

# LPL ENTERPRISE, LLC (“LPLE”) RELATIONSHIP SUMMARY

Effective June 10, 2024

LPLE (referred to as “we” or “us”) is registered with the U.S. Securities and Exchange Commission as a broker-dealer and an investment adviser. We have a network of financial professionals (“Professionals”) who offer brokerage and investment advisory services through us. Brokerage and investment advisory services, and the fees we charge for them, differ and it’s important that you understand the differences. This relationship summary will explain

the various services we offer, how we charge for those services, the conflicts of interest that exist when we provide our services, and the business relationships between us and other companies we work with. To help you research firms and financial professionals, free and simple tools are available at [Investor.gov/CRS](https://investor.gov/CRS), which also provides educational materials about broker-dealers, investment advisers, and investing.

## What investment services and advice can you provide me?

Our Professionals offer brokerage services, investment advisory services, or both, depending on their licenses. Each Professional generally provides access to a range of investment products, such as stocks, bonds, exchange-traded funds (“ETFs”), mutual funds, annuities, and alternative investments. We are an affiliate of LPL Financial LLC (“LPL”). LPL serves as our clearing firm and custodian, which means it holds your securities and executes your transactions on our instructions when you open an account with us. For most of our services, we will open an account with LPL on your behalf. We enter into strategic relationships with third-party insurance companies and other financial institutions (each a “Firm”), with whom our Professionals are associated and may be licensed as insurance agents. We work with the Firms to develop a curated shelf of investment products and services. In certain cases, the investment products that a Professional makes available will

be limited to those issued and/or distributed by asset managers and product sponsors affiliated with their Firm along with a limited group of products from third-party sponsors. The investment options available to you may also be limited by the licenses your Professional holds. Either your Professional, their Firm, or your account may also have other requirements, such as investment minimums. We encourage you to ask your Professional about account limitations and requirements.

If your Professional offers you both brokerage and advisory services, your Professional will inform you when he or she offers an investment recommendation or advice, and whether the recommendation or advice is part of a brokerage or advisory service. Some of the key differences between brokerage and investment advisory services are described below.

### Brokerage Services

- Brokerage services include taking your orders and executing your securities transactions; and making recommendations for you to buy, sell, or hold securities.
- In most cases, we provide recommendations to you on specific investments, but you make the final investment decisions for your account.
- We don’t monitor brokerage account investments for the purpose of making changes to your investments, unless we state otherwise in writing.

### Investment Advisory Services

- Some of the investment advisory services we offer include wrap fee programs and non-wrap fee programs; mutual fund asset allocation programs; advisory programs offered by third-party investment advisory firms; financial planning services; retirement plan consulting; investment research; digital advice programs; and other custom advisory services.
- You’ll typically grant us discretion to buy and sell investments in your account without asking you in advance. You may limit our discretion, such as by imposing reasonable restrictions on investing in certain securities or groups of securities. In some investment advisory accounts, you grant investment discretion to another financial institution.
- Some of our investment advisory accounts are nondiscretionary, which means you are required to preapprove each investment transaction that we recommend.
- We’ll typically monitor accounts, and specific investments within accounts, on an ongoing basis to align with your investment goals. However, in financial planning and other limited-scope advisory relationships, we won’t provide ongoing monitoring.

**More detailed information** about our advisory services can be found in the [Form ADV for your advisory program](#). Detailed information about our brokerage services can be found at [Brokerage Compensation Information and Related Conflicts of Interest](#). If viewing a paper version of this form, please visit [lpl.com/lpl-enterprise.html](http://lpl.com/lpl-enterprise.html) for hyperlinks to these documents.

### 🔗 **Questions to ask your Professional:**

- *Given my financial situation, should I choose an investment advisory service? Should I choose a brokerage service? Should I choose both types of services? Why or why not?*
- *How will you choose investments to recommend to me?*
- *What is your relevant experience, including your licenses, education, and other qualifications? What do these qualifications mean?*

## What fees will I pay?

Investing is an individual journey, and we want to provide you with options. Below we outline the fees you could be charged for both brokerage and advisory accounts depending on your investment

choices. Fee Schedules for our brokerage and advisory programs can be found on [lpl.com/lpl-enterprise.html](http://lpl.com/lpl-enterprise.html).

### **Fees Associated with Brokerage Services**

- For brokerage services, we charge a transaction-based fee (sometimes referred to as a commission) every time you buy or sell an investment. The amount you pay as a transaction-based fee varies according to the particular investment and amount invested. The more trades you make, the more transaction-based fees we and LPL earn. This creates an incentive to encourage you to trade often.
- For investments in stocks or ETFs, the transaction-based fee is usually charged as a separate commission or sales charge. For dealer transactions, such as investments in bonds, this fee is typically included as part of the price you pay for the investment (called a markup or markdown).
- For investments in certain products like mutual funds, annuities, and alternative investments, we and LPL receive transaction-based fees from the investment product sponsor in the form of asset-based sales charges (e.g., sales loads). These fees are based on the amount invested in a product and, depending on the product, may be based how long you hold the investment. Our and LPL's receipt of asset-based sales loads creates an incentive to recommend products or sponsors that include such charges.

### **Fees Associated with Investment Advisory Accounts**

- For investment advisory services, we typically charge an ongoing quarterly fee (sometimes referred to as an asset-based fee). This fee is a percentage of the value of your account. You pay this fee even if you don't buy or sell investments. The more assets you have in an asset-based fee account, the more you'll pay us in fees. This creates an incentive to encourage you to increase the size of your account, including by transferring or rolling over assets from other accounts. For some types of accounts, there is a per transaction charge payable to LPL in addition to an asset-based fee. We may also charge an hourly fee or fixed fee for additional services such as financial planning and consulting services that are of limited duration or nature.
- For wrap fee program accounts, you will pay us a single asset-based fee for advisory services. This fee also covers most transaction costs and certain administrative and custodial costs associated with your investments. If you expect to trade infrequently or to pursue a "buy and hold" strategy, a wrap fee program may cost you more than paying for the program's services separately, and you may want to consider a brokerage relationship rather than an advisory relationship.
- The fee you pay to your Professional is generally negotiated with him or her directly.

### **Other Fees and Costs**

If applicable to your account, we or LPL will charge you directly for other fees in addition to brokerage commissions and advisory fees, including: (1) account maintenance fees such as custody, trade confirmation processing, corporate actions, and transfer fees; (2) cash management fees such as cash sweep, checking, and wire fees; and (3) investment specific fees such as those for administration of alternative investments or for foreign securities. See the Fee Schedules for our brokerage and advisory programs at [lpl.com/lpl-enterprise.html](http://lpl.com/lpl-enterprise.html) for more information. You should

understand that these fees are not charged by us if your investment is in an account that is held directly with the sponsor, and not in an LPLE or LPL investment account.

You may also incur fees charged by the particular investment product in which you are invested, including mutual funds, ETFs, and other pooled funds, in addition to brokerage commissions and advisory fees charged by us. Some of these fees may be shared, as described below in [Third-Party Payments](#). Certain investment products have significant fees triggered by particular events, e.g.,

annuities may include mortality, expense, and administrative fees, and fees for excessive transfers or early withdrawals.

You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying. Detailed information on our advisory fees can be found in the [Form ADV for your advisory program](#). Detailed information on our brokerage fees can be found at [Brokerage Compensation Information and Related](#)

[Conflicts of Interest](#) and, depending on the investment product in which you invest, may be included in the product's prospectus or other offering document. If viewing a paper version of this form, please visit [lpl.com/lpl-enterprise.html](http://lpl.com/lpl-enterprise.html) for hyperlinks to these documents.

**❏ Questions to ask your Professional:**

*Help me understand how these fees and costs might affect my investments. If I give you \$10,000 to invest, how much will go to fees and costs, and how much will be invested for me?*

## What are your legal obligations to me when providing recommendations as my broker-dealer or when acting as my investment adviser? How else does your firm make money and what conflicts of interest do you have?

When we provide you with a recommendation as your broker-dealer or act as your investment adviser, we have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the recommendations and investment advice we provide you. Here are some examples to help you understand what this means. If you have questions about whether any of these situations could apply to your investments, ask your Professional.

### Third-Party Payments

We or LPL receive compensation from third parties related to investments you make in certain products, including mutual funds, ETFs, annuities, alternative investments, and other investments. This compensation includes ongoing distribution charges (e.g., 12b-1 fees or trail payments), which an investment product charges you and pays to us. We or LPL also receive fees from investment products and/or their sponsors, including your Professional's Firm, for participating in their programs and for recordkeeping and other administrative services we provide in relation to your investments. Because we receive additional cash or non-cash compensation from such sponsors, we have an incentive to recommend their programs over other programs or services. Your Professional also has an incentive to recommend the insurance or proprietary investment products or programs of Firms with which your Professional is affiliated because your Professional's compensation (including in some cases eligibility for benefits) is determined by their Firm and tied to the sale of their Firm's insurance or proprietary investment products. In some accounts we offer, uninvested cash is automatically placed into interest-bearing federally insured bank accounts. LPL receives fees for your participation in these "cash sweep" programs from the banks sponsoring the programs. The fees LPL receives are typically higher than the interest you earn on the cash held in the bank accounts and are in addition to any fees you pay to us. This creates an incentive for you to maintain a cash balance. [Revenue sharing payments](#) are another type of third-party compensation we and LPL receive from sponsors, including Firms, who participate in our marketing programs. These programs support

our product marketing to our Professionals and education and training efforts, and facilitate communications between sponsors and our Professionals. Finally, certain sponsors pay LPL or us to make their investment products available on our platform. Because we receive payments from these third parties, there is an inherent incentive for us to recommend or invest your assets in those investment products. Detailed information regarding third-party payments can be found in the [Third-Party Compensation and Related Conflicts of Interest](#) document on [lpl.com/lpl-enterprise.html](http://lpl.com/lpl-enterprise.html).

### Principal Trading

In brokerage accounts, either we, or our affiliate LPL (for purposes of this paragraph "we"), sometimes directly buy from you or sell to you investments including bonds or certain shares of mutual funds, unit investment trusts ("UITs"), or alternative investments. These are called principal trades. If the principal trade involves a bond, we receive a markup or markdown by either buying the bond from you at a lower price than we will sell it for or by selling the bond to you at a higher price than we bought it for. That creates an incentive for us to either buy the bond from you at the lowest price possible or sell the bond to you at the highest price possible and maximize our profit on the principal trade. In advisory accounts, purchases of mutual funds, UITs, or alternative investments may be processed through LPL's proprietary account, but they do not receive a markup or markdown in these trades. Also, in certain advisory accounts where a third-party investment advisory firm has discretion, LPL trades as principal and receives a markup or markdown.

Detailed information on our conflicts of interest can be found in the [Form ADV for your advisory program](#) and in [Brokerage Compensation Information and Related Conflicts of Interest](#). If viewing a paper version of this form, please visit [lpl.com/lpl-enterprise.html](http://lpl.com/lpl-enterprise.html) for hyperlinks to these documents.

**❏ Questions to ask your Professional:**

*How might your conflicts of interest affect me, and how will you address them?*

## How do your financial professionals make money?

Our Professionals are independent contractors of LPLE, but they are also employees or independent contractors of the Firm. The agreement between each Firm and LPLE sets out payments we make to the Firm or your Professional. LPLE may pay all or a portion of any remuneration generated by your Professional to the Firm or its affiliate who then pays your Professional. Otherwise, Professionals will receive a portion of the advisory fee you pay or the commissions or markups/markdowns from your trades. Receiving a portion of the fees or commissions you pay to us creates an incentive for your Professional to encourage you to increase your account size or trade more frequently. We or the Firm may also compensate Professionals based on production, including payments based on the amount of client assets they service and the products they sell. Our Professionals receive different levels of compensation for selling different types of investments or services. This could include, for example, a share of the 12b-1 fees, trail payments, or sales loads paid to us by an investment product or a share of revenue related to insurance products paid to a Firm. Although your Professional must recommend investment products or manage your account in your best interest, these additional forms of compensation create an incentive for them to recommend specific financial products.

Our Professionals may receive compensation from us or their Firm in other ways. The other compensation we pay includes: transition assistance if he or she moves to LPLE from another company (loans,

advance payment of advisory fees, and/or waiving or reducing other costs associated with transitioning their business); waived or reduced costs and fees (e.g., for administrative services that we provide for your accounts, attending our conferences and events, and free or reduced-cost marketing materials); and may also include equity awards in our parent company, LPL Financial Holdings Inc. Your Professional may receive some or all of these types of compensation from their Firm, depending on the Firm, or may receive compensation related to the sale of proprietary insurance or investment products that increase the revenue paid to the Firm. These other types of compensation paid by LPLE or a Firm gives Professionals a financial incentive to transition their business to or maintain their business with us or their Firm and a financial interest in the success of our or their Firm's business.

