



Investment  
Services<sup>SM</sup>

## **BUSINESS CONTINUITY PLAN DISCLOSURE DOCUMENT**

Important information about continuity of operations for  
ESL Investment Services, LLC and emergency contacts.

### **INTRODUCTION**

The purpose of this brochure is to provide you with very important information about our Business Continuity Plan (BCP) so that you are aware of what you need to do in the event that our firm experiences a significant business disruption (SBD).

SBDs vary in severity and scope and may occur on an internal or external level. An internal SBD, such as a fire in our building, would only affect the firm's ability to conduct its normal business. An external SBD, such as an earthquake or regional power outage, would affect the operations of several firms or the financial markets as a whole.

We are required by regulation to disclose how our BCP addresses the possibility of a future SBD and how we plan to respond to events of varying scope.

### **FIRM POLICY**

Our policy is to respond to an SBD in a manner that prioritizes the immediate safety of our employees, preservation of the firm's property, and a quick recovery in order to meet the business needs of our LPL clients. If we determine that the SBD has been catastrophic to the level that we are unable to continue our business, we will ensure that our LPL clients have prompt access to their funds and securities.

### **ALTERNATE OFFICE LOCATION**

In the event that the main office becomes inoperable, the firm will shift its operations to its Business Continuity Disaster Recovery (BCDR) Facility which is reasonably distant from the main office so as to utilize a separate power grid and telecommunications provider, yet close enough to relocate to quickly if necessary. All of the firm's employees are familiar with the back-up facility and have been provided with driving directions. In addition, all essential employees have the ability to work from home in order to complete all critical processing.

### **BACK-UP BOOKS AND RECORDS**

ESL Investment Services, LLC maintains back-ups of hard copy files and other internal books and records at the BCDR Facility. We refer to LPL Financial\*. LPL paperwork is maintained by LPL electronically. All investment company paperwork is maintained at the investment company. Should an SBD cause our primary records to be inaccessible or destroyed, we have procedures in place to access the back-up files and implement them promptly in order to assure the least possible impact on our LPL clients.

### THIRD PARTY BUSINESS RELATIONSHIPS

ESL Investment Services, LLC has business relationships with several entities upon which we rely for varying services. Such entities include other securities firms, banks, telecommunications providers, etc. We have contacted our essential third parties to assess the impact that varying types of SBDs may have on the services we are provided by them. Based on that information we have been able to develop alternate plans to counter any interruptions in these services that we may experience during an SBD.

### KEY SYSTEMS

The firm has identified the possibility of a loss of functionality of the systems relied upon for its regular business operations in the event of an SBD. We have enumerated our key systems in our BCP, identified the individual(s) responsible for them, and developed procedures to switch to alternative systems should our primary systems be incapacitated. Based on the trial conversions we have run, we expect minimal down time if a situation arises which forces us to switch to our alternate systems.

### POTENTIAL SBD SCENARIOS

In an effort to prepare for the variety of effects that different types of SBDs might have on ESL Investment Services, LLC, we have outlined some SBD scenarios and the corresponding actions that the firm will need to take in order to assure that the SBD has the least possible effect of the firm and our LPL clients. We are aware and we want to make you aware that the exact ramifications of any type of SBD cannot be predicted precisely; however, we will take the necessary steps as described in our BCP to handle any SBD as effectively as is possible.

#### Illustration #1 - Internal SBD

In the event that a fire consumes ESL Investment Services, LLC's main office destroying all hardware and files, after assuring the safety of our employees, the following actions will be taken:

Effect of SBD	Action to be taken
Personal computers, servers, and data storage hardware are destroyed	Staff will report to BCDR Facility already equipped with active pre-configured PCs so as to ensure limited business downtime.
Books and records are destroyed or partially destroyed	Assess the feasibility of recovering the damaged books and records. If more efficient, obtain books and records from vendors.
Office is destroyed	Relocate to the BCDR Facility and establish operations. Once business has resumed and is fully operational, start searching for a new main office location.
Telecommunications hardware is destroyed	Staff will report to the BCDR Facility which is equipped with the necessary hardware and telecommunications infrastructure to support the resumption of business operations.

We estimate the resumption of business and communications channels within 48 hours of the onset of this type of SBD.

#### Illustration #2 - External Regional SBD

In the event that an earthquake, or other natural disaster causes structural damage to our building and the buildings of some of our service providers, including our clearing firm, ESL Investment Services, LLC will make the following assessments and take the following steps:

Effect of SBD	Action to be taken
Building is not structurally sound	Relocate to the BCDR Facility and establish operations. Once business has resumed and is fully operational, start searching for a new main office location.
Other vendors are experiencing service interruption	Contact vendors to determine when they anticipate being fully operational and make arrangements for

	the continuance of service, if possible, in the meantime.
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Depending on the impact of this particular type of SBD on our third- party vendors, we estimate a range of 48 to 72 hours for the firm to be able to resume normal business operations.

