

**ESTRADA HINOJOSA & COMPANY, INC.**

**Business Continuity Plan  
(BCP)**

I. Emergency Contact Persons

The two persons to contact in case of emergency for Estrada Hinojosa & Company, Inc. ("Firm") are:

Robert A. Estrada, Dallas Office- Emergency Contact (BCP) - Primary  
214-658-1670 Office  
214-914-5998 Mobile  
817-738-3577 Home  
214-292-8849 Facsimile  
Email: [rae@ehmuni.com](mailto:rae@ehmuni.com)

Tom Nolan, Dallas Office- Emergency Contact (BCP) - Secondary  
214-658-1670 Office  
972-342-7413 Mobile  
972-403-1136 Home  
214-292-8849 Facsimile  
Email: [tnolan@ehmuni.com](mailto:tnolan@ehmuni.com)

The Firm will provide FINRA with the contact information for the two emergency contact persons: (1) name; (2) title; (3) mailing address; (4) email address; (5) telephone number; and (6) facsimile number through the FINRA Contact System (FCS). The CCO or his designee will promptly notify FINRA of any change in this information through FCS (but no later than 30 days following the change) and will review, and if necessary update, this information within 17 business days after the end of each calendar year.

II. Firm Policy

Our Firm's policy is 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. In the event that we determine we are unable to continue our business, we will assure customers prompt access to their funds and securities.

Robert A. Estrada, a registered principal, is responsible for approving the BCP and for conducting the required annual review and has authority to execute this BCP.

III. Business Description

The Firm conducts business in municipal securities, public finance municipal advisory services. 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 agent, which compares, clears and settles them.

Our clearing firm is Hilltop Securities, 1201 Elm Street, Suite 3500, Dallas, TX, 75201, 214-859-1800, and our contact person at that firm is Stephanie Molina. Hilltop Securities has given us the following alternative contact in the event they cannot be reached at the numbers shown above:

Hilltop Securities, 1201 Elm Street, Suite 3500, Dallas, TX, 75201– 844-487-4630.

#### IV. Office Locations

Our Firm has one Headquarters location where all securities transactions are conducted and maintains seven additional branch offices utilized for improved communications and service to issuer clients. The offices are as follows:

##### Headquarters

1717 Main Street, Suite 4700 (47<sup>th</sup> Floor), Dallas, Texas, 75201

Telephone: 214-658-1670

Facsimile: 214-292-8849

Website: [www.estradahinojosa.com](http://www.estradahinojosa.com)

This location is in the central business district of Dallas, accessible by all manner of public and private transit.

Sales and all securities trading for the Firm are conducted at this location.

##### Austin, Texas Office

3103 Bee Cave Road, Suite 133, Austin, Texas 78701

Telephone: 512-469-3577

Facsimile: 512-597-0803

This location is in a commercial area of west Austin, accessible by private vehicle, with limited public transportation available.

Initial sales efforts and client relations for the Firm are conducted at this location.

##### Houston, Texas Office

801 Travis, Suite 1400, Houston, Texas 77002

Telephone: 713-622-6690

Facsimile: 713-583-0945

This location is in central business district of Houston, accessible by all manner of public and private transit.

Initial sales efforts and client relations for the Firm are conducted at this location.

##### San Antonio, Texas Office

100 W. Houston Street, Suite 1400, San Antonio, Texas 78205

Telephone: 210-223-4888

Facsimile: 210-941-0501

This location is in the central business district of San Antonio, accessible by all manner of public and private transit.

Initial sales efforts and client relations for the Firm are conducted at this location.

Miami, Florida Office

2937 SW 27<sup>th</sup> Avenue Suite 200B, Miami, FL 33133

Telephone: 305-507-0100

Facsimile: 305-675-3708

This location is in Miami, accessible by all manner of public and private transit.

Initial sales efforts and client relations for the Firm are conducted at this location.

Los Angeles, California Office

5757 West Century Blvd., Suite 700, Los Angeles, California 90045

Telephone: 310-348-2911

Facsimile: 214-292-8849

This location is adjacent to Los Angeles International Airport and is accessible by a variety of public and private transit.

No trading for the Firm is conducted at this location; it is an office of convenience to satisfy State Law that municipal brokers participating in CA underwritings have a business location in the State.

Chicago, Illinois Office

161 North Clark St, Suite 1600 Chicago, Illinois 60601

Telephone: 312-523-2087

Facsimile: 312-277-7499

This location is in the central business district of Chicago, accessible by all manner of public and private transit.

