



Annual Notices 2017

Anti-Money Laundering (AML) Notice

It is the policy of the Compass Securities Corporation to prohibit and actively prevent money laundering and any activity that facilitates money laundering or the funding of terrorist or criminal activities

See our web site posting at www.compasssecurities.com and select the "Disclosures" tab for a more complete description of our AML Program, or contact us to request a written copy.

In addition to the information we must collect under FINRA Rules, we will, at a minimum:

- Verify, to the extent reasonable and practicable, the identity of any customer seeking to open an account
- Maintain records of information used to verify a customer's identity
- Check that a customer does not appear on government terrorist lists, such as the list on Treasury's Office of Foreign Assets Control (OFAC) Web Site. The kinds of information that we will collect before opening different types of accounts are listed below.

Risk-Based Information On Various Account Types

Compass Securities will collect the following information for all accounts, if applicable, for any person, entity or organization who is opening a new account (or is being granted trading authority over a new or existing account) and whose name is on the account or has authority over the account:

- The name and mailing and residential (or principal place of business) street address of the customer
- The customer's date of birth
- For U.S. persons, the customer's Social Security number or taxpayer identification number (including U.S. tax forms), or, for non-U.S. persons without a taxpayer identification number, an alien identification card number or number and country of issuance of any other government-issued document evidencing nationality or residence and bearing a photograph or other biometric safeguard.

Recognizing that different types of accounts pose different risks and trigger different requirements under the rules, we will gather the additional information specified below for each of the following categories of accounts we provide.

Compass Securities will identify customers and verify their identity by requesting that the customer provide us with an unexpired picture ID suitable for copying for our files and will delegate further identification procedures to our clearing firms who will check the names against the appropriate databases.

Customers Who Refuse To Provide Information

If a potential or existing customer either refuses to provide the information described above when requested, or appears to have intentionally provided misleading information, **our firm will not open a new account and, after considering the risks involved, consider closing any existing account.** In

either case, our AML Compliance Officer will be notified so that we can determine whether we should report the situation to FinCEN.

Verifying Information

Based on the risk, and to the extent reasonable and practicable, we will ensure that we have a reasonable belief that we know the true identity of our customers by using risk-based procedures to verify and document the accuracy of the information we get about our customers. In verifying customer identity, we will analyze any logical inconsistencies in the information we obtain.

We will verify customer identity through documentary evidence, non-documentary evidence, or both.

Client Identification Procedures

As part of Compass Securities Corporation's AML program, the firm has established procedures to ensure that all clients' identities have been verified before an account is opened.

Before opening an account for an individual client, Compass Securities Corporation will require satisfactory documentary evidence of a client's name, address, date of birth, social security number or, if applicable, tax identification number. Before opening an account for a corporation or other legal entity, Compass Securities Corporation will require satisfactory evidence of the entity's name, address and that the acting principal has been duly authorized to open the account. The AML Compliance Officer will retain records of all documentation that has been relied upon for client identification for a period of five years

Thank you for your patience understanding and support as we conduct our business in a compliant manner and do our part to deny terrorist groups and criminals access to America's financial system.

Annual Notice of Contact Information Regarding Customer Complaints

Any customer who has a complaint regarding any transaction by or the conduct of any associated person of our firm should contact Scott Chaisson, President and Chief Compliance Officer, directly. Scott can be reached by telephone at 781-535-6083 x 308, by e-mail (scott@compasssecurities.com) or in writing at 50 Braintree Hill Park, Suite 105, Braintree, MA 02184

Business Conduct and Code of Ethics

Compass Securities Corporation (CSC), a Registered Broker-Dealer, is committed to promoting integrity and maintaining the highest standard of business conduct and all its activities. Effective January 7, 2005 we adopted a Code of Ethics and are prepared to maintain and enforce it. Clients are welcome to request a copy of the Code of Ethics.

Privacy Statement Notice

Compass Securities Corporation (CSC), a Registered Broker-Dealer, is committed to safeguarding the confidential information of its clients. We hold all personal information provided to our firm in the *strictest* confidence.

CSC collects nonpublic personal information about you from the following sources:

- Information we receive from you on applications or other forms
- Information about your transactions with us or others
- Information we receive from a consumer reporting agency.

We do not disclose any nonpublic personal information about you to anyone, except as permitted by law.

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.

CSC restricts access to your personal and account information to those employees who need to know that information to provide products or services to you. CSC maintains physical, electronic, and procedural safeguards to protect your nonpublic personal information.

SIPC Disclosures Required by FINRA Rule 2342

Disclosure Required by FINRA Rule 2342:

Information regarding the Securities Investors Protection Corporation (SIPC), including a SIPC brochure, may be obtained by contacting SIPC via its web site at www.sipc.org or by telephone at (202) 371-8300.

