



FIRSTBALLANTYNE
FIXED INCOME SECURITIES

Business Continuity Plan (BCP)

Updated June 1, 2017

I. Emergency Contact Persons

Our firm's two emergency contact persons are:

Steve Team, CFO/FINOP/CCO
(704)927-2939 (work)
steam@fbt.com (work)
(704)293-8583 (cell)
Steve.team99@gmail.com (home)

Kyle Caropreso
(704)927-2940 (work)
kcaropreso@fbt.com (work)

The firm will provide FINRA with the contact information for the two emergency contact persons: (1) name; (2) title; (3) mailing address; (4) email address; (5) telephone number; and (6) facsimile number through the FINRA Contact System (FCS). Mr. Team will promptly notify FINRA of any change in this information through FCS (but no later than 30 days following the change) and will review, and if necessary update, this information within 17 business days after the end of each calendar year.

Rule: FINRA Rule 4370(f); NASD Rule 1160.

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

Steve Team, CFO/FINOP/CCO is responsible for approving the plan and for conducting the required annual review. Mr. Team has 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 server in the FINRA BCP Plan folder.

Rule: FINRA Rule 4370(b), (d) and (e).

III. Business Description

Our firm conducts business in fixed income debt securities through dealer-to-dealer transactions and market-making activities. 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. We accept and enter orders. All transactions are sent to our clearing firm, which compares them, 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 institutional customers. We do not engage in any private placements.

Our clearing firm is:

Wedbush Securities
1000 Wilshire Blvd.
Los Angeles, CA 90017
Web Site: www.wedbush.com

IV. Office Locations

Our firm has only one office location:

13950 Ballantyne Corporate Place
Suite 185
Charlotte, N.C. 28277

All employees drive their cars to and from work.

V. Alternative Physical Location(s) of Employees

In the event of an SBD, we will move our staff to their respective home locations. All traders and operations support presently have remote connections to our computer system on their home computers, which allows them the ability to work from home if the need should arise.

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

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. 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 website that customers may access their funds and securities by contacting SAL Clearing. 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.

Rules: FINRA Rule 4370(a); Securities Exchange Act Rule 15c3-1; see also 15 U.S.C. § 78eee.

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 location. Steve Team is responsible for the maintenance of these books and records. Our firm maintains the following document types and forms that are not transmitted to our clearing firm:

Corporate Records
Personnel and Registration Files
Financial Records
Contracts
Insurance Policies

The firm backs up its electronic records each hour to a remote server.

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. 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.

Rule: FINRA Rule 4370(c)(1).

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 website, telephone voice mail and secure email. In addition, we will retrieve our key activity records as described in the section above, Data Back-Up and Recovery (Hard Copy and Electronic).

Rules: FINRA Rules 4370(c)(3), (c)(4), (c)(5), (c)(7), (c)(9 & (g)(2)).

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 discontinuing trading activities until net capital deficiencies are corrected.

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

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. More specifically, these systems include:

- **Clearing Firm:** Wedbush Securities
- **Trading Platforms:** Bloomberg
- **Telephone System:** Level 3
- **Internet Access:** AT&T and Spectrum Business
- **Technology Vendor:** Carolina Computer Partners

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, entry and execution. Our clearing firm provides, through contract, the comparison, allocation, clearance and settlement of securities transactions, 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 and has presented us with an executive summary of its plan, which is located on their website at www.sterneagee.com. 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, and it has confirmed that it tests its back-up arrangements periodically.

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 recovery time period of 4 hours.

Steve Team will periodically review our clearing firm’s capabilities to perform the mission critical functions the clearing firm has contracted to perform for our firm.

A. Our Firm’s Mission Critical Systems

1. Order Taking

Currently, our firm receives orders from customers via telephone, email and Bloomberg messaging. During an SBD, either internal or external, we will continue to

take orders through any of these methods that are available and reliable, and in addition, as communications permit, we will inform our customers when communications become available to tell them what alternatives they have to send their orders to us. Customers will be informed of alternatives by telephone, email, Bloomberg and our website. If necessary, we will advise our customers to place orders directly with our clearing firm at (888)678-3763.

2. Order Entry

Currently, our firm enters orders by recording them on paper and electronically and sending them to our clearing firm electronically or telephonically. Alternatively, we place customer orders through Bloomberg. We have contacted Bloomberg and were told that, under its BCP, we can expect services within 4 hours.

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 telephone and email. 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.

3. Order Execution

We currently execute orders by via our trading platforms. In the event of an internal SBD, we would communicate with our trading desks either telephonically or through email. In the event of an external SBD, we would refer to their BCP plan for ways of communication.

B. Mission Critical Systems Provided by Our Clearing Firm

Our firm relies, by contract, on our clearing firm to provide order comparison, order allocation, customer account maintenance and/or access and delivery of funds and securities.

Rules: FINRA Rules 3510(c)(2) & (g)(1).

X. Alternate Communications Between the Firm and Customers, Employees, and Regulators

A. Customers

We now communicate with our customers using the telephone, email, our website, fax, and U.S. mail. 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. For example, if we have

communicated with a party by email but the Internet is unavailable, we will call them on the telephone and follow up where a record is needed with paper copy in the U.S. mail.

Rule: FINRA Rule 4370(c)(4).

