

J.H. Darbie & Co., Inc.

Business Continuity Plan

Updated March 2022

This is the Business Continuity Plan (“BCP”) for J.H. Darbie & Co (“Darbie” or “Firm”). There are ten critical elements that comprise a BCP specified in FINRA Rule 4370. Darbie has addressed each element and its applicability to its business. The critical elements are as follows:

1. Data back-up and recovery (hard copy and electronic);
2. All mission critical systems;
3. Financial and operational assessments
4. Alternative communication between customers and the member.
5. Alternative communications between the member and its employees;
6. Alternative physical location of employees;
7. Critical business constituent, bank and counter-party impact;
8. Regulatory reporting;
9. Communications with regulators; and
10. How the member will assure customers’ prompt access to their funds and securities in the event the member determines that it is unable to continue its business.

Darbie has also addressed other key areas included in its plan for it to be complete and concise based upon the Firm’s business.

I. Emergency Contact Persons

Our Firm’s two emergency contact persons are:

- **Robert Rabinowitz, Chief Executive Officer**
E-Mail: robert@jhdarbie.com
Phone: (212) 269-7271
- **Xavier Vicuna, Chief Technology Officer**
E-Mail: xavier@jhdarbie.com
Phone: (212) 269-7271

The Firm will provide FINRA with the contact information for the two emergency persons, through the FINRA Contact System (“FCS”). These names will be updated promptly in the event of a material change (but no later than 30 days following the change), and our Executive Representative (Robert Rabinowitz) will review them within 17 business days of the end of each calendar year.

II. Firm Policy

Our Firm’s policy is to respond to 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.

A. SBDs

Our plan anticipates the potential of 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, an epidemic or pandemic, or a wide-scale, regional disruption.

Our response to an external SBD relies heavily on other organizations and systems, especially on the capabilities of our clearing firms, COR Clearing, LLC, Lek Securities Corp and Axos (collectively "Clearing Firms") and their BCP execution.

B. Approval and Execution Authority

Erik Anderson, a registered principal, is responsible for approving the plan and for conducting the required annual review. Erik Anderson has the authority to execute this BCP and for ensuring the Firm conducts the required annual review.

C. Plan Location and Access

The Firm will maintain copies of its BCP and the annual reviews, and the changes that have been made to it for inspection on the Firm's internal drive. A summary of our plan is located at our website www.jhdarbie.com on the disclosure page.

III. Business Description

Our Firm conducts business in equity and fixed income securities. 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 Firms. The Clearing Firms execute our orders, compares them, allocates them, clears and settles them. The Clearing Firms also maintains our customers' accounts, can grant customer access to them, and delivers fund and securities. Darbie services only retail and institutional customer. The Firm does engage in limited private placements and investment banking transactions.

IV. Office Locations

Darbie currently has three offices located in New York, NY, Merritt Island, FL and Las Vegas, NV

A. OSJ Main Office: New York, NY

48 Wall Street, 12th Floor
New York, NY 10005

Employees may travel to this location by foot, car, subway, plane, ferry or bus. Darbie engages in sales initiatives, order taking and entry at this location.

- B. Branch Office: Merritt Island, Florida
2425 North Courtenay Parkway, Unit 1
Merritt Island, FL 32953

Employees may travel to this location by foot, car, subway, plane or bus. Darbie engages in sales initiatives, order taking and entry at this location.

- C. Branch Office: Las Vegas, NV
2777 Paradise Road, Unit 1901
Las Vegas, NV 89109

Employees may travel to this location by foot, car, subway, plane or bus. Darbie engages in sales initiatives, order taking and entry at this location.

V. Alternative Physical Location(s) of Employees

In the event of an SBD, we will send our staff home from affected offices. Management of the Firm will conduct necessary operations from another location, most likely their homes.

VI. Customers' Access to Funds and Securities

Our Firm does not maintain custody of customers' funds or securities, which are maintained at our Clearing Firms. 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 Firms on their behalf. If our web access is available, our Firm will post on our website that customers may access their funds and securities by contacting the Clearing Firm directly. The Firm will make this information available to customers through its disclosure policy and will provide BCP information at account opening.

If SIPIC 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, SIPIC may seek to appoint a trustee to disburse our assets to customers. We will assist SIPIC and the trustee by providing our books and records identifying customer accounts subject to SIPIC regulation.

VII. Data Back-Up and Recovery (Hard Copy and Electronic)

Our Firm maintains its primary hard copy books and records and its electronic records at the main office; 48 Wall Street, New York, NY 10005. Erik Anderson, CCO is

responsible for the maintenance of these books and records. Our Firm maintains the following document types and forms:

- Corporate Financial Records
- Correspondence – both written and electronic
- Marketing Materials
- Engagement Letters and other contractual obligations
- Client related documents (new account forms, agreements, etc.)
- Internal non-client related documentation (personnel folder, etc)

The Firm maintains its back-up hard copy of books and records at the Firm's main office. In the event of an internal SBD that causes the loss of our paper records, we will physically recover them from our back-up site or retrieve them from electronic back-up files.

