

# **TEMPER OF THE TIMES INVESTOR**

## **Business Continuity Plan (BCP)**

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UPDATED 8/5/2009

### **I. Emergency Contact Persons**

Our firm's two emergency contact persons are: *Gerard Moreno, 914-925-0022 ext 108, [gmoreno@temperenrollment.com](mailto:gmoreno@temperenrollment.com)* and *Sharon Markland, 914-925-0022 ext 111, [smarkland@temperenrollment.com](mailto:smarkland@temperenrollment.com)*, assistant for the ER. These names will be updated in the event of a material change, and our Executive Representative will review them for any changes within 2 weeks of the end of each quarter.

### **II. 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 our customers as to the status of their funds at our bank and their securities at the transfer agent.

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

Our plan recognises 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.

#### **B. Approval and Execution Authority**

Gerard Moreno, President, a registered principal, is responsible for approving the plan and for conducting the required annual review. Gerard Moreno, President, has the authority to execute this BCP.

#### **C. Plan Location and Access**

Our firm maintains 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 Gerard Moreno's computer at C:\Documents and Settings\user\my documents\BCP Plans.doc. It is also available thru a PDF on the internet at <http://www.temperenrollment.com/temperBCP.pdf>.

### **III. Business Description**

Our Firm has only one office. Our firm business revolves only in equity securities. We **only** buy equities to enroll customers in DRIP programs and open their accounts at their respective transfer agents. We never sell equities for our customers. Our firm is self clearing for itself only. Furthermore, we do not hold customer funds or securities. We do not accept orders via telephone. We accept and enter orders when in receipt of funds via checks, or money orders. Customer funds are deposited generally on a daily basis into a segregated customer account at our bank's local branch. All equity orders during the previous month are executed on or about the 10<sup>th</sup> of the following month. This purchase is done on the internet through our executing broker. We compare and settle

these trades at the DTC. On T+3 we start enrolling our customers in the DRIP's they chose at their respective transfer agents. Our firm services mostly retail customers. We do not engage in any other trading activity.

#### **IV. Office Locations**

##### **A. Office Location**

Our one and only office is located at 555 Theodore Fremd Ave, Suite-B103, Rye, NY 10580. Its main telephone number is 914-925-0022. Our employees travel to that office by foot, car, train, bus. We engage in order entry at this location and purchase these orders once a month on or about the 10<sup>th</sup> of each month.

#### **V. Alternative Physical Location(s) of Employees**

In the event of an SBD, we will move our staff from our affected office to an unaffected office location made available to receive our staff. We will move our staff to 111 Pleasant Ridge Road, Harrison, NY 10528. The firm's telephone number at that location is 914-698-2725.

#### **VI. Customers' Access to Funds and Securities**

Our firm does not maintain custody of customers' funds or securities. The checks we receive are deposited with our bank, J P Morgan Chase generally on a daily basis. In the event of an internal or external SBD, if telephone service is available, our registered persons will advise customers accordingly of their order status, and if Web access is available, there is access to the customer's order status at the link provided at [www.directinvesting.com](http://www.directinvesting.com). The customer can also call the telephone number at the alternative physical location to get information about his or her status. The firm gives the phone number of the alternative location at its web site <http://www.temperofthetimes.com> and on its Enrollment Order Forms under the heading Business Continuity Plan.

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.

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

Our firm maintains its electronic records at our data base server: managed by Host My Site, 650 Pencader drive, Newark Delaware 19702, under the database name of directinvesting. The phone number in Delaware is 877-472-6784. David Capalbo, head of technology, 914-925-0022 ext 109 is responsible for the maintenance of these records. Our original documents are maintained at our office location in metal cabinets.

Our firm maintains its original records at its primary location in Rye. These records are *paper copies, etc.* Gerard Moreno, 914-925-0022, *President* is responsible for the maintenance of these records which are kept in metal cabinets. Our firm does not back up its paper records by copying or taking them to a back-up site. All our important data is maintained on the database server (managed by server intellect database name: directinvesting.). These records are backed up every day on a tape backup.

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 at our 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 at our back-up site.

#### **VIII. Financial and Operational Assessments**

### 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 communications options we will employ will include *our Web site, telephone voice mail, 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).

### B. 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 critical banks, 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 the appropriate steps they would require.

