



# OUR PROCESS

## During Times of Crisis

### At-A-Glance

**STAGE 1:** Stage 1 is activated during periods of “normality”.

- maintaining a 3-6 month cash reserve
- Work towards the reduction/elimination of debt.

**STAGE 2:** Stage 2 is activated during times of extreme uncertainty caused by a natural calamity, an act of war, or a significant geopolitical upheaval. Stage 2 can best be described as a dimension of planning that overlays on top of stage 1. While there may be turmoil, the financial markets are still functioning as are the three branches of government. The basic structure of America remains intact, but beyond that, not much would seem- normal.

- Scale back/eliminate non-essential spending
- Aggressively retire all non-collateralized debt.
- Stockpile essential goods/medications & make disaster plan preparations.

Ignoring/procrastinating this added dimension of planning is done at your own risk. Stage 2 is “bad”, but it could get a lot worse. That’s when Stage 3 is called into action.

**STAGE 3:** For this dimension of planning to be activated there would have to be widespread turmoil and a general disregard for the rule of law. The situation experienced by the folks in New Orleans approximately 4 days after Katrina comes to mind. At the very least, there would have to be a breakdown in the flow of basic goods/services that was expected to last more than a week.

- Single most important key to securing your safety is the ability to bunker in place until civil law is restored.
- An event extending beyond your initial supplies will require you to buy/trade for the things you need. And while fiat currency may not be useful as money, contrary to the ads you hear and see in the media, gold and silver won’t do you much good either unless it is in your possession and in small enough denominations to be used practically in commerce. More likely, items needed for basic survival such as food, water, medication, and firewood will be accepted as currency. Many disaster planners also feel that personal hygiene items will also be valuable for bartering.
- Preparation for Stage 3 must be done beforehand. You can’t begin building the ark after it starts to rain. That is something that needs to be done ahead of time.

It is important to understand what Stage 3 is NOT. Stage 3 is NOT being prepared to withstand a nuclear/radiation event. Stage 3 is NOT being able to live off the grid. Stage 3 is NOT being loaded for bear with enough ammo and weapons to singlehandedly fight off an army. Rather Stage 3 is simply taking common sense preparations to stay alive and out of harm’s way until law and order is returned following a disruption in civil services. Don’t try to be an island unto yourself. Instead, reach out to friends, family and neighbors to build synergies together. For example, while one home may have an abundance of firewood, another home two doors over may have a decent water source. One household may have skills in healthcare while the household next door may be best adept at hunting/gathering.

## SUMMARY

It should be no surprise that most things in life are not in our control. Yet that is not a license to be reactionary, impulsive or to live life with a laissez-faire attitude. Rather, a prudent man would control what can be controlled; quantify as much as possible the uncertainty of that which cannot be controlled; and take reasonable measures to affect an outcome in his favor as often as possible.

From discussing crisis planning with clients in our top service level, we learned that **preparedness** not only improves **response** time immediately following a crisis or disaster, but it also plays a big part in shortening the **recovery** process afterwards. Comprehensive planning should incorporate a multi-dimensional approach. We suggest no less than three stages- or dimensions. Falling short of this standard could call into question an Advisor's adherence to the Fiduciary Standard of care.

*What follows is the Crisis Management Plan(CMP) module included in client annual plan audits in 2017...*

## INCORPORATING CRISIS MANAGEMENT INTO YOUR FINANCIAL PLAN

Van Der Noord Financial Advisors, Inc. has always viewed financial planning as a holistic process that includes crisis management planning. For example, in 2005 we sent our clients a financial records organizer as well as a financial document "go-bag". Also, after the global financial crisis in 2008, we instituted a Master Plan that was a crisis- preparedness overlay for each of the households under our care.

For 2017, we are formalizing a crisis management plan (**CMP**) in conjunction with the annual audit of your financial plan. The essence of planning is to prepare for and mitigate uncontrollable variables that may affect the outcome.

### Prior Planning Prevents Poor Performance (P<sup>5</sup>)

With the funding of your goals well in hand and a sound investment strategy in place, we feel that emergency and disaster planning is the weakest link in our holistic approach to helping you live your BEST life.

