**National Alliance Securities, LLC**

**Business Continuity Plan**

**March 2015 Update**

# Emergency Contact Persons

Our firm’s two emergency contact persons are: Mark Salter at 512-609-1720 or msalt@bloomberg.net **You must enter a email addrYou must enter a phone number**and Brad Phillips at 469-522-4309**You must enter a phone number** or Brad.Phillips@libertybankerslife.com.

**You must enter a email address**  **Invalid Format - Use xxx-xxx-xxxx**

The firm will provide FINRA with the contact information for the two emergency contact persons: (1) name; (2) title; (3) mailing address; (4) email address; (5) telephone number; and (6) facsimile number through the FINRA Contact System (FCS). Mark Salter or his designee will promptly notify FINRA of any change in this information through FCS (but no later than 30 days following the change) and will review, and if necessary update, this information within 17 business days after the end of each calendar year.

# Firm Policy

Our firm’s policy is 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. In the event that we determine we are unable to continue our business, we will assure customers prompt access to their funds and securities.

## Significant Business Disruptions (SBDs)

Our plan anticipates two kinds of SBDs, internal and external. Internal SBDs affect only our firm’s ability to communicate and do 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, a city flood, or a wide-scale, regional disruption. Our response to an external SBD relies more heavily on other organizations and systems, especially on the capabilities of our clearing firm.

## Approval and Execution Authority

Mark Salter, CEO, a registered principal, is responsible for approving the plan and for conducting the required annual review. Brad Phillipshas the authority to execute this BCP.

## Plan Location and Access

Our firm will maintain copies of its BCP plan and the annual reviews, and the changes that have been made to it for inspection. An electronic copy of our plan is located on a disk with a file named "Business Continuity Plan". One disk will be maintained by the Compliance Department. A second copy will be maintained at the Dallas, Texas office location.

# Business Description

Our firm’s primary business is trading fixed income trading for proprietary accounts. The Firm trades in a variety of fixed income securities, including corporate bonds, municipal bonds, government backed securities, and collateralized mortgage obligations. Our firm is an introducing firm and does not perform any type of clearing function for itself or others. Furthermore, we do not hold customer funds or securities. We accept and enter orders. All transactions are sent to our clearing firm, which compares them, allocates them, clears and settles them. Our clearing firm also maintains our customers’ accounts, can grant customers access to them, and delivers funds and securities. Our firm services primarily institutional clients. Our clearing firm is:

First Southwest Company

325 N. St. Paul - Suite 800

Dallas, TX 75201

214.953.4000, www.firstsw.com

and our contact person at that clearing firm is:

Laura Hilbun

214.953.8775

Laura.Hilbun@firstsw.com.

Our clearing firm has also given us the following alternative contact in the event it cannot be reached:

Todd Owen

325 N. St. Paul - Suite 800

Dallas, TX 75201

(214) 953-4109

TOwen@firstsw.com

www.firstsw.com

# Office Locations

# Our Firm has the following registered office locations:

## **Austin, TX**

## National Alliance’s main office is located 515 Congress Avenue, Suite 2410, Austin, TX 78701. Its main telephone number is 512-609-1700. Employees travel to the office by means of mass transit and automobile. This office serves as our home office, and supervisory and administrative functions, such as human resources, accounting, legal, and other executive functions, occur at this location. We also engage in order taking and entry at this location. The office serves as one of the primary areas for operational functions on behalf of the firm.

## **Dallas, TX**

This office is located at 1605 LBJ Freeway, Suite 710 Dallas, TX 75234. Its main telephone number is 469-522-4440. Employees travel to the office by means of automobile or bus. Generally only supervisory functions occur at this office. Typically no order taking is conducted at this location.

1. **New York, NY**

This office is located at 515 Park Avenue, Suite 508, New York, NY 10022. Its main telephone number is 212-808-7213. Our employees may travel to that office by means of mass transit and automobile. We engage in order taking and entry at this location.

1. **Newark, NJ**

This office is located at One Gateway Center, 7th Floor, Suite 770, Newark, NJ 07102. Its main telephone number is 862-240-1113. Employees travel to the office by means of mass transit and automobile. We engage in order taking and entry at this location.

1. **Ramsey, NJ**

This office is located at 7 Cedar Street, Suite C, Ramsey, NJ 07102. Its main telephone number is 201-455-6422. Employees travel to that office by means of mass transit and automobile. We engage in order taking and entry at this location.

