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Penson Financial Services

Penson Financial Services, Inc.
1700 Pacific Avenue
Dallas, TX 75201

Comprehensive Disaster Recovery Plan

Date: April 1, 2005

Revision: 6.0

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Review History

Version	Author	Date	Reviewed By	Comments
1.0		06/16/2003		Initial version.
2.0	Anthony Green	09/16/2003		<ul style="list-style-type: none">• Various editing corrections
	Anthony Green	09/17/2003		<ul style="list-style-type: none">• Updates to Section 8.8 Obtain additional office equipment per Bob Mottor.
	Anthony Green	10/02/2003		<ul style="list-style-type: none">• Updates to Section 4.5 per Jill Zacha
3.0	Anthony Green	8/13/2004		<ul style="list-style-type: none">• Updates to Section 3.2
		8/24/2004		<ul style="list-style-type: none">• Various editing corrections• Updates to Section 5.5.3• Updates to Section 9.3• Updates to Section 11.0
4.0	Anthony Green	09/08/04		<ul style="list-style-type: none">• Updates to Section 7.0
				<ul style="list-style-type: none">• Directions to recovery site removed from external document.• Updates to Section 5.5.3 to include notices to Third Party vendors.
5.0	Anthony Green	10/01/2004		
6.0	Anthony Green	04/01/2005		<ul style="list-style-type: none">• Update to Section 7.3

1 Document Scope and Overview

As a fully disclosed, omnibus-clearing firm, Penson Financial Services, Inc. (PFSI) has developed a Disaster Recovery Plan to ensure business continuity. To accomplish this requires that business critical processes and systems have the ability to resume at a separate location(s).

PFSI supports different business procedures and systems that aid other Divisions of Penson Worldwide Services (i.e. PFFI, PWSL, etc). The scope of this document and plan, will be limited to areas that are directly supported by PFSI's:

- Information Technology Department
- Information Systems Department
- Operations Department
- Accounting Department
- Human Resources Department

This document will focus on providing information about processes that are common and specific to the aforementioned areas. All other items are outside the scope of the initial plan and document.

2 Executive Summary

Penson Financial Services, Inc. (PFSI) has implemented a strategic disaster recovery plan for its worldwide headquarters in Dallas, Texas. PFSI has realized that as a firm it must be prepared for a variety of events that could cause a disruption in normal operating procedures.

PFSI clears over 300,000 trades for its correspondents and provides a variety of services that require technology and operational processes. Many of these correspondent firms rely heavily upon PFSI for execution of trades, accounting of customer accounts, and distribution of funds. For this reason PFSI has established a remotely independent Disaster Recovery (D/R) Site as a major component of its strategic disaster recovery plan.

The D/R Site is considered a "Hot-Site". It has resources in place to operate in the event that PFSI's headquarters cannot be occupied due to anything from a tornado hitting downtown Dallas to a terrorist attack. Although the possibilities are minute, it still poses a risk of exposure to PFSI.

In order to reduce PFSI's risk exposure and ensure the continuity of its business, PFSI has prepared a disaster recover plan. The following plan outlines details concerning PFSI's D/R Site, procedures, its Disaster Staff (D/S), and other details documenting PFSI's Disaster Recovery Plan. While steps have been taken to implement certain disaster recovery procedures in place, Penson recognizes that it operates in a fluid market environment that requires change. With that said, Penson will continue to dedicate time and resources to improve upon the quality, thoroughness, and accurateness of its Comprehensive Disaster Recovery Plan. It is, and will be, a continuous and on-going effort for Penson.

