

CONSOLIDATED STATEMENT OF FINANCIAL CONDITION
PRIMEVEST[®] Financial Services, Inc. and Subsidiaries
June 30, 2008
(unaudited)

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Assets	
Cash and cash equivalents	\$ 27,149,315
Receivable from brokers, dealers, and clearing organizations	2,622,428
Receivable from customers, net of allowance for doubtful accounts of \$597,395	30,051,694
Securities owned, at market value	11,420,512
Commissions receivable	5,250,595
Deferred tax asset	3,912,655
Other assets	<u>10,317,093</u>
Total assets	<u><u>\$ 90,724,292</u></u>
Liabilities and stockholder's equity	
Liabilities:	
Payable to brokers, dealers, and clearing organizations	\$ 4,389,300
Payable to customers	13,709,579
Commissions payable	15,407,288
Due to affiliates, includes \$786,596 under tax allocation agreements	5,171,320
Other liabilities	<u>8,952,614</u>
Total liabilities	<u>47,630,101</u>
Stockholder's equity:	
Common stock (\$10 par value; 1,000,000 shares authorized; 81,468 shares issued and outstanding)	814,680
Additional paid-in capital	20,400,653
Retained earnings	<u>21,878,858</u>
Total stockholder's equity	<u>43,094,191</u>
Total liabilities and stockholder's equity	<u><u>\$ 90,724,292</u></u>

The accompanying notes are an integral part of this financial statement.

PRIMEVEST[®] Financial Services, Inc. and Subsidiaries
Notes to Consolidated Statement of Financial Condition (unaudited)

1. Nature of Business and Ownership

PRIMEVEST[®] Financial Services, Inc. and Subsidiaries (the Company) is a broker-dealer registered under the Securities Exchange Act of 1934, a registered investment advisor and a member of the Financial Industry Regulatory Authority. The Company provides brokerage, insurance, and investment advisory services to customers through financial institutions and correspondent clearing services to affiliated introducing broker-dealers. The Company is a wholly owned subsidiary of Lion Connecticut Holdings, Inc. (LCH or Parent). LCH is a wholly owned subsidiary of ING America Insurance Holdings, Inc. (ING AIH). ING AIH is a wholly owned subsidiary of ING Group N.V. (ING), a global financial services holding company based in the Netherlands.

The consolidated financial statements include the accounts of PRIMEVEST[®] Financial Services, Inc. and its wholly owned subsidiaries: Compulife Inc., Compulife Investor Services, Inc., Compulife Agency, Bancnorth Investment Group, Inc. (Bancnorth), Guaranty Brokerage Services, Inc. (Guaranty), PRIMEVEST[®] Insurance Agency of Texas, Inc., PRIMEVEST[®] Insurance Agency of New Mexico, Inc., PRIMEVEST[®] Insurance Agency of Oklahoma, Inc., PRIMEVEST[®] Insurance Agency of Ohio, Inc., PRIMEVEST[®] Insurance Agency of Alabama, Inc., PRIMEVEST[®] Insurance Agency of Nevada, Inc., PRIMEVEST[®] Insurance Agency of Wyoming, Inc. and Branson Insurance Agency, Inc. Bancnorth and Guaranty are introducing securities brokers established for the purpose of providing securities brokerage and insurance services to customers through financial institutions. The PRIMEVEST[®] insurance agencies were incorporated in their respective states for the purpose of providing the Company's customers with insurance products. All significant intercompany balances and transactions have been eliminated in consolidation.

2. Summary of Significant Accounting Policies

General

The preparation of the statement of financial condition in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the statement of financial condition and accompanying notes. Management believes that the estimates utilized in preparing its statement of financial condition are reasonable and prudent. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Company considers deposits that can be redeemed on demand to be cash and cash equivalents.

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Securities Owned

Securities owned are stated at fair value. Fair value generally is based on published market prices or other relevant factors, including dealer price quotations and valuation pricing models which take into account time value and volatility factors underlying the securities.

Receivable from Customers

Receivables from customers are shown in the statement of financial condition at net realizable value. Based on management's assessment, the Company provides for estimated uncollectible amounts through a charge to expense and a credit to a valuation allowance in the period that the receivable is determined to be uncollectible.

