

## **Business Continuity Disclosure Statement**

Thomas J. Herzfeld Advisors, Inc. has designed a business continuity plan to address possible scenarios in efforts to minimize any service impact to our clients. It is the firms' intention to stay in business to maximum extent possible during any business disruption.

In keeping with the regulatory requirements, the business continuity plan for the firms is designed to address key areas of concern, including but not limited to the following:

- Data back-up and recovery;
- Mission critical systems;
- Financial and operational assessments;
- Alternate means of communication between the firm and its clients;
- Alternate means of communication between the firm and its employees;
- Alternative physical locations of employees;
- Regulatory reporting;
- Communications with regulators; and
- How the firms will ensure that customers have access to their funds and securities in the event that the firm(s) determines it is unable to continue its business.

Since events creating business disruptions may vary in nature and scope, the firm has anticipated scenarios in which the following are affected:

- The firm's office location;
- A city-wide area
- A regional area

Regardless of the scope of potential disruption, the firm intends to continue to provide service to its clients, or arrange for services to be continued through each client's custodian broker/dealer or bank, on a temporary basis.

Much of the information related to the firm's operations is also held at custodian firms and are accessible from remote locations either by internet access, by fax or telephone.

Depending the scope of the disaster, arrangements have been made for a backup physical location with a generator and Internet access, as well as remote access to operational systems from that location and/or accessible from employees' homes (which may be more practical depending on transportation interruptions.) These systems are set up to be run and accessed remotely, allowing emergency operations and in most cases "business as usual" operation.

The scope of any future business disruption is, of course, unknown; therefore no estimate of time period can be made regarding when the firm can execute its business continuity

plans and be in a position to continue its operations in the future. In the event of a business disruption, critical contact and other information will be posted on the firm's Web site, if circumstances permit, at <http://www.herzfeld.com> and/or <http://www.herzfeldresearch.com>.