

## **Royal Alliance Associates, Inc. Business Continuity Disclosure Statement**

Royal Alliance Associates, Inc. (“Royal” or the “Firm”) is providing you with this document to inform you of its ability to respond to certain business disruptions at your Financial Advisor’s local office or at the main office of Royal. Your Financial Advisor is associated with Royal and, as a result, all transactions that you place through him or her are processed through Royal’s systems. Royal’s ability to respond to business disruptions is therefore important to your relationship with your Advisor.

In general, Royal maintains a business continuity plan and intends to continue business in the event of a significant business disruption. Royal is an introducing broker/dealer and, as such, it relies on its correspondent-clearing firm to perform certain functions on its behalf, including the execution of securities transactions and the maintenance of customer funds and securities. Accordingly, the Firm’s ability to respond to certain business disruptions is partially dependent on our clearing firm.

In the event of a significant business disruption at either the local or main office, Royal may route calls to an office location in a separate geographic location and, if necessary, transfer operations to a facility maintained by a third-party vendor. Although Royal intends to continue business in the event of a significant business disruption, there are some disruptions that may render the Firm or your Financial Advisor unable to continue business. Under such circumstances, Royal will ensure that clients will be able to access their funds and securities within a reasonable time.

To provide clients with up-to-date information during a significant business disruption to your Financial Advisor’s local office or the main office of Royal, clients may call the Firm’s emergency telephone number at (800) 552-3319 or visit our emergency information Web page at [www.royalliance.com](http://www.royalliance.com).

### **I. Royal’s Response to Events of Varying Scope.**

The following sections describe specific events and Royal’s corresponding general response to those events. Clients, however, should note that these responses are subject to modification and, depending on the severity of a specific event, Royal cannot guarantee that it will be able to follow the stated course of action. If these responses are modified, Royal will post the updated disclosure statement on its Web site. In the alternative, you may request from your financial advisor that the Firm send you, by mail, a copy of the updated disclosure statement.

Under the following scenarios, Royal intends to continue its business:

#### A Disruption to a Single Building or Firm-Only Business Disruption

These disruptions may be caused by physical damage, technology problems, or an inability to have personnel arrive at an office. In the event that there is a significant business disruption to a single building or the Firm’s internal primary systems, Royal may, if necessary, transfer its operations or route incoming calls to another office in a separate geographic location. From this separate location, Royal will accept client orders. In this process, clients may experience a minor delay in reaching the firm due to increased client calls, technology delays, or other minor difficulties arising from the transfer of operations. Royal expects that operations could be disrupted for up to one (1) hour. If Royal’s trading platform is affected, there may be a more significant delay. Royal, however, will be able to place orders outside the trading platform.

#### A Business-District, City-Wide, or Regional Disruption

In the event that there is a significant business disruption that affects the business district, city, or region where any of the Firm’s primary systems are located, Royal may, if necessary, transfer its operations or route incoming calls to another office in a separate geographic location office. In this process, clients may experience a minor delay in reaching the firm due to increased client calls, technology delays, or other minor difficulties arising from the transfer of operations. If the disruption is significant, Royal may transfer its operations to a third-party service provider. In addition, if our clearing firm is affected by the business-district, citywide, or regional disruption, clients may

experience additional delays. Nevertheless, Royal expects that operations could be disrupted for up to four (4) hours.

## **II. Our Clearing Firm may be contacted in Limited Situations.**

In the unlikely event that Royal is unable to continue business; clients may directly contact Pershing, LLC (“Pershing”), our clearing firm, to process limited trade-related transactions, cash disbursements, and security transfers. Instructions to Pershing must be in writing and transmitted via facsimile or postal service as follows:

Pershing LLC  
P.O. Box 2065  
Jersey City, New Jersey 07303-2065  
Fax: (201) 413-5368

For additional information about how to request funds and securities when Royal cannot be contacted due to a significant business interruption, please refer to the information below or call (201) 413-3635 for recorded instructions. If you cannot access the instructions from the previously noted telephone number, Pershing may be contacted at (213) 624-6100 extension 500 as an alternate telephone number for recorded instructions.

Through our clearing firm, you may process the following transactions:

### **A. Trades**

Pershing will process the following closing security trades: (1) Sale of security position held long in your account or (2) Purchase of a security to close-out a short security position. These orders will only be handled as market orders.

In order to place these specific orders, you must provide Pershing with the following information:

1. Your brokerage account number;
2. Your name (as registered on the brokerage account);
3. Security description, including symbol or CUSIP® number; and
4. Number of shares.

### **B. Cash Disbursements**

Pershing will process cash disbursements upon written instructions that must include the following information:

1. Your brokerage account number;
2. Your name (as registered on the brokerage account);
3. Exact amount to be disbursed;
4. Indicate method of disbursement (as follows) and provide the information indicated:
  - a) For a check, which is payable to account name only, indicate name and address of record check is to be mailed to;
  - b) For federal funds, please indicate receiving bank name, ABA number, and receiving bank account number. Please note that the receiving bank account name and brokerage account name must be identical unless we have a letter of authorization on file indicating alternate instructions.

### **C. Securities Transfers**

Pershing will process security transfer requests upon written instructions that must include the following information:

1. Your brokerage account number;
2. Your name (as registered on the brokerage account);

3. Description of security (ies) to be transferred, including symbol(s) or CUSIP number(s);
4. Quantity to be transferred; and
5. Receiving account information for securities, as follows:
  - a) In order to transfer your account, to another brokerage account at Pershing, please provide receiving account number at Pershing (name and address on both accounts must be the same);
  - b) In order to transfer your account to another financial organization, please also provide the following information:
    - Name of the receiving financial organization;
    - DTC number (if the receiving financial organization is a registered broker-dealer);
    - Account number at the receiving financial organization.

For those clients with accounts that are cleared through National Financial Service LLC (NFS), the following contact information applies:

To process limited (sell only) trade related transactions, cash disbursements, and security transfers, please call NFS Customer Service Line at 800-801-9942.

### **III. Variable Product Holdings and Certain Mutual Fund Holdings.**

The Firm does not place its variable annuity transactions through its clearing firm; rather, transactions are placed directly through the variable annuity provider. Accordingly, in the unlikely event that Royal is unable to continue business, clients may directly contact their variable annuity provider, as indicated on their periodic account statements, to process limited trade-related transactions. Certain mutual fund transactions also may not be placed through our clearing firm. If this is the case, in the unlikely event that Royal is unable to continue business, clients may directly contact their mutual fund provider, as indicated on their periodic account statements, to process limited trade-related transactions. Please contact your advisor to determine whether your mutual fund transactions are placed through our clearing firm or directly through a mutual fund provider.