

# Important Information About Your Multi-Financial Securities Corporation Relationship, including Multi-Financial's Privacy Promise Account Agreement Disclosure Supplement

Multi-Financial Securities Corporation ("Multi-Financial"), through your registered representative, makes a wide variety of mutual funds and variable insurance products, including annuities, available to you. You pay either a sales charge when you purchase your investments (such as for Class A shares of a mutual fund), or the sales charge may be built into the expenses of the product and/or charged to you when you sell (such as for Class B or C shares of a mutual fund). Multi-Financial is paid by the product issuer or its affiliates, and part of that payment goes to your registered representative.

Your sales charges and expenses, and the sales commissions paid to us and our representatives, differ from investment to investment, and may depend on the amount of money you invest. Some product issuers or their affiliates occasionally also offer "commission specials" which increase the sales commissions paid to us and our representatives. Sales charges, and information about expenses, are explained in the product's prospectus. Generally speaking, investors buying the same product for the same kind of investment account with the same investment amount pay the same sales charge. This is true regardless of the broker-dealer and registered representative through which the investment is purchased.

**Our Strategic Partners.** Although we make a large number of products available to you, we concentrate our marketing and training efforts on investments offered by a number of select companies ("Strategic Partners"). Strategic Partners are selected, in part, based on whether they offer competitive products, their technology, their customer service and their training capabilities. Some of our Strategic Partners are members of the ING family of companies.

Our Strategic Partners have more opportunities than other companies to provide our customers and our representatives with education on investments, the products they offer, industry trends, new investment ideas and other issues. They may attend or sponsor education and training meetings for our representatives. Our Strategic Partners also have the opportunity to receive input from our representatives on features of their products. As discussed below, our Strategic Partners pay additional amounts to Multi-Financial to compensate us for these enhanced marketing and training opportunities.

## **What Strategic Partners Pay to Multi-Financial.**

It is important to know that although Strategic Partners pay extra compensation to Multi-Financial or its affiliates, you do not pay more to purchase Strategic Partner products through Multi-Financial than you would pay to purchase those products through another broker-dealer. Nevertheless, the payment of this additional compensation to Multi-Financial by our Strategic Partners may pose a financial

incentive for us to promote those products over other products.

The additional amounts Strategic Partners pay Multi-Financial vary from one Partner to another and from one product to another. For example, a significant portion of these payments can be calculated as a fixed amount, as a percentage of product sales (up to a maximum of  $\frac{1}{4}$  of 1%—which would be \$25 on a \$10,000 investment), as a percentage of our customers' assets invested in the products (up to a maximum of  $\frac{1}{10}$  of 1%—which would be \$10 on a \$10,000 investment), or as some combination of these. The prospectus and statement of additional information for each mutual fund or variable insurance product should have additional information about these payments.

## **Benefits to Multi-Financial's Representatives.**

Your representative does not receive additional commissions for selling a Strategic Partner product, except when from time to time Multi-Financial allows its representatives to participate in "commission specials" offered by Strategic Partners. To find out whether a product you are considering is part of a commission special, ask your representative or visit the product issuer's Web site.

Multi-Financial's representatives do receive some additional benefits from our Strategic Partner program. In some cases the transaction clearing costs that would normally be paid by you or your representative may be reduced or eliminated on Strategic Partner products. Also, your representative indirectly benefits from Strategic Partner payments to Multi-Financial when this money is used to support costs relating to product review, marketing or training.

## **Other Compensation and Reimbursements.**

Companies that are not Strategic Partners may at times send Multi-Financial payments in recognition of our sales and marketing efforts, and may have additional opportunities to provide marketing services to our representatives. Also, both Strategic Partners and other companies may pay marketing allowances to Multi-Financial in connection with the sale of insurance products. Both Strategic Partners and other companies may also reimburse up to 100% of the cost of training and education meetings for our representatives, as permitted by industry rules. Sales of any products by Multi-Financial representatives may qualify representatives for additional cash and non-cash compensation that may include support for their business activities, attendance at seminars, conferences and entertainment. Additionally, some investments, whether they are issued by a Strategic Partner or not, may pay higher rates of compensation than others. Further, some of Multi-Financial's home office management and certain other employees may receive a portion of their employment compensation based on sales of products of

Strategic Partners, including ING affiliates.