3. Income Taxes

The results of the Company's operations are included in the consolidated tax return of ING AIH. ING AIH and its subsidiaries each report current income tax expense as allocated under a consolidated tax allocation agreement. Generally, this allocation results in profitable companies recognizing a tax provision as if the individual company filed a separate return and loss companies recognizing benefits to the extent of their losses.

Deferred income taxes have been established by each member of the consolidated group based upon the temporary differences within each entity. Management has evaluated the need for a valuation allowance for the deferred tax asset and believes that the deferred tax asset will more likely than not be realized. Accordingly, no valuation allowance has been recognized.

4. Employee Benefits

401(k) and Pension Plans

The employees of the Company are covered by a variety of employee benefit plans (401(k), pension and deferred compensation) that are administrated by affiliates. The different plans have various eligibility standards, vesting requirements, and guidelines for matching. The Company had no separate employee benefit plan in 2008 and relied on its affiliated companies to cover all eligible employees. All benefits that were paid by these affiliates were charged back to the Company for reimbursement.

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5. Commitments

The Company leases office space and office equipment under various noncancelable operating leases. In addition to base rents, certain operating costs of the leased premises are also to be paid. Minimum payments required under these leases for each of the five succeeding years are as follows:

2008	\$	545,270
2009		557,663
2010		570,055
2011		582,448
2012		594,840
Total	\$	<u>2,850,276</u>

6. Contingencies

The Company is party to a number of claims, lawsuits, and arbitrations arising in the course of its normal business activities. Although the ultimate outcome of these claims cannot be ascertained at this time, it is the opinion of management that these matters will not have a material effect on the Company's results of operations or financial conditions.

7. Related Party Transactions

ING Brokers Network, LLC (ING BN) (an affiliated company) and ING AIH performed certain general administrative services for the Company. Amounts reported in the statement of financial condition related to transactions and agreements with affiliates may not be the same as those recorded if the Company was not a wholly owned subsidiary of its Parent.

8. Short-Term Borrowings

The Company has a \$50,000,000 uncommitted line of credit available with a nationally recognized financial institution. There were no outstanding borrowings at June 30, 2008.

9. Off-Balance Sheet Risk

Financial instruments recorded at fair value on the Company's consolidated statement of financial condition include securities owned and securities sold, not yet purchased. Other financial instruments are recorded by the Company at contract amounts and include receivables from and payables to brokers, dealers, and clearing organizations and receivables from and payables to customers. Financial instruments carried at contract amounts which approximate fair value either have short-term maturities (one year or less), are repriced frequently, or bear market interest rates and, accordingly, are carried at amounts approximating fair value.

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The Company's customer activities involve the execution, settlement, and financing of various securities transactions. These activities are transacted on either a cash or margin basis. In margin transactions, the Company extends credit to the customer, subject to various regulatory and internal margin requirements, collateralized by cash and securities in the customer's account. In connection with these activities, the Company executes and clears customer transactions involving the sale of securities not yet purchased and the writing of options contracts. Such transactions may expose the Company to off-balance-sheet risk in the event that margin requirements are not sufficient to fully cover losses that customers incur, or counterparties are unable to meet the terms of the contracted obligations.

In the event a customer or broker fails to satisfy its obligations, the Company may be required to purchase or sell financial instruments at prevailing market prices in order to fulfill the customer's obligations. The Company seeks to control the risk associated with its customer activities by requiring customers to maintain margin collateral in compliance with various regulatory and internal guidelines. The Company monitors required margin levels daily and pursuant to such guidelines, requires customers to deposit additional collateral, or reduce positions, when necessary.

10. Net Capital Requirements

The Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule (Rule 15c3-1), which requires the maintenance of minimum net capital. The Company computes its net capital requirements under the alternative method provided for in Rule 15c3-1. The rule requires the maintenance of minimum net capital of the greater of \$250,000 or 2% of aggregate debit items.

At June 30, 2008, the Company had net capital of \$27,424,695 which was \$26,764,015 in excess of required net capital of \$660,680. The Company's ratio of net capital to aggregate debit items was 83%.