

# TradeZero America, Inc.

## 2022 BUSINESS CONTINUITY PLAN

### (BCP)

#### INTRODUCTION

TradeZero America, Inc. (the “Firm”), has developed this Business Continuity Plan (“BCP” or “Plan”) to assist both Designated Supervisors and all relevant associated persons in understanding and executing their respective responsibilities and duties to the Firm, to the self-regulatory organization of which the Firm is a member, to the investment community at large, and specifically and most importantly, to the investors who have placed their trust in the Firm and its ability to conduct itself consistent “with just and equitable principles of trade.”

The obligation to develop a BCP is not a ‘one-size-fits-all’ requirement, and the Firm must tailor its plan to fit its own particular situation, resources and business types.

All quoted language contained in this BCP as may be included from to time, may be taken from Securities and Exchange Commission (“SEC”), or Financial Industry Regulatory Authority, Inc. (“FINRA”) laws, rules and/or regulations, as the case may be. In most cases, however, information gleaned from the laws, rules and regulations was extrapolated and made more concise for inclusion in this plan.

#### GENERAL COMPLIANCE ANALYSIS

##### FINRA Rule 4370

##### General Requirements

FINRA Rule 4370 requires that the Firm create and maintain this written BCP identifying procedures relating to an emergency or significant business disruption. Within reason, this plan must be designed to enable the Firm to meet its existing obligations to clients. This plan must address our relationship with other broker-dealers, including our clearing firm, and counter-parties. This plan shall be available at all times and delivered “promptly” to FINRA staff upon request.

The Firm is required to update this plan periodically in the event of any material change to our operations, structure, business or location. The Firm shall also conduct an annual review of this business plan to determine whether any modifications are necessary.

While the plan should be flexible enough to address issues specific to the Firm, it must also address the following items, which are listed and required in and by Rule 4370, to the extent they are applicable and necessary to the Firm’s conduct of business. The Firm must document its rationale for not including any of the categories below:

1. Data back-up and recovery (hard copy and electronic);
2. All mission critical systems;
3. Financial and operational assessments; [Rule 4370 defines this to mean “a set of written procedures that allow a member to identify changes in its operational,

financial, and credit risk exposures.”]

4. Alternate communications between clients and the Firm;
5. Alternate communications between the Firm and its employees;
6. Alternate physical location of employees;
7. Critical business constituent, bank, and counter-party impact;
8. Regulatory reporting;
9. Communications with regulators; and
10. How the Firm will assure clients' prompt access to their funds and securities in the event that the member determines that it is unable to continue its business. Because the Firm is an introducing broker, we shall rely on our clearing firm's business continuity plan for addressing a number of the above-listed categories or any mission critical system. Our relationship is addressed below.

#### Availability of BCP

This plan shall be available at all times and delivered promptly to FINRA staff upon request.

#### Regular Updates of BCP

The Firm is required to update this plan periodically in the event of any material change to its operations, structure, business or location. The Firm shall also conduct an annual review of this business plan to determine whether any modifications are necessary.

#### Designation of Person Responsible for BCP

The Firm is required to designate a General Securities Principal who is also a member of the senior management team to approve this plan. This person shall be responsible for conducting the required annual review

#### BCP Disclosure Requirement

The Firm must also disclose to our clients how this plan addresses the possibility of a future significant business disruption and how we plan to respond to various events. The Firm shall send its disclosure to any client who so requests. The Firm is required to designate a General Securities Principal who is also a member of our senior management team to approve this plan. This person shall be responsible for conducting the required annual review.

#### FINRA Rule 4370

##### Emergency Contact Information Reporting

FINRA Rule 4370 requires the Firm to report the Firm's emergency contact information to FINRA. The reporting is done via the FINRA Contact System ("FCS"), a Web-based platform created and administered by the FINRA. The Firm is required to designate two emergency contact persons. Where possible, both contact persons shall be principals of the Firm.

##### Emergency Contact Information Updates

The Firm is required to update its emergency contact information, including designation of two emergency contact persons, within 17 business days after the end of each calendar quarter to ensure the information's accuracy. The Firm's Executive Representative, or his or

her designee, which designation must be in writing, must conduct such review and any update. The Firm must ensure that only the Executive Representative, or his or her written designee, may perform this review and update.

#### Further Information

For more information regarding BCP see FINRA Notice to Members 04-37.

