

# ATEL Securities Corporation Business Continuity Plan (“BCP”)

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## **I. Emergency Contact Persons**

The Firm’s emergency contact persons (“Executive Representatives”) are:

Dean Cash – President and CEO (ATEL Securities Corporation)  
(415) 616-3444  
[dcash@atel.com](mailto:dcash@atel.com)

Pari Choksi – Executive Vice President, CFO and COO (ATEL Financial Services)  
(415) 616-3407  
[pchoksi@atel.com](mailto:pchoksi@atel.com)

John Hart – Executive Vice President, National Sales Manager (ATEL Securities Corporation)  
(415) 616-3458  
[jhart@atel.com](mailto:jhart@atel.com)

Randy Fox– Vice President & Chief Compliance Officer (ATEL Securities Corporation)  
(415) 616-3456  
[rfox@atel.com](mailto:rfox@atel.com)

The emergency contact persons will be updated in the event of a material change.

## **II. Firm Policy**

ATEL Securities Corporation’s (the “Firm”) 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 the Firm’s books and records, and allowing clients to transact business. In the event the Firm determines it is unable to continue business, the Firm will ensure customers have prompt access to their funds and securities.

### **A. Significant Business Disruptions (SBDs)**

The BCP anticipates two kinds of SBDs, internal and external /regional. Internal SBDs affect only the Firm’s ability to communicate and do business, such as a fire or flood in the building. External / regional SBDs represent more pervasive interruptions, such as those based upon regional infrastructure (transportation, power), non-infrastructure (medical, epidemic, e.g.. viral, etc.), building (weather, natural disaster, collapse), and marketplace events (which prevent the operation of the securities markets or a number of firms, such as a terrorist attack, a city flood, or any other wide-scale regional disruption).

The Firm's response to an external / regional SBD relies more heavily on other organizations and systems.

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

Dean Cash, a registered principal, is responsible for approving the plan and for conducting the required annual review. Dean Cash and Pari Choksi, have the authority to execute the BCP.

### **C. Plan Location and Access**

The Firm will maintain copies of its BCP, annual reviews, and the changes that have been made to it for inspection.

## **III. Business Description**

The Firm engages in the business of wholesaling to various soliciting broker/dealer firms the securities of certain specific public offerings and private placements (the "Funds") sponsored by affiliates of ATEL Capital Group. The Firm does not sell securities directly to the investing public, nor perform any type of clearing function for itself or others. Accordingly, the Firm does not offer securities to retail investment customers *OR* institutional customers. Furthermore, the Firm does not hold customer funds or securities except for a short period of time, typically one to two business days, in the process of accepting subscriptions.<sup>1</sup>

The Firm accepts investments from new investors in the Funds that have been identified, qualified, and introduced by the soliciting broker/dealer firms. All accepted investment transactions are forwarded to our transfer agent, Affiliated Computer Services ("ACS"). ACS tracks, records, and confirms the investments and the investor ownership percentage allocations in the Funds, and handles all aspects of the investment distributions to the investors. ACS also maintains all customer accounts, grants customers access to their accounts, and makes all cash distributions to these accounts. No securities are issued as the investments are un-certificated.

## **IV. Office Locations**

The Firm's office is located at 600 California Street, 6<sup>th</sup> floor, CA 94108. Its primary telephone number is (415) 989-8800. Employees may travel to the office by means of foot, car, public transportation, including ferry, rail, sub-way, street-car, and bus. All primary business functions are performed at this address.

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

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<sup>1</sup> In addition, during the inception of a public offering or private placement, client funds are maintained in an escrow or custodial account with a bank or other agent or custodian selected for the transaction. The escrow is intended to hold customer funds short term to facilitate the impound period of the offering. The custodial accounts with a bank or other agent are for funds to be held long term for a Fund.

