

Equity Services, Inc. (ESI) Business Continuity Statement

As a broker-dealer and Registered Investment Advisor, Equity Services, Inc. (ESI) provides brokerage and/or other broker-dealer services. In connection with these services, ESI is required to communicate its position on business continuity practices.

ESI is committed to insuring continuation of all essential functions through an effective and comprehensive program of business continuity planning in the event that we experience a disaster or serious emergency. ESI considers business continuity planning to be an iterative process, requiring ongoing review to assess risks and appropriate responses. As a result, this plan may change as necessary. Please feel free to contact ESI at any time to receive the most recent version of our Business Continuity Statement. The most recent Statement may also be viewed on the ESI Web Site at equity-services.com.

ESI Business Continuity Planning Guidelines

ESI, in conjunction with its parent company, National Life Insurance Company, has developed plans that include the ability to mitigate and/or recover from situations including, but not limited to power outages, major water leaks, fire, loss of water, severe weather, and any facilities failures that may cause business interruptions. Plans are designed to account for business interruptions of various lengths and scope and require that ESI is able to recover critical functions according to their time criticality. Key features of ESI's corporate disaster recovery planning include annual reviews of the following:

- Identification of all mission critical systems.
- A review of financial and operational risks.
- Alternate communications between ESI and its vendor partners.
- Employee safety strategies and communications.
- Systems and telecommunications accessibility.
- Alternate physical site location and preparedness.

A National Life Corporate Business Continuity Management division articulates planning guidelines and coordinates response and event management across all ESI departments. Each ESI department has dedicated Business Continuity Planning Liaisons to prepare and test its specific plan. Each ESI department also follows parent company enterprise-wide guidelines for business continuity planning and disaster recovery of varying scope and timeframes.

ESI Contingency Planning and Business Recovery

ESI mitigates risks to reduce potential issues and impact. In addition to following the guidelines stated above, ESI's recovery plans also include the following:

Employee Safety -ESI companies place an emphasis on employee safety. We conduct regular evacuation drills which are led by trained floor wardens and supervised by on-site security personnel.

Backup Power -Sites that support trading and operations are located in buildings with Uninterrupted Power Supply (UPS) and backup generators.

Separate Sites -ESI has its headquarters in Montpelier, VT and additional offices for certain brokerage support and sales functions. These separate sites provide business continuity for certain critical functions.

Emergency Communication -There are pre-established processes for rerouting of critical hotline numbers. In the event of a site outage, customers should experience minimal downtime in their ability to access information via the ESI website and customer service telephone numbers.

Alternate Site Tests -ESI, via its parent company, National Life Insurance Company, conducts disaster recovery tests for its critical functions at least twice per year. Tests include verification of critical applications and infrastructure.

Notification to Clients -In the event of an outage, ESI will reroute client communications to an offsite Brokerage Operations Center, managed by National Financial Services, LLC (NFS) and post outage status information on our website. Notification will include information regarding length of outage, instructions for contacting ESI, and support information (e.g., where to send faxes, issues pertaining to data transmissions and communications)

Regulatory Reporting -ESI's business continuity plans are designed to ensure that, regardless of the length of an outage at a primary location, ESI's ability to continue to meet regulatory requirements, as mandated by the Securities and Exchange Commission and FINRA, would not be impacted.

Communications With Regulators -ESI will communicate with its regulatory authorities regarding the nature and extent of any significant outage at a primary location, as required by applicable law and regulation.

Access to Your Funds -A site outage at ESI would not impact your ability to have access to your available funds, as ESI's business continuity plans are designed to ensure sustained service. However, your ability to trade your available funds may be impacted by market events outside of ESI's control, such as when the market was closed following the September 11 tragedy. Our tested business continuity plans result in necessary personnel being available to approve transactions that result in the disbursement of available funds.

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Broker/Dealer affiliate of National Life Insurance Company. ESI is a Member of [FINRA](#)/[SIPC](#)

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