Your Professional is legally required to act in your best interest and not put his or her interests ahead of your own. We have systems in place to mitigate the conflicts of interest that arise from the way he or she makes money, including systems to review whether a recommendation is in your best interest. More information on compensation can be found at [Brokerage Compensation Information and Related Conflicts of Interest](#). If viewing a paper version of this form, please visit [lpl.com/lpl-enterprise.html](http://lpl.com/lpl-enterprise.html) for a hyperlink to this document.

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## Do you or your financial professionals have legal or disciplinary history?

Yes. Visit [Investor.gov/CRS](http://Investor.gov/CRS) for a free and simple search tool to research LPLE, LPL and our Professionals.

### ❏ **Questions to ask your Professional:**

*As a financial professional, do you have any disciplinary history? For what type of conduct?*

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## Additional Information

Please visit the Disclosures page on [lpl.com/lpl-enterprise.html](http://lpl.com/lpl-enterprise.html) for more information, including a copy of the agreement for the account and/or program you are considering, the Form ADV Brochure for any advisory program you are considering, detailed information on our brokerage services under [Brokerage Compensation and Related Conflicts of Interest](#), and more information regarding our brokerage and advisory programs under [Third Party Compensation and Related Conflicts of Interest](#). We are affiliated with other investment firms, including LPL. You can find the relationship summary for LPL at [lpl-financial-relationship-summary.pdf](#). More information on our affiliations can be found in the [Form ADV for your advisory program](#) or on our website at [lpl.com/lpl-enterprise.html](http://lpl.com/lpl-enterprise.html).

If viewing a paper version of this form, please visit [lpl.com/lpl-enterprise.html](http://lpl.com/lpl-enterprise.html) for hyperlinks to cross-referenced documents.

**To request up-to-date information or a copy of this relationship summary, please call us at (800) 558-7567.**

### ❏ **Questions to ask your Professional:**

*Who is my primary contact person? Is he or she a representative of an investment adviser or a broker-dealer? Who can I talk to if I have concerns about how this person is treating me?*

# LPL FINANCIAL LLC (LPL) RELATIONSHIP SUMMARY

Effective March 31, 2022

LPL (referred to as “we” or “us”) is registered with the U.S. Securities and Exchange Commission as a broker-dealer and an investment adviser. We have a network of financial professionals (“Professionals”) who offer brokerage and investment advisory services. Brokerage and investment advisory services, and the fees we charge for them, differ, and it’s important that you understand the differences. This relationship summary will

explain the various services we offer, how we charge for those services, and conflicts of interest that exist when we provide our services. To help you research firms and financial professionals, you can access free and simple tools at [Investor.gov/CRS](https://www.investor.gov/CRS), which also provides educational materials about broker-dealers, investment advisers, and investing.

## What investment services and advice can you provide me?

Our Professionals offer brokerage services, investment advisory services, or both, depending on their licenses. Each Professional generally provides access to a range of investment products, such as stocks, bonds, exchange-traded funds (ETFs), mutual funds, annuities, and alternative investments. Please note that the range of investment options available to you may be limited depending on the licenses your Professional holds or if he or she is located at a financial institution that does not offer certain options. Your Professional or account program may also have specific

requirements, such as account or investment minimums. We encourage you to ask your Professional whether any investment limitations or account requirements apply.

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### Brokerage Services

- Brokerage services include taking your orders and executing your securities transactions; making recommendations for you to buy, sell, or hold securities; and holding your securities for safekeeping (known as having “custody” of your securities).
- In most cases, we provide recommendations to you on specific investments, but you make the final investment decisions for your account. We also have a program available through a limited number of financial institutions in which you make investment decisions on your own without any recommendations from us.
- We don’t monitor brokerage account investments for you, unless we state otherwise in writing.
- We may provide brokerage services (but not investment recommendations) to you if your Professional is providing advisory services through a separate investment advisory firm.

### Investment Advisory Services

- Some of the investment advisory services we offer include wrap fee programs and non-wrap fee programs; mutual fund asset allocation programs; advisory programs offered by third-party investment advisory firms; financial planning services; retirement plan consulting; investment research; digital advice programs; and other custom advisory services.
- You’ll typically grant us discretion to buy and sell investments in your account without asking you in advance. You may limit our discretion, such as by imposing reasonable restrictions on investing in certain securities or groups of securities. In other investment advisory accounts, you grant investment discretion to another financial institution.
- Some of our investment advisory accounts are nondiscretionary, which means you are required to preapprove each investment transaction that we recommend.
- We’ll typically monitor accounts, and specific investments within accounts, on an ongoing basis to align with your investment goals. However, in limited-scope consulting or advisory relationships, we won’t provide ongoing monitoring.



**More detailed information** about our advisory services can be found in the [Form ADV for your advisory program](#). Detailed information about our brokerage services can be found at [Brokerage Compensation Information and Related Conflicts of Interest](#). If viewing a paper version of this form, please visit [lpl.com/CRS](http://lpl.com/CRS) for hyperlinks to these documents.

### 🔗 Questions to ask your Professional:

- *Given my financial situation, should I choose an investment advisory service? Should I choose a brokerage service? Should I choose both types of services? Why or why not?*
- *How will you choose investments to recommend to me?*
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- For investments in stocks or ETFs, the transaction-based fee is usually charged as a separate commission or sales charge. For investments in bonds, this fee is typically included as part of the price you pay for the investment (called a markup or markdown).
- For investments in certain products like mutual funds, annuities, and alternative investments, we receive transaction-based fees from the investment product sponsor in the form of asset-based sales charges (e.g., sales loads). These fees are based on the amount invested in a product and, depending on the product, may be based on how long you hold the investment. Our receipt of asset-based sales loads creates an incentive to recommend products or sponsors that include such charges.

### Fees Associated with Investment Advisory Accounts

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- For wrap fee program accounts, you will pay us a single asset-based fee for advisory services. This fee also covers most transaction costs and certain administrative and custodial costs associated with your investments. If you expect to trade infrequently or to pursue a "buy and hold" strategy, a wrap fee program may cost you more than paying for the program's services separately, and you may want to consider a brokerage relationship rather than an advisory relationship.
- The fee you pay to your Professional is generally negotiated with him or her directly, and subject to different maximums, depending on the advisory program selected.

### Other Fees and Costs

If applicable to your account, we'll charge you directly for other fees in addition to brokerage commissions and advisory fees, including: (1) account maintenance fees such as custody, trade confirmation processing, corporate actions, and transfer fees; (2) cash management fees such as cash sweep, checking, and wire fees; and (3) investment specific fees such as those for

administration of alternative investments or for foreign securities. See the Fee Schedules for our brokerage and advisory programs at [lpl.com](http://lpl.com) for more information. You should understand that these fees are not charged by us if your investment is in an account that is held directly with the sponsor, and not in an LPL investment account.

You may also incur fees charged by the particular investment product in which you are invested, including mutual funds, ETFs, and other pooled funds, in addition to brokerage commissions and advisory fees charged by us. Some of these fees may be shared, as described below in [Third-Party Payments](#). Certain investment products have significant fees triggered by particular events, e.g., annuities may include mortality, expense, and administrative fees, and fees for excessive transfers or early withdrawals.

You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying. Detailed

information on our advisory fees can be found in the [Form ADV for your advisory program](#). Detailed information on our brokerage fees can be found at [Brokerage Compensation Information and Related Conflicts of Interest](#) and, depending on the investment product in which you invest, may be included in the product's prospectus or other offering document. If viewing a paper version of this form, please visit [lpl.com/CRS](http://lpl.com/CRS) for hyperlinks to these documents.

**📌 Questions to ask your Professional:**

*Help me understand how these fees and costs might affect my investments. If I give you \$10,000 to invest, how much will go to fees and costs, and how much will be invested for me?*

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## What are your legal obligations to me when providing recommendations as my broker-dealer or when acting as my investment adviser? How else does your firm make money and what conflicts of interest do you have?

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### Third-Party Payments

We receive compensation from third parties related to investments you make in certain products, including mutual funds, ETFs, annuities, alternative investments, and other investments. This compensation includes ongoing distribution charges (e.g., 12b-1 fees or trail payments), which an investment product charges you and then pays to us. We also receive fees from investment products and/or their sponsors for recordkeeping and other administrative services we provide in relation to your investments. In some accounts we offer, uninvested cash is automatically placed into interest-bearing federally insured bank accounts. We receive fees for your participation in these “cash sweep” programs from the banks sponsoring the programs. The fees we receive are typically higher than the interest you earn on the cash held in the bank accounts and are in addition to any fees you pay to us. This creates an incentive for LPL if you maintain a cash balance in your account. [Revenue sharing payments](#) are another type of third-party compensation we receive from sponsors who participate in our marketing programs. These programs support our product marketing to our Professionals and for education and training efforts, and facilitate communications between sponsors and our Professionals. Finally, certain sponsors pay us to make their investment products available on our platform. Because we receive

payments from these third parties, there is an inherent incentive for us to recommend or invest your assets in those investment products. Detailed information regarding third-party payments can be found in the [Third-Party Compensation and Related Conflicts of Interest](#) document on [lpl.com](http://lpl.com).

### Principal Trading

In brokerage accounts, we sometimes directly buy from you or sell to you investments including bonds or certain shares of mutual funds, unit investment trusts (UITs), or alternative investments. These are called principal trades. If the principal trade involves a bond, we receive a markup or markdown by either buying the bond from you at a lower price than we will sell it for or by selling the bond to you at a higher price than we bought it for. That creates an incentive for us to either buy the bond from you at the lowest price possible or sell the bond to you at the highest price possible and maximize our profit on the principal trade. In advisory accounts, purchases of mutual funds, UITs, or alternative investments may be processed through our proprietary account, but we do not receive a markup or markdown in these trades. Also, in certain advisory accounts where a third-party investment advisory firm has discretion, we trade as principal and receive a markup or markdown.

Detailed information on our conflicts of interest can be found in the [Form ADV for your advisory program](#) and in [Brokerage Compensation Information and Related Conflicts of Interest](#). If viewing a paper version of this form, please visit [lpl.com/CRS](http://lpl.com/CRS) for hyperlinks to these documents.

**📌 Questions to ask your Professional:**

*How might your conflicts of interest affect me, and how will you address them?*

## How do your financial professionals make money?

Our Professionals are primarily independent contractors, although a portion are employees or employees of an affiliated company. The agreement between each Professional and LPL sets out the payments we make to them. Those who provide investment advisory services receive a portion of the advisory fee you pay. Professionals who provide you brokerage services receive a portion of the commissions or markups/markdowns from your trades. Receiving a portion of the advisory or brokerage fees you pay to us creates an incentive for them to encourage you to increase your investment account size or trade more frequently. We also compensate Professionals based on production, including payments based on the amount of client assets they service and the products they sell. In addition, our Professionals receive different levels of compensation for selling different types of investments or services. This could include, for example, a share of the 12b-1 fees, trail payments, or sales loads paid to us by an investment product. Although your Professional must recommend investment products or manage your account in your best interest, these additional forms of compensation create an incentive for them to recommend specific financial products.

Our Professionals may receive compensation from us in other ways, including:

- Transition assistance if he or she moves to LPL from another company. This assistance can include forgivable loans, advance payment of advisory fees, and/or waiving or reducing other

costs associated with transitioning the Professional's business. This assistance creates an incentive to migrate and maintain business on our platform from another investment platform, and to sell or recommend the sale of investments held in an account if we do not offer those investments.

- Waived or reduced costs and fees (e.g., for administrative services that we provide for your accounts, attending our conferences and events, and free or reduced-cost marketing materials). These waived and reduced costs and fees create an incentive for Professionals to associate with us instead of other financial firms.
- Equity awards in our parent company, LPL Financial Holdings Inc., which give your Professional an incentive to remain with us during the vesting period applicable to his or her stock holdings (the period of time before the stock is unconditionally owned). This also gives the Professional a financial interest in the success of our business.

Your Professional is legally required to act in your best interest and not put his or her interests ahead of your own. We have systems in place to mitigate the conflicts of interest that arise from the way he or she makes money, including systems to review whether a recommendation is in your best interest. More information on compensation can be found at [Brokerage Compensation Information and Related Conflicts of Interest](#). If viewing a paper version of this form, please visit [lpl.com/CRS](http://lpl.com/CRS) for a hyperlink to this document.

## Do you or your financial professionals have legal or disciplinary history?

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### ❏ **Questions to ask your Professional:**

*As a financial professional, do you have any disciplinary history? For what type of conduct?*

## Additional Information

Please visit the [Disclosures page on lpl.com](#) for more information, including a copy of the agreement for the account and/or program you are considering, the Form ADV Brochure for any advisory program you are considering, detailed information on our brokerage services under [Brokerage Compensation and Related Conflicts of Interest](#), and more information regarding our brokerage and advisory programs under [Third Party Compensation and Related Conflicts of Interest](#).

