

CHAPIN DAVIS INVESTMENTS

Business Continuity Plan

Policies and Procedures

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Introduction

As required by regulation, Chapin Davis, Inc. (“Firm”) has developed the following continuity plan to ensure it is able to maintain critical systems and processes in the event of a disaster or other incident limiting the normal course of the Firm’s business. This plan covers, at a minimum, all of the following items:

- Data backup and recovery;
- All mission critical systems;
- Financial and operational systems;
- Alternate communications between the client and the Firm;
- Alternate communications between the Firm and its employees;
- Alternate physical location(s) of employees;
- Critical business constituents, banks, and counter-party impact;
- Regulatory reporting;
- Communications with the regulators; and
- How the Firm will assure clients’ prompt access to their funds and securities in the event that the Firm determines that it is unable to continue to do business.
- Cyber Security Program (under separate cover).

The Firm crisis management team, headed by the CEO, COO, CFO and CCO has crisis management plans that detail high level procedures and guidelines. Each crisis management team member has remote access to key functionality and systems; to include First Clearing, Schwab Institutional Advisors, TD Institutional, Sterne Agee Asset Management, Maryland Telephone, Remote Server Access and Portfolio Services.

Emergency Contact Persons

Disaster Recovery Coordinator

The Firm has designated the Chief Compliance Officer as the Disaster Recovery Coordinator (“DRC”). The DRC has the responsibility of making an immediate preliminary assessment of any situation. Based on the assessment, the DRC will coordinate the employees and systems of the Firm to respond accordingly. In the event than an evacuation is required, the DRC will make all announcements to employees and will coordinate the evacuation as well as any necessary relocations of employees and equipment.

The Firm has designated the following individuals as contacts for the Firm:

Primary Contact

Name: Stephanie N. Elliott

Address: 2 Village Square, Suite 200 Baltimore, MD 21210

Telephone: 410-812-4944

Fax: 410-433-2099

Email: selliot@chapindavis.com

Secondary Contact

Name: Talbot Jones Albert, IV

Address: 2 Village Square, Suite 200 Baltimore, MD 21210

Telephone: 410-215-8074

Fax: 410-433-2099

Email: tjalbert@chapindavis.com

Internal versus External Disruptions

The Firm's plan takes into account two types of business disruption, internal and external. Internal disruptions would include any incident that affected only the Firm, such as a power outage within the building or a fire. An external disruption would be any disruption that affected not only the Firm but other firms or the securities market as a whole.

Business Description

Chapin Davis Investments, LLC operates as a fully disclosed firm clearing through First Clearing Correspondent Services. The firm offers traditional retail brokerage services to its clients. The Firm maintains, under separate cover, Written Supervisory Procedures and an Anti-Money Laundering Program that detail the methods in which the business of the Firm is conducted.

Office Locations

The Firm maintains the following branch locations:

Name of Location: Home Office - Baltimore, MD 21210

Registered? Yes

Mission Critical Systems at Location: client data, communication system, and information systems

Name of Location: Peoria Office - Peoria, IL 61615

Registered? Yes

Alternate Work Center

Name of Location: **Region**

Address of Location:

Capabilities of Work Center: The alternate work center can support all identified critical staff providing service to clients. The supported infrastructure of the location includes PC's, telephones, printers, fax units, copiers, etc. Communication interfaces with key settlement and clearing suppliers and other key business partners are available. Each location is geographically out of each the existing regions and will serve as an alternate work center for one another. Localized back up contingencies will too allow Chapin Davis to resume operations Dataprise, Rockville, Maryland as well as; remote user access.

Client's Access to Funds and Securities

The Firm's clearing agent, First Clearing Correspondent Services, has in place its own Business Continuity Plan that ensures Chapin Davis has access to accurate client information at all times. Through the use of remote access, the Firm is able to access this information and is able to provide clients full access to their funds and securities as they could when no disruption was in place.

Data Back-Up and Recovery

The primary books and records of the Firm are maintained in hard copy at the home office and electronically on the servers of the Firm. Periodic backups of data are performed on these servers to ensure electronic books and records are available if needed. Branch offices may also maintain certain books and records of the Firm. Backups of branch servers are performed on a regular basis to ensure accurate and complete information is available during a disruption.

The Firm works with Dataprise which provides communications, PC support, customer support, technological infrastructure, etc. The system in place with Dataprise provides for seamless resumption at alternative remote locations that is as transparent as possible to clients.

Financial and Operational Assessments

In the event of a serious business disruption, the Firm's Financial and Operations Principal ("FINOP") will assess the value and liquidity of the Firm's assets to ensure the Firm's capability to continue doing business and meet its regulatory capital requirements.

Mission Critical Systems

Critical systems such as trading or systems used to handle client accounts are maintained by First Clearing Correspondent Services through its own Business Continuity Plan. The Firm has remote access to such systems and is able to continue to conduct trading and account maintenance through this access.

Alternate Communication between the Firm and Clients, Employees, and Regulators

The Firm currently communicates with clients through the use of telephone, email, fax, US mail, overnight delivery and in person. In the event of a disruption, the Disaster Recovery Coordinator will assess what means continue to be available and will communicate using these means to employees of the Firm. The DRC will advise employees what methods can be used to communicate with clients. Employees will choose the available method that most closely matches previously used methods.

The Firm is a member of FINRA and is registered with the SEC. The Firm communicates with these entities through the use of telephone, email, fax, US mail, overnight delivery and in person. In the event of a disruption, the DRC will assess and communicate to employees the available method that is most appropriate for regulatory communications.

Disclosure of Business Continuity Plan

The Firm makes available a written summary of its Business Continuity Plan to its clients. When material changes are made to the plan, the Firm will advise its clients and make available a summary of the changes or the full plan at the client's request.

Updates and Annual Review

Several times throughout the year, each business unit has the opportunity to conduct its own recovery exercises, i.e. desktop validation site visits, connectivity of equipment, configuration of equipment and actual processing at the alternative work center(s).

At least once annually all business units are required to participate in a coordinated exercise to ensure that the recovery centers can support all required activities. Twice annually computer systems and servers are switched to the alternate site within designated time frames and operated there for a specific period of time to ensure timeliness, connectivity and functionality. Walk through are completed by departments on an annual basis to ensure that all recovery staff remain trained prior to participation in physical exercises and to ensure that the staff is fully oriented to the disaster procedures.