Initial sales efforts and client relations for the Firm are conducted at this location.

New York City, New York Office

600 3<sup>rd</sup> Ave, 2<sup>nd</sup> Floor New York City, New York 10016

Telephone: 646-571-2542

Facsimile: 646-571-2301

This location is in Manhattan New York, accessible by all manner of public and private transit.

Initial sales efforts and client relations for the Firm are conducted at this location.

V. Alternative Physical Locations for Employees

In the event of a Significant Business Disruption, the Firm will move staff from affected offices to the Headquarters office if it is not affected or in the alternative, to the closest of our branch offices that is not affected. If none of our other office locations is available to receive those staff, we will move them to the location of the clearing agent for our Firm previously listed.

VI. Customers' Access to Funds and Securities

Our Firm does not maintain custody of customers' funds or securities, which are maintained at our clearing firm, Hilltop Securities. 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, and if our Web access is available, our Firm will post on our Web site that customers may access their funds and securities by contacting our clearing agent, Hilltop Securities, which will make this information available to customers through its web site at [www.hilltopsecurities.com](http://www.hilltopsecurities.com).

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.

#### VII. Data Back-Up and Recovery (Hard Copy and Electronic)

Our Firm maintains its primary hard copy books and records and its electronic records at 1717 Main Street, Suite 4700, Dallas, Texas 75201. Belinda Garza, Office Manager, 214-658-1670 is responsible for the maintenance of these books and records. Our Firm maintains the following document types and forms that are not transmitted to our clearing firm: Underwriting file on each transaction containing records of orders taken, designations received, allocations made, wires sent and received, and evidence of other actions taken to comply with all MSRB rules.

Our Firm maintains its back-up hard copy books and records at Armstrong Archives, LLC, 1515 Crescent Drive, Carrollton, TX 75006, telephone 972-242-7179. Ms. Belinda Garza, Office Manager, is responsible for the maintenance of these back-up books and records. Our firm backs up its paper records by copying and sending them to our records retention site administered by Armstrong Archives.

The Firm backs up its electronic records using a Barracuda Backup Server 390 that creates a local back up in real time on-site. The Firm also maintains an unlimited cloud back up with Barracuda. Currently the branches are storing their documents on the server located in Dallas. The Firm has two servers; one in Dallas and one in San Antonio that are relying on virtual machine technology to replicate themselves in case of a catastrophic event. Our data is recorded and shared between the two servers (producing a back-up) in close to real-time. All data is backed up via the Dallas Barracuda server (locally and to the cloud base).

In the event of an internal or external SBD that causes the loss of our paper records, we will physically recover them from our back-up site. If our primary site is inoperable, we will continue operations from our back-up site or an alternate location. For the loss of electronic records, we will either physically recover the storage media or electronically recover data from the Barracuda device located off site, or, if our primary site is inoperable, continue operations from our back-up site or an alternate location.

#### VIII. Data Back-Up and Recovery (Hard Copy and Electronic)

##### A. 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. Although the effects of an SBD will determine the means of alternative communication, the communications options we will employ will

include telephone, email, website notices and personal communications. In addition, we will retrieve our key activity records as described in the section above, Data Back-Up and Recovery (Hard Copy and Electronic).

#### B. 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 bank and 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.

#### IX. Mission Critical Systems

Our clearing firm contract provides that our clearing firm will maintain a business continuity plan and the capacity to execute that plan. Our clearing firm represents that it will advise us of any material changes to its plan that might affect our ability to maintain our business and present us with an executive summary of its plan, which is attached. In the event our clearing firm executes its plan, it represents that it will notify us of such execution and provide us equal access to services as its other customers. If we reasonably determine that our clearing firm has not or cannot put its plan in place quickly enough to meet our needs, or is otherwise unable to provide access to such services, or clearing firm represents that it will assist us in seeking services from an alternative source. Our clearing firm 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 capacity 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.

Recovery-time objectives provide concrete goals to plan for and test against. They are not, however, hard and fast deadlines that must be met in every emergency situation, and various external factors surrounding a disruption, such as time of day, scope of disruption and status of critical infrastructure, particularly telecommunications, can affect actual recovery times. 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.