Please visit the [Investor Regulatory & Educational Resources page](#) on [lpl.com](http://lpl.com) to learn more about how to determine your investment objective and risk tolerance, among other items.

We are affiliated with other investment firms. If your Professional works with Fortigent, LLC, you can find the relationship summary for that firm at [lpl.com/fortigent.html](http://lpl.com/fortigent.html). More information on our affiliations can be found in the [Form ADV for your advisory program](#).

If viewing a paper version of this form, please visit [lpl.com/CRS](http://lpl.com/CRS) for hyperlinks to cross-referenced documents.

**To request up-to-date information or a copy of this relationship summary, please call us at (800) 558-7567.**

We also encourage you to review the general information provided by the U.S. Securities and Exchange Commission regarding investing, choosing an investment professional, and related considerations, available by visiting [Investor.gov](http://Investor.gov).

### ❏ **Questions to ask your Professional:**

*Who is my primary contact person? Is he or she a representative of an investment adviser or a broker dealer? Who can I talk to if I have concerns about how this person is treating me?*



## ACCOUNT PACKET

# GUIDED WEALTH PORTFOLIOS (GWP) ACCOUNT AGREEMENT

This Account Agreement ("Agreement") is entered into by and among LPL Financial LLC ("LPL"), a registered investment adviser and broker-dealer, LPL Enterprise, LLC ("LPLE"), a registered investment adviser and broker-dealer, the LPLE Investment Adviser Representative indicated in section V of the Account Application attached hereto ("IAR"), LPLE, and the client indicated in Section I of the Account Application ("Client" or "you"), pursuant to which Client will open an account ("Account") with LPL and LPLE for the purpose of participating in the **Guided Wealth Portfolios Program** ("Program"). Notwithstanding any other provision of this Agreement to the contrary, the advisory services to be provided under this Agreement shall not begin until your Account paperwork has been accepted by LPL and LPLE at their home office as being in good order and the applicable minimum Account balance has been reached as described in Section 9 below. LPL's and LPLE's acceptance of the Account will generally occur within 15 business days, but can take longer in certain circumstances, from the completed paperwork is received by LPL. A description of the services to be provided and the parties providing the services are set forth below. LPL and LPLE reserves the right to accept or reject this Agreement in its sole discretion and for any reason.

## 1. GUIDED WEALTH PORTFOLIOS PROGRAM

The Program offers clients the ability to participate in a centrally managed investment program, which is made available to Client through a web-based, interactive account management portal (the "Portal") and through IAR. In the Program, LPL generates investment recommendations based upon model portfolios constructed by LPL and selected for the Account as described below (such model portfolio selected for the Account, the "Model Portfolio"). The Model Portfolios have been designed and are maintained by LPL Research (the "Portfolio Strategist") and include a list of exchange-traded funds ("ETFs") holdings and may in the future include open-end mutual funds ("Mutual Funds") holdings (collectively, "Program Securities"), and include relative weightings and a list of potential replacement securities for tax harvesting purposes. LPL Research currently serves as the sole Portfolio Strategist and does not charge a fee for its services. Only one Model Portfolio is permitted per Account. Client acknowledges and agrees that communications concerning the Program are intended to occur primarily through electronic means (including but not limited to, through email communications or through the Portal), although LPLE, through its IAR, will be available to discuss investment strategies, objectives or the Account in general in person or via telephone. IAR can provide Client with information regarding other LPL or LPLE investment programs if Client would prefer more frequent personal interactions with IAR.

### (a) Account Opening

As part of the Account opening process, including the interactive online questionnaire completed by Client prior to account opening, Client is responsible for providing complete and accurate information regarding, among other things, Client's goal(s), age, risk tolerance, and investment horizon (collectively, "Client Profile"). Client must select from one of the following goals for the Account: retirement ("Retirement Goal"), major purchase ("Major Purchase Goal"), or general investing ("General Investing Goal"). Client acknowledges that LPL and LPLE, through its IAR, rely on the completeness and accuracy of the Client Profile in order to provide services under the Program, including but not limited to, determination of suitability of the Program for Client and an appropriate investment allocation track for Client ("Investment Allocation Track"). Client agrees to create a Portal profile within the time period prescribed by LPL or LPLE and acknowledges that maintaining an active Portal profile is required for the entire duration of Client's participation in the Program. Client agrees to promptly inform LPL and LPLE of any material changes in Client's Profile through the Portal or by contacting LPLE through their IAR.

### (b) Model Portfolios

#### (i) Retirement Goal.

Based upon a Client's risk tolerance as indicated in the Client Profile, Client is assigned an Investment Allocation Track (currently conservative, moderate or aggressive), the purpose of which is to slowly rotate Client's equity exposure allocation to fixed income exposure and cash over time. Upon submitting a completed online questionnaire, Client will be assigned a Model Portfolio within the applicable allocation track and based upon factors in the Client Profile, including Client's risk tolerance and the number of years remaining until the age of retirement as indicated by Client



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### GUIDED WEALTH PORTFOLIOS – ACCOUNT AGREEMENT

(such time being referred to herein as the “Retirement Age”). As Client approaches the Retirement Age, LPL will automatically adjust Client’s asset allocation annually based upon the Client’s associated Investment Allocation Track.

(ii) Major Purchase Goal.

Based upon a Client’s risk tolerance as indicated in the Client Profile, Client is assigned an Investment Allocation Track (currently conservative, moderate or aggressive), the purpose of which is to slowly rotate Client’s equity allocation exposure to fixed income exposure and cash over time. Upon submitting a completed online questionnaire, Client will be assigned a Model Portfolio within the applicable allocation track and based upon factors in the Client Profile, including Client’s risk tolerance and the number of years remaining until the time that Client would like to achieve the Major Purchase Goal (such time being referred to herein as the “Major Purchase Date”). As Client approaches the Major Purchase Date, LPL will automatically adjust Client’s asset allocation annually based upon the Client’s associated Investment Allocation Track.

(iii) General Investing Goal.

Based upon a Client’s answers to the risk tolerance questionnaire as part of the Client Profile, Client will be assigned a Model Portfolio with the applicable Investment Allocation Track (currently, conservative, moderate conservative, moderate, moderate aggressive or aggressive). For the General Investing Goal, the allocation track generally remains static, subject to rebalancing and tax loss harvesting as described herein.

(iv) Investment Allocation Track.

Client understands that the Investment Allocation Track selected for the Account seeks to achieve an overall investment objective for the entire Account that may be inconsistent with a particular holding and the Account’s performance at any time and may be inconsistent with other asset allocations suggested to Client by LPL or LPLE prior to Client entering into this Agreement. Client understands that the Investment Allocation Tracks are designed as long-term goals for the Account, and asset withdrawals may impair the achievement of client’s investment objectives. Client understands that a Client Profile that includes a conservative Investment Allocation Track over a long-term investment horizon may result in the selection of riskier investments than would be selected based on the same conservative Investment Allocation Track but over a shorter-term investment horizon. As part of the Account opening process, Client has reviewed and hereby accepts the assigned Investment Allocation Track. Client agrees to contact LPLE, through their IAR, if Client believes the Investment Allocation Track does not appropriately reflect the Client Profile.

#### (c) Account Management

Under the Program, Client authorizes LPL on a discretionary basis to purchase and sell Program Securities in accordance with the Model Portfolio and to liquidate previously purchased non-model securities. Mutual Funds and ETFs that are not Program Securities or that are not included within the Model Portfolio selected for the Account will not be purchased for the Account. Client grants LPL full discretion to invest in accordance with the Model Portfolio. LPL expects to closely track the Model Portfolios, applying discretion only to address particular account issues, including tax loss harvesting, short-term gain avoidance, cash inflows and outflows, and investment restrictions placed on the Account. LPL may also deviate from the Model Portfolios in smaller accounts, in which it is not possible or impractical to be invested in all of a Model Portfolio’s holdings. LPLE, IAR and Client cannot change or customize the Model Portfolios. Uninvested cash may be invested in money market funds or the Multi-Bank Insured Cash Account (“ICA”) or Deposit Cash Account (“DCA”), as applicable, as described in Section 21 below. Client acknowledges that cash dividends paid by the Program Securities in the Account will be contributed to the cash allocation and ultimately reinvested into the Account based on the Model Portfolio once the tolerance within the cash allocation is surpassed.

During the term of this Agreement, LPL will perform a daily review of the Account to determine if rebalancing is appropriate based on tolerance thresholds established by LPL. The Account will be rebalanced following a rebalancing review if the Account has available cash for investment and at least one of the Account positions, including cash, is outside LPL’s set tolerance thresholds, subject to a minimum transaction amount established by LPL. LPL will also perform an annual rebalancing of the Account if Account positions are outside of LPL’s set tolerance thresholds. In addition, LPL may review the Account for rebalancing in the event that the Model Portfolio is changed. LPL may delay placing rebalancing transactions for non-qualified



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accounts by a number of days, to be determined by LPL, in an attempt to limit the tax treatment of realized short-term gains for any position being sold. In addition, trading in the Account at any given time is also subject to certain conditions, including but not limited to, conditions related to trade size, compliance tests, the target cash allocation and allocation tolerances. LPLE, IAR and Client cannot alter the rebalancing frequency. Pursuant to this Agreement, Client appoints LPL, in LPL's capacity as a registered broker-dealer, as sole and exclusive broker-dealer on the Account for the execution of trades.

LPLE, through its IAR, is responsible on an ongoing basis as investment adviser and fiduciary for the client relationship, including for recommending the Program to Client; providing ongoing monitoring of the Program, the performance of client accounts, and the services of LPL; determining initial and ongoing suitability of the program for clients; reviewing clients' suggested portfolio allocations; reviewing any change in Investment Allocation Track due to changes clients make to their Client Profile; answering questions regarding the Program, assisting with paperwork and administrative and operational details for accounts; and being available to clients to discuss investment strategies, changes in financial circumstances, objectives or accounts generally in person or via telephone. LPLE, through its IAR, may also recommend other suitable investment programs.

#### **(d) Statements & Confirms**

Client may access account statements, showing Account activity and statement-end positions, and confirmations of the transactions that occurred within the Account through the Portal. Confirmations of transactions will be consolidated in the case of rebalancing transactions. Client also acknowledges that detailed performance information will generally be available in electronic form through the Portal. Client understands that it is important to review promptly confirmations, account statements, disclosures, and other documents and communications that LPL or LPLE provides. Client agrees to notify LPL or LPLE promptly if anything in the account documents appears inaccurate or suspicious.

#### **(e) Account Deposits and Withdrawals**

Client may make cash additions to the Account at any time and may withdraw Account assets on notice to LPLE, subject to Section 9 below. Additional deposits will be invested in securities consistent with the current target allocations of the Model Portfolio, but such deposits (or a portion thereof) may remain in cash until certain conditions are met related to trade size and position deviation from the target allocation. LPL may accommodate requests from Client or IAR for all or a portion of the assets in the Account to remain allocated to cash for a period of up to 90 days. After the expiration of that time period, LPL will reinvest the Account according to the Model Portfolio. Such customized requests, liquidation requests in connection with withdrawals and changes to the Model Portfolio or Investment Allocation Track selected may take up to 5 business days to process, and, in certain circumstances, may take longer to allocate assets.

Client may fund the account with previously purchased, non-model securities. Client authorizes LPL to liquidate previously purchased, non-model securities as soon as reasonably practicable. In some circumstances, LPL will take into consideration realized gain and loss exposure of liquidating previously purchased, non-model securities when effecting liquidations, however in no circumstance will it be required to do so. The proceeds of the liquidation of previously purchased, non-model securities will be invested in the same manner as cash used to fund the Account. Client may not impose any restrictions on the liquidation of previously purchased securities. The tax loss harvesting or short-term gain avoidance implemented in connection with the Program is not intended to be tax advice and LPL, LPLE, and its IARs do not represent that any particular tax consequences will be obtained. You should consult with your personal tax advisors regarding the tax consequences of investing. Tax loss harvesting or short-term gain avoidance could result in greater deviation from the Model Portfolio.

In the event Client withdrawals cause the Account asset value to fall below the required minimum, Client understands this Agreement may be subject to immediate termination under the provisions of Section 9. Client understands that the Program is designed as a long-term investment program and that asset withdrawals (or requests to allocate all or a portion of Account assets into cash) will affect the performance of the Account.

Client cannot pledge assets held in the Account.



