

# **Jack V. Butterfield Inv. Company**

## **Business Continuity Plan (BCP) BD/RIA**

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

Our firm's two emergency contact persons are: John Butterfield, (517-787-2430, john.butterfield@jvbco.com) and Timothy Thayer (517-787-2430, tim.thayer@jvbco.com).

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). David Cavender 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 days after the end of each calendar year.

### **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 or a pandemic. 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.

3/10/2020 - ongoing – Due to the threat of COVID-19 (Corona Virus), the firm is prepared to allow employees to work from home, if necessary. This plan would allow setting up workstations at the employees respective homes in order to access RBC and other necessary applications. David would continue to work on-site due to sensitivity of information on CPU and the threat of taking it outside of the firewall/secure network.

3/19/2020 – ongoing – Due to the threat and doing our part in reducing the spread of COVID-19 as well as protecting the health of our employees/clients, the firm has

locked the office and will no longer hold client appointments in person until at least April 1, 2020. An email blast as well as a posting on our outside entrance has been posted to notify clients. See memo at the end of the BCP.

3/23/2020 – ongoing – Due to the increasing threat of COVID-19 (Corona Virus), the firm is only allowing essential employees to be working in the office to align with the executive order from the Michigan governor. Only John, David, Aimee, Kim and one additional broker will be in the office. All other employees will work from home. This will be until at least 4/13/2020.

5/4/2020 – All employees are back in office, but doors remained locked to client entry until at least 5/15/2020. In preparation for client return, a clear plastic barrier has been placed at the front desk to protect reception/client from germ spread. Clients will also be required to wear a mask and be provided one to wear in office if they do not have their own. A maximum of three guests will be allowed in lobby at the same time, unless they are from the same family. In the case that more than three clients/parties are ready to enter, parties will be directed to wait in their cars until they are called in and the broker/employee is ready to meet with them. Reception and all common areas will be sanitized regularly.

5/18/2020 – Clients are allowed back in office by appointment. As stated prior, no more than three clients should be in the lobby at the same time, and clients will be required to wear masks. Reception and common areas will be sanitized regularly.

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

John Butterfield, President, a registered principal, is responsible for approving the plan and for conducting the required annual review. John Butterfield 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 the following path on our server: C:\Records\Customer File Cabinet\DAVID'S FILES\Business Continuity Plan.

## **III. Business Description**

Our firm conducts business in equity, fixed income, and annuities. Our firm is an introducing firm. We also clear for our self. Our clearing firm also maintains our customers' fully disclosed accounts, can grant customers access to them, and delivers funds and securities. We hold funds and securities for our customers for trades away

from our clearing firm (direct mutual fund and insurance products) and settle the trades and disperse funds for those trades if necessary. Our firm services only retail customers. We do not engage in any private placements.

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

Our Firm's location is 100 S. Jackson Suite 100. Its phone number is 517-787-2430. Our employees travel to that location by car. We engage in all of our activities at that office.

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

In the event of an SBD, we will move our staff from affected office to our emergency office. The location of that office is 236 Pinehill Lake Rd, Horton Mi 49246. Its main telephone number is 517-900-8000.

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

Our firm does not maintain custody of customers' fully disclosed funds or securities, which are maintained at our clearing firm, RBC Correspondent Services. 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. The firm will make this information available to customers through its disclosure policy. For trades away from our clearing firm, funds are held in our Comerica bank Account and all securities are sent immediately to RBC Correspondent Services or the transfer agent in case of transfers.

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 Jack V. Butterfield Inv. Co, 100 South Jackson #100, Jackson, MI 49201. David Cavender, Financial and Operations Principal, 517-787-2430, 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:

General Ledger/Balance Sheets

## Income Reports Monthly Calculations

Our firm maintains its back-up hard copy books and records electronically at our home office. David Cavender, 517-787-2430, is responsible for the maintenance of these back-up books and records. Our firm backs up its paper records (NAF) by imaging and taking them to our back-up site. We back up our records every week.

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.

### **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 cell phones, e-mail, and secondary offsite telephone number. 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 to become compliant.

## **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:

Betalink-Customer Account Information  
Broadridge-Customer Information Update System  
Gateway Networks-Access to customer confirmations

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 and execution. 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 and presented us with an executive summary of its plan. 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 [or, *preferably*, 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 annually.

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 and resumption time usually in the same day as the disruption.

## A. Our Firm's Mission Critical Systems

### 1. **Order Taking**

Currently, our firm receives orders from customers via telephone/in person visits by the customer. 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 our web site jvbco.com, by newspaper, and via social media outlets.

### 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.

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 computer at secondary site/telephone from secondary site. 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 desktop personal computer with betalink software. In the event of an internal SBD, we would execute those orders from an on-line system at the secondary site. In the event of an external SBD, we would enter orders by telephone.

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

In addition to those services listed above in this section we also provide various customer services to our customers. (i.e. Account valuations, cash flow analysis etc.). In the event of an internal SBD, we would restore systems on a new computer using drive backup and continue with our business. In the event of an external SBD, these services would not be affected.

## 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 the telephone, e-mail, our Web site, fax, U.S. mail, and in person visits at our firm. 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 e-mail 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.

**B. Employees**

We now communicate with our employees using the telephone 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: John Butterfield.