1. **Sugarland, TX**

This office is located 2245 Texas Drive, Suite 300, Sugarland, TX 77479. Its main telephone number is 713-410-0032. Employees travel to that office by means of mass transit and automobile. We engage in order taking and entry at this location.

Our Firm has the following unregistered locations:

1. **Sarasota, FL**

This office is located at 4900 Flagstone Drive, Sarasota, FL 34238. Its main telephone number is 941-924-4633. This is a private residence. We engage in trading for firm accounts at this location.

1. **Loudonville, NY**

This office is located at 21 Chestnut Hill South, Loudonville, NY 12211. Its main telephone number is 518-462-7050. This is a private residence. We engage in trading for firm accounts at this location.

1. **San Diego, CA**

This office is located at 11167 Corte Pleno Verano, San Diego, CA 92130. Its main telephone number is 518-462-7050. This is a private residence. We engage in trading for firm accounts at this location.

1. **Valencia, CA**

This office is located at 26031 Sombras Ct., Valencia, CA 91355. Its main telephone number is 661-255-5001. This is a private residence used exclusively for backoffice/operations.

1. **Dallas, TX**

This office is located at 3752 Weeburn Drive, Dallas, TX 75229. Its main telephone number is 214-448-6064. This is a private residence. We engage in trading for firm accounts at this location.

1. **Charlotte, NC**

This office is located at 12307 Longmont Ave, Charlotte, NC 28277. Its main telephone number is 704-841-7564. This is a private residence. We engage in trading for firm accounts at this location.

1. **New Canaan, CT**

This office is located at 89 Kimberly Place, New Canaan, CT 06840. Its main telephone number is 203-249-7454. This is a private residence. We engage in institutional sales here.

1. **Boston, MA**

This office is located at 63 Atlantic Ave. #4A, Boston, MA 02110. Its main telephone number is 508-314-4633. This is a private residence. We engage in institutional sales here.

1. **San Francisco, CA**

This office is located at 112 8th Ave., San Francisco, CA 94118. Its main telephone number is 516-445-3205. This is a private residence. We engage in institutional sales here.

# Alternative Physical Location(s) of Employees

In the event of an SBD, we will move our staff from the home office affected offices to the closest of our unaffected office locations. If none of our other office locations is available to receive those staff, we will move them to locations based on availability. The firm is at an advantage in that its employees can essentially work from their homes should the situation warrant such a move. Furthermore, since the firm’s affiliate is engaged in commercial real estate, the firm has access to numerous office locations throughout the country should the need to move employees occur.

# Customers’ Access to Funds and Securities

Our firm does not maintain custody of customers’ funds or securities, which are maintained at our clearing firm, First Southwest Company. In the event of an internal or external SBD, if telephone service is available, our registered persons will take customer orders or instructions and contact our clearing firm on their behalf, and if our Web access is available, our firm will post on our website that customers may access their funds and securities by contacting Laura Hilbun 214.953.8775. The firm will make this information available to customers through its 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 Securities Exchange Act Rule 15c3-1, SIPC may seek to appoint a trustee to disburse our assets to customers. We will assist SIPC and the trustee by providing our books and records identifying customer accounts subject to SIPC regulation

# Data Back-Up and Recovery (Hard Copy and Electronic)

Our firm maintains its primary hard copy books and records and its electronic records at various locations depending on the type of document. Each branch manager is responsible for the maintenance of certain books and records as outlined in the Firm's Compliance Manual. Our firm maintains the following document types and forms that are not transmitted to our clearing firm: correspondence, blotter, logs and various documents used to evidence supervision.

Our firm maintains its back-up electronic copy of books and records through an undisclosed off-site third-party vendor. These records are maintained on a disc and are stored offsite. Mark Salter is responsible for the maintenance of these back-up books and records. Our firm backs up its paper records by copying and taking them to our back-up site. We back up our records, depending on document type, on a daily, weekly, or monthly basis.

The firm backs up its electronic records daily and weekly by an automated back-up process on our internal server. The information is then downloaded to a file and then taken by secure means to our off-site location.