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# GUIDED WEALTH PORTFOLIOS – ACCOUNT AGREEMENT

### (f) Client Representations and Acknowledgments

- (i) By entering into this Agreement, you represent and warrant to LPL and LPLE that: (i) you have reported full and accurate information during the creation of your Client Profile, (ii) you have made an independent assessment of the services offered and have determined that the services are appropriate for you based on your Client Profile, (iii) your use of the Program and the Portal does not violate any applicable law or regulation, (iv) you will abide by all applicable local, state, national and international laws and regulations when using the Program and the Portal.
- (ii) Further, by entering into this Agreement, you acknowledge and agree that: (i) you will not use the Program, the Portal or any other feature of the Program for any purpose that is prohibited by this Agreement; (ii) you will not directly or indirectly sublicense, resell, rent, lease, transfer, assign, time share or otherwise make the Portal or the Program available to any third party in violation of this Agreement; (iii) you are not on any governmental sanctions list of prohibited individuals; (iv) you will not, directly or indirectly: (1) decipher, decompile, disassemble, reverse engineer or otherwise attempt to derive any source code or underlying ideas or algorithms of any part of the Program or the Portal, except to the limited extent applicable laws specifically prohibit such restriction, (2) modify, translate, or otherwise create derivative works of any part of the Program or the Portal, (3) copy, distribute, or otherwise transfer any or all of the rights that you receive under this Agreement, or (4) use or access the Program or the Portal in order to build a competitive product or service.

## 2. TRADING AUTHORIZATION

Client hereby grants LPL complete and unlimited discretionary trading authorization with respect to the purchase and sale of Program Securities in the Account, the sale of previously purchased securities and the investment of cash in money market funds or ICA or DCA, as applicable. Client hereby appoints LPL as Client's agent and attorney-in-fact with respect to this trading authorization. Client also authorizes Portfolio Strategist to provide the Model Portfolio(s) to LPL and authorizes LPL, to make the decisions on how to implement the Model Portfolio, including allocation tolerances within the Model Portfolio in which Program assets will be invested, and authorizes LPL to implement rebalancing. Client hereby authorizes LPL and LPLE to determine which Model Portfolio should be selected for the Account.

Client authorizes LPL to perform tax harvesting for the Account as determined by LPL in its sole discretion. LPL will perform tax harvesting for the Account based on its guidelines for the Program, which will provide that tax loss harvesting for the Program will occur on a systematic and periodic basis. LPL will perform tax harvesting for the Account only when total account unrealized losses and individual positions available losses each exceed the thresholds set by LPL for the Program. LPL will seek to re-invest proceeds from tax loss harvesting into a substitute Program Security for the 30-day period from the initial sale of the harvested security. In certain instances when harvest proceeds cannot be re-invested into a substitute Program Security, the proceeds will be held in cash for the duration of the 30-day period from the initial sale of the harvested security. In implementing the Investment Allocation Track or processing Client requests, including withdrawal requests, LPL may in its sole discretion determine the securities for liquidation based in-part on avoiding short-term gain realization.

Other than as described in Sections 6 and 17, LPL and LPLE and IAR are not authorized to withdraw or transfer any money, securities or property either in the name of Client or otherwise. Client understands that IAR is prohibited from taking personal possession of Client securities, stock powers, monies or any other personal or real property in which Client may have an interest. In addition, Client understands that IAR may not lend to or borrow from Client any monies or securities. Client further agrees not to enter into any other business relationship with IAR including, but not limited to, helping to capitalize or finance any business of IAR.

Client understands that LPL, LPLE, IAR and/or their affiliates perform advisory and/or brokerage services for various other clients, and that each of them may give advice or take actions for those clients that differ from the advice given or the timing or the nature of any action taken for the Account. In addition, each of the parties may, but are not obligated to, purchase or sell or recommend for purchase or sale any security which each of the parties or any of their affiliates may purchase or sell for their own accounts or the account of any other client. Client also understands that cash balances in the Account will be invested in



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money market funds or ICA or DCA, as applicable, at the discretion of LPL and that certain fees and expenses shall be incurred in connection with money market funds or ICA or DCA, which are in addition to the Account Fee (as defined in Section 6).

In no event will LPL, LPLE or IAR be obligated to effect any transaction for Client which they believe would violate any applicable state or federal law, rule or regulation, or the rules or regulations of any regulatory or self-regulatory body. This trading authorization is a continuing one and shall remain in full force and effect and be relied upon until LPL, LPLE, and IAR have received a copy of a written termination notice delivered in accordance with Section 18. LPL and LPLE also retain the right to voluntarily terminate this Agreement as discussed in Section 9.

#### 3. PROXIES AND OTHER SHAREHOLDER INFORMATION

Client understands and agrees that Client retains the right to vote all proxies that are solicited for securities held in the Account. LPL, LPLE and IAR are hereby expressly precluded from voting proxies for securities held in the Account and will not be required to take any action or render any advice with respect to the voting of proxies. LPL will provide Client with proxy materials prepared by the funds held in the Account.

LPL, LPLE, and IAR shall not be obligated to render any advice or take any action on behalf of Client with respect to any legal proceedings, including bankruptcies, involving securities or other investments held in the Account, or the issuers thereof. Client hereby retains the right and obligation to take action with respect to legal proceedings relating to securities held in the Account.

Client hereby designates LPL, as a broker-dealer and registered investment adviser, to receive all prospectuses, annual reports and disclosure statements for securities held in the Account. Client may request prospectuses and reports from LPLE, through its IAR.

#### 4. CLIENT AUTHORITY

Client represents that he or she is a natural person who is at least 18 years old. Client agrees to promptly notify LPL in the event that his or her country of residence or citizenship status changes, and Client acknowledges and agrees that such notification may result in termination of his or her account by LPL under Section 9 below if LPL does not service accounts in the new jurisdiction.

Client is not an employee benefit plan subject to the Employee Retirement Income Security Act of 1974, as amended (“ERISA”) or an entity whose assets are treated as “plan assets” for purposes of ERISA (“ERISA Plan”).

Client represents that he or she is duly authorized to enter into this Agreement.

As discussed more fully above, LPL and LPLE do not undertake to provide advisory services under this Agreement until the Account has been accepted by LPL and LPLE.

#### 5. RETIREMENT ACCOUNTS

If Client is investing through an account that is a “plan” under Section 4975 of the Internal Revenue Code of 1986 (the “Code”) (other than ERISA Plans, which are not permitted to invest through the Program), *i.e.*, an individual retirement account (an “IRA”) including a traditional IRA, a Roth IRA, or an owner-only Simplified Employer Pension IRA where the only eligible participants of the SEP IRA are the business owners and their spouses (“SEP IRA”) (collectively “Retirement Accounts”), Client represents, warrants and agrees that (i) Client is the fiduciary or owner of the Retirement Account, (ii) Client has reviewed the governing Retirement Account instrument and the applicable laws and regulations and has determined that Client’s participation in the Program is permitted, and, unless Client notifies LPL and LPLE in writing to the contrary, will continue to be permitted, by the relevant governing Retirement Account instrument and such applicable laws and regulations, (iii) Client has determined that LPLE’s and LPL’s fees and compensation are reasonable for the services provided and are proper expenses payable by the Retirement Account in accordance with the terms of the governing Retirement Account documents and the Code and that Client has received disclosures necessary to make such determination, and (iv) Client will immediately notify LPL and LPLE in accordance with Section 18 of this Agreement in the event that the Retirement Account becomes subject to ERISA.





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Client is solely responsible for considering all relevant services, fees and conflicts of interest applicable to the services contemplated under this Agreement (and related disclosures) before making a decision to participate in a Program, or to contribute to, or withdraw assets from, a Program. Client understands and agrees that LPL, LPLE, and IAR do not undertake to act as a “fiduciary” within the meaning of ERISA or Section 4975 of the Code with respect to the Client’s decision to participate in the Program, accept the terms and conditions of the Agreement or to contribute assets to or withdraw assets from the Account. Client should consider whether to seek the advice of counsel or other independent experts as necessary.

#### 6. FEES AND CHARGES

As a participant in the Program, Client agrees to pay an annualized fee (“Account Fee”). The Account Fee is made up of an Advisor Fee and an LPL Program Fee. Additional details, as well as the maximum Account Fee are set forth in Schedule A attached hereto. For purposes of calculating the quarterly Account Fee and providing performance information, the Account quarter will begin on the first day of the calendar quarter after the Account is accepted by LPL and LPLE.

The initial Account Fee is due at the end of the first quarter in which the Account is accepted and will include the prorated amount for the initial quarter. Subsequent Account Fees will be assessed at the beginning of each quarter thereafter and will be based on the value of the Account assets under management as of the close of business on the last business day of the preceding quarter (as valued by an independent pricing service, where available, or otherwise in good faith as reflected in Client’s account statement) and based on the fee rate in effect at the time of assessment. At the time of a subsequent Account Fee assessment, the Account Fee will be adjusted for deposits and withdrawals during the prior quarter pro rata based on the asset value of the transaction and based on the fee rate in effect at the time of the assessment. If there is a change in the Account Fee rate negotiated between LPLE and Client during the quarter, the effective date of any increase or decrease will be at the beginning of the next quarterly cycle. Client authorizes LPL to deduct all Account Fees and any additional fees or charges pursuant to the authorization granted under Section 17. Client understands that alternative payment methods that may be offered in other advisory platforms are not available for the Account. All such fees and charges will be noted on Client’s statements.

If Client has paid a commission on the purchase of a security in an LPL brokerage account within up to two years of the transfer of the security into the Account, Client may be entitled to a credit for a portion of the Account Fee.

Client also incurs certain charges imposed by LPL or third parties in connection with investments made through the Account, including among others, the following types of charges: ordinary and extraordinary operating expenses incurred by Program Securities, mutual fund 12b-1 fees, subtransfer agent fees, networking fees, omnibus processing fees, fund management fees and administrative servicing fees, certain deferred sales charges on previously purchased mutual funds and other transaction charges and service fees, account termination fees, administrative servicing fees for trust accounts, and other charges required by law or imposed by exchanges or regulatory bodies. LPL receives all or a portion of certain of these fees. Further information regarding charges and fees assessed by the ETFs and Mutual Funds held in the Account are available in the prospectus for such funds.

As an example of the foregoing, transaction fees imposed by the SEC on all sales of securities, options and single stock futures effected on a national securities exchange are passed on to your Account. The amount of this regulatory fee may vary over time, and because variations might not be immediately known to LPL, the amount may be estimated and assessed in advance. To the extent that such estimated amount differs from the actual amount of the regulatory fee, LPL retains the excess. These charges will be reflected on transaction confirmations and/or periodic statements.

Client understands and agrees that LPL and LPLE, respectively, may waive any fee it charges in its sole discretion in whole or in part.

Any 12b-1 fees paid to LPL by Mutual Funds held in the Account (other than cash sweep money market funds (“Sweep Funds”) described in Section 21 below) will be credited to the Account. Such credits will be reflected on periodic account statements.



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Mutual Funds may also charge a redemption fee if a redemption is made within a specific time period following the investment. The terms of any redemption fee are disclosed in the fund's prospectus. Decisions regarding the sale of Mutual Funds in the Account will be made by LPL without regard to whether a client will be assessed a redemption fee.

Neither LPL nor LPLE shall be compensated on the basis of a share of capital gains or capital appreciation of the funds or any portion of the funds of Client.

In connection with servicing the Account, Client acknowledges and agrees that Client will be charged by LPL for certain incidental miscellaneous fees and charges. These fees are set out in the Miscellaneous Account and Service Fees Schedule attached hereto. LPL makes available a current list of these fees on its website at [lpl.com/disclosures.html](http://lpl.com/disclosures.html). These fees are not directly based on the costs of the transaction or service by LPL, often include a profit to LPL, and certain of the fees are lowered or waived for certain clients. These fees are subject to change at the discretion of LPL. You will be notified of these charges and any changes through information provided with your periodic statements. These fees and charges shall continue until thirty (30) days after LPL has notified Client in writing of any change in the amount of the fees or charges applicable to the Account, at which time the new fees or charges will become effective unless Client notifies LPL in writing that the Account is to be closed.

#### 7. CONFLICTS OF INTEREST

LPL is appointed by Client as custodian of the Account assets and broker-dealer with respect to processing securities transactions for the Account. LPL may aggregate transactions for Client with other clients to improve the quality of execution. The Account Fee described above represents compensation for the asset management and reporting services provided. Securities transactions for the Account are effected through LPL without commission being paid to LPL or LPLE.

Client should be aware that certain mutual funds held in the Account (if any) charge fees such as 12b-1 fees, subtransfer agent fees, networking fees and omnibus processing fees, a portion of which are received by LPL. The amount of such fees is described in the mutual fund's prospectus under fund expenses and is also reflected on the fund's financial statements. Any 12b-1 fees paid to LPL by mutual funds held in the Account (other than Sweep Funds) will be credited to the Account.