<b>Caller</b>	<b>Call Recipients</b>
<i>John Butterfield</i>	<i>Tim Thayer 517-262-2343</i>
	<i>Jason Butterfield 517-812-2507</i>
	<i>Nicholas Butterfield 517-262-0468</i>
	<i>Benjamin Butterfield 517-262-1233</i>
<i>Tim Thayer</i>	<i>David Cavender 517-414-8515</i>
	<i>Kimberly Croad 517-531-4158</i>
	<i>Aimee Swiatlowski 517-581-1738</i>
	<i>Katie Potter 517-937-8743</i>

## C. Regulators

We are currently members of the following SROs: *FINRA*, and are also regulated by the SEC and the State of Michigan. We communicate with our regulators using the telephone, e-mail, fax, U.S. 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.

## **XI. Critical Business Constituents, Banks, and Counter-Parties**

### A. Business constituents

At this time we have no business constituents providing us with mission critical goods and services other than our clearing firm.

### 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: Comerica Bank, 245 W. Michigan, Jackson, Mi. 49201 517-788-5034, Margaret Hobbs. If our banks and other lenders are unable to provide the financing, we will seek alternative financing immediately from Huntington Bank or Comerica Bank, 245 W. Michigan Jackson, Mi 49201 517-788-5034 Dan Maletich.

### B. Counter-Parties

We currently do not do business with institutional customers or other broker/dealers, with the exception of our clearing firm.

## **XII. Regulatory Reporting**

Our firm is subject to regulation by: SEC/Finra/State of Michigan Securities Division. 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 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.

**SEC: Midwest Regional Office**  
175 W. Jackson Boulevard  
Suite 900  
Chicago, IL 60604  
(312) 353-7390  
e-mail: [chicago@sec.gov](mailto:chicago@sec.gov)

State of Mich: LARA, CSCL  
P.O. Box 30018  
Lansing, Mi. 48909  
877-999-6442

Finra: Chicago  
55 West Monroe Street  
Suite 2700  
Chicago, IL 60603-5001  
Daniel Opalka  
(312) 899-4375  
Fax: (312) 606-0742

### **XIII. Disclosure of Business Continuity Plan**

We disclose in writing a summary of our BCP to customers at account opening as well as each time we update new account information. (At least once every 36 Months). We also [post the summary on our Web site and] mail it to customers upon request. Our summary addresses the possibility of a future SBD and how we plan to respond to events of varying scope. In addressing the events of varying scope, our summary (1) provides specific scenarios of varying severity (e.g., a firm-only business disruption, a disruption to a single building, a disruption to a business district, a city-wide business disruption, and a regional disruption); (2) states whether we plan to continue business during that scenario and, if so, our planned recovery time; and (3) provides general information on our intended response. Our summary discloses the existence of back-up facilities and arrangements.

#### **Business Continuity Planning Statement**

Jack V. Butterfield Inv Co, a Broker/Dealer maintains important disaster recovery and business continuity plans that may be activated in the event of a significant business disruption. The firm realizes the critical nature of being able to continue material operations if an incident occurs that could affect mission-critical business units and systems. These plans are key components in maintaining emergency procedures, and are required by securities industry regulations.

In planning for potential significant business disruptions, JVBCO has looked at a number of scenarios, including, as examples only, a disruption in our building, a city-wide business disruption, and a regional disruption. The firm's plans are intended to permit the continuation of key business operations during most types of disruptions by resuming mission-critical operations, usually within the same day as the disruption. To assist this

business continuity, the firm maintains the back-up technology to continue operations in an alternative location. In cases of extreme disruption, where the continuation of business may not be practical or in the best interest of the firm or its clients, JVBCO has implemented steps to allow clients prompt access to their funds and securities.

However, clients should be aware that because the firm's plans contain details of a confidential and proprietary nature, they cannot be distributed to the public. Clients should also note that JVBCO's business plan is subject to modification, and that updated plans will be promptly be posted on JVBCO's web site as permitted by applicable law.

#### **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 February 1st, 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: \_\_\_\_\_JOHN BUTTERFIELD\_\_\_\_

Title: \_\_\_\_\_PRESIDENT\_\_\_\_\_

Date: \_\_\_\_\_5/22/20\_\_\_\_\_

**In response to the recent COVID- 19 developments, J.V.B. Investment Company has made the following decision:**

For the safety of our customers, colleagues, and community, we have decided to temporarily limit personal client contact. Please understand that in the best interest of stopping the spread of the Corona virus we must do our part. Clients are welcome to pick up paperwork or drop off checks in the front lobby but we will not be making any individual appointments.

We are happy to discuss any concerns over the phone. If you are calling after office hours be sure to leave a message as our voicemail transfers over to our email. Our general email is checked during normal business hours [mail@jvbco.com](mailto:mail@jvbco.com). Your financial representative has 24-hour access to their email if you prefer to communicate in that manner.

We'll continue with these arrangements until May 15th and will reevaluate the situation at that time. We apologize for any inconvenience this may cause.

We look forward to serving you,

The Butterfield Team

[John.butterfield@jvbco.com](mailto:John.butterfield@jvbco.com) [Tim.thayer@jvbco.com](mailto:Tim.thayer@jvbco.com)  
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