

EST. 1890

# MOORS & CABOT

INVESTMENTS

## Moors & Cabot, Inc. and Subsidiaries Customer Privacy Policy and Practices

**Moors & Cabot, Inc.** is a broker/dealer and investment advisor providing wealth management products and services to our customers. As a firm, we have always valued the trust our customers have placed in us and are committed to the responsible management, use, and protection of their personal information. This Notice applies to Moors & Cabot, Inc. and its subsidiaries and describes not only the personal information we collect, but also how we handle and protect it. As part of our normal business practices, we distribute our policy annually or when significant changes are made to it.

### Collecting Information

Moors & Cabot collects personal information about you to help us serve your financial needs, process transactions in your account(s), provide customer service, offer new products and services, and fulfill legal and regulatory requirements.

Moors & Cabot collects nonpublic information from you, as well as from other sources. The sources and the information collected may include:

- Information you provide to us, to our affiliated entities, to your advisor on applications and related forms, or through discussions with our customer service staff, such as address, social security number, birth date, net worth, assets, income, and medical information, if applying for insurance
- Information regarding your transaction history with us, such as products or services purchased, account balances, trading history, and payment history, as well as information from information service companies and consumer reporting agencies, such as your transactions or credit relationships with unaffiliated third parties
- Information from other unaffiliated third parties, including employers, associations, benefit plan sponsors, and other institutions, if you transfer positions or funds to Moors & Cabot

### Sharing Your Information

We may disclose any of the nonpublic personal information that we collect about you, as required to conduct our business and as permitted or required by law. We may share information about our customers with our affiliated financial services providers, such as insurance companies, mutual fund companies, banks, investment firms, third-party administrators, clearing firms, and other third parties who assist us in providing you with product options, account maintenance and/or customer service. We also may share your information with regulators and law enforcement organizations, or in response to a subpoena or discovery request, as permitted or required by law. **We do not sell, share, or disclose your nonpublic personal information to unaffiliated third-party marketing companies.**

### Safeguarding Your Privacy

Moors & Cabot recognizes the need to prevent unauthorized access to the information we collect, including information held in electronic format. Moors & Cabot authorizes access to your nonpublic information only to personnel who need that information to serve you. We maintain, physical, electronic, and procedural safeguards regarding your nonpublic personal information to ensure that we comply with our own policy, industry practices, and federal and state regulations. If you decide to close your account(s) or become an inactive customer, we will adhere to the privacy policies and practices as described in this notice. If your advisor leaves Moors & Cabot to join another broker/dealer, we will obtain your affirmative consent before allowing him or her access to your Moors & Cabot account information. In the event Moors & Cabot enters into an agreement with a new clearing firm, we reserve the right to transfer customer accounts to the new clearing firm and may share your personal and account information with the new clearing firm in order to facilitate the transfer of your assets.

### Opt Out Provision

If you wish to opt out of these disclosures, now or at any time in the future, please contact our Compliance department at 1-800-426-0501. However, please note that if you direct us not share your personal information with our affiliated financial services providers, we may still share your personal information to the extent permitted by law to process transactions and/or to service your accounts. If you have a joint account, we will treat an opt-out direction by a joint customer as applying to all associated joint customers.

***SMS consent and phone numbers obtained from customers will not be shared, sold, or disclosed to any third parties.***

### **SPECIAL NOTICE TO RESIDENTS OF MASSACHUSETTS**

*The following section supplements our Policy with respect to our individual clients who have a Massachusetts address and supersedes anything to the contrary in the above Policy with respect to those clients only.*

The state of Massachusetts requires financial institutions to obtain your consent prior to sharing personal information that they collect about you with nonaffiliated third parties, or eligibility information with affiliated companies, other than in certain limited circumstances. Except as permitted by law, we will not share personal information we collect about you with nonaffiliated third parties, or eligibility information with affiliated companies, unless you provide us with your written consent to share such information.