## EMERGENCY CONTACT PERSONS

#### Specific Compliance

##### FINRA Rule 4370

The Firm must designate two emergency contact persons, and must update these names in the event of a material change in Firm personnel. If possible, each emergency contact person must be a member of senior management and a registered principal. If there is only one registered principal at the Firm, the second emergency contact person should be another Firm employee. If at any time the Firm has only one individual associated with the emergency contact information reporting, the second emergency contact should be an individual who has knowledge of the Firm's business operations, such as its attorney or accountant.

The Firm's Executive Representative or a designee must review quarterly the currency of each designated contact person within 17 business days of the end of each quarter via the FCS.

#### Plan Procedures

The Firm's two emergency contact persons are:

NAME: Michael Haupt

TEL# Primary: (718)709-4925

E-MAIL Primary: [mhaupt@tradezero.us](mailto:mhaupt@tradezero.us)

POSITION WITH FIRM: CEO

NAME: Antony Naccarelli

TEL# Primary: (718) 709-4925

E-MAIL Primary: [anaccarelli@tradezero.us](mailto:anaccarelli@tradezero.us)

POSITION WITH FIRM: CCO

The Firm shall update these names in the event of a material change, and our Executive Representative will review them within 17 business days of the end of each quarter via FCS.

The Firm has also initiated an Employee Call Tree which enables Firm personnel to contact one another in case of a disruption to the Firm's ability to conduct business.

## FIRM POLICY

### Specific Compliance

The Firm shall state in its BCP its objectives with respect to both internal and external significant business disruptions (“SBDs”). The Firm shall state our obligation to grant clients access to their funds and securities in the event of SBDs. The Firm shall ensure that all employees have access to and have reviewed this Plan. The Firm shall state who has the authority to execute this Plan, where the Plan is stored, and how to access the Plan.

### Plan Policy and Accompanying Procedures

In the event of a SBD, the Firm shall above all else seek to safeguard the lives of its personnel. The Firm shall then make a financial and operational assessment. The Firm shall then seek to safeguard the Firm’s books and records, other firm property, quickly recover and resume operations in a safe manner, all to enable clients to continue to transact business. Should the firm determine that we cannot continue to conduct business, we will assure clients prompt access to their funds and securities via our clearing firm.

### Significant Business Disruptions (SBDs)

The Firm’s plan addresses both internal and external SBD’s

Internal SBD’s, such as, for example, fire power outage, or office flooding, that affect only the Firm’s ability to communicate and do business.

External SBDs prevent or may severely hinder the operation of the securities markets as a whole, or a specific segment of the market that directly affects our Firm, such as a terrorist attack, a city-wide flood, or a regional power blackout. The Firm’s response to an external SBD relies more heavily on other organizations and systems, especially on the capabilities of our clearing firm.

### Approval and Execution Authority

Michael Haupt, CEO is responsible for approving the plan and for conducting the required annual review. Michael Haupt has the authority to execute this plan.

Plan Location and Access The Firm will maintain copies of this plan, the annual reviews, and all other period changes that have been made to it. An electronic copy of this plan is located on the Firm’s computer server.

## BUSINESS DESCRIPTION

### Specific Compliance

The Firm shall state the complete list of business types as they appear of the Firm’s Form BD. Similarly, the Firm shall make certain with respect to the business types it is allowed to conduct pursuant to its Membership Agreement, and to non-material changes made in its business conduct, that its Form BD is always up to date as is required by FINRA rules and pursuant to the Firm’s Written Supervisory Procedures.

### Business Description

The Firm conducts business in;

1. Trading securities for own account (TRA);
2. Retailing corporate equity securities over-the-counter (BDR);

3. Mutual fund retailer (MFR)
4. Online Trading; and
5. Other : NYSE American Options

The Firm is an introducing firm and does not perform any type of clearing function for itself or others. The Firm neither holds client funds or securities. We accept and enter orders. All transactions are sent to a third party execution platform, which executes our orders. The third party vendor then sends to our clearing firm the trade execution reports. The clearing firm then compares, allocates, clears and settles our client trades. Our clearing firm also maintains our clients' accounts and delivers funds and securities. Our Firm services retail clients.

#### Clearing Firm(s)

APEX Clearing (APEX)  
350 N. St Paul Street, Suite 1300 Tel #: 214-765-1100  
Dallas, TX 75201 email: [cs@apexclearing.com](mailto:cs@apexclearing.com)  
Vision Financial Markets (Institutional Options only)  
120 Long Ridge Road, 3 North Tel #: 203-388-2700  
Stamford, CT 06902 email: [clientservices@vfmarkets.com](mailto:clientservices@vfmarkets.com)

## OFFICE LOCATIONS

#### Specific Compliance

The Firm shall list all locations, whether registered or unregistered, where it conducts business. Similarly, the Firm shall make certain with respect to office and branch locations, that its Form BD is always up to date as is required by FINRA rules and pursuant to Firm's Written Supervisory Procedures.

