

Wilson-Davis & Co. Inc.

Business Continuity Plan 2019

I. Emergency Contact Persons/Key Personnel.

Primary Emergency Contact & Key Personnel:

William Walker 801-532-1313 W 801-546-0786 H 801-842-2317 Cell
E-Mail = bwalker@wdco.com Scott Davis 801-550-7246 Cell
801-550-7246 Cell sdavis@wdco.com

Secondary Emergency Contact:

James C. Snow 801-532-1313 W 801-891-2470 Cell
E-Mail = jsnow@wdco.com Back-up E-Mail jsnow@xmission.com

Third Emergency Contact:

Byron B. Barkley 801-532-1313 W 801-277-1819 H 801-910-4849 Cell
E-Mail = bbarkley@wdco.com Back-up E-Mail = byron1255@gmail.com

II. Firm Policy

Wilson-Davis & Co. Inc. will respond to any Significant Business Disruption by first safeguarding employees and then firm property. We will make every effort to resume operations quickly and efficiently. WD has taken steps to protect the firm's books and records, which will allow customers quick and accurate access to cash and securities.

A. Significant Business Disruptions (SBDs)

This 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, earth quake, epidemics, or other regional disruption.

B. Pandemics

The Firm tested to ensure that they are prepared for the following risks contained in FINRA regulatory notice 09-59.

Absenteeism – The Firm in the event of 50% absenteeism is prepared to move its operations to its Denver location, or to move its operations to a standby location in the Salt Lake City area. The Firm has established a Disaster Recovery Site in St. George, Utah to which the firm pushes a mirror copy of all critical servers, systems, and data. Employees in the Firm can access the Disaster Recovery Site from any remote location with an internet connection and a VPN client.

The majority of Firm employees have been cross trained on all the front and back office functions. The firm is also prepared to process the business manually if necessary. The majorities of the firm's employees have many years of experience in all facets of the industry and have the ability to step in employee's roles to conduct the daily business.

Telecommuting – The firm has taken the appropriate measures to ensure telecommunications and remote work arrangements will function as designed and intended during a pandemic. We are also prepared to have employees work from home as they all potential connectivity via home computers.

Presently have employees Telecommuting.

Applications available to employees telecommuting include (but not limited to):

VALDI OMS, FIS Securities 360, Broker View Wealth Station, Market Map, OTC Pink Sheets, Hilltop Securities, Email, Skype IM, Business One Drive, DTC, Paper Vision, Quick Books

Key Dependencies – The firm has identified their key dependencies and risks (see section IX of the BCP plan) a pandemic will influence.

C. Approval and Execution Authority

Lyle W. Davis Chairman and a registered principal, is responsible for approving the plan and the required annual review. Lyle W. Davis Chairman, Byron B. Barkley Vice President, registered principal, James C. Snow President, registered principal, and William Walker Vice President/Secretary, registered principal, have the authority to execute this Business Continuity Plan.

D. Plan Location and Access

Wilson-Davis will maintain copies of its BCP plan, the annual reviews, and the changes that have been made to it for inspection. Non-Proprietary portions of the plan will be available on our website at www.wdco.com. An electronic copy of our plan is located on critical file back-up managed by Scott Davis. Critical files backed up are maintained off premises and updated daily with Microsoft Azure.

III. Business Description

Wilson-Davis & Company, Inc. is a small regional Broker/Dealer established December 23, 1968, headquartered in Salt Lake City, Utah. Wilson-Davis is a Self-Clearing Firm. We conduct business in equity, fixed income and some derivative securities. All orders we accept are executed by Wilson-Davis with exception of fully disclosed accounts which are sent to our clearing firm. Wilson-Davis maintains all customer accounts and accepts and disburses funds and securities (except fully disclosed accounts). Wilson-Davis provides market making services for our retail and wholesale customer accounts through its trading departments.

IV. Office Locations

Wilson-Davis has wholesale trading offices in the locations listed below. No retail business is conducted in offices other than Salt Lake City, Utah.

- 6901 South Yosemite Street Suite 206

Centennial, Colorado 80112
800-628-7271

- 1250 SW 15th Ave
Boca Raton, FL 33486 561-526-4314

V. Alternative Physical Locations

In the event of a Significant Business Disruption Wilson-Davis will be able to use any or all the office locations around the country. (Listed Above, section IV) Employees will also be able to telecommute from their homes until service is restored or travel to collocation(s) has been arranged.

VI. Customers' Access to Funds and Securities

- Activate Business Continuity Plan
- Retrieve Customer Assets from Safe
- Contact Hill Top Securities Inc. for Customer Position Report
- Run Cash Customer Position Report
- Contact Key Bank to authorize funds access
- Utilize WD Alternate Locations to have access to the Depository Trust Corporation.
- Utilize Alternate Location, either local or out of state, to restore information feeds.
- Utilize Disaster Recovery Site
- Customers will continue to contact the main office in Salt Lake City during any disruption (phones will be re-directed). Another option will be to contact our Denver Colorado Office at 800-628-7271, or our Florida Office at 561-526-4314 or visit our website: www.wdco.com.
- Wilson-Davis is a member of the Securities Investor Protection Corporation. (SIPC)

VII. Data Back-Up and Recovery

- Disaster Recovery Site contains a mirror image of all critical systems and data (systems collocated and in "hot" standby mode located off site in St. George Utah.
- Margin and Options accounts are maintained by our Clearing Firm Hill Top Securities Inc.
- Customer records are maintained and backed up by FIS Global. They maintain back up for seven years. They have back up and hot site facilities for emergency access.
- Customer data can be accessed on any Personal Computer at our Primary, Alternate or any other location.
- Restore from a disruption will be performed by mission critical priority list in order from most to least critical. FIS Trading system, OTC Markets, FIS Wealthstation/order entry, FIS Securites360, Internet service, Phone system redirect, DTC/NSCC, Office365, Hilltop Securities system, Market Map and NASDAW Market system.