**Illustration #3 - Catastrophic SBD**

In the event of an SBD due to a terrorist attack, major natural disaster, political crisis, or other event that is of a magnitude great enough to force the close of the markets but does not physically affect ESL Investment Services, LLC, the firm will take the following steps:

Effect of SBD	Action to be taken
The financial markets are closed (other than normal market holidays)	Communicate with clients to determine the effect of the SBD on the transaction in progress.
One of ESL Investment Services, LLC's banks has been significantly affected and cannot continue its business for a prolonged (more than 72 hours) period	Contact the bank to determine how funds may be withdrawn and transfer the funds to another account. If funds are frozen for an uncertain amount of time, assess the firm's financial situation and pursue additional financing if necessary.
The firm's investments in the financial markets are frozen	Perform a risk assessment based on the overall status of the SBD to decide how to best preserve the firm's capital positions under a variety of market re-open scenarios.
There is a possibility of further SBDs resulting from the primary SBD	Test the firm's procedures for handling an SBD that results in the firm's relocation. Assure that back-up systems, hardware, and files are ready to be utilized and can be set up quickly if needed.

It is virtually impossible to predict a recovery time for this category of SBD due to the scope and the myriad of ramifications on the financial services industry as a whole. We are confident that with the plan and procedures we have in place we will be able to ensure the least possible impact on our LPL clients as dictated by the circumstances.

**Illustration #4 - Pandemic SBD**

The firm will monitor publications by the World Health Organization (WHO), Centers for Disease Control (CDC) and the local health department for any warnings of a pandemic. Additionally, the firm will monitor social distancing best practices, guidance, requirements and directives issued through Executive Orders by the New York State Governor. Entities providing guidance and best practices are the CDC, Federal Emergency Management Agency (FEMA), Occupational Health and Safety Administration (OSHA), WHO, New York State Department of Health, Office of the Governor of New York State and counties' departments of health. If necessary, the firm will implement social distancing best practices and travel restrictions if recommended by the CDC. In the event of a pandemic, the firm will take the following steps:

Effect of SBD	Action to be taken
Pandemic outbreak in the vicinity of the Firm	Direct those employees who have the ability to work from home to work from home if they have come in contact with an infected person. If employees are unable to work from home, their duties will be re-assigned to another employee by the employee's supervisor.
One or more employees becomes infected	Circulate a companywide memorandum informing employees of the outbreak in the company and require infected employees to work from home if able. If employees are unable to work from home their duties will be re-assigned to another employee by the employee's supervisor.

**FOR ADDITIONAL INFORMATION ABOUT OUR BCP**

Should you have any questions in relation to our BCP or this notice, please don't hesitate to contact us at 585.339.4475.

**SUMMARY**

At ESL Investment Services, LLC, we deeply value the relationships we have built with our LPL clients and we strive to meet their changing needs in any business climate. It is not the intent of this document to assure our LPL clients that there will be no impact on them whatsoever in the event that ESL Investment Services, LLC is affected by an SBD. Rather, we wish to convey the fact that we have developed procedures for varying types of possible SBDs which will allow us to address the effects on our firm on a variety of levels, manage those effects, and utilize our alternate arrangements in a manner that we expect will minimize LPL client impact. In our procedures, we stress the importance of maintaining communications with our LPL clients through as many media as possible so that we may continue to meet their needs and transact business in as smooth a fashion as is possible under whatever circumstances may have arisen.

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**\*Securities and advisory services are offered through LPL Financial (LPL), a registered investment advisor and broker-dealer (member FINRA/SIPC).** Insurance products may be offered through LPL or its licensed affiliates or ESL Investment Services, LLC. ESL Investment Services, LLC, member FINRA/SIPC, provides referrals to LPL and its affiliates. Neither ESL Investment Services, LLC, a subsidiary of ESL Federal Credit Union, nor ESL Federal Credit Union are affiliated with LPL or its affiliates. ESL Federal Credit Union **is not** registered as a broker-dealer or investment advisor. Products and services are offered through LPL or its affiliates by LPL registered representatives doing business as ESL Investment Services. Representatives are dually registered with ESL Investment Services, LLC and LPL and may also be employees of ESL Federal Credit Union. Securities and insurance offered through LPL or its affiliates are:

<b>Not Insured by NCUA or Any Other Government Agency</b>	<b>Not Credit Union Guaranteed</b>	<b>Not Credit Union Deposits or Obligations</b>	<b>May Lose Value</b>
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