#### Office Locations

##### Main OSJ Location

The Firm's main Office of Supervisory Jurisdiction ("OSJ") is located at 67 35<sup>th</sup> Street, Suite B450, Brooklyn, NY 11232. Its main telephone number is (718) 709-4925. The Firm's employees may travel to this office by means of car, train, bus or other reasonable available means. The Firm engages in the following business at this location: all listed business types. The Firm views the following systems as critical to the conduct of the above stated business location: Telephone, computer, e-mail, order taking and entry at this location.

## ALTERNATIVE PHYSICAL LOCATION(S) OF EMPLOYEES

#### Specific Compliance

##### FINRA Rule 4370(c)(6).

The Firm shall list the alternate physical location or locations that it will use should a SBD affect the operation of its main and branch office locations.

#### Location/Plan

In the event of such a disruption, the Firm will move its staff to the nearest reasonably available, suitable location. Alternatively, the Firm may allow staff to work from home offices. In this event staff shall communicate by email and home or mobile telephone.

## CLIENTS' ACCESS TO FUNDS AND SECURITIES

#### Specific Compliance

FINRA Rule 4370(c)(10); Securities Exchange Act Rule 15c3-1.

If applicable to the Firm's business, it shall state how it will make client funds and or securities available to them in the event of a SBD and shall state the entity at which such funds and securities are held, and how the Firm will attempt to facilitate client access to them. The Firm shall describe any relationship between its ability to grant client access to funds and securities and Securities Investor Protection Corporation (SIPC) regulations on the disbursement of funds and securities.

#### Plan

The Firm does not maintain custody of clients' funds or securities, which are maintained at our clearing firm. In the event of a SBD, if telephone service remains available, the Firm's registered representatives will continue to take client orders or instructions and contact our clearing firm on the client's behalf. The Firm will make this information available to clients through its Summary Disclosure Statement.

If SIPC determines that the Firm is unable to meet its obligations to clients or if the Firm's liabilities exceed our assets in violation of Securities Exchange Act Rule 15c3-1 (Net Capital), SIPC may seek to appoint a trustee to disburse our assets to clients. We will assist SIPC and the trustee by providing our books and records identifying client accounts subject to SIPC regulation.

## DATA BACK-UP AND RECOVERY [HARD COPY AND ELECTRONIC]

#### Specific Compliance

FINRA Rule 4370(c)(1).

The Firm shall identify the location of its primary books and records (hard copy and electronic) and the location of its back-up books and records (hard copy and electronic). The Firm shall describe how it backs up its data, and in addition, describe how it will recover data in the event of a SBD.

#### Back-up Locations and Media Type

The Firm maintains its primary hard copy books and records and its electronic records at its main OSJ Location. Michael Haupt, COO is responsible for the maintenance of these books and records. The Firm maintains the following document types and forms, which are transmitted to our clearing firm: new account forms.

The Firm does not back up paper-to-paper and does not create or maintain back-up hard copy books and records.

The Firm backs up its electronic records daily and keeps a copy at an off-site location to be determined. Certain records of the Firm's compliance department are backed up as well. A copy of the Firm's Written Supervisory Procedures, Continuing Education Plan, Anti-Money Laundering Procedures, among other documents, on an offsite server.

In the event of a SBD that causes the loss of our paper records, the Firm will access the electronic copies in order to recreate the necessary paper records. If the Firm's primary site is inoperable, it will continue operations from its back-up site or an alternate location. For the loss of electronic records, the Firm 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.

## FINANCIAL AND OPERATIONAL ASSESSMENTS

### Specific Compliance

FINRA Rules 4370(c)(3), (c)(8), (f)(2) & (g)(2).

The Firm shall describe procedures to identify changes in its operational and financial risk exposures in the event of a SBD. The Firm should periodically assess the changes in the above, and quickly make such an assessment in connection with a SBD.

Operational risk includes the Firm's ability to maintain communications with clients and to retrieve key activity records through its mission critical systems.

Financial risk involves the Firm's ability to fund operations and maintain adequate financing and sufficient capital.

