



Business Continuity Plan

Axos Clearing LLC has developed and maintains on file a Business Continuity Plan (“BCP”) as it relates to FINRA Rule 4370. In addition, Axos Clearing has prepared and keeps on file an Information Systems Disaster Recovery Plan, a comprehensive and complex plan regarding technical recovery of Axos Clearing data. The plans address recovery strategies, critical business processes, recovery teams, and recovery procedures. The Senior Management team of Axos Clearing, each in his or her individual capacity, but with the agreement of all available senior managers, has the authority to execute the BCP.

Axos Clearing maintains two branch offices:

- The Omaha office is located at 1200 Landmark Center, Suite 800, Omaha, NE 68102. The main telephone number is 402-384-6100. Clearing operations functions are performed at this office.
- The New Jersey Office is located at 485D Route 1 South, Suite 210, Iselin, NJ 08830. The main telephone number is 732-635-2480. The main functions at this office are fixed income trading, stock loan and business development.

Axos Clearing maintains an additional office:

- The Aliso Viejo office is located at 95 Enterprise Drive, Suite 350, Aliso Viejo, CA 92656. This office maintains technical operations and development.

Axos Clearing has datacenters located at Ashburn Equinix Data Center, Ashburn, VA and Equinix Data Center, San Jose, CA.

Axos Clearing performs clearing activities to introducing broker/dealers which include, but are not limited to, executing, clearing and settling securities transactions on behalf of the introducing firms, preparing and delivering confirmations of transactions and periodic account statements, extending credit (margin), performing cashiering functions such as receiving and delivering checks, funds and securities and collecting commission and other fees of introducing broker/dealers, safeguarding account funds and securities and maintaining books and records of the accounts. Axos Clearing will disclose in writing a summary of our BCP to correspondents at the time an executed clearing agreement is received and when changes or updates are made to our plan.

It is Axos Clearing’s policy 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.

Axos Clearing’s BCP anticipates several kinds of disaster recovery levels, including immediate, short-term and long term. 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. When appropriate, a decision to formally declare a disaster will be made within four (4) hours of an incident. A disaster will be declared if the disruption of computing services is expected to last beyond eight (8) hours. Axos Clearing will notify their correspondents within four (4) hours of the determination of a SBD event.

Data Backup and Recovery (Hard Copy and Electronic)

Axos Clearing maintains its primary books and records in electronic and hard-copy records at 1200 Landmark Centre, Suite 800, Omaha, NE.

Our Chief Technology Officer is responsible for the maintenance and backup of the electronic records. Daily backups occur at night that copies mission critical data to multiple datacenter locations. WORM optical and or tape copies are maintained monthly in multiple locations.

Axos Clearing maintains an offsite storage facility located in Omaha NE for hard-copy documents. Thomson Beta Systems is Axos Clearing's primary processing provider with significant technology backup and redundant processing facilities.

Axos Clearing is responsible only for data backup for account information processed through Axos Clearing.

In the Event of a Significant Business Disaster Declared by Axos Clearing:

1. Axos Clearing will assess which means of communication are still available to communicate with our correspondents and contact all correspondents of the issue(s) related to the significant business disaster.
2. If necessary, Axos Clearing will move designated staff from the Omaha office to a remote location and basic business clearing operations will be established. Many employees are equipped with laptops with VPN capabilities. Axos Clearing will contact all correspondents via telephone, email or facsimile with instructions continuing business Operations.
3. In the event of a SBD that would no longer allow the Omaha office to function, Axos Clearing will continue to take orders through methods that are available and reliable. As the extent of the SBD is assessed, Axos Clearing will inform our correspondents what alternatives they have to send their orders to us. Correspondents will be informed of alternatives by telephone, cellular telephone, email, or facsimile.
4. Axos Clearing will assess our financial situation and value and liquidity of our investments and other assets to evaluate our ability to continue to fund our operations and remain in capital compliance. 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 credit sources to fulfill our obligations to our correspondents. If Axos Clearing cannot remedy a capital deficiency, we will file appropriate notices with our regulators immediately. These include the FINRA District 4 Office, FINRA Risk Oversight and Operational Regulation (ROOR) Office, the SEC Regional Office in Denver, and the FINRA Regulation and SEC Headquarters in Washington DC. Axos Clearing will work with the FINRA District Office in Kansas City as our DEA to work toward resolving any capital issues. Axos Clearing maintains a list of our regulators, critical business constituents and bank contacts.