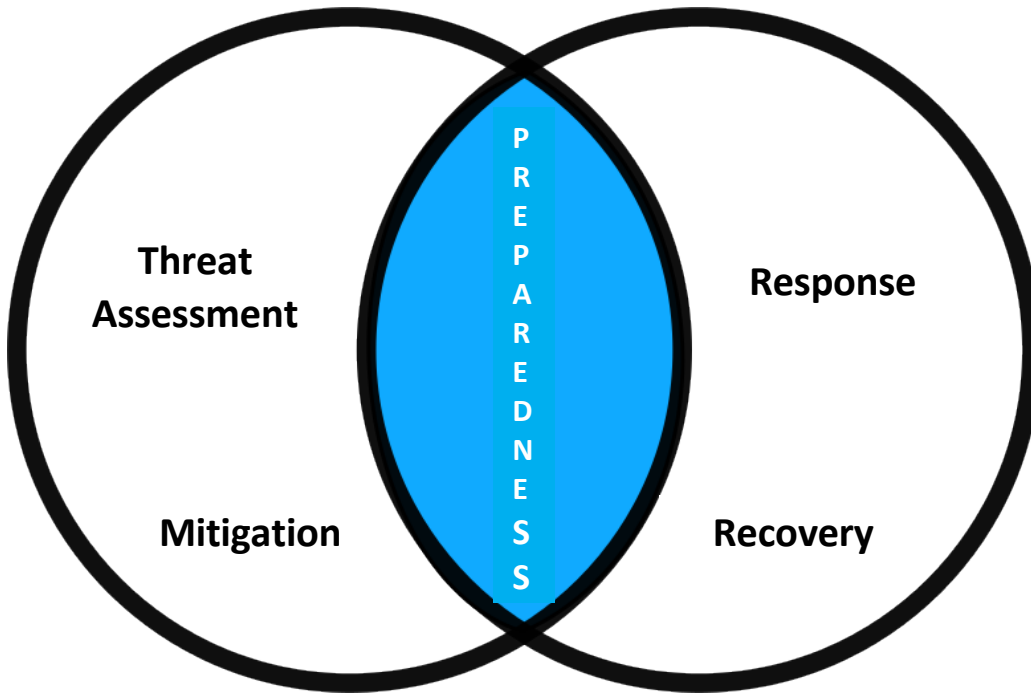
Designing a customized CMP for your family/household is accomplished much like the construction of a LEGACY plan. Our firm can provide ideas and oversee progress, but ultimately the responsibility to create, test, and execute a CMP falls to you.

For planning purposes, it would be helpful to understand the difference between an Emergency and a Disaster as these are NOT interchangeable terms.

**EMERGENCY** Urgent and short-lived, requiring a quick and rational response

**DISASTER** Typically more prolonged or even permanent, requiring numerous check lists to lessen the impact (i.e. improve response and recovery)

The following diagram illustrates the structure of your personalized crisis management plan (CMP).



### **THREAT ASSESSMENT**

It is practically impossible and financially punitive to prepare for EVERY possible risk or threat to your person or possessions. Therefore, it is incumbent upon us to complete a threat assessment in order to ascertain and prioritize the threats that are worthy of our attention.

### **MITIGATION**

Mitigation refers to actions taken well in advance of a disaster that either eliminate or reduce potential damage.

### **RESPONSE**

This is where P<sup>5</sup> really shines. Having a response plan already formulated and practiced for various threats will dramatically improve survivability and protection of your person and possessions.

### **RECOVERY**

With a well thought out and executed CMP, one could expect the recovery time from a disaster to be shortened.

### **PREPAREDNESS**

Preparedness is a bridge that enhances the results and efficiencies of all four components of a sound CMP.

# Helpful Tips:

As you begin to formulate a crisis management plan (**CMP**) for the appropriate threats identified in the assessment, here are some helpful tips to help improve the efficiency of your plan...

- An effective CMP contains as many as four (4) action plans for each threat. By nature, most emergencies or disasters are not going to occur on cue. So, it is likely that you may be separated from your family. Therefore, a plan should be devised for if you are together or find yourself separated. Furthermore, some disasters are best handled while staying at home otherwise known as bunkering in place, while other disasters may compel you to evacuate in order to maximize your response and recovery.

	TOGETHER	SEPARATED
EVACUATE RESIDENCE		
RETREAT TO RESIDENCE		

- Each action plan should address at a minimum the following:
  - Housing issues
  - Proximity to aid
  - Special Needs
- Fortunately, many of the action plans overlap and so this is not as labor intensive as you might think.
- EMERGENCY CASH – There is no empirical research that defines a proper amount of cash to keep on hand. However, a consensus of opinions is that a range of \$100 to \$1,000 is appropriate. Interestingly, holding more cash than this is counterproductive in that it dramatically increases the risk to your personal security.

All VFA clients have an Emergency Cash Reserve (ECR) as part of their investment portfolio design. Make sure that some of this ECR is held in physical currency.