## IX. 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. We do not maintain customer accounts with our firm we enroll customers in DRIP programs and deliver their shares to their respective transfer agents.

We have primary responsibility for establishing and maintaining our business relationships with our customers and provide, the execution, comparison, allocation, clearance and settlement and delivery of securities transactions, (we do not maintain customer accounts).

We maintain a business continuity plan and the capacity to execute that plan.

### 1. **Order Taking**

Currently, our firm receives orders from customers via mail or Web site at [www.directinvesting.com](http://www.directinvesting.com). During an SBD, either internal or external, we will take orders through any of these methods. We will go to the post office to pick up the mail if it cannot be delivered. 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 at the internet site [www.directinvesting.com](http://www.directinvesting.com) and [www.temperofthetimes.com](http://www.temperofthetimes.com), by e-mail or by a recorded message at our alternative physical location phone #914-698-2725.

### 2. **Order Entry**

The firm enters orders by recording them electronically thru our internal in house system. We execute customer orders once a month via the internet with our online broker on or about the 10<sup>th</sup> of each month. The broker has indicated that we can expect continued service as long as there executing systems are functional. In the event that their services are affected we would seek the services of another online broker who can carry out our trade executions.

### 3. Order Execution

We currently execute orders by accessing the internet to our executing broker. In the event of an internal SBD, we would execute orders through the internet with our executing broker from our alternative physical location. In the event of an external SBD, we would execute orders through the internet of our executing broker from our alternative physical location.

### 4. Other Services Currently Provided to Customers

None

#### B. Mission Critical Systems Provided by Our Clearing Firm

Our firm is self clearing through DTC only.

### X. Alternate Communications between the Firm and Customers, Employees, and Regulators

#### A. Customers

We now communicate with our customers using the telephone, e-mail, our Web site, fax, U.S. mail. 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.

#### B. Employees

We now 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 call tree includes all staff home and office phone numbers. The manager has all employee phone numbers at his home. We have identified persons, noted below, who live near each other and may reach each other in person:

The person to invoke use of the call tree is:

Caller	Call Recipients
<i>Gerard Moreno</i>	<i>Sharon Markland,</i>
	<i>Susana Aldas</i>

#### C. Regulators

We are currently members of the following SROs: *SEC and FINRA*. 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.

### XI. Critical Business Constituents, Banks, and Counter-Parties

#### A. Business constituents

We have contacted our critical business constituents, 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. Our major suppliers are Con Edison, Verizon and Gateside–Rye Co LLC.

#### B. Banks

We have contacted our bank. We do not have any outstanding debts or require any financing at this time. We do not maintain any Proprietary Accounts. The bank maintaining our operating account is J P Morgan Chase, 275 Halstead Avenue, Harrison, NY 10528, 914-777-0140, Leonard Gabbidon.

#### C. Counter-Parties

We have contacted our critical counter-parties, such as our executing broker-dealers 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 or contact those counter-parties directly to make alternative arrangements to complete those transactions as soon as possible.

### **XII. Regulatory Reporting**

Our firm is subject to regulation by the SEC, FINRA: 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, 581 Main Street 7<sup>th</sup> floor, Woodbridge, NJ, 07095.

### **XIII. Disclosure of Business Continuity Plan**

We provide in writing a BCP disclosure statement to customers at account opening. We also post the disclosure statement on our Web site and mail it to customers upon request. Our disclosure statement is attached. **Business Continuity Plan:** Orders accepted by Temper of the Times Investor Services Inc. are backed up at two locations off site nightly. If something were to happen to Temper's principal location, we would be able to access all our customer information at a new location. Once a customer's DRIP account is open at the transfer agent the customer no longer an active customer of the Temper Enrollment Service, however we do keep records of the orders we fulfill for all our customers. In case of an emergency and the office telephone number is inoperative call the following number: 914-698-2725.

### **XIV. Updates and Annual Review**

Our firm will update this plan whenever we have a material change to our operations, structure, business or location. In addition, our firm will review this BCP annually, to modify it for any changes in our operations, structure, business, or location.

### **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: \_\_\_\_\_Gerard Moreno\_\_\_\_\_

Title: \_\_\_\_\_President\_\_\_\_\_

Date: \_\_\_\_\_8/5/2009\_\_\_\_\_