

Business Continuity Statement

On April 7, 2004, the Securities and Exchange Commission approved FINRA Rule 3510, which requires member firms to create and maintain business continuity plans. A business continuity plan is one that will enable the firm to continue its business in the event of a significant business disruption (SBD) or, alternatively, conduct an orderly wind-down of operations.

Catalyst Financial (Catalyst) is FINRA member firm and conducts business in Investment Banking and Private Placements. Catalyst is committed to protecting its *staff* and ensuring the continuity of critical business functions in order to mitigate risk, safeguard revenues and sustain customer confidence. The development and implementation of a Business Continuity Plan (BCP) would assist in achieving these objectives. Catalyst has developed a BCP that addresses advance preparations and actions to be taken in response to disruptions of various magnitudes.

The BCP addresses the following key points:

- Provide an organized approach to managing response and recovery activities following an unplanned incident or business interruption.
- Provide prompt and appropriate responses to any unplanned incident, thereby reducing the effects resulting from short term business interruptions.
- Recover essential business operations in a timely manner and increase the ability of the firm to recover from a damaging loss to the firm's facilities.

The BCP recognizes the potential impact of varying levels of disruptions on Catalyst employees, equipment, computer and telecommunications systems, and office facilities. While it is impossible to anticipate every type of business disruption that could affect Catalyst business, the incidents that the BCP covers include but are not limited to the following:

- Any incident causing physical damage such as terrorist attacks, fire, smoke or water.
- Any incident which indirectly affects employee access to Catalyst facility such as closure due to storm, and emergency building evacuation due to a threat, or external threat such as fire to a nearby facility, gas leaks or explosions, power outages, suspicious mail, bomb threats .
- Impending or unexpected disaster such as hurricane, tornado, rainstorm or wild fires.
- Any external incident, which potentially could cause a business interruption, such as loss of electrical or telecommunication services, IT disruptions, or Cyber threats.
- Transportation related such as local traffic events or street closures, public transportation accidents or strikes, hazardous material spills, or interruptions in mail services.

For all SBDs described above, the BCP in place will permit Catalyst to resume operations in reasonable time frame. Since Catalyst does not provide brokerage services, it's less imperative that it provides an alternative site for its clients. The duration of the disruption will depend on the nature and extent of the SBD. In the event that an SBD, where it is not possible to conduct business from Catalyst Boca Raton office, the firm will conduct operation from an alternative site with sufficient resources to support critical operations. Telephone services would be rerouted to, and contact with from this alternative site. The firm will restore critical business functionality at the alternate site within a reasonable time frame of declaration of an SBD. Certain employees have been designated to work from home during periods of major disruptions.

Please note that Catalyst BCP will be reviewed as necessary, and at least annually to ensure the Plan accounts for technology, business and regulatory changes, operations, structure or location.