Client should understand that the share class offered in the future for a particular mutual fund through the Program in many cases will not be the least expensive share class that the mutual fund makes available. As a result, LPL will not achieve best execution for purchases of share classes that are more expensive because the recordkeeping and other expenses make it a more expensive share class than Client otherwise would be eligible to purchase had LPL chosen to make that share class available. Client understands that another financial services firm may offer the same mutual fund at a lower overall cost to the investor than is available through the Program.

LPL has fee arrangements with investment advisors or distributors ("sponsors") of ETFs and Mutual Funds that are available or may in the future be available for purchase in an Account, called revenue sharing. Under these arrangements, the sponsor pays LPL a fee based on the amount of client assets invested in the sponsor's products or a fixed fee, and LPL provides marketing support, data analytics, and administrative support to the sponsor and allows the sponsor to access LPL and LPLE IARs so that the sponsor can promote such products. Client understands that this type of arrangement gives LPLE a financial incentive to have its clients invest in participating products instead of funds whose sponsors do not make such payments to LPL.

Under the Program, IARs are associated with financial institutions that are unaffiliated with LPLE, like insurance companies. Based on an arrangement between LPLE and the financial institution, IARs offer advisory services. Such advisory services are offered by LPLE and not the financial institution, and IAR's compensation is determined by the financial institution, subject to approval by LPLE. LPLE has entered into agreements with the financial institutions pursuant to which LPLE typically shares compensation, including a portion of the Account Fee, with the financial institution or its affiliates. LPLE shares the Account Fee with the financial institution with which the IAR is affiliated, or an affiliate of such financial institution, and the financial institution or its affiliate pays part of that amount to the IAR. The compensation plan determines how the IAR's compensation is structured. The amount of compensation may be more or less than what IAR would receive if Client participated in other LPL or LPLE programs or services, including advisory versus brokerage services. Therefore, the IAR will have a financial incentive to recommend a particular



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service or product if under the compensation plan the recommended product will result in more compensation to the IAR than another product or service. However, if an IAR is recommending an advisory program or service, he or she must believe that the program or service is suitable and in the best interests of the client in accordance with the applicable standards under the Advisers Act or other applicable law.

Some of these financial institutions are affiliated with investment product sponsors, meaning that the investment products are sponsored by the financial institution. An IAR associated with a financial institution has a conflict of interest when IAR encourages clients to invest in that financial institution's proprietary investment products because the financial institution can influence the compensation paid to the IAR or terminate their relationship with the IAR altogether. Certain IARs are statutory agents of financial institutions that are affiliated with investment product sponsors, which means that they receive benefits and insurance as part of their contractual arrangement with those financial institutions. To be statutory agents, such IARs must primarily sell insurance products as their principal business activity, which creates a conflict of interest because such forms of non-cash compensation incentivize IARs to utilize proprietary products. In addition, when an affiliated investment product is selected for an account, the financial institution receives a portion of the Account Fee pursuant to the agreement between LPLE and the financial institution and its affiliate receives fees from the affiliated investment product except to the extent those fees are credited back to the client's account. Because affiliates of the financial institution earn fees and other benefits from the affiliated product, the IAR has an incentive to select its affiliated products based on the compensation and benefits its affiliates receive rather than on a client's needs. Note that the IAR does not receive additional compensation from the financial institution for selecting affiliated products and the IAR may only utilize an investment product that he or she believes is appropriate for clients.

In addition, LPL and LPLE employees and IARs may receive additional cash or non-cash compensation from investment product sponsors, which may not be tied to the sales of any products. Compensation may include bonuses, awards, gifts of a nominal value, an occasional dinner or ticket to a sporting event, reimbursement in connection with educational meetings or marketing or advertising initiatives, or other things of value.

LPLE also may provide other forms of compensation to financial institutions, such as bonuses, awards or other things of value offered by LPL or LPLE to the institution. For example, LPLE pays certain financial institutions based on overall business production and/or on the amount of assets serviced in all LPL advisory programs, including GWP, or specific to assets in GWP. Therefore, the amount of compensation from LPLE can be more than what the financial institution would receive if the client participated in LPLE advisory programs other than GWP, programs of other investment advisors or paid separately for investment advice, brokerage and other client services. As a result, the financial institution can have a financial incentive to recommend a GWP account over other programs and services. Such instances create a potential conflicts of interest whereby the financial institution earns additional compensation. However, LPLE intends to make all recommendations independent of such considerations and based solely on their obligations to consider Client's objectives and needs.

LPL receives compensation based on the amount of the assets invested in the money market fund available for investment in the Account in connection with LPL's marketing support programs. The source and nature of compensation, if any, received in conjunction with trades or the money market fund for the Account will be furnished upon written request to LPL.

LPL does not receive compensation for directing orders in equity securities to particular broker-dealers or market centers for execution.

LPL credits to the Account funds belonging to Client such as dividends, interest, redemptions, and proceeds of corporate reorganizations on the day such funds are received by LPL. These funds come to LPL from issuers and various intermediaries in which LPL is a participant, such as the Depository Trust Company ("DTC"). Information regarding when LPL credits Account with funds due the Account, when those funds are available to the Account, and/or when Client begins earning interest on the funds is available from LPL.

Securities held in the Account which are in "street name" or are being held by a securities depository are commingled with the same securities being held for other clients of LPL. Client ownership of these securities is reflected in LPL's records. Subject to a



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minimum distribution amount of \$250 or such other amount determined by LPL, Client has the right at any time to require delivery of any such securities which are fully paid for. Certain preferred stocks are subject to being called by the issuer. Whenever any such security being held by LPL is partially "called," LPL will determine, through a random selection lottery process as prescribed by DTC, the ownership of the securities to be submitted for redemption without regard to unsettled sales. In the event that such securities owned by Client are selected and redeemed, the Account will be credited with the proceeds. Should Client wish not to be subject to this random selection process, Client must instruct LPL to register and deliver the securities to Client. Delivery will be effected provided that Client's securities are unencumbered or have not already been called prior to the receipt of Client's instructions. If Client takes delivery of the securities, they are still subject to call by the issuer and they will no longer be considered assets in the Account for management purposes. The probability of one of Client's securities being called is the same whether they are held by Client or by LPL for Client. Please refer to the "Marketing & Trading Disclosures" section on [lpl.com/disclosures.html](http://lpl.com/disclosures.html) for LPL's Call Securities Lottery Disclosure. In addition, a detailed description of the random selection procedure is available upon request.

Consistent with the overriding principle of best execution, LPL directs orders in ETFs to market centers or exchanges based on an analysis of their ability to provide timely, quality executions. In an effort to obtain best execution for ETFs, LPL may consider several factors, including, but not limited to, price improvement opportunities (executions at prices superior to the then prevailing inside market on OTC or national best bid or offer for listed securities).

In certain cases a Model Portfolio may consist only of ETFs or Mutual Funds within the same fund family or within affiliated fund families. These Model Portfolios are typically identifiable since the name of the fund family is included in the name of the Model Portfolio. In such a Model Portfolio, the Portfolio Strategist will select only those funds within the fund family or affiliated fund families.

If Client is a participant in an employer-sponsored retirement plan such as a 401(k) plan, and decides to roll assets out of the plan into the Account, LPL has a financial incentive to recommend that Client invest those assets in the Account, because LPL will be paid on those assets, for example, through advisory fees. You should be aware that such fees likely will be higher than those a participant pays through a plan, and there can be maintenance and other miscellaneous fees. As securities held in a retirement plan are generally not transferred to the Account, commissions and sales charges will be charged when liquidating such securities prior to the transfer, in addition to commissions and sales charges previously paid on transactions in the plan.

#### 8. LIMITATION OF LIABILITY AND INDEMNIFICATION

Neither LPL, LPLE nor IAR have made, or is making, any guarantee about the future performance of the Account, including, without limitation, any guarantee of a specific level of performance, the success of any given investment decision or strategy that LPL, LPLE, and/or IAR may recommend or undertake on Client's behalf, or the success of the overall management of the Account. There may be loss or depreciation of the value of any investment due to the fluctuation of market values or numerous other factors. In addition, there can be no guarantee or representation that Client's investment objectives will be achieved and Client agrees that neither LPL nor LPLE are responsible and/or liable for any failure to achieve such investment objectives and that past performance is not a guarantee of future results.

To the fullest extent allowed under applicable law and except as otherwise provided for in this Agreement, none of LPL, LPLE, IAR or their respective officers, directors, employees or affiliates or any employees, contractors, directors, suppliers or representatives (each of the foregoing, including but not limited to LPL and LPLE, being the "Indemnified Parties") are liable:

- (i) for any loss incurred with respect to the Account, except where such loss directly results from an Indemnified Party's negligence or willful misconduct;
- (ii) for decisions and/or actions that you take or authorize third parties to take on your behalf based on information you see on the Portal;
- (iii) for any loss or loss of profits caused, directly or indirectly, by government restrictions, exchange or market rulings, suspension of trading, lack of access to or latency of trading systems, rioting, mayhem, acts of terrorism, war, strikes, fire, flood, outbreak of sickness or disease, strikes, fire, flood, software viruses, cyberattacks, information technology



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failures and similar issues, including lost and corrupted or misappropriated data or other conditions beyond LPL's or LPLE's control, to the extent losses are not otherwise covered by the LPL Cyber Fraud Guarantee, which can be viewed at [lpl.com](http://lpl.com); or

- (iv) under contract, tort, strict liability, negligence or any other legal or equitable theory with respect to the Portal, the Program and/or Content (as defined below): (1) for any lost profits, data loss, cost of procurement of substitute goods or services, or special, indirect, incidental, punitive, or consequential damages or any kind whatsoever (however arising); or (2) for any damages or losses of any kind whatsoever arising from or in connection with any bugs, viruses, Trojan horses, or the like (regardless of the source).

Client shall defend, indemnify, and hold harmless the Indemnified Parties from all liabilities, claims, and expenses, including, without limitation, judgments, fines, amounts paid or to be paid in settlements, and reasonable attorneys' fees incurred or suffered by an Indemnified Party: (i) in connection with the good faith performance of such Indemnified Party's responsibilities to Client under this Agreement; (ii) that arise from or relate to Client's use or misuse of, or access to, the Portal, the Program, Content, or otherwise from any content that you post to the Portal; (iii) that arise from or relate to Client's breach of this Agreement; (iv) that arise from or relate to infringement by Client, or any third party using the Account, of any intellectual property or other right of any person or entity; or (v) that arise from or relate to Client's provision of incomplete or inaccurate Client information. Notwithstanding the foregoing, an Indemnified Party will not be indemnified for losses resulting from his, her, or its negligence or violation of applicable laws. LPL reserves the right to assume the exclusive defense and control of any matter otherwise subject to indemnification by Client, in which event Client will assist and cooperate with the Indemnified Parties in asserting any available defenses. If Client is a California resident, Client waives California Civil Code Section 1542, which says: "A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor." If Client is a resident of another jurisdiction, Client waives any comparable statute or doctrine.

Notwithstanding the foregoing, certain federal and state securities laws and ERISA impose liability under certain circumstances on persons who act in good faith. Consequently, nothing in this Agreement shall, in any way, constitute a waiver or limitation of any rights that Client may have under federal or state securities laws or ERISA.

Client acknowledges and understands that LPL, LPLE, and IAR do not provide tax, accounting or legal advice. Client acknowledges that certain ETFs may be subject to unique tax consequences such as K-1 tax reporting and tax treatment for collectibles. In making tax, accounting or legal decisions, Client will consult with and rely on Client's own advisors and not LPL, LPLE, or IAR; and LPL, LPLE, and IAR shall have no liability therefore.

LPL and LPLE are members of the Securities Investor Protection Corporation ("SIPC"). SIPC provides protection for the Account for up to \$500,000, including \$250,000 for claims for cash. The account protection applies when a SIPC member firm fails financially and is unable to meet obligations to securities customers, but it does not protect against losses from the rise and fall in the market value of investments. More information on SIPC, including obtaining a SIPC Brochure, may be obtained by calling SIPC directly at (202) 371-8300 or by visiting [www.sipc.org](http://www.sipc.org).

#### 9. ASSIGNMENT/TERMINATION

This Agreement may not be assigned or transferred in any manner by any party without the consent of all parties receiving or rendering services hereunder; provided that LPL, or LPLE may assign this Agreement upon consent of Client in accordance with the Investment Advisers Act of 1940, as amended (the "Advisers Act"). In addition, LPLE may add or replace the IAR servicing the Account without Client consent.

This Agreement may be terminated by any party effective upon receipt of written notice, delivered in accordance with the provisions of Section 18, to the other parties or by Client calling the operational support desk at such phone number posted on the Portal ("Termination Date"). In the event that Client's country of residence or citizenship changes, such notification to LPL as required under Section 4 above may result in termination of his or her account by LPL if LPL does not service accounts in the new





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jurisdiction. In addition, if Client revokes his or her consent to electronic delivery of Communication under Section 18 below, such revocation will be deemed to be a notice from Client to terminate his or her account.