#### A. Our Firm's Mission Critical Systems

##### a. Order Taking

Currently, our Firm receives orders from customers via telephone, Bloomberg messaging service or through e-mails. During an SBD, either internal or external, we will continue to take orders through any of these 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 telephone or e-mail. If necessary, we will advise our customers to place orders directly with our clearing firm.

b. Order Entry

Currently, our Firm enters orders by recording them on paper and electronically and sending them to our clearing firm electronically or telephonically. In the event of an internal SBD, we will enter and send records to our clearing firm by the fastest alternative means available. In the event of an external SBD, we will maintain the order in electronic or paper format, and deliver the order to the clearing firm by the fastest means available when it resumes operations. In addition, during an internal SBD, we may need to refer our customers to deal directly with our clearing firm for order entry.

c. Order Execution

We currently execute orders by entering them into a Bloomberg terminal in our Headquarters office and electronically transmitting them to our clearing agent. In the event of an internal SBD, we would cease trading and underwriting unless it is determined we can move to our clearing agent's offices, located within walking distance from our Headquarters and continue operations there, as needed to complete any transaction. In the event of an external SBD, we would proceed in the same manner described for an internal SBD or cease operations.

B. Mission Critical Systems Provided by Our Clearing Firm

Our Firm relies, by contract, on our clearing firm to provide order execution, order comparison, order allocation, and the maintenance of customer accounts, delivery of funds and securities, and access to customer accounts.

X. Alternate Communications Between the Firm and Customers, Employees, and Regulators.

A. Customers

We communicate with our customers using the telephone, e-mail, Bloomberg terminals, fax and U.S. mail. 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.

B. Employees

We communicate with our employees using the telephone, e-mail, and in person. 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.

C. Regulators

We are currently members of the following SROs: FINRA and MSRB. We communicate with our regulators using the telephone, e-mail, fax, U.S. mail, and in person. 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. We will also employ a call tree so that senior management can reach all employees quickly during an SBD. The call tree includes all staff home and office phone numbers. We have identified persons, noted below, who live near each other and may reach each other in person:

The person to invoke use of the call tree is: Bob Estrada

Caller	Call Recipients
<i>Bob Estrada</i>	<i>Noe Hinojosa, Tom Nolan, Belinda Garza</i>
<i>Belinda Garza</i>	<i>All Managing Directors and Admin Staff</i>

XI. Critical Business Constituents, Banks, and Counter-Parties

A. Business Constituents

We have contacted our critical business constituents (businesses with which we have an ongoing commercial relationship in support of our operating activities, such as vendors providing us critical services), and determined the extent to which we can continue our business relationship with them in light of the internal or external SBD. We will quickly establish alternative arrangements if a business constituent can no longer provide the needed goods or services when we need them because of a SBD to them or to our Firm.

B. Banks

We have contacted our banks and lenders to determine if they can continue to provide the financing that we will need in light of the internal or external SBD. The bank maintaining our operating account is: JP Morgan Chase Bank, N.A. The bank maintaining our Proprietary Account of Introducing Brokers/Dealers (PAIB account) is provided by our clearing agent, Hilltop Securities. If our banks and other lenders are unable to provide the financing, we will seek alternative financing immediately from several other banks with which we maintain business relations, seek capital contributions from the shareholders or liquidate certain assets held.

XII. Regulatory Reporting

Our Firm is subject to regulation by the MSRB, FINRA, SEC and the Texas Securities Board. We file reports with our regulators using paper copies in the U.S. mail, and electronically using fax, e-mail, and the Internet. In the event of an SBD, we will check with the SEC, FINRA, and other regulators to determine which means of filing are still available to us, and use the means closest in speed and form (written or oral) to our previous filing method. In the

event that we cannot contact our regulators, we will continue to file required reports using the communication means available to us.

XIII. Disclosure of Business Continuity Plan

We provide in writing a BCP disclosure statement to our customers at the opening of an account and an overview of our fully disclosed clearing arrangements. Our Clearing firm, Hilltop Securities, has historically provided such BCP disclosure statement to customers on behalf of the Firm.

XIV. Updates and Annual Review

Our Firm will update this plan whenever we have a material change to our operations, structure, business or location or a change in clearing firms. Any changes in Emergency Contact Persons are reviewed no less than annually.

XV. Senior Manager Approval

I have approved this Business Continuity Plan as reasonably designed to enable our Firm to meet its obligations to customers in the event of an SBD.

Signed: 

Title: CCO

Date: December 9, 2018