

# Gatsby Securities, LLC

## Business Continuity Plan (BCP)

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

Our firm's two emergency contact persons are: Peter Quinn, (914) 263-1136 [peter@trygatsby.com](mailto:peter@trygatsby.com), and Davis Gaynes, (914) 391-2200 [davis@trygatby.com](mailto:davis@trygatby.com). These names will be updated in the event of a material change, and our Executive Representative will review them within 17 business days 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 customers prompt access to their funds and securities.

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

Our 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, a city flood, or a wide-scale, regional disruption. Our response to an external SBD relies more heavily on other organizations and systems, especially on the capabilities of our clearing firm.

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

Davis Gaynes, CEO, a registered principal, is responsible for approving the plan and for conducting the required annual review. Davis Gaynes, CCO and Peter Quin, COO have the authority to execute this BCP.

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

Our firm will maintain 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 our *box.com* enterprise cloud storage in the Operations/ Compliance / Continuity folder.

### **III. Business Description**

Our firm conducts business in listed options and equities. 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. All transactions are sent to our clearing firm, which executes our orders, allocates them, clears and settles them. Our clearing firm also maintains our customers' accounts, can grant customers access to them, and delivers funds and securities. Our firm services only retail customers.

Our clearing firm is Apex Clearing, 350 North St. Paul Street, Suite 1300, Dallas, TX 75201, [apexclearing.com](http://apexclearing.com), (214) 765-1010. Our contact person at that clearing firm is Michael Lanyon

(214) 765-1066, mlanyon@apexclearing.com. Our clearing firm has also given us the following alternative contact in the event it cannot be reached:

Logan Satterwhite, (214) 953-3341, lsatterwhite@apexclearing.com

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

Gatsby has a single office location:

44 South Broadway Suite 100  
White Plains, NY 10603

(856) 393-6682

Our employees may travel to that office by means of car, subway, train, bus. This office location serves as our Office of Supervisory Jurisdiction (OSJ) and Home Office, providing supervisory functions.

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

First Alternate:

Serendipity Labs, 28 Liberty Street, 6th floor, NY, NY 10005  
(646) 846-1767

Second Alternate:

7 Boxwood Lane, Rye, NY 10580  
(914) 391-2200

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

Our firm does not maintain custody of customers' funds or securities, which are maintained at our clearing firm, Apex Clearing. 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 firm on their behalf, and if our Web access is available, our firm will post on our Web site that customers may access their funds and securities by contacting Apex Clearing, (214) 765-1010, apexclearing.com. The firm will make this information available to customers through its disclosure policy.

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 primary hard copy books and records and its electronic records at the Home Office, as identified above. Davis Gaynes and Alex Wohl are responsible for the

maintenance of these books and records. Our firm does not maintain client-related files or documents outside of the files held by our clearing firm.

Our firm maintains its back-up hard copy books and records via electronic means by scanning all paper documents into our [box.com](https://www.box.com) storage site in the cloud. Davis Gaynes, CEO, (914) 391-2200 is responsible for the maintenance of these back-up books and records. We back up our paper records at least weekly.

The firm backs up its electronic records daily by running a backup script and downloading the entire directory, and keeps a copy on a Glacier bucket at AWS (Amazon Web Services).

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 by printing any or all records from the [box.com](https://www.box.com) site. If our primary site is inoperable, we will continue operations from our back-up site or an 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 from our back-up site or an alternate location.

## **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. 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 clearing firm, critical banks, and investors 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 appropriate steps, including *[insert procedures]*.

## **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, the maintenance of customer accounts, access to customer accounts, and the delivery of funds and securities.

We have primary responsibility for establishing and maintaining our business relationships with our customers and have sole responsibility for our mission critical functions of order taking and entry. Our clearing firm provides, 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 firm contract provides that our clearing firm will maintain a business continuity plan and the capacity to execute that plan. Our clearing firm represents 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 firm executes 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 firm 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, our clearing firm represents that it will assist us in seeking services from an alternative source.

