBD, Advisor will continue to handle customer assets as it did before the SBD to the extent possible based on the availability of the NFS and/or TD Ameritrade platforms.

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

Advisor maintains its primary electronic records at 2598 Fortune Way, Ste. G, Vista, CA 92081. Ted Ong is responsible for the maintenance of these primary books and records. Prudent maintains its back-up records at its satellite office in digital form. Jared Ong is responsible for the maintenance of these back-up books and records.

#### **IX. Operational and Financial Assessments in the Event of an SBD**

##### **Operational Risk**

In the event of an SBD, Advisor will immediately assess and identify what means will permit it to communicate with customers, employees, regulators, any custodian institution(s) holding customer

funds and securities, and critical business constituents and counterparties. Alternative communication might include the use of the website, voice mail and email. In addition, Advisor will retrieve key activity records as described in Section VIII, above, Data Back-Up and Recovery.

### **Financial and Credit Risk**

In the event of an SBD, Advisor will determine if its financial ability to continue to operate and service its customers is compromised. If so, Advisor will contact the custodian firms, clients and critical banks to apprise them of its financial status.

### **X. Critical Systems**

Advisor's critical systems are those that: (i) allow Advisor prompt and accurate access to client accounts and records, (ii) allow Advisor to communicate investment advice and analysis to customers, and (iii) allow Advisor to receive and transmit orders from or on behalf of customers to NFS and TD Ameritrade for execution.

Advisor has primary responsibility for establishing and maintaining business relationships with customers and transmitting orders from or on behalf of customers to NFS and TD Ameritrade for execution. NFS and TD Ameritrade have responsibility to receive, execute, clear and settle orders from Advisor or its customers.

Advisor has received and reviewed a copy of the business continuity plan of NFS and TD Ameritrade. They have represented that they will advise Advisor of any material changes in their business continuity plan that might affect Advisor's ability to maintain their business.

### **XI. Critical Business Constituents, Banks and Counterparties**

Advisor has contacted its critical business constituents (businesses with which it has an ongoing commercial relationship in support of its operating activities, such as vendors and banks), and determined the extent to which Advisor can continue its business relationship with them in light of an SBD. Advisor will quickly establish alternative arrangements if a business constituent can no longer provide the needed goods or services when needed. Advisor's critical business constituents include: Advyzon, Bank of America, Wells Fargo, TD Ameritrade, National Financial Services, Ceros Financial Services.

Advisor requires its vendors to provide copies of their Business Continuity Plans (Advyzon, TD Ameritrade, National Financial Services, Ceros Financial Services ).

The bank maintaining Advisor's operating account is: Wells Fargo, 420 Montgomery St, San Francisco, CA 94104

### **XII. Communication of SBD to Other Parties**

In the event of an SBD, including the death or unavailability of key personnel, the persons executing this BCP will determine the persons who need to be notified about the SBD, including employees, customers,

regulators, custodians, and critical business constituents. The persons who need to be notified, and how, will vary with the circumstances of the SBD.

During an SBD, Advisor will ensure, to the extent possible, that its website reflects the firm's operational status and contact information. Advisor may place status messages on its website indicating to customers, for instance, the nature of the SBD or the status of its services to customers.

### **XIII. Alternative Communications Plans**

#### **Customers**

Advisor now communicates with customers using telephone, email, fax, U.S. mail and in-person visits. In the event of an SBD, Advisor will assess which means of communication are still available, and use the means closest in speed and form (written or oral) to the means that Advisor used in the past to communicate with the other party. For example, if Advisor has primarily communicated with a party by email, but the Internet is unavailable, Advisor will call the customer on the telephone and follow up where a record is needed with paper copy in the U.S. mail.

In the case of an expected SBD, such as a forecasted storm, Advisor will consider proactively contacting customers (for instance, by email blast) to determine whether they need to execute any transactions (e.g., fund transfer, wire instructions, closing out positions) in case of an extended outage.

#### **Employees**

Advisor now communicates with its employees using cell phone (including texting) and email. In the event of an SBD, Advisor will assess which means of communication are still available, and use the means closest in speed and form (written or oral) to the means that Advisor has used in the past to communicate with the other party.

#### **Regulators**

Advisor is currently registered as an investment advisory firm with the SEC. Advisor communicates with its regulators using telephone, email, website. In the event of an SBD, Advisor will assess which means of communication are still available, and use the means closest in speed and form (written or oral) to the means that Advisor has used in the past to communicate with the other party, including to make any necessary filings, disclosures, etc.

In the event that Advisor cannot contact its regulators, it will continue to file required reports to the extent possible using the communication means available to it. In the event of a formal or informal inquiry made by any federal or state regulatory agency during an SBD, Jared Ong will be responsible for receiving all calls and/or all other requests for further review.

#### **Custodians**

National Financial Services and TD Ameritrade currently hold the funds and/or securities of Advisor's customers. Advisor currently communicates with these institutions using telephone, email website and U.S. mail. In the event of an SBD, Advisor will assess which means of communication are still available,

and use the means closest in speed and form (written or oral) to the means that Advisor has used in the past to communicate with the custodians.

**XIV. Disclosure of Business Continuity Plan**

Customers will receive a copy of a BCP summary disclosure statement when they open their accounts with Advisor. A copy of the BCP summary disclosure is attached to the BCP. Advisor also posts its BCP on its website located at [www.prudentnetwork.com](http://www.prudentnetwork.com) and will email it to customers upon request.

## **BUSINESS CONTINUITY PLAN DISCLOSURE STATEMENT**

Prudent Investors Network (PIN) is committed to providing our clients with the highest level of service regarding the investments and assets they have entrusted to us. As part of this and pursuant to the Investment Advisers Act and the rules and guidance of the U.S. Securities and Exchange Commission, we have developed a Business Continuity Plan to define the strategies and plans that PIN will use during a significant business disruption. A significant business disruption could include such events as a fire in PIN's office, a natural disaster, terrorist attack, or citywide power disruption.

In such event, PIN will safeguard employee lives and firm property. We will work to re-establish the systems necessary to quickly recover and resume operations, protect records and allow customers to transact business to the extent reasonable and practical under the circumstances.

If you are not able to contact us through our regular telephone numbers (760-597-9255 or 800-455-1288), please check our website ([www.prudentnetwork.com](http://www.prudentnetwork.com)) where an alternate number will be posted. For questions relating directly to accessing your funds and securities, please contact TD Ameritrade at 888-613-2401 or Ceros (if your account is still held at National Financial Services) at 866-842-3356.

In the event of a flu pandemic or other form of viral outbreak, Prudent may provide employees with electronic access to work from their homes and/or assess ways to make the office facilities more biohazard resistant.

In a disruption to only our Vista Office, we intend to transfer our operations to our Ladera Ranch site and expect to recover and resume most operations within a 24-hour time period. However, our ability to fully function is dependent on sources outside of our control, including the availability of electricity, telephones, Internet, transportation, and the functioning of institutions and markets worldwide. Nothing in PIN's Business Continuity Plan or this disclosure statement is intended to provide a guarantee or warranty regarding the actions or performance of PIN.

If you have questions about our business continuity planning, please contact us at 760-597-9255.