In the event of an SBD, select employees and business functions may be directed to work from home, or at an alternative local operations facility (such as a hotel or conference center), or at the Firm's backup location in Denver, Colorado (the "Backup Location"):

**3535 S. Tamarac Drive  
Denver, CO 80237  
Main Tel: 303-221-6645**

## **VI. Clients' Access to Account Information**

The Firm does not maintain custody of client's funds (except for very brief period of one to two business days), investments, or securities, which are maintained by our transfer agent, ACS. (Note: all investments are un-certificated so there are no securities). In the event an internal or external / regional SBD occurs, if telephone service is available, our registered persons will inform our clients how they may access their account information. If web access is available, the Firm will post on its website that customers may access their funds and investments by contacting:

Debbie Jarvis  
Account Manager  
Affiliated Computer Services ("ACS")  
Phone: 214.584.5802  
Fax: 214.887.7198  
[deborah.jarvis@acs-inc.com](mailto:deborah.jarvis@acs-inc.com)

The Firm will make this information available to clients through its disclosure policy.

During the execution of a private placement, terms of the specific escrow or custodial agreement for the transaction will govern the customers' access to their funds. The custodial bank for escrowed funds is:

U.S. Bank National Association  
Corporate Trust & Escrow Services  
One California Street,  
Suite 2100  
San Francisco, California 94111  
Attn: Sheila K. Soares, Vice President  
Telephone: (415) 273-4582  
Fax: (415) 273-4590

If the Securities Investor Protector Corporation ("SIPC") determines that the Firm is unable to meet its obligations to its customers or if the Firm's liabilities exceed its assets in violation of the net capital requirements of Rule 15c3-1 of the Securities Exchange Act of 1934, SIPC may seek to appoint a trustee to disburse the Firm's assets to customers. The Firm 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)**

The Firm maintains its primary hard copy books and records and its electronic records at 600 California Street, 6<sup>th</sup> floor, CA 94108. Dean Cash, (415) 616-3444, is responsible for the maintenance of these books and records.

All document types and forms are transmitted to our transfer agent, ACS, other than investor checks and subscription documents.

The Firm maintains its back-up customer records with ACS by means of interface with ACS's IR 20/20 system.

The Firm maintains scanned electronic images and other electronic data as a backup of its hard copy books and records at the Backup Location. These records of electronic images are stored in a Portable Document Format ("PDF"). The Firm backs up its data by electronically transmitting the data on a daily, or continuous, basis to a mirrored server located at the Backup Location. The then current manager of the IT Department is responsible for the maintenance of these backup processes of images and other electronic data records. An additional copy of some of the most critical backup data is stored on an optical disk or other electronic media, and physically taken weekly to a secure bank vault located at:

Comerica Bank  
1 Embarcadero Ctr.  
San Francisco, CA 94111  
415-477-3273  
Contact: Marco Figone

Dean Cash, (415) 616-3444, is responsible for ensuring the continued maintenance of these back-up books and records.

The Firm backs up its electronic records daily by tape mirror backup. The tapes are stored offsite weekly at a Comerica Bank safe deposit box, and at its data redundancy center located at the Backup Location:

**Kalakane Capital**  
**3535 S. Tamarac Drive**  
**Denver, CO 80237**  
**(303) 221-6645**

In the event of an internal or external / regional SBD that causes the loss of the Firm's paper records, the Firm will recover images or other electronic formats of the paper records from its secure bank vault, or from its Backup Location. If the Firm's primary site is inoperable, the Firm will continue operations from its Backup Location or an alternate location. For the loss of electronic records, the Firm will either physically recover the storage media or electronically recover data from the Backup Location, or, if

the primary site is inoperable, continue operations from the Backup Location or an alternate location.

## **VIII. Financial and Operational Assessments**

### **A. Operational Risk**

In the event of an SBD, the Firm will immediately identify the means available which will permit the Firm to communicate with its clients, 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 the Firm will employ will include its website, telephone, voice mail, and secure e-mail. In addition, the Firm will retrieve its 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, the Firm will determine the value and liquidity of its investments and other assets to evaluate its ability to continue to fund operations and remain in capital compliance. The Firm will contact its bank to apprise them of its financial status. If the Firm determines that it may be unable to meet its obligations to those counter-parties or otherwise continue to fund operations, the Firm will request additional financing from its bank or other credit sources to fulfill its obligations to clients. If the Firm cannot remedy a capital deficiency, it will file appropriate notices with regulators and immediately take appropriate steps, including obtaining an equity infusion from its parent or affiliates.