3 Approach/Methodology

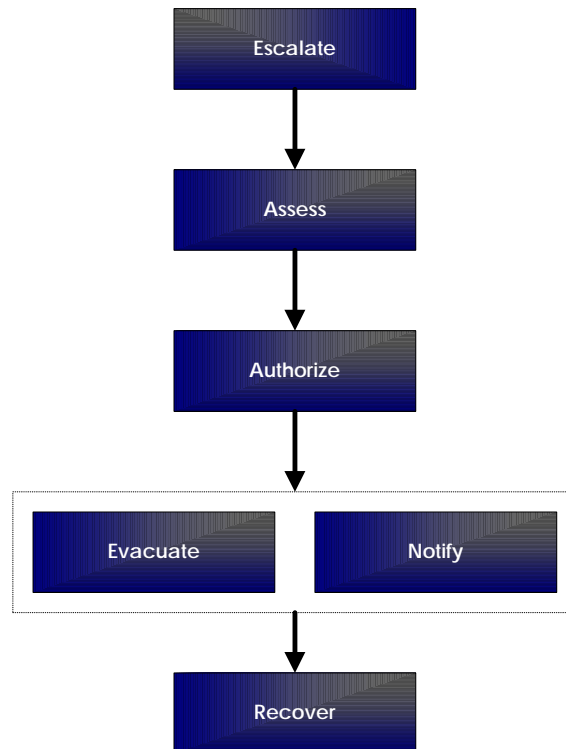
PFSI uses technology, operations, human resources and regulatory processes to support its business. Therefore, the approach and methodology in developing a comprehensive disaster recovery plan, is based on these distinct areas.

A variety of events could occur that require the initiation of the Disaster Recovery Plan. This makes it difficult to provide an exhaustive list of initiation reasons and conditions. Therefore, if PFSI is unable to support its business critical systems (both automated and manual), in a timely manner, due to failures, attacks, accidents, etc. it is possible that the disaster recovery plan would be initiated. This is a concept based on the Software Engineering Institute's (SEI) definition of survivability

“Survivability is defined as the capability of a system to fulfill its mission, in a timely manner, in the presence of attacks, failures, or accidents. ... Survivability focuses on delivery of essential services and preservation of essential assets, even when systems are penetrated and compromised.”

While the definition speaks to security procedures, it can easily be applied to communicate the type of condition(s) that would require the initiation of a disaster recovery plan.

To initiate the plan, each area within PFSI's organization has been requested to consider a common process.



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The process begins with escalating information to the appropriate party and can end with the evacuation of PFSI's headquarters, where recovery of critical business functions will begin.

For purposes of this document, information pertaining to:

- Escalation
- Assessment
- Authorization
- Evacuation
- Notification
- Recovery (assumes that the entire organization has been affected by an event)

When an event occurs, the assumption is that the person(s) who identifies the issue will escalate it to the appropriate party. Once the issue is escalated, it will then be assessed. During the assessment, PFSI's Senior Management Team will determine the magnitude of the event. If the assessment results in a need to evacuate, authorization is required by either the Senior Management Team or individuals outlined by the building's property management (e.g. Dallas Police Department, Chief Engineer, etc).

If evacuation procedures are initiated then:

- Senior Management will contact the respective managers and directors;
- Managers and directors will notify and instruct their respective employees to evacuate according to procedures outlined by Cousin's property.
- IT will contact business critical third party vendors.
- Conversions will contact correspondents, a subset of vendors and Penson Worldwide Settlements (PWS) divisions.

It is at this time that the recovery procedures will begin at the "hot site" in Allen and Las Colinas. The separate location or "hot site" is designed to allow staff to perform business critical functions in the event that headquarters cannot be occupied.

3.1 Correspondent Services

One goal of the Disaster Recovery Plan is it to ensure that PFSI can continue to process its correspondent's business. Although there are a variety of services that PFSI offers, PFSI will primarily focus on maintaining business critical process that support P&S, Margins and other T+1 clearing and settlement procedures.

Supporting of T+1 clearing and settlement procedures, are dependent on the data recovery process (See [Recovery Strategies/ Back Up Methods](#)), PFSI will implement a D/R approach and methodology that continues to support:

- The ability to submit end of day trade files for posting to Phase 3
- Nightly batch processing of batch
- The ability to generate Phase 3 reports
- The ability to generate all existing daily custom reports
- The ability to generate all existing daily custom file extracts
- The ability to communicate T+ 1 exceptions
- The ability to communicate account buy power

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- The ability to communicate account balances
- The ability to communicate account positions
- The ability to Access the Web

Members of the D/R staff will carry out these processes. In addition, members of the D/R staff have been given specific instruction in which vendors to contact and steps that need to be taken in order to process PFSI's business at the D/R Site. (See [Recovery Strategies/ Back Up Methods](#)),

3.2 Additional Areas of Consideration

In an effort to address Operational, HR, IT, and IS areas, PFSI has also investigated best practices and potential regulatory procedures. In addition, the following items will be incorporated into the D/R Plan as part of a long term goal to support operational and technology processes.