Our clearing firm represents that it backs up our records at a remote, out of region site. Our clearing firm 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. Our clearing firm has also confirmed the effectiveness of its back-up arrangements to recover from a wide scale disruption by testing regularly.

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. Our clearing firm has the following SBD recovery time and resumption objectives: recovery time period of within 1 hour and resumption time of within the same business day.

## A. Our Firm's Mission Critical Systems

### **1. Order Taking**

Currently, our firm receives orders from customers via the Gatsby Digital App. We do not accept orders via telephone or other means. During an SBD, either internal or external, we will continue to take orders through the Gatsby Digital App, if available. If necessary, we will advise our customers to place orders directly with our clearing firm at Apex.

### **2. Order Entry**

Currently, our firm enters orders by sending them to our clearing firm, Apex, electronically. Gatsby Securities has contacted Apex and was advised that, under their BCP, we can expect services to be back up and running within a very short amount of time. In the event that an outage lasts longer, we will have the option of accessing Apex through other means; by email, telephonically, etc.

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 email or telephonically. In the event of an external SBD, we will maintain the order in electronic or paper format, and deliver the order to the clearing firm 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 our clearing firm for order entry.

Apex BCP:

<https://www.apexclearing.com/wp-content/uploads/2014/07/Apex-Clearing-Business-Continuity-Plan.pdf>

### **3. Order Execution**

Order execution is one of our Firm's Mission Critical Systems Provided by Our Clearing Firm.

### **4. Other Services Currently Provided to Customers**

Gatsby Securities offers customer support via email. Emails are generated through the Gatsby Digital App and sent directly to Gatsby Securities.

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

Our firm relies, by contract, on our clearing firm to provide [order execution], order comparison, order allocation, and the maintenance of customer accounts, delivery of funds and securities, and access to customer accounts.

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

### **A. Customers**

We now communicate with our customers using e-mail, our Web site and the Gatsby Digital App. In the event of a SBD, we will assess which means of communication are still available to us, and use the means closest in speed and form to the means that we have used in the past to communicate with the other party.

### **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. 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 Davis Gaynes

Caller	Call Recipients
<i>Davis Gaynes</i>	<i>Peter Quinn, Other Employees (once hired)</i>
<i>Peter Quinn</i>	<i>Other Employees (once hired)</i>

### C. Regulators

Gatsby Securities, LLC will communicate with regulators using the telephone and email. 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 (businesses with which we have an ongoing commercial relationship in support of our operating activities, such as vendors providing us critical services), 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, other than Apex Clearing are:

*Orbis Systems Inc. | 525 Washington Boulevard 24th Floor Jersey City, NJ 07310 | 201 215 9800*

The below suppliers have an indirect relationship to Gatsby Securities, as they are direct suppliers to the parent company, Gatsby Digital. Should Gatsby Digital become unavailable to facilitate communicate with these suppliers, Gatsby Securities will engage them directly during a significant business disruption:

*QuoteMedia, Inc. | 17100 East Shea Blvd, Suite 230 Fountain Hills, Arizona 85268 | (844) 485-8200*

*Plaid Inc. | 25 Maiden Ln, San Francisco, San Francisco | (415) 799-1354*

*Amazon, Inc. (AWS) | 410 Terry Ave N, Seattle, WA 98109 | (888) 280-3321*

### B. Banks

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

Radius Bank, 1 Harbor Street, Suite 201, Boston, MA 02210.

The contact at Radius is Rachel Bourne, rbourne@radiusbank.com, (617) 728-7310.

**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 the internal or external SBD. Where the transactions cannot be completed, we will work with our clearing firm 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: FINRA, SEC & State(s) (NASSA). 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 all regulatory bodies 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.

**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.

**XIV. Updates and Annual Review**

Our firm will update this plan whenever we have a material change to our operations, structure, business or location or to those of our clearing firm. In addition, our firm will review this BCP annually, on or about March 31, to modify it for any changes in our operations, structure, business, or location or those of our clearing firm.

**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:  \_\_\_\_\_

Chief Compliance Officer: Davis Gaynes \_\_\_\_\_

Date: \_\_\_\_12/1/2020 \_\_\_\_\_