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

# Financial and Operational Assessments

## Operational Risk

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

## Financial and Credit Risk

In the event of an SBD, we will determine the value and liquidity of our investments and other assets to evaluate our ability to continue to fund our operations and remain in capital compliance. We will contact our clearing firm, critical banks and investors to apprise them of our financial status. If we determine that we may be unable to meet our obligations to those counter-parties or otherwise continue to fund our operations, we will request additional financing from our bank or other credit sources to fulfill our obligations to our customers and clients. If we cannot remedy a capital deficiency, we will file appropriate notices with our regulators and immediately take appropriate steps, including FINRA District Office in Dallas.

# Mission Critical Systems

Our firm’s “mission critical systems” are those that ensure prompt and accurate processing of securities transactions, including order taking, entry, 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. , these systems include Bloomberg (order entry purposes); telephone systems (communications) and our computers (communications, account access and order entry).

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 [and execution]. Our clearing firm provides, through contract, comparison, allocation, clearance and settlement of securities transactions, maintenance of customer accounts, access to customer accounts and the delivery of funds and securities.

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. In the event our clearing firm executes its plan, it represents that it will notify us 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 represents that it operates a back-up 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 back-up arrangements to recover from a wide scale disruption by testing on an ongoing 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 every 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 within hours and resumption time of within the same day.

Compliance will maintain a copy of the clearing firm BCP disclosure as evidence of periodically reviewing our clearing firm’s capabilities to perform the mission critical functions the clearing firm has contracted to perform for our firm.

## Our Firm’s Mission Critical Systems

### *Order Taking*

Currently, our firm receives orders from customers primarily via telephone. During an SBD, either internal or external, we will continue to take orders through any of these methods that are available and reliable, and 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 posting instruction on the website. If necessary, we will advise our customers to place orders directly with our clearing firm at 800-678-3792.

### *Order Entry*

Currently, our firm enters orders by recording them on paper and electronically and sending them to our clearing firm electronically via Bloomberg Execution system. We have contacted Bloomberg and were told that, under its BCP, we can expect services to resume within hours*.*

In the event of an internal SBD, we will enter and send records to our clearing firm by the fastest alternative means available, which include email, facsimile. 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 the fastest means available when it resumes operations. In addition, during an internal SBD, we may need to refer our customers to deal directly with our clearing firm for order entry.

### *Order Execution*

We currently execute orders by entering them into the Bloomberg Execution system which hare automatically routed (electronically) to our clearing firm. In the event of an internal SBD, we would attempt to utilize telephone, facsimile or e-mail. In the event of an external SBD, we would attempt to utilize telephone, facsimile or e-mail.

### *Other Services Currently Provided to Customers*

Order execution is the only service we provide customers. We do not hold any customer funds or securities.

## Mission Critical Systems Provided by Our Clearing Firm

Our firm relies, by contract, on our clearing firm to provide order execution, order comparison, order allocation and the maintenance of customer accounts, delivery of funds and securities, and access to customer accounts.

# Alternate Communications Between the Firm and Customers, Employees, and Regulators

A. Customers

We now communicate with our customers using e-mail, Bloomberg, telephone, fax, U.S. mail, and in person visits at our firm or at the other’s location. 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 e-mail but the Internet is unavailable, we will contact them on the telephone and follow up where a record is needed with paper copy in the U.S. mail.

B. Employees

We now communicate with our employees using telephone, fax, e-mail, US Mail, express delivery 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 and office phone numbers (see Attachment A). We have identified persons, noted below, who live near each other and may reach each other in person:

C. Regulators

We are currently members of the FINRA, MSRB and SIPC. We communicate 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.

# Critical Business Constituents, Banks, and Counter-Parties

## A. Business constituents

We have 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 light of the internal or external SBD. We will quickly establish alternative arrangements if 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. The firm currently has no major suppliers at this time.

## B. Banks

We have contacted our banks and lenders to determine if they can continue to provide the financing that we will need in light of the internal or external SBD. The bank maintaining our operating account is:

BBVA Compass

P.O. Box 10566

Birmingham, AL  35296

Direct Phone:  800.266.7277

Website:  bbvacompass.com

The bank maintaining our Proprietary Account of Introducing Brokers/Dealers (PAIB account) is our clearing firm

## Counter-Parties

We have contacted our critical counterparties, such as other broker-dealers or institutional customers, to determine if we will be able to carry out our transactions with them in light of the internal or external SBD. Where the transactions cannot be completed, we will work with our clearing firm or contact those counterparties directly to make alternative arrangements to complete those transactions as soon as possible.

