



## **Business Continuity Plan**

This business continuity plan is intended to form a basis for dealing with the occurrence of an event that causes, or has the potential to cause, significant disruption to the normal operations of Talis Advisory Services, LLC.

### **Emergency Contact Persons**

Robert J. Lamse  
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These names will be updated in the event of a material change and will be reviewed quarterly.

### **Firm Policy**

The firm's policy is to respond to a Significant Business Disruption (SBD) by safeguarding employee's lives and firm property, making financial and operational assessment, quickly recovering and resuming operations, protecting all of the firm's books and records from destruction, and allowing our clients to transact business. In the event that we determine that we are unable to continue our business, we will take reasonable steps to assure clients prompt access to their funds and securities.

### **Significant Business Disruptions (SBDs)**

Our plan anticipates two types of SBDs, internal and external. Internal SBDs affect only the firm's ability to communicate and transact business, such as a fire in our building. External SBDs prevent the operation of the securities markets or a number of firms, such as a terrorist attack, flood, or wide scale regional disruption. The response of the firm to an external SBD relies more heavily on other organizations and their systems, particularly on the capabilities of the firm's custodians, bank, and the operational facilities of mutual fund organizations in which the firm's clients have invested.

In the event of a disruption to our office, the firm will shift operations to the homes of the firm's personnel. All personnel have telephones, computers, and internet connections that will allow the firm to continue to operate. Our firm's customer relationship management (CRM) and practice management systems, email, custodial platforms and website management can be accessed remotely and are all hosted on servers in data centers that are remote from our office and on separate power grids. Our voice mail system is remotely accessible, but resides in our office building and depends on a connection to the local telephone exchange and power grid.

In the event of a wide scale regional disruption, the firm will choose a new site that is outside the affected area and conduct limited operations from that site. In all but national level disruptions, we expect clients to continue to be able to access their accounts via the websites and telephone systems maintained by our custodians.

### **Approval and Execution Authority**

Jeffrey B. Everett, Vice President and Chief Compliance Officer, is responsible for approving the plan and for conducting the required annual review. Mr. Everett has the authority to execute the plan, as does Robert J. Lamse, President. Mr. Lamse and/or Mr. Everett will periodically test the firm's backup systems and evaluate the operation of the plan in conditions designed to simulate an SBD or other natural or human emergency.

We typically experience one or more relatively minor SBDs each year (short duration failures of power, telephone access, Internet access, snow/ice that prevents employees from getting to the office for 1-2 days, etc.) that provide opportunities to test the plan and revise it to address any shortcomings.

### **Plan Location and Access**

The firm will maintain copies of the plan and a copy of the plan will be made available on the firm's public website.

### **Business Description**

The firm conducts business as an investment advisory firm and advises approximately 200 client families. The firm does not perform any type of clearing function or provide custody of client accounts. The firm's custodians, TD Ameritrade Institutional and Charles Schwab Institutional, provide client account access through their respective websites. Clients may trade securities, withdraw funds, or transfer securities or funds by providing instructions directly to the custodian via the Internet or over the telephone.

### **Office Locations**

The firm's only office is located at 6205 Chapel Hill Blvd., Suite 400, Plano, Texas. The main phone number is 972-378-1795. Employees travel to this office location by car.

### **Alternative Physical Locations of Employees**

In the event of an internal SBD, employees will operate from their homes. All of the employees that would be affected by an internal SBD have homes located near the firm's office.

### **Client Access to Funds and Securities**

The firm does not maintain custody of client funds or securities. Client funds and securities are held by qualified custodians. Clients are provided with contact information for the custodian and have internet access to their accounts.

### **Data Backup and Recovery**

The firm maintains its primary hard copy books and records at its office location (see above). The firm's electronic records are stored in a geographically diverse Class A data centers maintained by the provider of the firm's CRM system or on the firm's computers. The critical files on the firm's computers are backed up daily to a secure data center. Recovery of files can only be accomplished by use of the firm's private key and data is encrypted using 128-bit SSL encryption during the transmission process and 448-bit Blowfish encryption for backup files. A second copy of critical records is updated monthly and stored on optical media that is held in a bank safe deposit box.

### **Financial and Operational Assessments**

In the event of an SBD, we will immediately identify what means will permit us to communicate with our clients, employees, custodians, bank, and regulators. Although the effects of an SBD will determine the means of alternative communication, the communication options we will employ will include the talisadvisors.com website, telephone, and email. We do not foresee any financial or credit risk to the firm in the event of an SBD.

### **Mission Critical Systems**

We have primary responsibility for establishing and maintaining our business relationships with our clients and have sole responsibility for our mission critical functions. The firm enters orders via custodian websites and by telephone. In the event of an SBD, regional utilities such as power, land-based telephone, cellular telephone, and Internet services may become unavailable for an unknown period of time. In the case of a local or regional SBD, one or more of the firm's key employees will relocate to an area that is not affected in order to continue to transact business on a limited scale.

### **Alternate Communications**

#### **A. Clients**

We currently communicate with clients using the telephone, email, US mail, fax, overnight delivery services such as Federal Express, and in person visits at our office location or at 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 previously used to communicate with other parties. Client contact information is maintained in a secure data center maintained by the provider of the firm's CRM system.

## **B. Employees**

We currently communicate with our employees using the telephone, email, US mail, fax, overnight delivery services such as Federal Express, and in person at our office location or at 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 previously used to communicate with other parties. We have compiled a list of our staff addresses, phone numbers, and email addresses and stored them in our CRM system.

## **C. Regulators**

The firm is regulated by the United States Securities and Exchange Commission (SEC). We currently communicate with regulators using the telephone, email, US mail, fax, overnight delivery services such as Federal Express, in person visits at our office location or at other locations and via the FINRA firm gateway website. 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 previously used to communicate with other parties.

## **Critical Business Constituents, Banks, and Counter-Parties**

In the event of a SBD, we will contact our critical business constituents (businesses with which we have an ongoing commercial relationship in support of our operating activities, such as vendors providing critical services), and determine the extent to which we can continue our business relationship with them in light of the internal or external SBD. We will quickly establish alternative arrangements if a business constituent can no longer provide the needed services due to a SBD to the constituent or our firm. The firm's major business constituents are its custodians, TD Ameritrade Institutional and Charles Schwab Institutional. As of the date of this plan, we do not anticipate the need for financing. The bank maintaining our operating account is Independent Bank, Highland Village, Texas.

## **Regulatory Reporting**

The firm is subject to regulation by the Securities and Exchange Commission (SEC) and the State of Texas. We file required reports electronically, via the FINRA firm gateway website. In the event of a SBD, we will contact the SEC, the State of Texas, and FINRA to determine which means of filing are still available to us and use the means closest in speed and form to our previous filing method. In the event that we are unable to contact our regulators, we will continue to file the required documents using the communications means available to us.

## **Disclosure of Business Continuity Plan**

We disclose in writing our BCP to clients upon request and post the BCP on the talisadvisors.com website.

### **Updates and Annual Review**

The firm will update this plan whenever there is a material change to our operational procedures, structure, business, or location, or to our custodians or bank. In addition, the firm will review the BCP annually to determine if it is necessary to revise the plan.

### **Reliance on Third Party Providers**

The firm relies on TD Ameritrade Institutional and Charles Schwab Institutional as the firm's custodians. The disaster recovery plan for both TD Ameritrade Institutional and Charles Schwab Institutional are incorporated into this plan to the extent that both plans impact the firm's operations. The firm periodically reviews these plans.

### **Senior Manager Approval**

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

Version 1.3

Date adopted: April 16, 2015

Jeffrey B. Everett, Vice President