- Points outlined by the regulatory bodies (NFA, Federal Reserve and SEC)
- FEMA

In addition, some of these procedures will be used by HR to facilitate the safety of PFSI employees.

4 Roles & Responsibilities

To facilitate the development and execution of the Disaster Recovery Plan, roles and responsibilities have been outlined. These roles have been categorized by seven primary areas:

- Executive Management
- Operations
- Accounting
- Technology
- Legal and Compliance
- Human Resources
- Penson Institute (Training)

4.1 Executive Management

The primary role of Executive Management is to assess an event.

Note: The only individual(s) that can authorize the initiation of the D/R plan is the Executive Management.

4.2 Operations

The primary role of Operations within the Disaster Recovery Plan is to maintain and restore critical business processes. Business critical functions have been communicated as the ability to support P&S, Margins and other related T+1 processes. In addition, Operations will

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be the primary point of contact that will communicate to PFSI customers, a sub-set of third party vendors and PFS divisions (SAMCO, PWSL, etc.)

4.3 Accounting

The primary role of Accounting within the Disaster Recovery Plan is to maintain and restore critical accounting processes. Accounting will ensure that billing, segue reporting, etc. continue in the event the Disaster Recovery Plan is activated.

4.4 Technology

Technology is a core area that supports PFSI's business. In an effort to support processes that are both network and system related, PFSI has taken a two-prong approach to technology and created the Information Technology and Information Systems Department to address these related concerns.

4.4.1 Information Technology

The primary role of the Information Technology (IT) Department is to ensure that the communications and the network infrastructure are in place to support Las Colinas and Allen sites. IT is the primary point of contact for ensuring that communications/lines are in place for business critical, third party vendors (i.e. SIAC, CIS, etc.). IT will also contact a subset of third party vendors to bring up communications/systems at the D/R site. In addition, IT is tasked with ensuring that hardware is in place (and in some cases) configured to support Operational and IS processes.

4.4.2 Information Systems

The Information Systems (IS) Department is responsible for the restoration of critical data processes within a 24-hour time span after a contingency plan is activated. It is the primary responsibility of the IS Department to ensure it can perform nightly batch processing that will facilitate Operations' ability to support P&S, Margins and other T+1 processing. The IS Department is also responsible for ensuring that the:

- Data processed for PFSI correspondents and on behalf of PWS divisions maintains its integrity.
- Business critical applications (including web sites) used by Operations and correspondents are functional.
- Correspondents are able to receive business critical information.
- Telephone numbers are ported.
- Replication has been re-directed and set-up at that the D/R site.

****For D/R, correspondents utilizing replicated services, may require separate arrangements.**

4.5 Legal and Compliance

Legal and Compliance is responsible for keeping current on the regulations that dictate how companies will be required to implement disaster recovery procedures. Based on these rulings, Legal and Compliance will keep PFSI apprised by interpreting and

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formulating company policy as it relates to business operations and compliance with regulatory initiatives and statutory requirements.

In addition to any regulatory concerns, Legal and Compliance will monitor the progress of the administration of the respective company policies. While the company policy is being administered, Legal and Compliance will review these items to determine if there are any additional areas of risk to PFSI and its correspondents, divisions, etc. that require additional procedures.

In summary, Legal and Compliance will:

- Interpret regulations.
- Formulate company compliance policies as it relates to the firm's business operations.
- Work with all areas of the organization to help ensure the appropriate level of administration.

4.6 Human Resources

Human Resources (HR) is responsible for helping to maintain a current employee list and provide updates to respective managers and supervisors. In addition, this area has been tasked with ensuring that the:

- Employment Assistance Program is in place.
- PFSI Management Team is current on building evacuation procedures.
- PFSI personnel are accounted for.

4.7 Penson Institute

To help train and disseminate overall information about the Disaster Recovery Plan, the Penson Institute may be tasked with training PFSI personnel in what to do in the event of an emergency. Topics that will be covered could range from escalation to evacuation procedures. At this time the communication and training of these procedures lies with the Management Team.

5 Initiation Procedures

5.1 Initiation of D/R Plan

PFSI will initiate its Disaster Recovery (D/R) procedures when an event causes its inability to conduct normal business at headquarters. Evacuation procedures can occur during both business and non-business hours.

The Disaster Recovery (D/R) procedure incorporates steps to take during business and non-business hours.