Annual Disclosure of FINRA BrokerCheck

As required by FINRA Rule 2280, Compass will provide customers with the following information in writing about the FINRA BrokerCheck Program (formerly known as the FINRA Public Disclosure Program).

FINRA BrokerCheck should be your first resource tool to learn about the professional background, registration/license statuses and conduct of FINRA registered firms and their registered brokers. FINRA BrokerCheck was designed to be simple and efficient in its delivery of information. FINRA makes information on securities professionals and firms available online, and, in most cases, detailed report information is returned to you by email within minutes of your request.

The avenues available to obtain BrokerCheck information are as follows:

- FINRA BrokerCheck Hotline Number: 1-800-289-9999
- FINRA Regulation Website Address: www.finra.org.
- For further information on the program you may also obtain a BrokerCheck Program brochure through the FINRA website listed above.

Annual Notice Regarding Customer Account Information

Compass Securities Corporation through its clearing firm partner will furnish each customer who opened an account after May 2, 2003 with a copy of their account record within 30 days of the opening of the account.

Compass Securities Corporation will furnish all active accounts with a copy of their account records or an alternate document that contains the information from the account record within three years of May 2, 2003. Included with the account record or alternate document will be an explanation of any terms regarding investment objectives.

Customers should mark any corrections and return the document to the firm.

Any change of address or name will result in Compass Securities Corporation sending a written notice to the customer's old address.

Business Continuity Planning

Compass Securities Corporation (CSC) has developed a Business Continuity Plan on how we will respond to events that significantly disrupt our business. Since the timing and impact of disasters and disruptions is unpredictable, we will have to be flexible in responding to actual events as they occur. With that in mind, we are providing you with this information on our business continuity plan.

Contacting Us – If after a significant business disruption you cannot contact us as you usually do at 781-535-6083 or Principals@compasssecurities.com, you should call our alternative number 617-435-3966 or go to our web site at www.CompassSecurities.com. If you cannot access us through either of those means, you should contact the firm where your assets are custodied for instructions on how it may provide prompt access to funds and securities, enter orders, and process other trade-related, cash, and security transfer transactions for your account.

Firm Name	Phone number	Web address
SEI (managed accounts)	800-734-1003	https://www.portfolioaccess.com/
FOLIOfn (managed accounts)	888-485-3456	www.folioinstitutional.com
Alerus Retirement Solutions	800-795-2697	https://www2.alerusfinancial.com
Fidelity Advisor	800-544-6666	https://www.fidelity.com
Northeast Retirement Services	781-938-6559	https://www.your-retirement.com
Paychex Retirement Solutions	877-283-9520	https://online.paychex.com
Verisight, Inc.	925-328-4425	www.verisightgroup.com

The disaster recovery plans in place for those firms with which we do business are separate from the Firm.

You can read about them here:

[SEI Business Continuity Plan](#)

[Folio Institutional](#)

[Fidelity Advisor](#)

Our Business Continuity Plan – We plan to quickly recover and resume business operations after a significant business disruption and respond by safeguarding our employees and property, making a financial and operational assessment, protecting the firm’s books and records, and allowing our customers to transact business. In short, our business continuity plan is designed to permit our firm to resume operations as quickly as possible, given the scope and severity of the significant business disruption.

Our business continuity plan addresses: data backup and recovery; all mission critical systems; financial and operational assessments; alternative communications with customers, employees, and regulators; alternate physical location of employees; critical supplier, contractor, bank and counter-party impact; regulatory reporting; and assuring our customers prompt access to their funds and securities if we are unable to continue our business.

Varying Disruptions – Significant business disruptions can vary in their scope, such as only our firm, a single building housing our firm, the business district where our firm is located, the city where we are located, or the whole region. Within each of these areas, the severity of the disruption can also vary from minimal to severe. In a disruption to only our firm or a building housing our firm, we will transfer our operations to a local site when needed and expect to recover and resume business within 4 hours. In a

disruption affecting our business district, city, or region, we will transfer our operations to a site outside of the affected area, and recover and resume business within 1 business day. In either situation, we plan to continue in business, transfer operations to our clearing firm if necessary, and notify you through our web site www.compasssecurities.com or www.compasscapital.co or our customer emergency number, 617-435-3966 how to contact us. If the significant business disruption is so severe that it prevents us from remaining in business, we will assure our customer's prompt access to their funds and securities.

For more information – If you have questions about our business continuity planning, you can contact us at 781-535-6083 or Principals@CompassSecurities.com