### Operational Risk

Should a SBD occur, the Firm will immediately identify what measures to take that will permit the Firm to communicate with our clients, employees, all critical third-parties, and regulators. The intensity of the SBD will determine the methods of alternative communication. The Firm could currently employ the following communications options: telephone voice mail, secure e-mail. In addition, the Firm could retrieve its key activity records as described in the section above, Data Back-Up and Recovery (Hard Copy and Electronic).

### Financial Risk

Should a SBD occur, the Firm will determine the value and liquidity of its capital structure and other assets to evaluate its ability to continue to fund operations and remain in capital compliance. The Firm will contact its clearing firm, critical banks, and investors to apprise them of the Firm's financial status. If the Firm determines that it may be unable to meet its obligations to those counter-parties or otherwise continue to fund its operations, it will request additional financing from its bank or other credit sources to fulfill its obligations to its clients. If the Firm cannot remedy a capital deficiency, it will file appropriate notices with our regulators and immediately take appropriate steps to provide clients with alternate methods of conducting their securities transactions.

## MISSION CRITICAL SYSTEMS

## Specific Compliance

FINRA Rules 4370(c)(7) & (g)(1).

The Firm shall describe its mission critical systems and whether it or its clearing firm has responsibility for them. The Firm shall review its clearing firm's capabilities to perform their mission critical functions for the Firm. The Firm shall focus on the recovery of mission critical systems after a SBD and the time it takes to resume active communications with the Firm's clients. The Firm shall include order execution in the list of mission critical systems that its clearing firm provides to the Firm.

## Introduction/Explanation

The Firm's "mission critical systems" are those that maintain:

1. Prompt and accurate processing of securities transactions, which include:
  - a. Order taking, and
  - b. Entry
  - c. Execution,
  - d. Comparison,
  - e. Allocation. And
  - f. Clearance and settlement of securities transactions.
2. Customer accounts
3. Access to customer accounts; and
4. The delivery of funds and securities.

These systems include:

1. Order taking and entry software

The Firm has primary responsibility for establishing and maintaining our business relationships with our clients and has sole responsibility for our mission critical functions of order taking and entry. The Firm's third party execution platform provides, through contract, the execution of securities transactions. The Firm's clearing firm provides, through contract, the comparison, allocation, clearance and settlement as well as the maintenance of customer accounts, access to customer accounts, and the delivery of funds and securities. The Firm's clearing firm contract provides that it will maintain a business continuity plan and the capacity to execute that plan. If the Firm can reasonably determine that its clearing firm has not or cannot put its plan in place quickly enough to meet Firm needs, or is otherwise unable to provide access to such services, it represents that it will assist the Firm in seeking services from an alternative source.

The severity and timing of a SBD and its effect on the Firm's 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. The Firm's clearing firm shall inform the Firm of its SBD recovery time and resumption objectives.

## Order Taking

The Firm receives orders from customers via telephone, fax, and e-mail by the customer.



During a SBD, the Firm will continue to take orders through whichever of these methods are available and reliable, and, when possible, will inform clients when alternative communications become available to assist the client in processing their orders as expeditiously as possible. If necessary, the Firm will advise clients to place orders directly with the Firm's clearing firm.

#### Order Entry

Currently, the Firm enters orders by recording them electronically and sends them to our clearing firm electronically or telephonically.

In the event of an internal SBD, the Firm will enter and send records to its clearing firm by the fastest alternative means available, which include electronic means. In the event of an external SBD, the Firm 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, the Firm may need to refer clients to deal directly with the clearing firm for order entry.

#### Mission Critical Systems Provided by Clearing Firm

The Firm relies on its clearing firm, via its clearing agreement, to provide order comparison, order allocation, and the maintenance of customer accounts, delivery of funds and securities, and access to customer accounts.

## ALTERNATE COMMUNICATIONS BETWEEN THE FIRM AND CLIENTS, EMPLOYEES AND REGULATORS

#### Specific Compliance

FINRA Rule 4370(c)(4), (5) & (9)

The Firm shall describe the alternate means of communications that it will use to communicate with its clients in the event of a SBD, and shall describe as well the alternate means of communications that it will use to communicate with its employees, and with regulators, in the event of a SBD.

#### Clients

The Firm communicates with its clients using the telephone, e-mail, fax, and U.S. mail. Should a SBD occur, the Firm will assess which means of communication are still available, and use that which is most similar to our normal communications with that particular client.

#### Employees

The Firm communicates with its employees using telephone, e-mail, and in-person. Should a SBD occur, the Firm will assess which means of communication are still available and use that which is most similar to our normal communications with that particular employee. The Firm shall also employ a call tree so that senior management can reach all registered representatives any critical personnel quickly during a SBD. The person to invoke use of the call tree is Michael Haupt.