### **SPECIAL NOTICE TO RESIDENTS OF VERMONT**

*The following section supplements our Policy with respect to our individual clients who have a Vermont address and supersedes anything to the contrary in the above Policy with respect to those clients only.*

The state of Vermont requires financial institutions to obtain your consent prior to sharing personal information that they collect about you with nonaffiliated third parties, or eligibility information with affiliated companies, other than in certain limited circumstances. Except as permitted by law, we will not share personal information we collect about you with nonaffiliated third parties, or eligibility information with affiliated companies, unless you provide us with your written consent to share such information.

### **SPECIAL NOTICE TO RESIDENTS OF CALIFORNIA**

*The following section supplements our Policy with respect to our individual clients who have a California address and supersedes anything to the contrary in the above Policy with respect to those clients only.*

In response to a California law, if your account has a California home address, your personal information will not be disclosed to nonaffiliated third parties except as permitted by applicable California law, and we will limit sharing such personal information with our affiliates to comply with California privacy laws that apply to us.

We reserve the right to modify or supplement this Privacy Policy at any time. Therefore, we recommend that you review this Privacy Policy, updated and posted on our website, [www.moorscabot.com](http://www.moorscabot.com), regularly for changes. The Revised Date of this Privacy Policy, as stated above, indicates the last time this Privacy Policy was revised.

### **Questions**

If you have any questions after reading this privacy policy, we encourage you to contact your registered representative or to write to Privacy Management, c/o Compliance Department, Moors & Cabot, Inc., One Federal St, 19<sup>th</sup> Fl, Boston, MA 02110.

## **Business Continuity Plan (BCP) Summary**

### **Firm Policy**

Moors & Cabot Inc mission is to provide our customers with appropriate products and services to facilitate their investment strategies. Our strategy is to manage an approved corporate-wide Business Process Continuity Program to maintain the policy and standards while providing a comprehensive implementation process. A centralized Business Process Continuity Group is responsible for administering the program and ensuring all business units and subsidiaries comply.

Our method is to align the Continuity Planning staff with business area Continuity Planners. Working together, they ensure structure and consistency are maintained through the use of formal processes. The objective is to create, document, test and maintain business process continuity plans to recover critical systems and functions. At least annually, business units and technology departments test their plans to ensure that they are workable and in compliance and that staff are aware of their roles in a business interruption. A corporate communication and management process exists to ensure business functions resume quickly, thereby reducing financial risk.

The Business Process Continuity Program encompasses both technology and business continuity planning worldwide.

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

Our plan anticipates two kinds of SBDs, internal and external. Internal SBDs affect only our firm's ability to communicate and do business, such as a fire in our building. External SBDs prevent the operation of the securities markets or a number of firms, such as a terrorist attack, a city flood, or a wide-scale, regional disruption. Our response to an external SBD relies more heavily on other organizations and systems, especially on the capabilities of our clearing firm.

### **Pandemic Preparedness**

In light of current events involving H1N1 swine flu, the threat of a pandemic occurring has become very real, much like other various types of SBDs. As a result, regarding pandemics specifically, our plan addresses the top three most significant challenges likely to be faced during a pandemic: absenteeism, remote work arrangements and telecommunications disruptions. We also incorporate an activation of plan actions or protocol and Pandemic Contact Information for each state in which we have a branch office.

### **Business Description**

Our firm conducts business in equity, fixed income, and derivative securities. Our firm is an introducing firm and does not perform any type of clearing function for itself or others. Furthermore, we do not hold customer funds or securities. We accept and enter orders. All transactions are sent to our clearing firm, RBC Correspondent Services<sup>1</sup>, which executes our orders, compares them, allocates them, clears and settles them. Our clearing firm also maintains our customers' accounts, can grant customers access to them, and delivers funds and securities. Our firm services retail customers and institutional customers.

### **Customers' Access to Funds and Securities**

Our firm does not maintain custody of customers' funds or securities, which are maintained at our clearing firm, RBC Correspondent Services. In the event of an internal or external SBD, if telephone service is available, our registered persons will take customer orders or instructions and contact our clearing firm on their behalf. If our Web access is available, our firm will post on our website: [www.moorscabot.com](http://www.moorscabot.com) information on how customers may contact us and access their funds and securities.