If our main office is inoperable or inaccessible, we will continue operations from an alternative location, or remotely with each employee working from home. For the loss of electronic records maintained at the Firm's main office we will physically recover the hard copy data from our primary site. The Firm backs up its electronic records daily through CrashPlan.

VIII. Financial and Operational Assessment

A. 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 communication options we will employ will include telephone, email and/or via our website. In addition, we will retrieve our key activity records as described in the section above, Data Back-Up and Recovery (Hard Copy and Electronic).

B. Financial and Credit Risk

Financial risk involves Darbie's ability to fund operations and maintain adequate financing and sufficient capital. 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 Firms to apprise them of our financial status.

If we determine that we may be unable to meet our obligations to our Clearing Firms 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.

IX. Mission Critical Systems

Darbie'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 access to customer accounts, and the acceptance of instructions for delivery of funds and securities. System requirements include Electronic Mail, Sunguard, Thompson, ROX, and MarketTrader (as a secondary system to Axos' trading). Clearing Firm Access.

Darbie has primary responsibility for establishing and maintaining our business relationships with our customers and Darbie have sole responsibility for our mission critical functions of order taking and order entry. Our Clearing Firms provide, through contract, 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 Clearing Firms are contractually obligated to maintain a business continuity plan and the capacity to execute that plan. They represent 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 Firms execute 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 Firms 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, they will assist us in seeking services from an alternative source.

Our Clearing Firms represents that it backs up our records at a remote site and 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.

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.

A. Order Taking

Darbie receives orders from customers primarily via telephone or in rare instances in-person visits by the customer to our offices. 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 accessing the information on our website or being provided it via telephone. If necessary, we will advise our customers to place orders directly with our Clearing Firms client services phone number.

B. Order Entry

Currently, our Firm enters orders by electronically sending them to our Clearing Firms. 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 telephone, or 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 Firms 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 the Clearing Firms for order entry.

X. Alternative Communication Between the Firm and Customer, Employees, and Regulators

A. Customer

Darbie communicates with our customers using the telephone, e-mail, U.S. mail, fax and infrequently, in person visits at our Firm. 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 call them on the telephone and follow up where a record is needed with paper copy in the U.S. mail. If travel restrictions are recommended by government authorities in connection with an SBD, we will limit non-essential travel according to such restrictions and conduct any customer meetings via telephone.

B. Employees

Darbie 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. We will also employ a call tree so that senior management can reach all employees quickly during an SBD.

The persons to invoke use of the call tree is Robert Rabinowitz, CEO and Erik Anderson, CCO.

C. Regulators

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 access 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.

XI. Critical Business Constituents, Banks and Counter-Parties

A. Business Constituents

The Firm has contacted our critical business constituents (businesses which we have an ongoing commercial relationship in support of our operating activities, such as vendors providing us critical services), and determined in the extent to which we can continue our business relationship with them in light of an internal or external SBD. We will quickly establish alternative arrangements if a business constituent can no longer provide the needed goods or service when we need them because of an SBD to them or our Firm.

- **COR Clearing, LLC**
1200 Landmark Center, Suite 800
Omaha, NE 68102
Phone: (402) 384-6100
- **LEK Securities Corp**
One Liberty Plaza, 52nd Floor
New York, NY 10006
Phone: (212) 509-2300
- **Axos Clearing, LLC**
1200 Landmark Center, Suite 800
Omaha, NE 68102-1916
Phone: (402) 384-6100

B. Banks

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

CitiBank NA, New York City

C. Counter-Parties

We have contacted our critical counter-parties 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 an internal or external SBD. Where the transactions cannot be completed, we will work with our Clearing Firms or contact those counter-parties directly to make alternative arrangements to complete those transactions as soon as possible

XII. Regulatory Reporting

Darbie is subject to regulation by FINRA, the SEC and the state securities regulators. 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.

- **SEC – New York Regional Office**
200 Vesey Street, Suite 400
New York, NY 10281
Phone: (212) 336-1100
E-Mail: newyork@sec.gov
- **FINRA District – New York Office**
1 Liberty Plaza
165 Broadway
New York, NY 10006
- **FINRA Risk Monitoring Analyst**
Pratibha Mirchandani
E-Mail: Pratibha.mirchandani@finra.org
Phone: (212) 858-4198

XIII. Disclosure of Business Continuity Plan.

We provide in writing a BCP disclosure statement summary to customers at account opening. We post the BCP Summary on our website and will email it to customers upon request. Our disclosure statement is attached.

XIV. Updates and Annual Review

Darbie will update this plan whenever we have a material change to our operations, structure, business or location or to those of our Clearing Firms. In addition, our Firm will review this BCP annually, to modify it for any changes in our operations, structure, business, or location or those of our Clearing Firms.

XV. 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: _____

Title: _____

Date: _____