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5.2 Escalation Procedures

5.2.1 Escalation During Normal Business and Non-Business Hours

PFSI's normal business hours are from 8 AM - 5 PM CST, M-F. PFSI's non-business hours are M-F 5:00 PM CST to 7:00 AM CST, all day Sat. and Sun. If an event occurs during this time, employees have been instructed to follow the outlined steps.

1. **Staff Members**: Staff members have been instructed to contact their immediate supervisor for further instructions. If their immediate supervisor is not available, then staff members have been instructed to escalate the matter with their supervisor's supervisor. If that supervisor is not available, then the staff members have been instructed to contact another operations supervisor assigned to D/R and to continuing trying until s/he reaches any member of management assigned to the D/R staff.
2. **Management Team (Senior Vice Presidents, Vice Presidents, Directors, Managers and Team Leads)**: PFSI's Management Team have been instructed to escalate the matter to a member of the Executive Management Team.
3. **Executive Management Team**: President, Vice President, & Chief Operating Officer will be contacted to authorize the initiation of the D/R Plan.

5.3 Assessment

When an event occurs and the issue is escalated, assessment of the event is required. The purpose of assessing the event is to determine the appropriate next step. The next step may range from delaying normal business hours to full evacuation of headquarters. Once again, an event can range in severity, so providing an exhaustive for the types of items that will be assessed are difficult. The items to assess an event can range from system failure to potential lost of life. This process will be highly dependent on the escalation and communication of an event to the appropriate people.

5.4 Authorization

A decision to activate the D/R Plan may be required during business or non-business hours. In case, an event occurs that requires initiation of the Disaster Recovery Plan, and at what level, only the following PFSI individuals have the authorization to evacuate the headquarters building, and proceed to the D/R Site:

- President
- Executive Vice President
- Chief Operating Officer

(See [Executive Management](#))

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5.5 Notification

In the event the initiation of the Disaster Recovery Plan has been authorized, PFSI will then begin the notification process. The notification process is simply the method that PFSI will use to keep its employees, correspondents, partners, divisions and regulators apprised of the situation. The combined responsibility of notifying the appropriate parties rests with the Executive Management Team, direct supervisors (i.e. VPs, Managers, etc.) IS, IT, Legal and Compliance and Conversions.

5.5.1 Personnel

Each Operations Director and Manager has designated a Disaster Staff (D/S), which includes all employees s/he would deem necessary to operate at a minimum capacity. Each Director and Manager will keep an updated list of the home and mobile phone numbers of their respective D/S, remaining staff, and will be responsible for contacting them in succession. Each Manager will also be encouraged to give both home and mobile phone numbers to each member of their directly reporting staff.

5.5.2 Correspondents and Customer Notification

The Conversions Department has been charged with notifying all customers that the Disaster Recovery Plan has been initiated. This includes correspondents, a subset of vendors and other Penson Worldwide Services divisions (i.e. PWSL).

In addition, the *Conversions/Broker-Dealer Relations* Department has established its own set of operational procedures, which are listed below in priority.

1. Notification to correspondent firms is crucial to inform correspondents that we are still operating in the event of a major disaster in the downtown Dallas area. It has been determined that the first employee to arrive at the D/R Site will distribute a global email explaining the situation. A hypothetical example is attached.

“Dear Correspondents:

In light of the recent tragedy, Penson Financial has relocated to our offsite disaster recovery location. We are working diligently to ensure that today's business will be conducted as usual. Please bear with us and be assured that our level of service to you will not waiver. We thank you and appreciate your understanding during this difficult time.

Please take note of our new numbers below and please call the appropriate department depending on your needs.”

2. Notification to vendor firms should be the next task on the conversions agenda, as these vendors will need to be informed of new processes and procedures.
3. The next issue will be to cross reference system issues with correspondent firms and to determine any system outages or connectivity issues. These systems might include: Phase 3, Vantra, SIS, Nexa, Qtech, Brass, ABN Amro, NITE (Knight

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Securities), and MASH (Charles Schwab – formerly Mayer Schweitzer)(Market Makers that Penson routes through).

5.5.3 Third Party Vendor Notification

We have contacted our vendors and made necessary arrangement to ensure that critical products and services can still be provided in the event of a significant business disruption. We will quickly establish an alternative arrangement if a particular vendor is unable to provide the critical needs for our operations.

