

## **I. Purpose and Policy**

Israilov Financial, LLC (“IFL” or “Advisor”) has devised a Business Contingency Plan (“BCP”) in order to effectively address and state the specific steps which we shall use and employ in order to recover from any disaster or emergency.

The purpose of this BCP is to define the strategies and plans that will be used by IFL during a significant business disruption (“SBD”). An SBD includes any event or situation that significantly impacts the Advisor’s ability to provide advisory services to its clients. The BCP outlines the Advisor’s procedures designed to ensure that critical business functions can continue during and after an SBD and that the Advisor can resume operations as quickly as possible after an SBD. The BCP is prepared to address both internal SBDs, such as a fire in the Advisor’s building or the death of key personnel, and external SBDs, such as a natural disaster, terrorist attack, or citywide power disruption. It is also designed to address SBDs of different severities.

The objective of this BCP is to resolve the following topics in the event of a SBD:

- The protection, backup, and recovery of books and records;
- Alternate means of communications with clients, key personnel, employees, vendors, service providers, and regulators;
- Office relocation in the event of temporary or permanent loss of a principal place of business;
- Assignment of duties to qualified responsible persons in the event of the death or unavailability of key personnel; and
- Otherwise minimizing service disruptions and client harm that could result from a sudden significant business interruption.

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Although IFL does not maintain custody of client assets, in the event of an SBD, the Advisor will assist clients to access their assets at the brokers that have custody of the assets. In the case of an external SBD, the Advisor's ability to react will depend heavily on access to other organizations and systems, such as the availability of electricity, telephones, internet, and transportation.

In creating this BCP, the Advisor has assumed that the firm's designated alternate office will be available and that government agencies and market systems are operational during and after the SBD. If any of these assumptions are incorrect, the Advisor's business could be disrupted until matters are resolved. No contingency plan can eliminate all risk of service interruption, but the Advisor will continue to assess and update its plans to mitigate all reasonable risks.

## **II. Review, Location, and Disbursement**

### **A. Review of the Plan**

The BCP will be reviewed annually to determine whether any modifications are necessary in light of changes to Advisor's operations, structure, business or location or new regulatory requirements. A copy of any amendments will be provided to all parties responsible for its execution.

Said Israilov, CCO is responsible for approving the plan and for conducting annual reviews.

Said Israilov, CCO will also test the BCP throughout the year. This may include testing of areas such as: ensuring backups of books and records are functioning; working at the alternate business location; collecting current contact information

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for employees, clients and business partners; conducting due diligence of critical vendors; and conforming the firm's business practices to the BCP and regulatory requirements.

### **B. Plan Location and Access**

Advisor will maintain copies of its BCP and any revisions made to the plan. The CCO shall provide access to the BCP where employees can access it with or without internet access.

### **C. Disbursement of Plan**

Any employees critical to the daily functions of the business or who communicate with advisory clients will receive a copy of this BCP upon beginning their employment and sign an attestation of receipt. When the BCP is updated, all applicable employees will review the revised plan and sign a new attestation. The Advisor will periodically train all its employees on the BCP's requirements, if applicable. All versions of the BCP and attestation shall be maintained for the required time period.

## **III. Insurance**

Our first line of defense is the full complement of insurance that we carry. This has been tailored to protect us from a loss of financial resources in the event of a disaster. IFL carries errors and omissions to protect against financial loss due to client claims and data breaches.

## **IV. Alternative Office Location**

Our principal place of business is located at: 10870 N Stelling Rd, Cupertino CA 95014, our “Main Office”. If for any reason, our Main Office could not be accessed, IFL has plans in place in order to ensure we can continue to service clients at an alternative location.

Currently, our alternative location is at 600 California Street, San Francisco, CA 94108. The alternative office location(s) have been tested to assess if personnel are able to access company and client records at their alternate location(s) and are able to communicate with clients either on a short term or long term basis. Should the Alternative Office location change from temporary to permanent, Advisor will ensure any amendments to its regulatory disclosures including a change of address or the registration of a Branch Office, if required, is filed.

## **V. Alternative Communication Plans**

### **A. Advisory Clients**

Advisor now communicates with clients using telephone, email, U.S. mail, video conference, and in-person visits. In the event of an SBD, Advisor will assess which means of communication are still available, and use the means closest in speed and form (written or oral) to the means that Advisor used in the past to communicate with the other party. For example, if Advisor has primarily communicated with a party by email, but the Internet is unavailable, Advisor will call the client on the telephone and follow up, where a record is needed, with a paper copy in the U.S. mail.

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In the case of an expected SBD, such as a forecasted storm, Advisor will consider proactively contacting clients (for instance, by email blast) to inform them of what can be expected in case of an extended outage.