# Regulatory Reporting

Our firm is subject to regulation by FINRA, the SEC and Texas State securities regulator. We now file reports with our regulators using paper copies in the U.S. mail, and electronically using fax, e-mail, and the Internet. In the event of an SBD, we will check with the SEC, FINRA, and other regulators to determine which means of filing are still available to us, and 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 communication means available to us.

**FINRA - District 6 Texas State Securities Board**

12801 North Central Expressway 208 E. 10th Street, 5th Floor

Suite 1050 Austin, Texas 78701

Dallas, TX 75243-1778 (512) 305-8300

(972) 701-8554

Fax: (972) 716-7646

**Securities and Exchange Commission**

Fort Worth Regional Office  
Burnett Plaza, Suite 1900  
801 Cherry Street, Unit 18  
Fort Worth, TX 76102  
(817) 978-3821

# Disclosure of Business Continuity Plan

Attached is our written BCP disclosure statement we provide customers at account opening, annually (See Attachment B). We also post the disclosure statement on our website and mail it to customers upon request.

# Updates and Annual Review

Our firm will update this plan whenever we have a material change to our operations, structure, business or location or to those of our clearing firm. In addition, our firm will review this BCP annually as part of the CEO certification process required by supervisory controls rules and regulations, to modify it for any changes in our operations, structure, business or location or those of our clearing firm.

# Senior Manager 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.

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

Mark Salter

Title: CEO

Date: 3/31/2015

**Attachment A**

**National Alliance Securities, LLC Call Tree**

Mark Salter is the designated person to invoke the call tree:

|  |  |  |  |
| --- | --- | --- | --- |
| **Caller** | **Call Recipients** | **Office Number** | **Home or Cell Number** |
| Mark Salter  512-217-6850c | Bradford Phillips/Mariann Taylor | 469-522-4309 | 214-369-6771h  214.868.3126c |
| Fred Bush | 512-609-1735 | 512-415-4009 |
| Steve Bischoff | 212-808-7213 | 646-287-0148 |
| Brad Phillips/Mariann Taylor | Thelma Alaniz | 661-255-5001 | 661-645-0050c |
| Fred Bush | Courtney Bowling | 512-609-1740 | 817-584-2473 |
| Christine Wix | 512-609-1712 | 512-705-8137 |
| Amberly Huntley | 512-609-1729 | 713-628-9663 |
| Tammy Ingraham | 512-609-1733 | 832-771-7874 |
| Erin Abney | 512-609-1711 | 512-964-9679 |
| Steve Bischoff | Brian Barnhill | 512-609-1727 | 512-663-9198 |
| Dean Myerow | 201-455-6422 | 914-391-7714 |
| Bart Pan-Kita | 212-379-1007 | 908-967-9952 |
| James Colonias | 862-240-3115 | 908-313-0921 |
| Victor Depinto | 858-354-6070 | 858-354-6070 |
| Brian Barnhill | Mike Giordano | 212-379-4004 | 201-452-9000 |
| Bentley Lok | 212-379-1006 | 917-882-1297 |
| Jeff Treut | 212-379-1030 | 908-342-4713 |
| Andrew Brenner | 212-379-1009 | 212-379-1009 |
| Kevin Moser | 212-379-1006 | 732-616-7498 |
| Dean Myerow | Charles Gilbride | 201-455-6422 | 201-739-2628 |
| Sean Vesey | 201-455-6422 | 201-788-9840 |
| Thelma Alaniz | Stephen Lipkin | 214-448-6064 | 214-366-0211h |
| Michael Whigham | 704-321-9360 | 704-906-6909 |
| Darrin O’Connor | 518-462-7050 | 518-462-6112 |
| Anthony Rosciano | 862-240-1112 | 973-477-5502 |
| Courtney Bowling | Mike Enriquez | 512-609-1730 | 512-917-6716 |
| Ralph Minderhoud | 512-609-1714 | 206-553-9368 |
| Greg Haugen | 512-609-1732 | 512-626-1899 |
| George Hribar | 415-432-3891 | 516-445-3205 |
| Roy Cogdell | 512-609-1734 | 203-314-9351 |
| Jack O'Connell | 940-924-4633 | 941-924-4633 FL 973-667-7868 NJ |
| Howard LeDet | 281-566-2556 | 713-410-0032 |
| Danielle Ashby | 512-609-1711 | 512-905-0795 |
| Christine Wix | Cornelius Adetiba | 512-609-1716 | 215-668-8962 |
| John Liepman | 512-609-1725 | 713-922-8782c |
| Nevert Boraie | 512-609-1729 | 206-321-7762 |
| Trey Davis | 512-609-1731 | 512-820-0571 |
| Dertien, Patrick | 512-609-1727 | 512-739-8310 |
| Etter, James | 512-609-1736 | 954-864-8888 |
| Bob Gold | 512-609-1724 | 512-484-1363 |
| Tony Kegg | 512-609-1722 | 512-699-6661 |
| Amberly Huntley | Sam Loerch | 512-734-2644 | 512-734-2644c |
| Jon McDonald | 512-609-1723 | 512-750-8666c |
| Mike Velaney | 512-609-1737 | 404-775-4000 |
| Joe Moran | 512-609-1721 | 512-507-7398 |
| Scott Sanders | 512-609-1712 | 415-816-3721 |
| Brad Taylor | 415-489-1362 | 925-785-4570 |
| Ernie Prado | 512-609-1713 | 512-626-4144 |
| Mike Enriquez | Russell Greenspan | 212-379-1036 | 516-680-7902 |
| Brendan McCarthy | 617-217-2452 | 508-314-4633 |
| Michael Mulbach | 212-379-1002 | 516-749-4775 |
| Jill Rosenberg | 212-379-1038 | 973-960-7525 |
| Matt Brust | 203-249-7454 | 203-249-7454 |