We have contacted our banks and lenders to determine if they can continue to provide the financing that we will need in the event of a significant business disruption. We have also made arrangements with another financial institution to provide financing needs in the event our primary bank is unable to provide financing.

5.5.4 Primary Contact Numbers and Porting of Lines

In the event that D/R procedures are initiated, PFSI has arranged to have the main telephone numbers (214) 765-1100, (800) 696-3585 and the telephone numbers of several departments “ported” over to the D/R site. These lines will be staffed during normal market hours with associates to respond to customer request.

Once initiated, a list of all of the departmental phone numbers at the D/R site will be posted on the Penson website <https://online.penson.com>

6 Evacuation Procedures

PFSI will base evacuation of headquarters on the procedures outlined by the building's management company.

6.1 Synopsis Building Procedures

The 1700 Pacific Ave. Building has an Emergency Procedures and Fire Safety Plan that has been written and incorporated with PFSI's own Disaster Recovery Plan. Building management has outlined what procedures building tenants should be aware of and instructions they should follow in the event of a disaster.

Building management possesses lists and emergency procedures of their own as far as notifying their tenants. These lists include appropriate contact names from PFSI, and maintained and updated on a quarterly basis.

In addition to these procedures, Human Resources, has established PFSI's own internal set of disaster and evacuation procedures. Human Resources will also be responsible for facilitating the process of updating the remaining staff and informing them of the current situations. Human Resources will remain a primary contact for retirement benefits, insurance benefits, and payroll.

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Human Resources will maintain a list of “Employee Information” including address and phone numbers, emergency contact information, and update it monthly. This information is the basis for employee and D/R staff contact information.

7 Recovery Strategies/ Back Up Methods

To ensure a functional D/R ‘hot site’, PFSI is implementing a scaled down infrastructure to support business critical processes. This includes separate communication lines and data feeds, which are independent to the Dallas location. The Technology departments have put plans in place to allow for the continuation of communication with critical third party vendors. The goal is to continue to use the data to process PFSI’s business.

With these types of procedures in mind, the recovery and back-up methods is a three pronged approach:

- Back-up and restoration of available information on the Dallas Network
- Back-up and restoration of transactional data that is used to support batch processing, reporting and critical business applications
- Back-up and restoration of manual processes that are used by Operations to support business critical functions

In the event of a significant business disruption, PFSI’s objective for recovery time is within eight hours of initiation of the D/R Plan.

7.1 Back-Up and Restoration of the Dallas Network

The IT Department has put an infrastructure in place to support communications from Dallas to the Las Colinas and the Allen sites. In addition, this infrastructure is designed to allow communications to continue with critical third party vendors such as SunGard, DTC, etc. For example, a member of the IT staff has been tasked with notifying DTC, it will be their responsibility to communicate the need to cutover and provide the vendor with the corresponding detail (i.e. IP addresses.)

Within the network architecture, designated servers and routers have been incorporated to run independently from the Dallas location. This will facilitate the process of restoring or bringing up communications at the Allen facility in the event the D/R Plan is initiated. Primarily, the SNA servers will be used to cutover third party vendor systems. Vendors identified for these process are, but not limited to:

- Chase/Chemlink
- DTC
- Loanet
- Chase Banking

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7.1.1 Overview Back-Up/Recovery Method for IS Systems and Processing

With the networking infrastructure in place, the IS Department is able to apply a series of methods that help facilitate the backing up of system data, applications, and supporting technology (i.e. scripts, DTS Packages, executables, etc.) to be present at the D/R site.

The systems which the IS Department supports can be categorized by:

- Database objects (e.g. stored procedures, DTS packages, etc.)
- Visual basic components (e.g. active X reports, executables, etc.)
- Web components (e.g. ASP pages)

Each category is taken into consideration for use at the D/R site. Therefore, steps have been taken to ensure that systems and automated processes, which are supported by these separate categories, are kept current at the D/R Site.

A primary tool used by the IS Department for remote back up of databases is log shipping. As a SQL Server 2000 function, log shipping allows a database and all changes to it to be transmitted to a different server for back-up and restoration purposes. It is a process that allows the IS Department to keep database servers synchronized between the production and D/R environments.

Database related objects that do not fit into this model should be stored on the application server. These objects include scripts and DTS packages. This will allow the IS D/R staff is to re-synchronize the database and support or execute nightly batch processing.