If SIPC determines that we are unable to meet our obligations to our customers or if our liabilities exceed our assets in violation of Securities Exchange Act Rule 15c3-1, SIPC may seek to appoint a trustee to disburse our assets to customers. We will assist SIPC and the trustee by providing our books and records identifying customer accounts subject to SIPC regulation.

### **Data Back-Up and Recovery**

Moors & Cabot Inc. employs several technologies for data backups. The method used is determined by the recovery requirements of the application.

As a firm, Moors & Cabot Inc. relies on RBC Correspondent Services for major primary computer facilities located in geographically diverse areas nation-wide. Moors & Cabot Inc. is effectively positioned to counter an event that would render one of our primary computers processing facility substantially or entirely disabled. The corporation has prepared not only for full Data Center relocation, but also for Intra Data Center recovery.

## **Financial and Operational Assessments**

**Operational Risk** - In the event of an SBD, we will immediately identify what means will permit us to communicate with our customers, employees, critical business constituents, critical banks, critical counter-parties, and regulators.

**Financial and Credit Risk** - In the event of an SBD, we will determine the value and liquidity of our investments and other assets to evaluate our ability to continue to fund our operations and remain in capital compliance. We will contact our clearing firm, critical banks, and investors to apprise them of our financial status. 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 bank or other credit sources to fulfill our obligations to our customers and clients. If we cannot remedy a capital deficiency, we will file appropriate notices with our regulators and immediately take appropriate steps.

## **Mission Critical Systems**

Our firm's "mission critical systems" are those that ensure prompt and accurate processing of securities transactions, including order taking, entry, execution, comparison, allocation, clearance and settlement of securities transactions, the maintenance of customer accounts, access to customer accounts, and the delivery of funds and securities.

We have primary responsibility for establishing and maintaining our business relationships with our customers and have sole responsibility for our mission critical functions of order taking and entry and execution. Our clearing firm provides, through contract, the execution, comparison, allocation, clearance and settlement of securities transactions, the maintenance of customer accounts, access to customer accounts, and the delivery of funds and securities.

RBC Correspondent Services represents that it backs up our records at a remote site. Our clearing firm represents that it operates a back-up operating facility in a geographically separate area with the capability to conduct the same volume of business as its primary site. Our clearing firm has also confirmed the effectiveness of its back-up arrangements to recover from a wide scale disruption by testing twice a year.

## **Our Firm's Mission Critical Systems**

**Order Taking and Entry** - Currently, our firm receives orders from customers via telephone and in person visits by the customer. During an SBD, either internal or external, we will continue to take orders through any of the methods that are available and reliable, and in addition, as communications permit, we will inform our customers when communications become available to tell them what alternatives they have to send their orders to us. Customers will be informed of alternatives by our website. Currently, our firm enters orders by recording them on paper and electronically and sending them to our clearing firm electronically.

**Order Execution** - We currently execute orders through The RBC Gateway or by calling our desk. In the event of an internal SBD, we would still use The RBC Gateway or if necessary we could contact RBC Correspondent Services directly.

## **Alternate Communications Between the Firm and Customers**

We now communicate with our customers using the telephone, e-mail, our Web site, fax, U.S. mail, and in person visits at our firm or at the other's location. In the event of an SBD, we will assess which means of communication are still available to us, and use the means closest in speed and form (written or oral) to the means that we have used in the past to communicate with the other party. For example, if we have communicated with a party by e-mail but the Internet is unavailable, we will call them on the telephone and follow up where a record is needed with paper copy in the U.S. mail.

## **Disclosure of Business Continuity Plan**

We disclose in writing a summary of our BCP to customers at account opening. We will also mail it to customers upon request. Our summary addresses the possibility of a future SBD and how we plan to respond to events of varying scope.

## **Updates and Annual Review**

Our firm will update this plan whenever we have a material change to our operations, structure, business or location or to those of our clearing firm. In addition, our firm will review this BCP annually, to modify it for any changes in our operations, structure, business, or location or those of our clearing firm.