

## **SUMMARY OF THE STEPHENS INVESTMENT MANAGEMENT GROUP, LLC BUSINESS CONTINUITY PLAN**

Stephens has developed a Business Continuity Plan to provide procedures for response and recovery in the event of significant business disruption. The purpose of the Plan is to identify responsible personnel in the event of a disaster; safeguard employees' lives and firm property; evaluate the situation and initiate appropriate action; recover and resume operations to allow continuation of business; provide customers with access to their funds and securities; and protect books and records.

Our firm recognizes the threat posed by both internal and external events upon our business and the resulting effect on our customers. A number of procedures and back-up systems are in place in order to protect those interests and to minimize inconvenience to our customers by facilitating effective business resumption/recovery.

### **Implementation of The Plan**

The Plan has been designed to be implemented in the event of a disaster that results in a significant business disruption. Whether all or only parts of the Plan are implemented depends on the nature of the disruption. Generally, a significant business disruption would include:

- A. Destruction of one of Stephens' offices or facilities, whether by natural causes or other means
- B. Loss of life or major injuries to personnel in an office location that disables the office's ability to conduct business
- C. Disruption of services from a critical service provider
- D. Disruption of services due to a wide ranging regional outage such as a power outage

In order to make a resumption/recovery possible under a broad range of circumstances, alternate business sites with redundant equipment and communications services have been established. This includes a local resumption site for our Houston, Texas office as well as our office in Little Rock, Arkansas. These sites contain duplicate equipment, telecommunications services, and space for staff to perform critical business functions. A remote site has also been contracted to provide additional systems operation facilities. In order to assure restoration of the most accurate information possible at these sites, regular and frequent backup of data are performed.

To assure that our offices remain as free as possible from disruption, fire detection and suppression systems have been installed to reduce the threat of fire. Electrical generators and uninterruptible power supplies keep critical equipment running in the event of a power failure. Security systems and personnel ensure that only authorized persons gain entry to our buildings.

If a disruption to our business, building, or surrounding area occurs which results in the loss of use of our regular facility for more than one business day, our goal is to resume normal business activities within 24 hours by switching our operations (including our regular telephone service) and staff to both the local resumption site and the remote site.

If a larger scale disruption occurs (such as a city-wide or regional disruption), our goal is to resume normal business activities within one week by re-establishing operations at another site or at the facilities of a business associate.

### **Emergency Response Team**

Stephens has designated an Emergency Response Team that is responsible for implementing necessary procedures included in this Plan. The Response Team's actions will depend upon the nature and scope of the disruption.

### **Emergency Contact List**

Stephens has established an Emergency Contact List that includes the names, phone numbers, e-mail addresses, and other contact information for individuals critical to Stephens' business. A copy of the list is provided to each member of the Emergency Response Team and other key personnel. This list will be reviewed and updated on at least an annual basis.

### **Widespread Health Emergencies**

A widespread pandemic or any biologically based threat could have significant impact on the ability of Stephens to continue conducting business. Stephens has prepared a checklist specific to the steps taken in the event of a widespread pandemic. Stephens has prepared for such an occurrence by implementing the Federal Government Business Pandemic and Influenza Planning Checklist.

## **Education of Employees**

The Business Continuity Plan is communicated to employees as follows:

- A. A summary is included in the Compliance Manual
- B. The summary is available on the company website
- C. A current copy is provided to the Emergency Response Team and key personnel
- D. A current Emergency Contact List is provided to key employees
- E. Senior Management is provided summaries of the quarterly Business Continuity Plan Committee's meetings

## **Testing**

The Plan will be reviewed on at least an annual basis and revised as needed. Each revision will be approved by the designated senior manager and copies of the revised Plan distributed to the Emergency Response Team and key employees.

Extensive testing of our Business Continuity Plan has been performed, and we continue to test the various aspects of our capabilities. Testing of our overall business capabilities has proved satisfactory on all issues for the time frames prescribed in the plan. Where testing identifies individual issues and processes which need improvement, those issues are managed appropriately.

A written record of the annual review, including the date reviewed and the name and signature of the reviewer will be retained by Compliance. Testing of the Plan will be performed no less than annually. Such testing will typically occur each October.

## **Practical Application**

In September of 2008 Stephens had to implement our BCP when Hurricane Ike hit the Houston area. Our offices were damaged as a result of the storm. In advance of the hurricane reaching Houston, we sent members of the investment team away to predetermined sites as called for in our BCP. With all of our systems backed up in Little Rock, Arkansas, the data was easily made available at remote locations via network communications. In Little Rock, at the Stephens Building, we secured a temporary office immediately and a longer-term temporary office was established shortly thereafter in Houston until our primary location could be repaired. While the event was unfortunate on many levels to the Houston area, Stephens never missed a minute in the market and was able to communicate with our clients on an uninterrupted basis.

## **SIMG and its Affiliates Systems**

Various other business continuity tests have been performed in conjunction with our sister company Stephens Inc. Applications required for business resumption were loaded on terminal servers and/or computers at our Business Continuity Site. Technical and business responsible parties were assigned to each system. Each system's responsible parties scripted a Business Continuity Checklist. Each system's tester used this script to conduct business hours testing from systems at the Business Continuity Site. Overall test results for each system were documented.

In every scenario, our goal is to continue business during that time and to protect the assets of our customers.

Our business continuity plan is subject to modification. Updated summaries of the plan will be posted on our web site and a written copy will be available by mail upon request.