In addition to databases being log-shipped and other database related objects created and placed on an application server, all DTS packages that are in production are stored on the network and are backed-up by the IS Department on a nightly basis.

Applications and systems, which fall into the category of Visual Basic and Web, have been configured on the respective application or web servers. A combination of remote and physical updates will be used to keep the applications current at the D/R Site. The production release process will be modified to support code deployment to the D/R Site.

In addition, to the aforementioned items, the IS Department uses SourceSafe to store its code. This tool is being backed-up and will be available at the D/R Site. Although restoring applications from SourceSafe is not an ideal measure for system recovery, it will be available at the D/R site as a form of contingency.

7.2 Restoration of SunGard – Phase 3 Data Sources (StorQM and Replication)

PFSI has contracted with its primary systems software provider, Sungard Securities Processing (SSP), to provide the D/R Site with duplicate copies of its daily reports. PFSI's various departments such as Operations, Accounting, Trading, and Brokerage Services use these reports. These reports run in parallel to the Dallas office and can be backed up and stored there as well. This encompasses receiving the text files via NDM that are later read into StorQM and used as reports into a remote server independent of the Dallas office.

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The process also entails receiving all daily download files that would be required for replication purposes. This would enable PFSI to provide its customers updated information and continuous service via the website <https://online.penson.com>. The website allows PFSI's customers access to a multitude of items including: account information, reports, queries and the ability to download a variety of forms and documents. The site allows customers to view in real-time the status on ACAT's, account positions/balances, and cash history.

7.3 Additional Third Party Vendors

The IS department sends and receives a number of files to and from a number of sources. These files are required to perform various tasks for all business operations. The table below displays the data vendor names and a description of each file.

Vendor Name	Description
BONY	Bank of NY data used by Dealer Cashiering and London operations
GHCO	Futures data file for single stock futures
Crest	Used for London Operations
DTC	Stock settlement data files used for P&S department
ITS	Integrated Trading Resources (PFSI subsidiary)
OCC	Options Clearing Corp data associated with all option trades
OFAC	The Office of Foreign Assets Control administers and enforces economic and trade sanctions based on U.S. foreign policy national security goals.
SIAC	Security Industry Automation Corp (SIAC) provides a variety of market and transaction data used by Dealer Cashiering and to generate exceptions for P&S
SunGard	Files for Firm 07
	Files for Firm 87

8 Disaster Recovery Site

8.1 Location

Located in Las Colinas, a residential and commercial subdivision of Irving, a suburb of Dallas, the D/R Site is centrally located in the Dallas/Fort Worth area. Approximately 15 miles from the downtown Dallas headquarters office, it places the D/R Site far enough away from downtown to be supported by a separate power grid, while being close enough to efficiently move personnel during a midday crisis. Estimated drive times are 19-22 minutes from PFSI’s downtown offices.

Address: 6363 N. State Highway 161, Ste. 150B
Irving, TX 75038

Building Marker: Entrance sign reads “HD VEST”

Location of “Hot-Site” (Courtesy of MSN Maps)



8.2 Facilities

The D/R Site itself is located in the basement of the Las Colinas Business Center building enclosed by steel mesh reinforced walls on three sides, and earth on the fourth side. The security measures that have been installed include biometric card readers for access purposes, and infrared cameras for surveillance purposes. The biometric card readers require thumbprints of the intruder to match the thumbprints of a member of the D/S. The probability that this process can be fooled is estimated to be one in one million. There are five infrared cameras that will record any movement within the D/R Site with a five second delayed backup capability. Manned surveillance is provided by

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ADT Security Services (American District Telegraph) on an hourly basis for further security measures.

The server room is equipped with dual 10-ton air conditioning units with a switch that allows the a/c units to exchange turns in usage. Each a/c unit will run for a week, and then the switch will defer to the other unit for another week. In the event that one unit does not turn on, the switch will revert to the working unit.

8.3 Capacity

The D/R Site has the capacity of approximately 85 PFSI employees with fully operational and functional desktop workstations specifically tailored to their systems needs.

8.4 Hotel Accommodation

Members of the D/S may be asked to work long hours or may be requested to stay close to the "Hot-Site". That said, PFSI would provide accommodation at nearby hotels for the staff members.