## **2005 Strategic Partners**

AIM Distributors, Inc.  
AllianceBernstein Investment Research and Management  
American Fund Distributors, Inc.  
Fidelity Investments  
Franklin Templeton Distributors, Inc.  
Hartford Investment Financial Services Company, LLC  
Hartford Life and Annuity Insurance Company  
Hartford Life Insurance Company  
ING affiliated entities offering variable life, annuity and defined contribution products, including ReliaStar Companies, Security Life of Denver Insurance Company, and Directed Services, Inc.  
ING Funds Distributor, LLC  
John Hancock Life Insurance Company (USA)  
MFS Fund Distributors, Inc.  
Nationwide Life Insurance Company  
OppenheimerFunds Distributor, Inc.  
Pacific Life and Annuity Company  
Pacific Life Insurance Company  
Pioneer Investment Management USA, Inc.  
Prudential Financial  
Putnam Retail Management  
Scudder Distributors, Inc.  
Van Kampen Investments  
Wells Fargo Funds Management, LLC

*Multi-Financial does from time to time add or delete specific firms from its Strategic Partners Program. Please refer to the Multi-Financial Web site, [www.multifin.com](http://www.multifin.com) for the most up-to-date list.*

If you have any questions, please ask your registered representative or call (800) 929-3485.



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## Multi-Financial's Privacy Promise

**Multi-Financial Securities Corporation and its insurance subsidiaries ("Multi-Financial") take your privacy very seriously. We share a commitment to protect your privacy and the confidentiality of your personal and financial information.**

As providers of products and services that involve compiling personal — and sometimes, sensitive — information, protecting the confidentiality of that information has been, and will continue to be, a top priority throughout the Multi-Financial companies. Whether you are a current customer, former customer, or potential customer, we believe that you should know about the information we collect, the measures we take to safeguard it, and the situations in which we might share information with select business partners. This brochure explains how the Multi-Financial companies handle — and protect — the personal information we collect. "Multi-Financial companies" or "Multi-Financial company" refers to the ING businesses listed at the end of this notice.

The information we collect and the extent to which we use it will vary depending on the product or service involved. In fact, in certain cases, we may not collect or share some of the types of information noted below. For example, in a number of cases a Multi-Financial company may have an agreement with a third party that limits the sharing of information about its customers with another company, even if that company is an ING affiliate. These agreements will continue to be honored. Our privacy promise derives from basic principles of trust, ethics, and integrity:

### **1. We collect only the customer information necessary to consistently deliver responsive products and services.**

The Multi-Financial companies collect information that helps serve your financial needs; provide high standards of customer service; develop and offer new products or services for our customers and potential customers; and fulfill legal and regulatory requirements. The information collected generally varies depending on the products or services you request and may include:

- Information provided in personal interviews or on applications and related forms, for example, name, address, Social Security number and annual income.
- Responses from your employer, benefit plan sponsor, or association regarding any group products we may provide, for example, name, age, address and Social Security number.
- Third-party reports, such as consumer credit history, motor-vehicle records, demographic, and/or medical information, if relevant to your product or service.
- Information about your relationships with us, such as products or services purchased, and account balances (if applicable), which we may obtain in writing, during telephone or Internet transactions or from data gathering software used when you are accessing ING Web sites.

### **2. We maintain safeguards to ensure information security.**

We have implemented security standards and processes — including physical, electronic and procedural safeguards — to ensure that access to customer information is limited to employees, registered representatives and agents who may need it to do their jobs. They are required to respect the confidentiality of all customer information.

### **3. We limit how, and with whom, we share customer information.**

First and foremost, we do not sell lists of our customers, nor do we disclose customer information to marketing companies outside the Multi-Financial companies, with the exception of companies we may hire to provide specific services for us, as described below.

Under no circumstances do we share medical information for marketing purposes.

We will share customer information only for the following reasons:

When it is necessary to disclose information to third parties to effect, administer, or enforce a transaction that you request or authorize — for example, when we provide information we collect to a mutual fund company from which you wish to purchase shares.

When you have requested a life insurance product, the ING life insurance companies may use a common application to avoid multiple medical tests; in this way, the information you provide and authorize us to obtain may subsequently be used by one or all of these companies as necessary to determine — and offer to you — the product most appropriate for your needs.

We may be required by law or regulation to disclose information to third parties — for example, in response to a subpoena; to prevent fraud; and to comply with rules of, or inquiries from, industry regulators.