If LPL has not received from Client all required forms in good order within the timeframe required by LPL from the day Client submits its Account Application, LPL will discard the Account Application and terminate the Account immediately. In addition, if Client's Account has not reached the required minimum value within the timeframe required by LPL, LPL will terminate the Account immediately. LPL will deactivate the Account if Client does not create a profile in the Portal within the time period prescribed to Client by LPL. Inception begins when all paperwork is received in good order and Account value is equal to or greater than the required minimum.

Client understands and agrees that after the Termination Date, the Account will be deactivated. In a deactivated account, no advisory fees are charged, and LPL and LPLE have no responsibility to provide ongoing investment advice. LPL will deliver securities and funds held in the Account as instructed by Client. Client may also request that the Account be liquidated either in whole or in part. If upon termination, Client does not provide LPL with instructions to deliver the securities and funds held in the Account within 60 days, LPL may at its discretion (i) disburse certificates of outstanding securities from the Account to Client; (ii) notify the transfer agent that LPL no longer custodies or services Account assets and they will thereafter remain at the transfer agent until Client instructs them otherwise; or (iii) liquidate the Account and disburse the funds to Client by check, subject to applicable law. Upon termination, LPL reserves the right in its sole discretion at any time to close the Account and liquidate assets.

In the event Client withdrawals cause the Account asset value to fall below the required minimum for a period of 30 days, Client understands that the Account will be deactivated. Withdrawals from the Account may be made to the extent that the Account value does not fall below the required minimum. Withdrawal requests for Accounts with a value at the required minimum or less will result in Account deactivation.

Client will be entitled to a prorated refund of any pre-paid quarterly Account Fee based upon the number of days remaining in the quarter after the Termination Date.

If the Account is closed within the first six months by Client or as a result of withdrawals which bring the Account value below the required minimum value, LPL and LPLE reserve the right to retain the pre-paid quarterly Account Fee for the current quarter in order to cover the administrative cost of establishing the Account which may include costs to transfer positions into and out of the Account, data entry costs to open the Account, costs associated with reconciling of positions in order to issue performance information, and the cost of re-registering positions.

In the case of an Account held by an individual, this Agreement shall terminate upon death of Client; provided, however, that LPL's, LPLE's, and IAR's authority under this Agreement shall remain in full force and effect until such time as LPL and LPLE has been notified otherwise in writing by the authorized representative of Client or Client's estate.

Termination of the Agreement will not affect the liabilities or obligations of the parties in respect of transactions initiated prior to termination.

#### 10. CONFIDENTIALITY

LPL, LPLE and IAR will share information about Client, the Account, and Client's participation in the Program with each other in order to provide the services contemplated by this Agreement. LPL, LPLE, and IAR will keep Client information confidential and will not use or disclose it to others without Client's prior consent except as described in LPL's and LPLE's respective privacy policies. Client acknowledges, understands and agrees that for our mutual protection, LPL and LPLE may electronically record telephone conversations. Client agrees not to record any telephone conversation without express written authorization of LPL, LPLE and the individual(s) engaged in the conversation.



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### 11. SEVERABILITY

If any provision of this Agreement shall be held or made non-enforceable by a statute, rule, regulation, decision of a tribunal or otherwise, such provision shall be automatically reformed and construed so as to be valid, operative and enforceable to the maximum extent permitted by law or equity while most nearly preserving its original intent. The invalidity of any part of this Agreement shall not render invalid the remainder of this Agreement and, to that extent, the provision of this Agreement shall be deemed to be severable.

### 12. VALUATION

In computing the market value of any security or other investment in the Account, each security listed on a national securities exchange shall be valued by LPL, as of the valuation date, at the closing price on the principal exchange on which it is traded. Any other security or investment in the Account shall be valued in a manner determined in good faith by LPL to reflect fair market value. For any assets purchased within the Account, the cost basis is the actual purchase price. For any assets transferred into the Account, original purchase price is used as the cost basis to the extent such information was submitted by Client or a prior service provider. It is Client's responsibility to advise LPL immediately if the cost basis information is portrayed inaccurately. Statement calculations and figures should not be relied upon for tax purposes.

### 13. GOVERNING LAW

This Agreement shall be construed under the laws of The Commonwealth of Massachusetts in a manner consistent with the Advisers Act and the rules and regulations of the Securities and Exchange Commission thereunder (and ERISA, where applicable).

### 14. RECEIPT OF DISCLOSURE DOCUMENTS

Client acknowledges receipt of LPL's Relationship Summary, Guided Wealth Portfolios Program Brochure, and LPLE's Part 2A Firm Brochure, and IAR's Brochure Supplement ("Disclosure Documents"). Client understands the investment approach, related risk factors, and the fees associated with investing in the Account. This Agreement will not take effect until LPL and LPLE have accepted the Account.

### 15. ENTIRE AGREEMENT/AMENDMENT

This Agreement represents the entire agreement between the parties with respect to the subject matter contained herein. This Agreement may be amended by LPL or LPLE upon thirty days' notice to Client. To access the most current version of this Agreement please reference [lpl.com/disclosures.html](http://lpl.com/disclosures.html). In the event of a conflict between the terms and conditions of this Agreement and the terms and conditions of any other agreement between Client and LPLE, the terms and conditions of this Agreement shall control with respect to the Program

### 16. ACCOUNT APPLICATION

The Account Application, incorporated herein by reference and made a part of this Agreement, must be completed in full by IAR and Client and the accuracy of its contents is hereby acknowledged by Client. Client further acknowledges that it is Client's responsibility to provide LPL, LPLE, and IAR with updated information as necessary and that LPL, LPLE, and IAR have the right to rely on this information. Client will provide such updates by updating his or her investor profile questionnaire, direct email to LPLE or telephone call to LPLE, through their IAR, or by contacting the operational support desk at such phone number posted on the Portal and indicating Client has an agreement with LPL and LPLE. By signing the Account Application, Client agrees to the terms and conditions of this Agreement. LPL and LPLE may accept the Account electronically.

Important information about procedures for opening this Account: To help the government fight the funding of terrorism and money laundering activities, federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account. Client is required to provide the following information, among other items, on the Account



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Application: name, address, date of birth and other information that will allow LPL to confirm Client's identity. In addition, LPLE, through IAR, may also ask to see a valid driver's license or other identifying documents.

#### 17. AUTHORIZATION TO DEBIT ACCOUNT

Client hereby authorizes LPL to debit all Account Fees payable pursuant to Section 6 directly from the Account. It is agreed by Client and LPL that the Account Fee will be payable, first, from free credit balances, if any, in the Account, and second, from the liquidation or withdrawal (which Client hereby authorizes) by LPL of Client's balances in money market funds or the ICA or DCA, as the case may be. LPL reserves the right to liquidate at any time a portion of the other assets in the Account to cover the Account Fee or other charges.

#### 18. NOTICES AND COMMUNICATIONS

To the extent permitted by applicable law, notices and Communications (as defined below) may be sent to Client through mail, overnight express delivery, electronically or posted to the Portal or another password-protected site, at LPL's or LPLE's discretion. Client hereby consents to electronic delivery of all current and future Form ADVs, brochure supplements, privacy notices, prospectuses and offering documents, proxy statements, tax forms, legal and regulatory notices and disclosures, and other communications (collectively, "Communications") delivered or provided by LPL or LPLE in connection with the services provided under this Agreement. Notices and Communications will be sent to the electronic address, which includes a telephone number ("E-Address"), shown on the Account Application or at such other E-Address as Client may hereafter provide to LPL and LPLE in accordance with procedures LPL and/or LPLE may establish from time to time. In the event notices and Communications are to be posted to the Portal or another password-protected site, LPL and/or LPLE will, to the extent required by law, send a notification to the E-Address directing Client to the posting. The E-Address must be a valid e-mail address or telephone with text (SMS) messaging capability. Client acknowledges that LPL and LPLE intend to send virtually all documents and other notices and Communications to Client electronically. To the extent permitted by applicable law, notices and Communications will be deemed delivered when sent, whether actually received or not, even if LPL or LPLE has notice of non-delivery. Notices and Communications posted to an online location by LPL or LPLE will be deemed to be delivered to, and received by, Client at the time that LPL or LPLE sends notice to Client in accordance with this Agreement that the notice or Communication is posted online and available for review.

Communications may include text (SMS) messages, which may be informational, transactional or commercial (marketing) in nature and which may be sent using an automatic telephone dialing system, from or on behalf of LPL or LPLE. By completing the Account Application and providing a telephone number to LPL and/or LPLE, Client provides consent for LPL and/or LPLE to send communications by text (SMS) message. Client may be charged by his or her wireless service provider in connection with receipt of such messages. Client may stop the receipt of text (SMS) messages by contacting LPLE.

Client's consent to electronic delivery of all notices and Communications is effective immediately and Client agrees that Client's access to the services provided under this Agreement is conditioned on Client's consent to electronic delivery. If Client does not wish to receive notices and Communications electronically, or if Client wishes to revoke this electronic consent at any time, please contact LPLE via email or phone or contact the operational support desk at such phone number posted on the Portal. However, if Client revokes his or her consent, such revocation will be deemed to be a notice from Client to terminate his or her account. Client agrees that his or her revocation of consent will not affect the legal effectiveness, validity or enforceability of any previous electronic delivery.

LPL or LPLE may, at their option, send notices and Communications to Client electronically either:

- to Client's E-Address, or
- by posting the information online and sending Client a notice to Client's postal address or E-Address telling Client that the information has been posted and providing instructions on how to view it.

Client agrees that, for so long as Client is a user of the Portal and the Program, Client will ensure that LPL and LPLE have a valid E-Address for Client. Client agrees that Client will notify LPL and LPLE immediately in the event of a change to Client's postal address



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or E-Address by contacting LPL or LPLE via email or phone or contacting the operational support desk at such phone number posted on the Portal. Until LPL and LPLE have received and had a reasonable time to act on any notice of a change, such parties may continue to send notices and Communications to Client's previous E-Address. Client hereby represents that he or she has access to a computer with adequate hardware and software capability to access any notices and Communications sent or posted electronically, including Internet access, a valid e-mail address and a printer or other device to download and save any information Client wishes to retain. Client is aware that there may be other costs associated with that use (such as Internet access fees, phone charges, printing costs, etc.) for which you are responsible.

Unless otherwise provided herein, all notices and Communications to LPL or LPLE must be provided in writing at LPL's or LPLE's postal address, as applicable, and as such address may be updated by notice to the other parties from time to time. Any notice Client sends LPL or LPLE will not be effective until actually received. Client assumes the risk of loss in the mail or otherwise in transit.

As part of the Program, Client is automatically signed up for various types of E-Address alerts. Client can customize, modify or deactivate certain alerts at any time on the Portal. However, LPL and LPLE may still send notices and Client Communications as provided for in this Agreement regardless of whether Client has de-activated alerts. LPL and LPLE may modify the alerts that are available or stop providing them without prior notice to Client. Because alerts are not encrypted, they will not contain Client's password. However, alerts may include Client's User ID and/or information about your portfolios. Client acknowledges that anyone with access to Client's E-Address will be able to view the content of these alerts. Client also acknowledges that alerts may be delayed or prevented by a variety of factors. LPL and LPLE will endeavor to provide alerts in a timely manner but do not guarantee the delivery or accuracy of any alert. Client agrees that LPL and LPLE will not be liable (i) for any delays in delivery or failure to deliver any alert; (ii) for any errors in the content of an alert; or (iii) for any actions taken or not taken by Client or any third party in reliance on or in response to an alert.

#### 19. INTELLECTUAL PROPERTY PROTECTION

Client agrees that the Program and the Portal contain Content (as defined below) provided by LPL and LPLE or by others and that such Content is or may be protected by copyrights, trademarks, service marks, patents, trade secrets or other proprietary rights and laws. Client agrees to abide by all copyright notices, information, and restrictions contained in any Content accessed through the Portal. Client agrees not to, directly or indirectly, sell, license, rent, modify, distribute, copy, reproduce, transmit, publicly display, publicly perform, publish, adapt, edit, create derivative works from, or otherwise exploit any Content or any other submissions or other proprietary rights not owned by Client (i) without the consent of the respective owners or other valid right, and (ii) in any way that violates any third party right. For purposes of this Agreement, "Content" includes but is not limited to recommendations (excluding specific investment recommendations that are generated based on Client's individual Investment Allocation Track), suggestions, blogs or forum comments, links, information, data, text, photographs, software, scripts, graphics, and interactive features generated, provided or otherwise made accessible by LPL or LPLE or by others who are outside the control of LPL or LPLE.

