

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2007007182602**

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REGISTRATION & DISCLOSURE

TO: Department of Enforcement
Financial Industry Regulatory Authority ("FINRA")

RE: ING Financial Advisors, LLC, Respondent
Member Firm
CRD No. 34815

Pursuant to NASD Rule 9216 of FINRA's Code of Procedure, we submit this Letter of Acceptance, Waiver and Consent ("AWC") for the purpose of proposing a settlement of the alleged rule violations described below. This AWC is submitted on the condition that, if accepted, FINRA will not bring any future actions against us alleging violations based on the same factual findings described herein.

I.

ACCEPTANCE AND CONSENT

- A. We hereby accept and consent, without admitting or denying the findings, and solely for the purposes of this proceeding and any other proceeding brought by or on behalf of FINRA, or to which FINRA is a party, prior to a hearing and without an adjudication of any issue of law or fact, to the entry of the following findings by FINRA:

BACKGROUND

ING Financial Advisors, LLC ("IFA") (CRD No. 34815), located in Windsor, Connecticut, has been a member of FINRA (f/k/a National Association of Securities Dealers or NASD) since September 16, 1993. IFA employs approximately 2,000 registered representatives that operate from approximately 42 Offices of Supervisory Jurisdiction ("OSJ"), 307 non-OSJ branch offices, and 34 non-registered branch offices. IFA acts as the primary underwriter for the ING Life Insurance & Annuity Company variable annuity products. IFA has no relevant disciplinary history.

OVERVIEW

From June 1, 2005 through September 20, 2007 (the "relevant period"), IFA failed to file summary and statistical information for 56 customer complaints as

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required by NASD Conduct Rule 3070(c). This conduct violated NASD Conduct Rules 3070 and 2110.

During the relevant period, IFA's supervisory system failed to provide for reasonable follow-up and review designed to ensure that required customer complaint filings were made. This conduct violated NASD Conduct Rules 3010 and 2110.

FACTS AND VIOLATIVE CONDUCT

Customer Complaint Reporting Violations

NASD Conduct Rule 3070(c) requires, in part, that "[e]ach member shall report to the Association statistical and summary information regarding customer complaints in such detail as the Association shall specify." Members must provide statistical and summary information regarding customer complaints in such detail as FINRA shall specify by the 15th day of the month following the calendar quarter in which customer complaints are received by the firm. This rule assists FINRA in monitoring on a real-time basis the ongoing compliance of member firms and associated persons with applicable securities laws and regulations.

During the relevant period, IFA failed to file summary and statistical information for 56 customer complaints by the 15th day of the month following the calendar quarter in which they were received by the firm. This conduct violated NASD Conduct Rules 3070 and 2110.

Supervisory Deficiencies

NASD Conduct Rule 3010 requires members to establish and maintain a supervisory system and enforce written supervisory procedures that are reasonably designed to achieve compliance with all laws, rules, and regulations applicable to its business and the activities of its associated persons.

During the relevant period, IFA's supervisory system was not reasonably designed to ensure that summary and statistical information of customer complaints was filed in accordance with NASD Conduct Rule 3070. IFA's supervisory system failed to provide for reasonable follow-up and review to ensure that required customer complaint filings were made. This conduct violated NASD Conduct Rules 3010 and 2110.

B. We also consent to the imposition of the following sanctions:

- A censure and a \$15,000 fine.

We agree to pay the monetary sanction upon notice that this AWC has been accepted and that such payment is due and payable. We have submitted an Election of Payment form showing the method by which we propose to pay the fine imposed.

We specifically and voluntarily waive any right to claim that we are unable to pay, now or at any time hereafter, the monetary sanction imposed in this matter.

The sanctions imposed herein shall be effective on a date set by FINRA staff.

II.

WAIVER OF PROCEDURAL RIGHTS

We specifically and voluntarily waive the following rights granted under FINRA's Code of Procedure:

- A. To have a Formal Complaint issued specifying the allegations against us;
- B. To be notified of the Formal Complaint and have the opportunity to answer the allegations in writing;
- C. To defend against the allegations in a disciplinary hearing before a hearing panel, to have a written record of the hearing made and to have a written decision issued; and
- D. To appeal any such decision to the National Adjudicatory Council ("NAC") and then to the U.S. Securities and Exchange Commission and a U.S. Court of Appeals.

Further, we specifically and voluntarily waive any right to claim bias or prejudgment of the General Counsel, the NAC, or any member of the NAC, in connection with such person's or body's participation in discussions regarding the terms and conditions of this AWC, or other consideration of this AWC, including acceptance or rejection of this AWC.

We further specifically and voluntarily waive any right to claim that a person violated the ex parte prohibitions of NASD Rule 9143 or the separation of functions prohibitions of NASD Rule 9144, in connection with such person's or body's participation in discussions regarding the terms and conditions of this AWC, or other consideration of this AWC, including its acceptance or rejection.

III.

OTHER MATTERS

We understand that:

- A. Submission of this AWC is voluntary and will not resolve this matter unless and until it has been reviewed and accepted by the NAC, a Review Subcommittee of the NAC, or the Office of Disciplinary Affairs ("ODA"), pursuant to NASD Rule 9216;
- B. If this AWC is not accepted, its submission will not be used as evidence to prove any of the allegations against us;
- C. If accepted:
 - 1. this AWC will become part of our permanent disciplinary record and may be considered in any future actions brought by FINRA or any other regulator against us;
 - 2. this AWC will be made available through FINRA's public disclosure program in response to public inquiries about my disciplinary record;
 - 3. FINRA may make a public announcement concerning this agreement and the subject matter thereof in accordance with NASD Rule 8310 and IM-8310-3; and
 - 4. We may not take any action or make or permit to be made any public statement, including in regulatory filings or otherwise, denying, directly or indirectly, any finding in this AWC or create the impression that the AWC is without factual basis. We may not take any position in any proceeding brought by or on behalf of FINRA, or to which FINRA is a party, that is inconsistent with any part of this AWC. Nothing in this provision affects our right to take legal or factual positions in litigation or other legal proceedings in which FINRA is not a party; and
- D. We may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. We understand that we may not deny the charges or make any statement that is inconsistent with the AWC in this Statement. This Statement does not constitute factual or legal findings by FINRA, nor does it reflect the views of FINRA or its staff.

We certify that we have read and understand all of the provisions of this AWC and have been given a full opportunity to ask questions about it; that we have agreed to its provisions voluntarily; and that no offer, threat, inducement, or promise of any kind, other than the terms set forth herein and the prospect of avoiding the issuance of a Complaint, has been made to induce us to submit it.

ING Financial Advisors, LLC

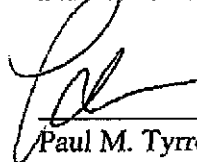
02-01-08
Date

By: 
Ronald Barhorst
President

Accepted by FINRA:

09-19-08
Date

Signed on behalf of the
Director of ODA, by delegated authority


Paul M. Tyrrell
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FINRA Department of Enforcement
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