#### Regulators

The Firm is currently a member of the Financial Industry Regulatory Authority, Inc. (FINRA) and is regulated by the Securities and Exchange Commission (SEC). The Firm communicates with the SEC and the FINRA via the telephone, e-mail, fax, U.S. mail, and in person. Should a SBD occur, the Firm will assess which means of communication are still available, and use that which is most similar to our normal communications with that particular organization.

## CRITICAL BUSINESS CONSTITUENTS, BANKS AND COUNTER PARTIES

### Specific Compliance Rules 4370(a) & (c)(7)

The Firm shall describe its procedures to identify how a SBD will impact its relationships with its critical business constituents, banks, and counter-parties, and how it will deal with those impacts.

### Banks

The bank maintaining the Firm's operating account is: JPMorgan Chase Bank. If the Firm's banks and other lenders are unable to provide financing the Firm may need in light of an internal or external SBD, the Firm will seek alternative financing immediately from other available sources, such as the parent company.

### Counter Parties

The Firm has contacted its critical counter-parties, such as other broker-dealers or institutional customers, to determine if the Firm will be able to carry out transactions with them in light of an internal or external SBD. Where the transactions cannot be completed, the Firm will work with its clearing firm or contact those counter-parties directly to make alternative arrangements to complete those transactions as soon as possible.

## REGULATORY REPORTING

### Specific Compliance FINRA Rule 4370(e). 4370(c)(8).

The Firm shall describe how it will file its regulatory reports in the event of a SBD. The Firm shall describe how it will disclose its business continuity planning to clients, and shall include the current version of its Summary Disclosure Statement. With regard to the summary disclosure statement, the Firm may include cautionary language in the summary that the plan is subject to modification, and that clients may obtain updated summaries by requesting a written copy by mail.

### Reporting Procedures

The Firm files reports with FINRA and SEC using FINRA- administered Regulation Form Filing, Web CRD, FCS Platform, which are all web based forms of delivery. Periodically, the Firm may use fax or E-mail to communicate with either organization. Should a SBD occur, the Firm will contact the SEC, FIRA and other regulators to determine which means of

reporting are still available, and use that which is most similar to our normal reporting method with that particular organization. In the event the Firm cannot contact its regulators, it will continue to file required reports using the most suitable methods available. The Firm is subject to regulation by:

#### Federal Regulators and SRO's

Name of Organization Address Telephone

Securities and Exchange Commission

450 5<sup>th</sup> Street, NW

Washington, DC 20549

(202) 942-8088

Financial Industry Regulatory Authority, Inc.

District 10 Office

Two Jericho Plaza

2<sup>nd</sup> Floor, Wing A

Jericho, NY 11753

(516) 949-4200

F(516) 949-4201

FINRA Call Center Rockville, Maryland (301) 869-6699

#### State Regulators

Jurisdiction Contact Information

New York and all other states See [http://www.nasaa.org/about\\_nasaa/2062.cfm](http://www.nasaa.org/about_nasaa/2062.cfm)  
for contact information for all jurisdictions

#### Disclosure of Business Continuity Plan

The Firm discloses in writing a summary of this plan to clients at account opening. The Firm also mails it to customers upon request. The summary addresses the possibility of a future SBD and how the Firm plans to respond to varying events. In addressing these events, the summary:

1. Provides specific scenarios of varying severity such as, a firm-only business disruption, a disruption to a single building, a disruption to a business district, a citywide business disruption, and a regional disruption;
2. States whether the Firm plans to continue business during a particular scenario and, if so, the Firm's planned recovery time; and
3. Provides general information on our intended response.

The Firm's summary discloses the existence of back-up facilities and arrangements, but does not disclose the specific location of any back-up facilities, any proprietary information contained in the plan or the parties with whom the Firm has back-up arrangements. The Firm shall include cautionary language in the summary that the plan is subject to modification and that clients may alternatively obtain updated summaries by requesting a written copy from the Firm by mail. The Firm Summary Disclosure Statement shall be appended to this plan as Appendix A.

## UPDATES AND ANNUAL REVIEW

### Specific Compliance

FINRA Rule 4370(b).

The Firm shall describe its plan update policy and annual review of this plan.

### Policy

The Firm will update this plan whenever it has a material change to its operations, structure, business or location or to those of its clearing firm.

The Firm will review this plan annually to modify it for any changes in operations, structure, business, or location or those of its clearing firm.