**Attachment B**

# National Alliance Securities, LLC’s Business Continuity Planning

National Alliance Securities, LLC has developed a Business Continuity Plan for how we will respond to events that significantly disrupt our business. Since the timing and impact of disasters and disruptions is unpredictable, we must be flexible in responding to actual events as they occur. With that in mind, we are providing you with this information regarding our business continuity plan.

**Contacting Us** – If after a significant business disruption you cannot contact us as you usually do at 512-609-1700, you should call our alternative number, 469-522-4440, or go to our website at [www.natalliance.com](http://www.natalliance.com). If you cannot access us through either of those means, you should contact our clearing firm, First Southwest Company at 800-678-3792, for instructions on how to access your funds and securities, enter an order, or for any another related service or inquiry you may have.

**Our Business Continuity Plan** – We plan to quickly recover and resume business operations after a significant business disruption and respond by safeguarding our employees and property, making a financial and operational assessment, protecting the firm’s books and records, and allowing our customers to transact business. In short, our business continuity plan is designed to permit our firm to resume operations as quickly as possible, given the scope and severity of the significant business disruption.

Our business continuity plan addresses: data backup and recovery; all mission critical systems; financial and operational assessments; alternative communications with customers, employees, and regulators; alternate physical location of employees; critical supplier, contractor, bank and counter-party impact; regulatory reporting; and assuring our customers prompt access to their funds and securities if we are unable to continue our business.

Our clearing firm, First Southwest Company backs up our important records in a geographically separate area. While every emergency situation poses unique problems based on external factors, such as time of day and the severity of the disruption, we have been advised by our clearing firm that its objective is to restore its own operations and be able to complete existing transactions and accept new transactions and payments within hours. Your orders and requests for funds and securities could be delayed during this period.

**Varying Disruptions** – Significant business disruptions can vary in their scope, such as only our firm, a single building housing our firm, the business district where our firm is located, the city where we are located, or the whole region. Within each of these areas, the severity of the disruption can also vary from minimal to severe. In a disruption to only our firm or a building housing our firm, we will transfer our operations to a local site when needed and expect to recover and resume business. In a disruption affecting our business district, city, or region, we will transfer our operations to a site outside of the affected area, and recover and resume business. In either situation, we plan to continue in business, transfer operations to our clearing firm if necessary, and notify you through our website [www.natalliance.com](https://exmail.smarsh.com/exchweb/bin/redir.asp?URL=http://www.natalliance.com/) or our customer emergency number, 512-609-1700, how to contact us. If the significant business disruption is so severe that it prevents us from remaining in business, we will assure our customer’s prompt access to their funds and securities.

**For more information** – If you have questions about our business continuity planning, you can contact us at compliance@natalliance.com.