- Speaking of currency, the good news is that if US Dollars(\$) are still being accepted and used as currency, the crisis is likely not that bad. The bad news is that for many of the threats you will be planning for, a case can be made that alternate currencies will be more widely used. And while you can be confident gold and other precious metals will retain some value, it is impractical to think that they can be used as currency. It is more likely, that items such as food stock, water, medical supplies, and personal hygiene will be more readily accepted as currency for day-to-day commerce.
- Store important family and financial information in your VFA secure online vault (driver's licenses, passports, credit cards, family photos, planning docs, etc.). If you need assistance uploading your items, please let us know. We would be glad to scan and save them as part of our service to you.

- Ideally, you want to have a secondary water supply or perhaps even a primary source that wasn't tied to a utility company. So, for example, those on a well or spring are in better shape than those depending on municipal water. If you rely solely on municipal water, consider having a well dug or a collection system constructed for a spring if possible. Cognitive ability is compromised after 72 hours without adequate hydration. Some basic safe- water know how may save your life. Sixteen (16) drops of chlorine bleach per gallon of water for drinking. However, for disinfecting or sanitizing, mix one part chlorine per nine parts water.
- For short term or regional power outages, a professionally installed whole- house generator that runs on natural gas or propane is your best bet. Nevertheless, since the pressure needed to make gas flow to your home is maintained by electric pumps, a loss of electricity also means a loss of gas for longer duration events thereby reducing the effectiveness of such backup systems.
- **REVIEW** and **UPDATE** and **PRACTICE** your plan regularly

**Sample CMP for most Local and Regional high-level threats**

	TOGETHER	SEPARATED
EVACUATE RESIDENCE	<ul style="list-style-type: none"> <li>• Keep "Go-Bag" in each car</li> <li>• Select a nearby place to gather following evacuation</li> <li>• Identify two escape routes from every room</li> <li>• Have fire escapes/emergency ladders from upstairs bedrooms</li> </ul>	<ul style="list-style-type: none"> <li>• Have 2-way radios for each person</li> <li>• Designate a distant relative or friend as point of contact</li> <li>• Establish an evacuation destination in advance</li> <li>• Plan an alternate destination in case of inaccessibility</li> <li>• Put emergency contact information in wallet/purse</li> </ul>
RETREAT TO RESIDENCE	<ul style="list-style-type: none"> <li>• Put flashlights in every room or at least every bedroom</li> <li>• Have smoke/carbon monoxide detectors, fire extinguishers</li> <li>• Have security system with 911 panic button in master bedroom keypad</li> <li>• Stockpile essential "camping" supplies for short term needs</li> <li>• Stockpile food and water (90days)</li> <li>• Stockpile Hygiene Supplies (90days)</li> </ul>	<ul style="list-style-type: none"> <li>• Have 2-way radios for each person</li> <li>• Put emergency contact information in wallet/purse</li> </ul>

# Appendix A – Basic Preparedness Item Checklist

<i>Short-Term Supplies</i>	<i>Longer-Term Supplies</i>	<i>Food and Water (90 days)</i>	<i>Hygiene Supplies (90 days)</i>
Portable generator	Solar rechargeable batteries	Portable water purification bottles	Toilet Paper
Batteries (multiple sizes)	Solar rechargeable lighting	Water purification system	Toothpaste
Matches, lighters, or camping flint	Solar power generation array	Chlorine tablets or bleach (unscented)*	Feminine care products
Gasoline, kerosene, propane	Siphon	Non-perishable canned goods	Medical prescriptions
Camping lanterns	Kinetic flashlights	Pastas, non-perishable dry goods	Sealable garbage bags
	Outdoor solar camping shower	Multi-vitamins	Anti-bacterial dish soap
	Screened tent or cheesecloth (insects)	Pet food	Bath soap
	Insect repellent, citronella lanterns		Disposable latex gloves
			NP-95 surgical masks
			Rubbing alcohol

## Appendix B: Disaster Supplies Checklists

The following list is to help you determine what to include in your disaster supplies kit that will meet your family's needs.

### First Aid Supplies

Supplies	Home (√)	Vehicle (√)	Work (√)
Adhesive bandages, various sizes			
5" x 9" sterile dressing			
Conforming roller gauze bandage			
Triangular bandages			
3" x 3" sterile gauze pads			
4" x 4" sterile gauze pads			
Roll 3" cohesive bandage			
Germicidal hand wipes or waterless, alcohol-based hand sanitizer			
Antiseptic wipes			
Pairs large, medical grade, non-latex gloves			
Tongue depressor blades			
Adhesive tape, 2" width			
Antibacterial ointment			
Cold pack			
Scissors (small, personal)			
Tweezers			
Assorted sizes of safety pins			
Cotton balls			
Thermometer			
Tube of petroleum jelly or other lubricant			
Sunscreen			
CPR breathing barrier, such as a face shield			
First aid manual			

