



BROKER
DEALER
FINANCIAL
SERVICES CORP.

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Protecting Clients' Privacy

Broker Dealer Financial Services Corporation understands one of our most fundamental responsibilities is that of keeping our clients' information secure.

Laws enacted by Congress in October 2001 require financial services companies to take certain steps to enhance privacy protections for nonpublic, personal information. Below are key issues of the *Gramm-Leach-Bliley Financial Services Modernization Act*. As a financial institution, we are required to disclose our firm policy to all our clients and to develop procedures and practices that embody this policy.

A copy of the firm's **Privacy Notice** was emailed to all employees on May 25, 2002 and has been attached to this memorandum. This notice was initially included in all customer statements for the May 2002, month-end statement. All new client accounts opened through Correspondent Services Clearing (CSC) on our behalf, will be forwarded the statement upon opening and once annually, thereafter.

Your responsibilities as a Registered Representative or firm employee are:

All Registered Representatives, Assistants, and Firm Employees are required to take steps to **safeguard customer information** you collect directly; you encounter in the course of daily business; or which is provided to you through third-party affiliates on behalf of a client. This information would only be provided to our affiliated third parties, and non-affiliated third parties for the purpose of opening and servicing the client's account with us. Upon closing a customer's account, or the account becomes inactive with the firm or any division of the firm, we still must adhere to our privacy policy and practices.

We must follow regulators' standards to: ensure the security and confidentiality of customers' information; protect against any anticipated threats or hazards to the security or integrity of such records; and, protect against unauthorized access to records that may harm or inconvenience the customer.

You are **prohibited** from disclosing account numbers for credit cards, deposit, or transaction accounts or Nonpublic, Personal Information, to any non-affiliated third parties for use in phone, mail and email marketing.

Both consumers and customers must be given notice of our policy and a reasonable means to **"opt-out" of any sharing arrangement** by the firm of their nonpublic, personal information to a non-affiliated third party. If you are notified of a customer requesting to "opt-out" of any sharing arrangement currently in place by the firm, please notify the Compliance Department in writing.

- **Nonpublic Personal Information** is personally identifiable financial information that a customer provides to us, results from a transaction with the customer, or is otherwise obtained by the financial institution. An example would include the client's account value or investment history, as well as their Tax Identification number and date of birth.
- **An Affiliated Third Party** is any company related or affiliated by common ownership such as BDF Investments, IBA Securities and Investment Advisors Corp.
- **A Non-Affiliated Third Party** is an entity that is not part of the corporate family, such as Correspondent Services Clearing, mutual fund companies or insurance companies we direct business through.

We will continue to do what we have always done—put our clients first.

(5/ 03)

CUSTOMER PRIVACY NOTICE

At Broker Dealer Financial Services Corp. protecting the privacy of customer information is one of our most fundamental responsibilities. This Notice summarizes our policy regarding the confidentiality and disclosure of customer information. We do not sell Nonpublic, Personal Information to anyone and only share such information as stated in this Notice.

CONFIDENTIALITY AND SECURITY PROCEDURES

We take steps to safeguard customer information. We restrict access to your personal and account information to only those employees who need to know that information to provided products or services to you. We emphasize the importance of confidentiality through employee training, operating procedures, and our privacy policy. We also maintain physical, electronic, and procedural safeguards that comply with federal standards to guard your Nonpublic Personal Information. For example, we employ encryption and multi- layer password protected applications through our clearing agent.

THE INFORMATION WE COLLECT

We may collect Nonpublic Personal Information about you from the following sources:

- Your account opening documentation, applications or other forms, which include name, address, phone number, social security number, and date of birth;
- Your transactions with us, our affiliates, or others;
- Information from non- affiliated third parties, such as credit history; and
- Information for special services offered by our clearing agent, such as bill payment requests.

THE INFORMATION WE DISCLOSE

We may disclose your Nonpublic Personal Information, as described above, to an Affiliated Third Party, including investment advisors, and banks. We also may disclose the above information to Non-affiliated Third Parties to assist us in servicing your account with us, such as our clearing agents; to securities regulators upon request; to others pursuant to a subpoena; or as otherwise permitted by law.

Even if you decide to close your account(s) or your account becomes inactive, we will continue to adhere to the privacy policies and practices.

KEY TERMS

- Nonpublic Personal Information is personally identifiable financial information that a customer provides to a financial institution; results from a transaction with the customer; or is otherwise obtained by the financial institution. For example, nonpublic personal information includes information regarding your account value and investment history.
- An Affiliated Third Party is any company related or affiliated by common ownership, or affiliated by corporate control or common corporate control, with another company (e. g., BDF Investments, IBA Securities and Investment Advisors Corp).
- A Non- Affiliated Third Party is an entity that is not part of our corporate family.

**PLEASE DIRECT ANY QUESTIONS OR COMMENTS ABOUT THIS NOTICE TO YOUR INVESTMENT REPRESENTATIVE.
MEMBER SECURITIES INVESTOR PROTECTION CORPORATION.**