B. Employees

We now communicate with our employees using telephone, email, 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: Steve Team.

Caller	Call Recipients
<i>Steve Team</i>	<i>All employees</i>

Rule: FINRA Rule 4370(c)(5).

C. Regulators

We are currently members of the following self-regulatory organizations (SROs), and are also regulated by:

SEC, FINRA, MSRB and several state regulators

We communicate with our regulators using telephone, email, fax and U.S. mail. 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.

Rule: FINRA Rule 4370(c)(9).

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 are:

Internet: AT&T and Spectrum Business
Telephone: TW Telecom
Electricity: Northwood Office LLC (Duke Energy)
Electronic Retention: Global Relay
286 Madison Ave, 7th Floor
New York, New York 10017
Main: 866-484-6630

Rules: FINRA Rule 4370(c)(7).

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: Branch Bank and Trust (BB&T), Charlotte, NC. If our banks and other lenders are unable to provide the financing, we will seek alternative financing immediately from other local banks.

Rules: FINRA Rule 4370(c)(7).

C. Counter-Parties

We have contacted our critical counterparties, 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 counterparties directly to make alternative arrangements to complete those transactions as soon as possible.

Rules: FINRA Rule 4370(c)(7).

XII. Regulatory Reporting

Our firm is subject to regulation by those regulators listed above. We now file reports with our regulators using paper copies in the U.S. mail, and electronically using fax, email and the Internet. In the event of an SBD, we will check with the SEC, FINRA and other regulators 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.

FINRA

District 7 - Atlanta
One Securities Center, Suite 500
3490 Piedmont Road, NE
Atlanta, GA 30305-4808
(404)239-6100
Fax: (404)237-9290

SEC Atlanta Regional Office

950 East Paces Ferry, N.E.
Ste 900
Atlanta, GA 30326-1382
(404)842-7600
e-mail: atlanta@sec.gov

MSRB

Municipal Securities Rulemaking Board
1900 Duke Street Suite 600
Alexandria, VA 22314
Main Phone: (703)797-6600
Fax: (703)797-6700

For a list of state regulators, please go to <http://www.nasaa.org/about-us/contact-us/contact-your-regulator/>

Rule: FINRA Rule 4370(c)(8).

XIII. Disclosure of Business Continuity Plan

Attached is our written BCP disclosure statement we provide customers at account opening. We also post the disclosure statement on our website and mail it to customers upon request.

Rule: FINRA Rule 4370(e).

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, to modify it for any changes in our operations, structure, business or location or those of our clearing firm.

Rule: FINRA Rule 4370(b).

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.

Rule: FINRA Rule 4370(d).

Signed: *Steve Seem*

Title: CFO/FINOP/CCO

Date: June 1, 2017

First Ballantyne LLC

Business Continuity Planning

First Ballantyne, LLC has developed a Business Continuity Plan on how we will respond to events that significantly disrupt our business. Since the timing and impact of disasters and disruptions is unpredictable, we will have to be flexible in responding to actual events as they occur. With that in mind, we are providing you with this information on our business continuity plan.

Contacting Us – If after a significant business disruption you cannot contact us as you usually do at (704)927-2900, you should call our alternative number (704)293-8583 or try our website www.firstballantyne.com. If you cannot access us through either of those means, you should contact our clearing firm, Wedbush Securities, at (213)688-8000 or visit www.wedbush.com for instructions on how they may assist you with any questions regarding your account.

Our Business Continuity Plan – We plan to quickly recover and resume business operations after a significant business disruption and respond by safeguarding our employees and property, making a financial and operational assessment, protecting the firm’s books and records, and allowing our customers to transact business. In short, our business continuity plan is designed to permit our firm to resume operations as quickly as possible, given the scope and severity of the significant business disruption.

Our business continuity plan addresses: data back-up and recovery; all mission critical systems; financial and operational assessments; alternative communications with customers, employees, and regulators; alternate physical location of employees; critical supplier, contractor, bank and counter-party impact; regulatory reporting; and assuring our customers prompt access to their funds and securities if we are unable to continue our business.

Our clearing firm, Wedbush Securities, backs up our important records in a geographically separate area. While every emergency situation poses unique problems based on external factors, such as time of day and the severity of the disruption, our clearing firm has advised us that its objective is to restore its own operations and be able to complete existing transactions and accept new transactions and payments within 5 days. Your orders and requests for funds and securities could be delayed during this period.

Varying Disruptions – Significant business disruptions can vary in their scope, such as only our firm, a single building housing our firm, the business district where our firm is located, the city where we are located, or the whole region. Within each of these areas, the severity of the disruption can also vary from minimal to severe. In a disruption to only our firm or a building housing our firm, we will transfer our operations to a local site when needed and expect to recover and resume business within 1 day. In a disruption affecting our business district, city, or region, we will transfer our operations to a site outside of the affected area, and recover and resume business within 5 days. In either situation, we plan to continue in business, transfer operations to our clearing firm if necessary, and notify you through our web site www.firstballantyne.com or our customer emergency number, (704)293-8583 on how to contact us. If the significant business disruption is so severe that it prevents us from remaining in business, we will assure our customer’s prompt access to their funds and securities.

For more information – If you have questions about our business continuity planning, you can contact us at (704)927-2900.

Date: 06-01-2017