In the case of an actual SBD, Advisor will notify clients through any of the means mentioned above, should the SBD affect clients. Moreover, if possible, Advisor will also amend their website to notify clients of a SBD and what actions the clients should take.

### **B. Employees**

Currently, the Advisor does not have any employees. In the event employees are hired in the future, this section will be updated accordingly.

### **C. Regulators**

Advisor is currently registered as an investment advisory firm with the state of California. Advisor communicates with its regulators using telephone, email, or U.S. mail. In the event of an SBD, Advisor will assess which means of communication are still available, and use the means closest in speed and form (written or oral) to the means that Advisor has used in the past to communicate with the other party, including to make any necessary filings, disclosures, etc.

Currently, Said Israilov is responsible for ensuring that the Advisor has access to the Investment Adviser Registration Depository (IARD) system, the electronic filing system that facilitates investment advisor registration, and that all appropriate Form ADV filings, including annual and interim amendments, are made and maintained. In the case of a SBD, Advisor will notify regulators through any of the

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means mentioned above, if the SBD affects Advisor's responsibility to make required filings.

In the event of a formal or informal inquiry made by any federal or state regulatory agency during an SBD, Said Israilov will be responsible for receiving all calls and/or all other requests for further review.

IFL will contact the applicable regulatory division listed in the Critical Contact List (attached below) in the event it cannot continue to operate or is not able to execute this Business Continuity Plan.

## **VI. Data Back-Up and Recovery**

### **A. Books and Records Maintenance**

Advisor maintains its primary books and records in electronic storage. All hard copy records must be scanned in electronic form. Any permanent hard copy records will be held at the principal place of business. Said Israilov is responsible for the maintenance of these books and records. Access to records are only provided to personnel on an as-needed basis in order to perform their work functions. Please refer to Advisor's Data Security Manual that supplements this BCP.

### **B. Back-Up**

All files required to be maintained under the appropriate federal and state regulations are backed up on a daily basis through DropBox. These records are

redundant electronic documents, accessible to the Advisor from any secure internet connection.

### **C. Reliance on Third-Party Vendors**

IFL has certain third-party vendors that are critical to the operations of the firm. Such critical vendors are listed in the Critical Contact List. For each critical third-party vendor, IFL will assess their ability to provide continued service. Alternatively, IFL will ensure they have a second option in the event the firm were to switch vendors due to the vendor being unable to operate. Generally, IFL does not utilize any third-party vendors that are so unique that they could not be replaced with a competitor.

We use and may rely on third party vendors for the maintenance of some of our books and records. We ensure that such vendors maintain our records for the required retention period of 5 or more years and that access to these records can be easily retrieved if we terminate our relationship with them.

## **VIII. Financial and Operational Assessment**

IFL will perform a financial assessment in determining the appropriate funds required in order to mitigate financial risks to the firm. Factors taken into consideration include obligations to pay providers and/or vendors, meeting the firm's net worth obligations, if applicable, and refunding clients during periods of a SBD or closure.

In the event of an SBD impacting our financial position, 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. If we determine that we may be unable to meet our financial obligations 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 clients. If we cannot remedy a capital deficiency, we will file appropriate notices with our regulators and amend our regulatory disclosures as required.

## **IX. Loss of Key Personnel**

IFL is a single member Limited Liability Company owned by Said Israilov. As the sole owner, the business depends fully on his capabilities. In the case of Said Israilov's disability, steps will be taken to determine if the business will continue and in what capacity. In the case of Said Israilov's death or incapacity, there is no plan for continuation of the business and the business will be dissolved.

While not a complete list, the following steps must be completed (not necessarily in this order).

### **Access**

Said Israilov has trained the Responsible Party on how they can gain access to Client contact information in order to notify clients.

### **Critical Contacts**

The Responsible Party is instructed to cancel all business vendors, subscriptions and other business services where critical business information does not need to be maintained for regulatory reasons. A current, full list of paid service providers is in the Critical Contact List.



**Inform Clients**

The Responsible Party is instructed to inform all clients of the closing of the business.

**Refund Payments**

The Responsible Party is trained on how to issue refunds to any clients in which the Advisor has collected advance payments but have not yet been earned.

**Business Funds**

The Responsible Party is trained on when the Responsible Party can settle/close business accounts, if the Responsible party should contact a specific accountant, or cancel any subscriptions.

**Regulatory Wind Down**

The Responsible Party is instructed to contact the Compliance Team at XY Planning Network to file any necessary regulatory filings such as Form ADV-W and/or Form U-5.

**Books and Records**

The Responsible Party is instructed to download the required Books and Records and maintain for a period of five years.

**Contact Us**

Clients are encouraged to discuss any questions regarding the business continuity plan directly with Said Israilov, Chief Compliance Officer of IFL. Please contact Said Israilov at 917-626-3628.