Client may, to the extent the Portal or a website of a third party (where applicable) expressly authorizes Client to do so, download or copy Content, and other items displayed on the applicable website for download, for personal use only, provided that Client maintains all copyright and other notices contained in such Content. Client agrees not to store any significant portion of any Content in any form. Copying or storing of any Content for other than personal, noncommercial use is expressly prohibited without prior written permission from the copyright holder identified in such Content's Copyright notice.

#### 20. DISCLAIMERS

LPL, LPLE, and IAR do not make any representation concerning any Content contained in or accessed through the Portal or the Program, and neither LPL, LPLE, nor IAR shall be responsible or liable for the reliability, timeliness, quality, suitability, availability, accuracy, completeness, copyright compliance, legality or decency of any Content. Client should independently verify all Content and other information that Client accesses through the Portal or the Program. By accessing the Portal and using the Program, Client agrees that LPL, LPLE, and IAR shall not be responsible for: (i) any Content; (ii) any person's reliance on any such



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Content, whether or not correct, current and complete; or (iii) the consequences of any action that Client or any other person takes or fails to take based on any Content. Client's use of or reliance on any Content is at Client's own risk.

The Content is provided "As Is" and "As Available" and is without warranty of any kind, express or implied, including, but not limited to, the implied warranties of title, non-infringement, merchantability and fitness for a particular purpose, and any warranties implied by any course of performance or usage of trade, all of which are expressly disclaimed.

LPL, LPLE, IAR and their respective affiliates, directors, employees, agents, suppliers, partners and content providers do not represent and/or warrant that: (i) the Portal, the Program and/or Content will be secure or available at any particular time or location; (ii) the use of the Portal, the Program, and/or Content will be secure, timely, uninterrupted or error-free, or operate in a combination with any other hardware, software, system or data; (iii) any defects or errors will be corrected; (iv) any Content or software available at or through the Portal is free of viruses or other harmful components; or (v) the results of using the Program or the Portal will meet Client's requirements or expectations. Client's use of the Portal, the Program and/or Content is solely at Client's own risk. The Portal, the Program, and/or the Content may be subject to limitations, delays, and other problems inherent in the use of the Internet and electronic communications, and neither LPL nor LPLE are responsible for any delays, delivery failures, or other damage resulting from such problems.

The foregoing warranty disclaimers will apply to the extent allowed by applicable law. Electronic Communications Privacy Act Notice (18 USC 2701- 2711): Except as provided for in the Privacy Notice delivered to Client from time to time: (i) Neither LPL nor LPLE make any guarantee of confidentiality or privacy of any communication or information transmitted on the Portal or any other sites referenced to in or linked to this Agreement; and (ii) LPL, LPLE, and IAR will not be liable for the privacy of e-mail addresses, registration and identification information, disk space, communications, confidential or trade-secret information, or any other Content stored on our equipment, transmitted over networks accessed by the Portal, or otherwise connected with Client's use of the Portal, the Program and/or the Content.

Neither LPL nor LPLE make any representation that the Portal, the Program or the Content is appropriate or available for use in locations outside of United States, or that accessing the Portal is legally permitted in countries or territories where the Portal, the Program, and such Content may be illegal. If Client accesses the Portal from other locations, Client does so at his or her own risk and is responsible for compliance with local laws. **Client consents to the processing of their data in the United States under U.S. law regardless of Client's physical location.**

#### 21. AUTOMATIC CASH SWEEP PROGRAM

By signing the Account Application, Client is selecting and agreeing, with respect to assets held at LPL, to have cash balances in the Account transferred automatically into a sweep program, depending on the type of Account. Below is a summary of the general terms and conditions of the sweep programs offered by LPL.

The applicable sweep program will be implemented upon LPL's acceptance of the Account, as discussed above. Pending our acceptance, cash balances not otherwise invested at your direction will be held in your Account as a free credit balance, as discussed more fully below.

#### **Multi-Bank Insured Cash Account ("ICA") or Deposit Cash Account ("DCA") Program General Terms and Conditions**

If the Account is eligible for the ICA or DCA program, you hereby authorize and direct LPL to automatically deposit available cash balances (from securities transactions, dividend and interest payments, deposits and other activities) in the Account into interest-bearing Federal Deposit Insurance Corporation ("FDIC") insured deposit accounts ("Deposit Accounts") at one or more banks or other depository institutions (each, a "Bank"), as provided for in such programs. In selecting the ICA or DCA program for your eligible Account, you agree that: you have independently chosen the ICA or DCA program for your Account, fees of LPL and the program administrator, as discussed below, are reasonable and appropriate for the services being provided under the program, you have reviewed the ICA Disclosure Booklet or the DCA Disclosure Booklet (as applicable) and you have not relied on the advice or recommendation of LPL or LPLE in making this selection. You understand and agree that LPL and LPLE have no obligations to consider, choose or recommend alternative sweep products to the one you have chosen.





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**Eligibility.** The ICA program is available for accounts of an eligible type that are held by “eligible persons,” including, individuals, trusts, sole proprietorships and entities organized or operated to make a profit, such as corporations, partnerships, associations, business trusts, and other organizations. In the future, LPL may, at its sole discretion, make additional account types eligible for the ICA program or may choose to treat an otherwise eligible person as ineligible if LPL becomes aware that the person is prohibited as a matter of law from holding balances at any Bank. The DCA program is available only to IRAs subject to Section 4975 of the Code in certain LPL advisory programs, including traditional, rollover, Roth, inherited IRAs and Coverdell education savings accounts (ESAs) held by an eligible person. Please consult your IAR for additional details concerning eligibility.

**FDIC Insurance.** Cash balances deposited through the ICA or DCA program are eligible for insurance by the FDIC up to \$250,000 in principal and accrued interest per depositor for each FDIC-defined ownership category in an individual Bank. As your agent, LPL will sweep cash out of your LPL Account and into the participating Banks, subject to certain capacity limits, but not to exceed the maximum levels of insurance as defined by the FDIC per category. LPL will limit your total deposit at any participating Bank to allow for the monthly interest being applied to your Account in an effort to maintain deposit levels that do not exceed the maximum levels of insurance (as defined by the FDIC per category). Should your assets reach the maximum amount of insurance as defined by the FDIC per category, LPL will continue to place funds with other participating Banks to provide the maximum deposit insurance limits established for ICA or DCA. To view the current program maximum deposit insurance limits for ICA or DCA, which assumes that you hold no FDIC-insured deposits at a Bank other than through ICA or DCA and that all Banks have capacity to accept additional deposits, see the ICA or DCA Current Interest Rate pages on [lpl.com/disclosures.html](https://www.lpl.com/disclosures.html) under “Automatic Cash Sweep Programs and SIPC Coverage” and “FDIC-Insured Bank Deposit Sweep Programs (LPL ICA and DCA).” After you reach the ICA or DCA program’s maximum insurance coverage for you, which is subject to Bank capacity limits and your decision to opt out of one or more Banks, any additional cash will be deposited into one or more of the Excess Banks (as defined in the applicable ICA or DCA Disclosure Booklet). Additional cash held through the ICA or DCA program that is above the ICA or DCA program’s maximum insurance coverage for you will not be eligible for FDIC deposit insurance. Cash held uninvested or invested in a money market mutual fund is not eligible for FDIC deposit insurance, but is eligible for protection by the SIPC. Deposit Accounts are not protected by the SIPC. LPL itself is not an FDIC-insured depository institution. The FDIC’s deposit insurance coverage only protects against the failure of an FDIC-insured depository institution. Pass-through insurance coverage is subject to conditions. Please see the ICA Disclosure Booklet and the DCA Disclosure Booklet, as applicable, for more information. A list of applicable Banks into which your cash may be deposited is available by visiting <https://www.lpl.com/disclosures/lpl-financial-fdic-insured-bank-deposit-sweep-programs.html> and following the links for the applicable Bank lists based upon your account type, or ask your financial professional for this information.

The ability of the ICA and DCA program to sweep your uninvested cash into Bank Deposit Accounts depends, however, on the capacity of the Banks to accept new deposits. “Overflow Balances” are cash in the ICA or DCA in excess of the applicable program maximum FDIC insurance limits or cash for which there is insufficient deposit capacity in the ICA or DCA Banks. When Overflow Balances exist, LPL will temporarily deposit into one or more of the Banks in excess of FDIC coverage limits resulting in deposits not being eligible for FDIC insurance or will otherwise use the overflow mechanisms described below. When Bank capacity is restored, your funds are re-allocated to Banks within the program to fully insure your assets up to the program maximum.

**Lack of Deposit Availability or FDIC Insurance; Overflow Mechanisms.** If there are Overflow Balances in ICA, such balances may be placed into an “overflow” Client Cash Account; such balances are considered to be “free credit balances” and represent a direct liability of LPL to Client. LPL will pay you interest on such balances in an amount equal to the rate otherwise payable on cash balances in ICA. Please see the disclosures below regarding Free Credit Balances.

If there are Overflow Balances in DCA, such balances may be placed into an “overflow” money market mutual fund. You hereby authorize LPL to direct such DCA Overflow Balances held in your Account to the Goldman Sachs Asset Management (“GSAM”) Financial Square Government Fund. LPL receives compensation of up to 0.45% annually of LPL client assets invested in GSAM from



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the money market fund sponsor in connection with recordkeeping fees and other compensation. Please see the other disclosures below regarding Money Market Mutual Sweep Funds for additional disclosures applicable to Overflow Balances invested in GSAM.

**Interest.** In both the ICA and DCA program, Client will earn the same rate of interest for the respective program as stated on [lpl.com/disclosures.html](http://lpl.com/disclosures.html) regardless of the Bank in which the Client deposits are held. Interest will accrue daily on balances from the day funds are deposited into a Bank through the business day preceding the date of withdrawal from that Bank. In the ICA program, interest will be compounded daily and credited monthly. In the DCA program, interest is credited to the Account monthly (or when you close the Account, if done prior to month-end). This process is described in more detail in the ICA Disclosure Booklet or DCA Disclosure Booklet (as applicable) available from LPLE or on [lpl.com/disclosures.html](http://lpl.com/disclosures.html). The interest rates paid are determined by the amount the Banks are willing to pay minus the fees paid to LPL and other parties for administering the program. The interest rates accruing on funds may change as frequently as daily without prior notice. The most up-to-date interest rates are found on [lpl.com/disclosures.html](http://lpl.com/disclosures.html). Different rates apply for amounts invested in money market mutual funds.

**Fees.** In the ICA program, LPL receives a fee equal to a percentage of the average daily deposit balance in each ICA Deposit Account. The fee paid to LPL will be at an annual rate of up to an average of 600 basis points as applied across all ICA Deposit Accounts taken in the aggregate. In the DCA program, LPL receives a flat fee per account with the fee indexed to the Fed Funds Target (FFT) interest rate. If the FFT interest rate is represented as a range, then the FFT interest rate will equal the midpoint of such range rounded up to the nearest basis point. For details on how the fees are determined, please reference the ICA Disclosure Booklet or DCA Disclosure Booklet available from IAR or on [lpl.com/disclosures.html](http://lpl.com/disclosures.html).

**Tax Information.** In the ICA program, for most clients, interest earned on deposits in the Deposit Accounts will be taxed as ordinary income in the year it is received. A Form 1099 will be sent to Client each year showing the amount of interest income Client has earned on deposits in the Deposit Accounts. In the DCA Program, for most clients, interest earned on deposits in Deposit Accounts will generally not be taxed in the year earned. Tax interest earned by your IRA is generally not taxed until you take a distribution, and may not be liable to tax if your IRA is a Roth IRA, subject to certain conditions. Client should consult with a tax advisor about how the ICA or DCA program, as applicable, affects Client.

**Termination of Participation.** You can terminate your Account's participation in the ICA or DCA program, as applicable upon notice to LPL. If you terminate your participation in ICA or DCA, your cash that would have been eligible for the sweep programs will be treated as a "free credit balance" and represent a direct liability of LPL to you. Please see the disclosures related to free credit balances reflected below.

**More Information.** For more specific information about the terms and conditions of the ICA or DCA program, please see the ICA Disclosure Booklet or DCA Disclosure Booklet (as applicable) available from IAR or on [lpl.com/disclosures.html](http://lpl.com/disclosures.html).