### Non-Prescription and Prescription Medicine Kit Supplies

Supplies	Home (√)	Vehicle (√)	Work (√)
Aspirin and non-aspirin pain reliever			
Anti-diarrhea medication			
Antacid (for stomach upset)			
Laxative			
Vitamins			
Prescriptions			
Extra eyeglasses/contact lenses			

### Sanitation and Hygiene Supplies

Item	(√)	Item	(√)
Washcloth and towel		Heavy-duty plastic garbage bags and ties for personal sanitation uses and toilet paper	
Towelettes, soap, hand sanitizer		Medium-sized plastic bucket with tight lid	
Tooth paste, toothbrushes		Disinfectant and household chlorine bleach	
Shampoo, comb, and brush		A small shovel for digging a latrine	
Deodorants, sunscreen		Toilet paper	
Razor, shaving cream			
Lip balm, insect repellent			
Contact lens solutions			
Mirror			
Feminine supplies			



### Equipment and Tools

Tools	(√)	Kitchen Items	(√)
Portable, battery-powered radio or television and extra batteries		Manual can opener	
NOAA Weather Radio, if appropriate for your area		Mess kits or paper cups, plates, and plastic utensils	
Flashlight and extra batteries		All-purpose knife	
Signal flare		Household liquid bleach to treat drinking water	
Matches in a waterproof container (or waterproof matches)		Sugar, salt, pepper	
Shut-off wrench, pliers, shovel, and other tools		Aluminum foil and plastic wrap	
Duct tape and scissors		Resealable plastic bags	
Plastic sheeting		Small cooking stove and a can of cooking fuel (if food must be cooked)	
Whistle			
Small canister, ABC-type fire extinguisher		<b>Comfort Items</b>	
Tube tent		Games	
Compass		Cards	
Work gloves		Books	
Paper, pens, and pencils		Toys for kids	
Needles and thread		Foods	
Battery-operated travel alarm clock			

### Food and Water

Supplies	Home (√)	Vehicle (√)	Work (√)
Water			
Ready-to-eat meats, fruits, and vegetables			
Canned or boxed juices, milk, and soup			
High-energy foods such as peanut butter, jelly, low-sodium crackers, granola bars, and trail mix.			
Vitamins			
Special foods for infants or persons on special diets			
Cookies, hard candy			
Instant coffee			
Cereals			
Powdered milk			

### Clothes and Bedding Supplies

Item	(√)	(√)	(√)	(√)
Complete change of clothes				
Sturdy shoes or boots				
Rain gear				
Hat and gloves				
Extra socks				
Extra underwear				
Thermal underwear				
Sunglasses				
Blankets/sleeping bags and pillows				

## Documents and Keys

Make sure you keep these items in a watertight container

Item	Stored (✓)
Personal identification	
Cash and coins	
Credit cards	
Extra set of house keys and car keys	
Copies of the following:	
• Birth certificate	
• Marriage certificate	
• Driver's license	
• Social Security cards	
• Passports	
• Wills	
• Deeds	
• Inventory of household goods	
• Insurance papers	
• Immunization records	
• Bank and credit card account numbers	
• Stocks and bonds	
Emergency contact list and phone numbers	
Map of the area and phone numbers of places you could go	

# Appendix C:



**Homeland Security**

## Family Communications Plan

Your family may not be together when disaster strikes, so plan how you will contact one another and review what you will do in different situations.

Out-of-State Contact Name: \_\_\_\_\_ Telephone Number: \_\_\_\_\_  
 Email: \_\_\_\_\_ Telephone Number: \_\_\_\_\_

Fill out the following information for each family member and keep it up to date.

Name: _____	Social Security Number: _____
Date of Birth: _____	Important Medical Information: _____
Name: _____	Social Security Number: _____
Date of Birth: _____	Important Medical Information: _____
Name: _____	Social Security Number: _____
Date of Birth: _____	Important Medical Information: _____
Name: _____	Social Security Number: _____
Date of Birth: _____	Important Medical Information: _____
Name: _____	Social Security Number: _____
Date of Birth: _____	Important Medical Information: _____
Name: _____	Social Security Number: _____
Date of Birth: _____	Important Medical Information: _____

**Where to go in an emergency.** Write down where your family spends the most time: work, school and other places you frequent. Schools, daycare providers, workplaces and apartment buildings should all have site-specific emergency plans.