In some cases, we may share information we collect — for example, name, address, age and Social Security number, with other ING businesses such as our securities broker-dealers or our insurance companies and agencies to process or service a transaction you have requested, to facilitate enhanced customer services, or to inform you of financial products or services you may find useful. In a few cases, an ING business not listed in this notice may have a privacy policy that differs from the one stated in this notice.

If that is the case, you will receive a separate privacy notice from that ING business if you are a customer. The registered representative or agent with whom you work to obtain financial products and services may use the personal information about you in his or her files to advise you of other products or to help you with your overall financial strategy.

A Multi-Financial company will not share information about you with another ING company

that may be used to make insurance underwriting or lending decisions about you, unless you so direct us, or unless we tell you beforehand and give you a chance to say no.

Furthermore, as permitted by federal and state laws, we may share or exchange information with companies engaged to work with us, such as:

- Third-party administrators and vendors hired to effect, administer or enforce a transaction that you request or authorize; to develop or maintain software; or to perform marketing research.
- Financial services entities, such as banks, credit unions, credit union service organizations, thrifts, thrift service organizations, insurance companies, or securities broker-dealers, with which we have joint marketing agreements. The information we may share is described in Section 1.
- Reputable consumer reporting agencies in connection with your application or renewal of insurance coverage. Other than what is described herein, we won't share information about you with third parties to market products to you, unless we tell you about it first, and give you a chance to say no.

We uphold these privacy principles throughout the Multi-Financial companies and with our business partners. Companies with which we share customer information are required to maintain the confidentiality of that information. In those states where privacy or consumer information laws are more restrictive than our privacy policy, we will restrict our sharing of your information to comply with state law.

We will reaffirm this policy annually in writing, as long as you maintain an ongoing relationship with any of the Multi-Financial companies. While this policy may change from time to time, you can always review our current policy online at [www.multifin.com](http://www.multifin.com).

In this notice of our privacy promise, the words "you" and "customer" are used to mean any individual who obtains or has obtained a financial product or service from a Multi-Financial company that is to be used primarily for personal, family or household purposes.

### **Following is a list of the ING companies that this notice applies to, as of January 1, 2005:**

ING Advisors Network  
ING Brokers Network LLC  
ING Insurance Agency, Inc.  
ING Insurance Agency of Massachusetts, Inc.  
Multi-Financial Securities Corporation  
Multi-Financial Group, LLC  
Multi-Financial Securities Corporation  
Insurance Agency of Nevada, Inc.  
MFSC Insurance Agency of Alabama, Inc.  
MFSC Insurance Agency of Massachusetts, Inc.  
MFSC Insurance Services, Inc.

## Multi-Financial's Business Continuity Plan Summary

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Multi-Financial Securities Corporation ("Multi-Financial") understands the importance of ensuring our customers have continued access to their funds and securities in the event our home office operations are impacted by a disaster. As a result, we have developed and maintain a business continuity plan that describes the means by which Multi-Financial's home office operations in Denver, Colo., will respond to future significant business disruptions of varying degrees of severity.

Multi-Financial's home office operations in Denver, Colo., are equipped for resumption of business in the event a significant business disruption affects the building, business district, city and/or the region. We will continue to conduct business during those disruptions and may choose to relocate key personnel and services to our designated backup facilities. Relocations of

critical functions will be completed within four hours of the significant business disruption.

Multi-Financial's Data Center is located in Boulder, Colo. In addition, several of our critical functions are performed in our affiliated office located in El Segundo, Calif., and our Brokerage business is operated by our Clearing Firm that is located in a different region of the country. All of these providers – our affiliated office in El Segundo, Calif., our Clearing Firm, and our Data Center – have complete business continuity plans designed to allow them to continue operations in the event they experience a significant business disruption. Their plans include redundancies, alternate facilities and recovery time objectives that support our plan.

In the event of a significant business disruption at Multi-Financial's main location in Denver,

Colo., customers may contact their Multi-Financial representative directly, or our home office at (800) 929-3485.

Please be advised that while we have detailed plans in place, we cannot guarantee we will be able to recover as quickly as outlined above under all possible circumstances. Our recovery time objective may be negatively impacted by the unavailability of third parties and/or other circumstances beyond our control.

Our business continuity plan is reviewed and tested throughout the year and is subject to modification. To obtain the most current version of this summary, you may refer to our Web site at [www.multifin.com](http://www.multifin.com) or contact your Multi-Financial representative to request an updated summary be delivered by mail.



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