

Customer Privacy Notice

You are receiving this Customer Privacy Notice because our records indicate you are a customer of KMS Financial Services, Inc. (“KMS”), and your servicing representative is associated with KMS. The current KMS Financial Services Customer Privacy Notice is also available via www.kms.com.

Who is providing this notice ...

KMS Financial Services, Inc. and its affiliates (collectively “KMS”). Our affiliates covered under this privacy notice include Ladenburg Thalmann Financial Services Inc. and its affiliated companies.

Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing of your personal information. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully in order to better understand what we do.

What is shared and why ...

What?	<p>The personal information we collect and share depends on the product or service you have with us. The personal information may include:</p> <ul style="list-style-type: none"> • Social Security number, date of birth, and income; • Assets and investment experience; • Account transactions and retirement assets; and • Tax reporting and investment performance information. <p>When you are no longer our customer, we continue to share your information as described in this notice.</p>
Why?	<p>To run their businesses effectively, all financial companies need to share customers’ personal information. The next section details the reasons financial companies can share customers’ personal information, when and why KMS chooses to share, and when you can limit the sharing.</p>

Reasons we share your personal information ...

	Does KMS share?	Can you limit this sharing?
<p>For everyday business purposes: To administer, manage and service customer accounts, process transactions, and provide related services for your accounts, it is necessary for us to provide KMS-affiliated companies, and certain non-affiliated companies, access to customers’ personal information. We may share your personal information to process your transactions, maintain your account, respond to court orders and legal investigations, or report to credit bureaus or government entities; and with parent and affiliate companies of KMS including but not limited to:</p> <ul style="list-style-type: none"> • KMS’ parent company—Ladenburg Thalmann Financial Services Inc.—and Ladenburg’s affiliated companies; • Non-affiliated entities that perform services for us or function on our behalf (such as check-printing services, clearing broker-dealers, investment companies, and insurance companies); and • Third-party administrators and vendors for the purposes for providing current and future information on your account (such as transaction history, tax information, and performance reporting). 	Yes	No
<p>For our marketing purposes: To notify you about available products and services.</p>	Yes	No
<p>For affiliate marketing: Affiliate companies with which you do not have an existing relationship.</p>	Yes	Yes
<p>For non-affiliates’ marketing purposes:</p>	No	We Don’t Share

Reasons we share your personal information ...	Does KMS share?	Can you limit this sharing?
<p>For joint marketing with other financial companies:</p> <p>Federal and certain state laws give us the right to share your information with banks, credit unions, retirement plans, and other financial companies where a formal agreement exists between us to provide or market financial products or services to you. However, for marketing purposes, if your financial representative is not affiliated with a financial company, we will not share your information without your consent. However, we may share information with these financial companies (when necessary) to service your accounts.</p>	Yes	No
<p>For customers of financial institutions and KMS:</p> <p>If you are a customer of a bank, credit union, or other financial institution program with which we have a networking agreement (such as under a bank or credit union investment services program) and the financial institution terminates its relationship with us, we will permit the financial institution to retain copies of your personal information so your account can continue to be serviced at the financial institution. If you do not want the financial institution to disclose your personal information to another brokerage or investment advisory firm (“New Firm”), you may request that we and/or your financial institution limit the information that is shared with the New Firm.</p>	Yes	Yes
<p>For customers (clients) of registered representatives (financial advisors) and KMS:</p> <p>If your financial advisor terminates his or her relationship with us and moves to a New Firm, KMS or your financial advisor may disclose your personal information to the New Firm when your financial advisor terminates his or her relationship with us. You may request that KMS and your financial advisor limit the information shared with the New Firm.</p> <p>Your personal information may also be shared with certain entities that are owned, controlled by or affiliated with your financial advisor, such as an independent insurance agency, accounting firm or independent investment advisory firm.</p> <p>In the event your financial advisor (or his/her estate) agrees with an unaffiliated financial advisor to sell all or some portion of his/her securities, advisory or insurance business, your personal information may be shared with the acquiring financial advisor and his/her New Firm.</p> <p>If your primary address is in a state that requires your affirmative consent to share your personal information with the New Firm (such as California, Massachusetts, Maine, New Mexico, North Dakota, or Vermont), then you must give your written consent before we will allow your financial advisor to take any of your personal information to that New Firm.</p>	Yes	Yes

Process and protections ...
<p>How do KMS and its affiliates protect my personal information?</p> <p>To protect your personal information from unauthorized access and use, we use security measures that comply with applicable state and federal laws. These measures include computer safeguards and secured files and buildings.</p> <p>We train our employees and financial advisors in the proper handling of personal information. We require companies that help provide our services to you to protect the confidentiality of personal information they receive.</p>
<p>When do KMS and its affiliates collect my personal information?</p> <p>When you:</p> <ul style="list-style-type: none"> • Open an investment account or an advisory account; • Apply for insurance; • Seek advice about your investments; and/or • Provide information about your investment or retirement portfolio. <p>We also collect your personal information from credit bureaus, affiliates, and other companies.</p>

Process and protections ...

Why can't I limit all sharing?

Federal law gives you the right to limit:

- Sharing for affiliates' everyday business purposes (e.g., information about your creditworthiness);
- Sharing with affiliates who intend to use your information to market to you; and
- Sharing with non-affiliates who intend to market to you.

State laws and individual companies may give you additional rights to limit sharing.

Use and disclosure of health information ...

To the extent you provide health information to KMS for the purpose of applying for insurance products, such information will not be disclosed to non-affiliated companies for any purpose, except:

- To underwrite or administer your insurance policy;
- Related claims as required by law; or
- As authorized by you.

To limit our sharing ...

You may limit the sharing of your personal information ("Opt-Out") by calling KMS at (206) 441-2885.

Please note: When you are no longer a KMS customer, we continue to share your information as described in this notice. However, you can contact us at any time to limit our sharing.

If you decide to Opt-Out, your decision will be recorded as limiting the sharing of personal information for all applicable options. If you Opt-Out, your personal information will not be shared with: (i) your financial advisor's new broker-dealer in the event he or she leaves KMS or an affiliate and joins a New Firm or sells his/her securities, advisory, or insurance business to a non-affiliated company; (ii) affiliated entities of your financial advisor or any bank or credit union that your financial advisor is affiliated with; and (iii) affiliates of KMS that you do not already have an existing relationship with for the purpose of marketing products or services to you.

In addition, KMS and its affiliates (where applicable) have signed the Protocol for Broker Recruiting ("Protocol") which allows the financial advisor servicing your account to take certain limited information in the event he/she leaves KMS or an affiliate and joins another firm which has also signed the Protocol. The information your financial advisor can take is limited to your name, your address, your phone number, your email address, and the title of your account. If you choose to Opt-Out, KMS or an affiliate will notify your financial advisor of your decision to keep your personal information confidential and that you do not want your personal information shared by your financial advisor with his/her New Firm.

Questions?

Please contact your financial representative directly or KMS at (206) 441-2885.