VIII. Financial and Operational Assessments

1. Activate Business Continuity Plan
2. Communicate with Customers will be business as usual.
3. Contact Key Bank to authorize access to Bank Accounts.
4. Access Depository Trust Corporation from an alternate location
5. Process normally or Start Manual Systems if necessary.
6. Contact regulators and advise status.

IX. Mission Critical Systems

- Depository Trust Corporation Access (Securities Repository)
- FIS VALDI OMS Trading System (BRASS) For Order entry, execution, processing and regulatory reporting.
- FIS Securities360
- Market Map Systems for Retail Broker Information.
- NASDAQ Market Systems for market making activity.
- OTC Markets (Pink Sheets) Systems for market making activity
- Hill Top Securities Inc. for Option and Margin Customers.
- Internet Service and Access.
- Office365 – IM, E-Mail and OneDrive

All Mission Critical Systems are accessible via the Internet from any location or via the Wilson-Davis Networks present in all locations listed in “Office Locations” Item IV.

X. Critical Business Constituents, Banks, and Counter-Parties

- **Wilson-Davis considers the following *Critical Business Constituents***
 - **NSCC: National Security Clearing Corporation and its subsidiary, the Depository Trust and Clearing Corporation**
 - Contact: Carlos Martinez (Daily Clearing Deposit), 813-470-1210
 - Impact of a business disruption: NSCC is an industry-critical constituent that provides clearing, settlement, risk management, central counterparty services and a guarantee of completion for certain transactions for virtually all broker-to-broker trades involving equities, corporate and municipal debt, American depository receipts, exchange-traded funds, and unit investment trusts. In the event NSCC is disrupted, Wilson-Davis and every other broker-dealer nationwide would be unable to clear trades. Though securities held by Wilson-Davis are kept on electronic deposit at DTCC, a subsidiary of NSCC, Wilson-Davis would continue to have access to a record of customer cash and security balances via its own records.
 - **Hill Top Securities - Clearing Firm for Options & Margin Business**
 - Contact: Lana Carlton, 214-859-9228
 - Impact of a business disruption: Hill Top Securities provides Wilson-Davis with clearing services for its option and margin trading businesses. In the event of a business disruption to Hill Top, Wilson-Davis would be unable to trade in options and on margin. In the event of a long-lasting disruptions, Wilson-Davis

would obtain a new provider for its option and margin trading businesses.

- **Key Bank - Firm Bank**
 - Contact: Branch Main Line, 801-297-5700
 - Impact of a business disruption: Key Bank provides Wilson-Davis with its operating expense account, its Customer Reserve Account, its PAB Reserve Account, and its rolling line of credit. In the event of a disruption to Key Bank, Wilson-Davis would be unable to pay customer withdrawals on demand from its operating account. Customer funds are deposited in Dreyfus cash sweep accounts and any customer withdrawals would settle via Dreyfus funds in less than 24 hours. In the event of a prolonged disruption, Wilson-Davis would obtain a new banking partner for its operating and reserve accounts and for its line of credit.
 - **FINRA**
 - Contact: District Office, Denver, CO, 303-446-3100; FINRA ROAR Group, New York, NY, 646-315-8383.
 - Impact of a business disruption: FINRA provides Wilson-Davis and all other broker-dealers industry-wide with self-regulatory functions. In the event FINRA is disrupted, Wilson-Davis would continue to operate under its existing FINRA-compliant policies and procedures, and be subject to direct regulation by the Securities and Exchange Commission.
 - **FIS Global**
 - Contact: 888-323-0310
 - Impact of a business disruption: FIS provides Wilson-Davis with its back-office recordkeeping software. In the event FIS is disrupted, Wilson-Davis would be unable to accept orders for trades or send or receive customer funds. Wilson-Davis maintains an up-to-date archive of its data stored via FIS, enabling Wilson-Davis to recreate its firm and customer records via a new back office system provider in the event of a prolonged disruption.
- Wilson-Davis can use offices located in other states to continue communications with its *Critical Business Partners*. Each branch office is connected already or could be easily connected to each partner.

XI. Regulatory Reporting

- Wilson-Davis presently completes all regulatory reports via the Internet. If the Internet is not available in any location, we would contact all regulators for filing instructions.
- FINRA Denver District Office, FINRA ROAR Group New York, NY, Internal Revenue Service, State of Utah, Division of Securities, Securities & Exchange Commission (SEC), NASDAQ Stock Exchange.

XII. Disclosure of Business Continuity Plan

Wilson-Davis discloses a short summary of its Business Continuity Plan in writing when customers open new accounts. (See attached) We also post updated versions of this plan on our website. www.wdco.com.

XIII. Updates and Annual Review

Wilson-Davis will update the plan whenever changes in operation methodology would mandate. The plan will be reviewed on an annual basis as required by Regulators.

XIV. Senior Manager Approval

January 17, 2019

Date

Lyle W. Davis, Chairman of the Board

Updated: January 17, 2019