## **IX. Mission Critical Systems**

The Firm's "mission critical systems" are those which ensure prompt and accurate processing of the public offering and private placement investments in the Funds introduced by soliciting broker/dealers. The Firm has primary responsibility for establishing and maintaining its business relationships with its clients and soliciting broker/dealers. The Firm also has sole responsibility of settling the transaction by depositing the public offering and the private placement investments with the appropriate Funds, and transmitting the transaction information to ACS. Once the investments are deposited with the appropriate Funds, the maintenance of customer accounts, access to customer accounts, and the distribution of funds is performed by ACS. In the event of an internal or an external SBD, the transfer agent or the escrow agent (collectively, the "Agents") are capable of dealing directly with the Firm's clients.

The clearing firm contract with ACS provides that it will maintain a BCP and have the capacity to execute that plan. ACS represents that it will advise the Firm of any material changes to its plan that might affect the Firm's ability to maintain its business. In the

event ACS executes its plan, it will notify the Firm of such execution and provide the Firm equal access to services as its other customers. If the Firm reasonably determines that the 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.

ACS has represented that they backup our records at a remote out of region site. Additionally, they have stated they operate a backup operating facility in a geographically separate area with the capability to conduct the same volume of business as their primary site. Our Agents have also confirmed the effectiveness of their backup arrangements to recover from a wide scale disruption by testing their system, and they have confirmed that they test their backup arrangements periodically.

Recovery-time objectives (identified in the paragraph further below) provide concrete mission recovery goals. 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 activities after a wide-scale disruption; resumption refers to the capacity to resume substantial operations after a wide-scale disruption. The Firm has the following SBD recovery time and resumption objectives: mission critical recovery time period of 24 hours; and resumption time period of substantial operations of business 40 hours.

## **X. Alternate Communications between the Firm and Clients, Employees, and Regulators**

### **A. Clients**

The Firm does not carry customer accounts. The Firm views its “clients” as the broker dealer firms placing its affiliated Fund securities. Currently the Firm communicates with its clients by telephone, e-mail, fax, U.S. mail, and in person visits. In the event of an SBD, the Firm will assess which means of communication are still available, and use the means closest in speed and form (written or oral) to the means that it has used in the past to communicate with the other party. For example, if the Firm communicated with a party by e-mail but the Internet is unavailable, the Firm will call the party on the telephone and follow up where a record is needed with a paper copy in the U.S. mail.

*Rule: NASD Rule 3510(c) (4).*

### **B. Employees**

Currently the Firm communicates with employees using the telephone, e-mail, and in person. In the event of an SBD, the Firm will assess the means of communication available, and use the means closest in speed and form (written or oral) to the means that the Firm has used in the past to communicate with the other party. The Firm 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: Dean Cash

Caller	Call Recipients
<i>Dean Cash</i>	<i>CFO, COO, General Counsel, EVP-National Sales Manager, SVP-National Sales Manager</i>
<i>Pari Choksi</i>	<i>IT Manager, CAO, HR Director, VP Chief Credit Officer, Venture Executive Vice President</i>

Rule: NASD Rule 3510(c) (5).

### C. Regulators

Currently the Firm is a member of the Financial Industry Regulatory Authority (“FINRA”). The Firm communicates with its regulator by telephone, e-mail, fax, U.S. mail, and in person. In the event of an SBD, the Firm will assess which means of communication are still available, and use the means closest in speed and form (written or oral) to the means that the Firm has used in the past to communicate with the other party.

The Firm’s regulator is:

FINRA  
 San Francisco District Office  
 One Montgomery Street, Suite 2100  
 San Francisco, CA 94104

Rule: NASD Rule 3510(c) (9).

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

### A. Business constituents

The Firm will contact its critical business constituents (businesses with which the Firm has an ongoing commercial relationship in support of its operating activities, such as vendors providing the Firm critical services), in the event of an SBD to determine the extent to which the Firm can continue its business relationship with them in light of an internal or external SBD. The Firm will quickly establish alternative arrangements if a business constituent can no longer provide the needed goods or services.