<b>Home</b> Address: _____ Phone Number: _____ Neighborhood Meeting Place: _____ Regional Meeting Place: _____	<b>Work</b> Address: _____ Phone Number: _____ Evacuation Location: _____
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<b>School</b> Address: _____ Phone Number: _____ Evacuation Location: _____	<b>Work</b> Address: _____ Phone Number: _____ Evacuation Location: _____
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<b>School</b> Address: _____ Phone Number: _____ Evacuation Location: _____	<b>Other place you frequent:</b> Address: _____ Phone Number: _____ Evacuation Location: _____
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<b>School</b> Address: _____ Phone Number: _____ Evacuation Location: _____	<b>Other place you frequent:</b> Address: _____ Phone Number: _____ Evacuation Location: _____
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Important Information	Name	Telephone #	Policy #
Doctor(s):			
Other:			
Pharmacist:			
Medical Insurance:			
Homeowners/Rental Insurance:			
Veterinarian/Kennel (for pets):			

Other useful phone numbers: **9-1-1 for emergencies.** Police Non-Emergency Phone #: \_\_\_\_\_

# Appendix D –

## Suggested “Go-bag” contents

### Why it’s important to have a bugout bag

A bug out bag, also commonly called Go Bags, Bail out bags, grab bags, etc., is something that everyone should have in their house or apartment. A proper bug out bag will supply you with all of the essentials that you will need to survive for anywhere between 24 and 120 hours.

### Things to Consider When Assembling a Bug Out Bag

There are a number of considerations that you need to take into account when putting together your bugout bags that can make or break your survival.

First, know how many people will be in your group. If you live by yourself, be sure to pack at least 2 people’s worth of supplies. The first reason for this is you never know how long you will be gone, but also, you might see someone you know.

If you are preparing for your family, be sure you have enough supplies for your entire family. The important thing is to pack all the supplies you will need, not to find out you only have three people’s worth when you have four members in your family.

Second, you will need to take into account your geographical location and the different environmental qualities that you will face. For example, someone in Washington State will have a drastically different back pack from someone in Texas or New Mexico. Someone in Washington State would focus on staying warm and staying dry, while someone in Texas would probably be more focused on staying cool and staying hydrated.

### A Bug Out Bag Checklist of Supplies

There are a few standard items that every bug out bag should have in them and from there you can choose to customize and fit your bag to your own situation.

1. Water - The number one item you should have in your bugout bag is water. Water is even more important than food because you can go a few several weeks if necessary without eating food but just a few days without water and you’ll quickly suffer from extreme dehydration.

- Water Bottles or Sealed, purified water pouches
- Iodine Tablets
- Water filtration device

2. Food -The second item you’ll want to make sure you have in your bag is food, preferably food that lasts a long time and is high in energy content. Energy, nutrition bars are great for this because they can last years and are small enough to bring a few of them, yet they give you a lot of nutrients.

- Energy/Nutrition bars
- MREs
- Any high protein food like nuts and trail mix is good

3. Clothing - You'll want some extra clothing in your bag. You never know when a shirt you have will get torn or you'll need to fashion into a makeshift device. So bringing a few pieces of clothing will go a long way. As I've said above, the clothes you bring are largely dependent on the climate in which you live, but here is a general checklist,

- A long pair of pants
- A coat to stay warm/stay dry from rain
- A hat and/or bandana
- Pair of sturdy boots
- Extra pairs of socks, preferably long ones
- Extra shirts for layering

4. Shelter - In any type of 72 plus hour go bag, you will need to include some type of shelter. This can be as simple as a tarp or as sophisticated as a tent. It just depends on how much room you have in your bag. I recommend just bring a tarp and some nylon rope to tie it up. Also, a sleeping bag is good to bring if you have extra room and will keep you warm at night.

- Two tarps, one to string over top of you and one to lay on ground
- Rope
- Sleeping bag.

5. First Aid Kit - An absolute must for any bugout bag is a complete first aid kit. These don't take up much space at all and shouldn't be sacrificed for anything. Make sure your first aid kit includes the basics, bandages, gauze, disinfectant, tweezers, scissors, some medical tape, etc.

#### Where should I keep my bugout bag?

This is a good question, but it's also one that doesn't have a definite answer. There are some general guidelines to keep in mind on where you should keep your backpack, but every situation is different. If you follow the below steps, you should be in good shape.

- Keep your bag in a cool, dry place.
- Keep it Easily Accessible

#### Only Use Your Bag in Cases of Emergency

It's important to keep in mind that a go bag is meant for emergencies and emergencies only. If you can't find your household flashlight, don't go grab the extra one in your bugout bag. This is a surefire way to end up with missing supplies, and when the time comes to actually use your bag in an emergency situation, you'll find out that you forgot to put your flashlight or utility knife back into your bail out bag.