8.5 Terminals

Each terminal has been assigned or allocated to particular members of the D/S or departments. Each department has been designated a set number of terminals. Every terminal has been configured with standard systems and software packages. The standard package includes Microsoft Outlook, Microsoft Office, StorQM (reports), Internet Explorer, Adobe Acrobat, Phase 3, among others.

8.6 Phones/Faxes

There's a telephone at each workstation. The exact extensions of management and other selected personnel will be transferred or "ported" over to the D/R Site. Individual departments have been allocated extensions that will roll over to their respective D/S members. There are three (3) fax machines available for outbound use.

8.7 Printers/Copiers

The "Hot-Site" is equipped with three printers that can be used by the various departments. The following is a list of specifications for each of the printers:

Model Number	Form/Type
IBM4230	Check
HP LaserJet 4050N	Network
HP LaserJet 4050N	Confirm

If there's a need to obtain additional office equipment (i.e. copy machines) arrangements can be made with our vendor so that this equipment can be rented.

8.8 Power Supply

The building is located far enough away from downtown Dallas to be powered by a different grid. If the electricity from the local utility is disconnected for whatever reason, PFSI has installed a UPS (Universal Power Supply) Distribution Unit. This unit supplies up to 24 hours worth of electricity in the event of an outage.

8.9 Telecom:

In a similar fashion, phones will have to be “ported” over to the D/R Site through our local telecom provider. This process will be coordinated via the Communications Department, which is a function of Information Systems.

8.1 Manuals/ Documentation/ Supplies:

Many positions at PFSI require an employee to have documentation or reference materials in a nearby location. PFSI’s Operations departments have each compiled procedures manuals, and replica copies have been made and stored at the D/R Site. Other reference materials include systems manuals and report manuals.

Copies of trade tickets, account forms, agreements, and other important industry documents have been taken into consideration and copies have been stored in a supply room. These items are more heavily stocked since these items require ordering and/or printing. Other supplies include traditional office supplies: toner cartridges, pens, pencils, binders, calculators, and copy paper. These supplies are stocked for a much shorter time frame since they will most likely be readily available at a local office supplies store.

8.2 Desk Assignments

In order to reduce confusion and to eliminate systems redundancy, workstations have been assigned to individuals or departments. Members of the D/S have submitted necessary systems to operate on a daily basis, and their assigned workstation has been specifically tailored to meet their requirements. Phones, Rightfax numbers, and departmental fax machines will also be transferred with corresponding extensions and numbers.

Seating assignments can be found upon entering the D/R Site. PFSI has prepared the D/S by providing them driving directions to the D/R Site in the event that they cannot be contacted prior to leaving their homes. We have asked the D/S to keep a copy of these directions in a safe and readily available location (ex: glove compartment of car). In the event that a member of the D/S uses public transportation, (i.e. Dart bus or train) we have designated rally points around the D/FW area to be picked up by another employee.

The designated rally points are:

- Location outlined by Cousin’s Property
- American Airlines Center
- Texas Stadium
- The Ballpark in Arlington

- The North Park Shopping Mall

9 Disaster Drills: Testing of D/R Plan

9.3 Recovery Plan Testing Minimum Requirements and Limitations

PFSI intends to conduct quarterly “Disaster Drills” to test systems operability and to have members of the D/S to participate in mock scenarios to perform business critical processes and procedures. These tests will include but not limited to submitting test trades, review of daily reports, and testing with third party vendors. Routine systems maintenance/upgrades will also be a part of the testing procedures.

At the end of each exercise, all of the results from testing will be compiled into one document and made available for internal review and auditing purposes.

10 Training

PFSI will hold periodic departmental meetings in order to update the emergency contact information and to refresh the D/S of disaster recovery procedures. Activities might include distribution of driving directions to the D/R Site, or an audit of important documents that might be needed in order to operate at a remote location if access to the downtown headquarters were not permitted.

(For the Penson Institute roles and responsibilities see [Penson Institute](#))

11 Maintenance of Plan and Documentation

PFSI will update this plan whenever we have a material change to our operations and/or systems infrastructure. Due to the sensitivity of some materials, these updates may not always be reflected in the external version of the plan but are included in the internal version of our proprietary plan.

12 Department Requirements

There are additional systems (other than the standard package) that employees will need on their desktop workstations broken down by individuals. Some employees have unique job functions within the organization that requires that they have access to dial up or proprietary services to the various institutions that they interact with on a daily basis.

References

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