**Landlord: 600California Street Properties LLC**

**Utilities: 600 California Street Properties LLC, AT&T**

*Rules: NASD Rule 3510(c) (7).*

## **B. Banks**

The Firm will contact its banks and lenders to determine whether they can continue to provide the necessary financing in light of the internal or external SBD. The bank maintaining the Firm's operating account is:

**Comerica Bank  
Two Embarcadero Center, Suite 300  
San Francisco, CA 94104  
Telephone 415-3204**

*Rules: NASD Rule 3510(c) (7).*

## **C. Counter-Parties**

The firm does not conduct any trading activity, so does not have any trading counter parties. The Firm will contact critical business counter parties, such as the broker dealers offering and selling the Fund securities, as well as the Funds themselves, to determine if the Firm will be able to carry out our transactions with them in light of the internal or external / regional SBD. Where the transactions cannot be completed, the Firm will work with our counter-parties directly to make alternative arrangements to complete those transactions as soon as possible.

*Rules: NASD Rules 3510(a) &(c) (7).*

## **XII. Regulatory Reporting**

The Firm is subject to regulation by: the Securities and Exchange Commission ("SEC"), FINRA, and the State of California. Currently reports for regulators are filed electronically using the Internet. In the event of an SBD, the Firm will check with the SEC, FINRA, and the State of California to determine which means of filing are still available, and use the means closest in speed and form (written or oral) to the Firm's previous filing method. In the event that the Firm cannot contact its regulators, it will continue to file required reports using the communication means available.

*Rule: NASD Rule 3510(c) (8).*

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

The Firm will provide a summary of the BCP to clients prior to the closing of their first transaction. Additionally, the Firm will post a copy online for clients review, and mail a copy to customers upon request. The summary addresses the possibility of a future SBD

and how the Firm plans to respond to events of varying scope. In addressing the events, the summary provides (1) 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) whether the Firm plans to continue business during that scenario and, if so, the planned recovery time; and (3) general information on the intended response. The summary discloses the existence of backup facilities and arrangements.

### **ATEL Securities Corporation Distributors Summary Disclosure Statement**

The 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 clients to transact business.

In the event of a firm only business disruption the Firm will continue to do business, with a planned recovery time of 24 hours. The Firm will operate by remote access to its data redundancy center located at:

**Kalakane Capital**  
**3535 S. Tamarac Drive**  
**Denver, CO 80237**  
**(303) 221-6645**

and through electronic interface with Comerica Bank and ACS systems.

In the event of a single building business disruption the Firm will continue to do business, with a planned recovery time of 24 hours. The Firm will operate by remote access to its data redundancy center located at:

**Kalakane Capital**  
**3535 S. Tamarac Drive**  
**Denver, CO 80237**  
**(303) 221-6645**

and through electronic interface with Comerica Bank and ACS systems.

In the event of a district or city-wide business disruption the Firm may or may not continue to do business. If the Firm is able to safely leave the city and reach its alternative office, the Firm will continue business. If not, business will be postponed until it is safe to resume. The planned recovery time is one full business day. The Firm will move to its alternative offices located at

**Kalakane Capital**  
**3535 S. Tamarac Drive**  
**Denver, CO 80237**  
**(303) 221-6645**

In the event of an external / regional business disruption the Firm may not continue to do business. The Firm may suspend operations until it is safe to resume. The Firm will notify clients via phone or a posting on its website. The planned recovery time will

depend upon the situation, but the Firm anticipates it will take one business day to recover after the point that the regional business disruption has ended.

The Firm does have back up facilities for its books and records, and an alternative office at which to resume business.

If you would like a copy of this disclosure statement, please call us at (415) 989-8800 to request a copy.

*Rule: NASD Rule 3510(e).*

#### **XIV. Updates and Annual Review**

The Firm will update this plan whenever there is a material change to our operations, structure, business or location or to those of our clearing firm. In addition, the Firm will review this BCP annually, on or about December 31st, to modify it for any changes in our operations, structure, business, or location or those of our clearing firm.

*Rule: NASD Rule 3510(b).*