#### **Money Market Mutual Fund Sweep Program General Terms and Conditions**

**Eligibility.** If the Account is not eligible for an ICA or DCA, or you have been notified that your Account will be eligible for money market sweep through a negative consent letter in connection with a transfer of your Account to LPL from another firm, you hereby authorize and direct LPL to automatically invest available cash balances (from securities transactions, dividend and interest payments, deposits and other activities) in shares of a money market mutual fund. If Client's Account is a non-Retirement Account, and a specific Sweep Fund is not otherwise directed by you, you hereby authorize LPL to direct the cash balances held in your Account to the J.P. Morgan U.S. Government Money Market Fund (unless you own a foreign account and then it will be the J.P. Morgan U.S. Treasury Liquidity Fund). A non-retirement account is one not held by an ERISA Plan or otherwise subject to Section 4975 of the Code. Contact LPLE to learn about the specific share class you will be invested in or to learn about other Sweep Funds that may be available.

**No FDIC Insurance.** Investments in money market mutual funds are not guaranteed or insured by the FDIC or any other government agency. Although money market mutual funds seek to preserve a net asset value of \$1.00 per share, there is no guarantee that this will occur. LPL is a member of SIPC. For accounts held at LPL, SIPC provides account protection up to a maximum of \$500,000 per client, of which \$250,000 may be claims for cash. This account protection applies when a SIPC



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member firm fails financially and is unable to meet obligations to securities customers, but it does not protect against losses from the rise and fall in the market value of investments. More information on SIPC, including obtaining a SIPC Brochure, may be obtained by calling SIPC directly at (202) 371-8300 or by visiting [www.sipc.org](http://www.sipc.org).

**Fees.** LPL receives compensation of up to 1.00% annually of LPL client assets invested in the Sweep Funds from the money market fund sponsor in connection with 12b-1 fees, recordkeeping fees and other compensation.

**More Information.** For more complete information about any of the Sweep Funds available under this sweep program, including all charges and expenses, please contact LPLE for a free prospectus. Client may obtain information with respect to the current yields available on the Sweep Funds by contacting LPLE.

#### **Changes to Sweep Programs**

LPL may make changes to the sweep programs, for example, to replace one Sweep Fund with another money market mutual fund or to adjust its overflow mechanisms. If the Account is not eligible for the ICA or DCA program, but later becomes eligible for one of the programs, LPL may switch the sweep program from the money market mutual fund sweep program to the ICA or DCA program. Client will be provided with notice of such change prior to the effective date of the change.

#### **Alternatives to Sweep Programs**

Shares in the money market mutual funds that LPL offers as a non-sweep investment alternative may be purchased by LPLE. Cash balances in the Account, however, will not be automatically swept into these money market mutual funds. Debits in the Account will be paid automatically from available cash balances in the Account and then from funds in the sweep programs. In the event there are no funds available in these accounts to cover debits, Client or LPLE would need to liquidate separately purchased money market fund holdings or other securities to cover the required debits.

#### **Free Credit Balances**

Your selection of a sweep program above will not be effected until your Account paperwork has been accepted by LPL as being in good order, or, in the case of an account converting via negative consent to LPL, at the time your Account transfers to LPL. Until such time, available cash balances (from securities transactions, dividend and interest payments, deposits and other activities) will not be automatically swept and will be held as a free credit balance. A free credit balance is a liability of LPL and payable to the Account on demand. Interest will not be paid to the Account on free credit balances, other than for ICA Overflow Balances maintained in Client Cash Accounts. Unless Client notifies LPL to the contrary, it is LPL's understanding that any free credit balances held in your Account are pending investment.

Free credit balances may be used by LPL in the ordinary course of its business subject to the requirements of Rule 15c3-3 under the Securities Exchange Act of 1934. The use of client free credit balances generally generates revenue for LPL in the forms of interest and income, which LPL retains as additional compensation for its services to its clients. Under these arrangements, LPL will generally earn interest or a return based on short-term market interest rate prevailing at the time.

#### **Further Information**

For further information about LPL's sweep programs or the Account, please contact LPLE.

### **22. RIGHT TO ADVOCATE AND REFUSAL TO ACCEPT ORDERS**

LPL and LPLE shall have the right in their sole discretion to advocate administratively or judicially on your behalf where LPL or LPLE suspects exploitation of any kind, dementia and/or undue influence.

In addition, LPL shall have at its sole discretion the authority to pause or refuse to obey any instructions or orders for, including but not limited to, transactions, disbursements, or account transfers. For UTMA or UGMA accounts in which the beneficiary reaches the age of majority, LPL reserves the right to refuse orders or instructions and to terminate or deactivate the account.



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### GUIDED WEALTH PORTFOLIOS – ACCOUNT AGREEMENT

#### 23. TRUSTED CONTACT PERSON DISCLOSURE

You understand by providing a trusted contact person in the Account Application, you give permission to LPL, LPLE, and their associated persons, including IAR, to use their discretion to contact the trusted contact person and disclose information about you and your Account in order to:

- address concerns that you might be a victim of financial exploitation which could include fraud, coercion, or unauthorized transactions,
- address a temporary hold on a disbursement of funds or securities pertaining to possible financial exploitation or other concerns,
- confirm your current contact information,
- confirm and address your whereabouts and health status, and/or
- confirm the identity of any legal guardian, executor, trustee, holder of a power or attorney, or other person who may be acting on your behalf (such as an attorney or accountant).

#### 24. JOINT AND SEVERAL LIABILITY: JOINT ACCOUNT

If more than one individual is establishing an account with LPL, the obligations of all persons establishing such Account under this Agreement shall be joint and several. If this is a joint account, each of you signing the Account Application and Agreement (each a "joint owner") agrees that each joint owner shall have authority to (a) buy, sell, and otherwise deal in, through LPL as a broker, securities and/or other property, (b) to receive confirmations, statements and communications of every kind related to the Account, (c) to receive and dispose of money, securities and/or other property in the Account, (d) to make, terminate, or modify this Agreement and any other written agreement relating to the Account or waive any of the provisions of such agreements, and (e) generally to deal with LPL and LPLE as if each of you alone was the sole owner of the Account, all without notice to the other joint owner(s). Each of you agrees that notice to any joint owner shall be deemed to be notice to all joint owners. LPL and LPLE may follow the instructions of any of the joint owners concerning the Account and make delivery to any of the joint owners of any and all securities and/or other property in the Account, and make payments to any of the joint owners, of any or all moneys in the Account as any of the joint owners may order and direct, even if such deliveries and/or payments shall be made to one of the joint owners personally. LPL and LPLE shall be under no obligation to inquire into the purpose of any such demand for such deliveries and/or payments.

In the event of the death of any of the joint owners, the surviving joint owner(s) shall immediately give LPLE written notice thereof. The estate of any deceased joint owner shall be liable and each survivor will be liable, jointly and severally, to LPL and LPLE for any debt or loss in the Account resulting from the completion of transactions initiated prior to LPLE's receipt of a written notice of such death or debt or loss incurred in the liquidation of the Account or the adjustment of the interests of the joint owners. LPL and LPLE reserve the right to require written instructions from all Account holders, at their discretion.

#### 25. SURVIVAL

The terms of Sections 8 – "Limitation of Liability and Indemnification", 10 – "Confidentiality", 13 – "Governing Law", 24 – "Joint and Several Liability: Joint Account", and 26 – "Arbitration" shall survive the termination or expiration of this Agreement.

#### 26. ARBITRATION

Client agrees to direct any complaints regarding the handling of the Account to LPLE, IAR and the LPL Legal Department in writing.

This Agreement contains a pre-dispute arbitration clause. By signing an arbitration agreement the parties agree as follows:

- All parties to this Agreement are giving up the right to sue each other in court, including the right to a trial by jury, except as provided by the rules of the arbitration forum in which a claim is filed.
- Arbitration awards are generally final and binding; a party's ability to have a court reverse or modify an arbitration award is very limited.



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**GUIDED WEALTH PORTFOLIOS – ACCOUNT AGREEMENT**

- The ability of the parties to obtain documents, witness statements and other discovery is generally more limited in arbitration than in court proceedings.
- The arbitrators do not have to explain the reason(s) for their award, unless, in an eligible case, a joint request for an explained decision has been submitted by all parties to the panel at least 20 days prior to the first hearing date.
- The Panel of Arbitrators will typically include a minority of arbitrators who were or are affiliated with the securities industry.
- The rules of some arbitration forums may impose time limits for bringing a claim in arbitration. In some cases, a claim that is ineligible for arbitration may be brought in court.
- The rules of the arbitration forum in which the claim is filed, and any amendments thereto, shall be incorporated into this Agreement.

In consideration of opening one or more accounts for you, you agree that any controversy or claim arising between you and LPL, LPLE and/or your IAR, and their parents, subsidiaries, affiliates, officers, directors, employees, agents, and Third-Party Service Providers (as defined below) (whether or not a FINRA (as defined below) member or associated person), arising out of or relating, in whole or in part, to your Account, transactions with or for you, this Agreement or any other agreement you have entered into with LPL or LPLE, or the construction, performance, or breach of this Agreement or any other agreement you have entered into with LPL or LPLE, whether entered into prior, on or subsequent to the date hereof, shall be settled by arbitration to be filed at and to be conducted in accordance with the rules, then in effect, of the Financial Industry Regulatory Authority (FINRA). If the claim or controversy is not arbitrable before FINRA, then such claims shall be filed and adjudicated in a court of competent jurisdiction. To the extent any claim on a class or collective or representative basis is nonarbitrable under the law, then such claims shall be filed and adjudicated in a court of competent jurisdiction, and not in arbitration. A court of competent jurisdiction (and not an arbitrator) shall resolve any dispute about the formation, validity, or enforceability of any provision of this arbitration agreement. Further, in the event of a forum dispute, a court of competent jurisdiction shall determine whether such claim is arbitrable. Any arbitration award hereunder shall be final, and judgment upon the award rendered may be entered in any court, state or federal, having jurisdiction. Nothing in this Agreement requires arbitration of any claim that under the law cannot be made subject to a pre-dispute agreement to arbitrate claims, including any dispute or controversy nonarbitrable under federal law.

This arbitration agreement will be binding upon and inure to the benefit of the parties hereto and their respective representatives, attorneys-in-fact, heirs, successors, assigns, and any other persons having or claiming to have a legal or beneficial interest in any account you maintain at LPL, including court-appointed trustees and receivers. This arbitration agreement will also inure to the benefit of third-party service providers that assist or enable LPL or LPLE to provide services hereunder including investment and investment product manufacturers and insurance and annuity carriers ("Third-Party Service Providers"), and such Third-Party Service Providers are deemed to be third-party beneficiaries of this arbitration agreement.

No person shall bring a putative or certified class action to arbitration, nor seek to enforce any pre-dispute arbitration agreement against any person who has initiated in court a putative class action; or who is a member of a putative class who has not opted out of the class with respect to any claims encompassed by the putative class action until: (i) the class certification is denied; or (ii) the class is decertified; or (iii) the customer is excluded from the class by the court. Such forbearance to enforce an agreement to arbitrate shall not constitute a waiver of any rights under this agreement except to the extent stated herein.

**GUIDED WEALTH PORTFOLIOS SCHEDULE A – ACCOUNT FEE**

Client agrees to pay the following fees for the Account (collectively, the "Account Fee"):

MAXIMUM FEE (ANNUALLY)..... 1.35%

DETAILED FEE BREAKDOWN	MAXIMUM FEE (ANNUALLY)
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Advisor Fee.....	1.00%
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LPL Program Fee.....	0.35%
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### GUIDED WEALTH PORTFOLIOS – ACCOUNT AGREEMENT

Advisor Fee. The Advisor Fee will be as stated in the Account Application or as otherwise agreed to between the parties in the event of an Advisor Fee increase. The Advisor Fee is charged for the investment advisory services of LPLE and your IAR. The Advisor Fee is negotiable and is based on the value of assets in the Account, including cash holdings, and payable quarterly in advance. The Advisor Fee will not exceed 1.00%.

LPL Program Fee. Client will pay an LPL Program Fee of 0.35% for the investment advisory, administrative, trading, custodial and clearing services of LPL. The LPL Program Fee is based on the value of the assets in the Account, including cash holdings, and payable quarterly in advance.

LPL reserves the right to increase the upper limits of the Advisor Fee and/or LPL Program Fee range(s) upon 30 days' prior notice to clients.



# Miscellaneous Account and Service Fees Schedule - Advisory

The listed fees below do not include advisory fees. These fees apply to the following LPL Financial program accounts: Strategic Asset Management (SAM), Optimum Market Portfolios (OMP), Model Wealth Portfolios (MWP), Personal Wealth Portfolios (PWP), Manager Select, and Guided Wealth Portfolio (GWP). Some of these fees may not apply to all of these account types. Some of these fees may be waived under certain conditions.<sup>1</sup>

ACCOUNT OR SERVICE	FEE	FREQUENCY
<b>ACCOUNT MAINTENANCE</b>		
Transaction Fee/Service Charge <sup>2</sup>	\$5	Per transaction
Corporate Actions — Mandatory (if securities are in physical form)	\$15	Per security
Corporate Actions — Voluntary or Mandatory with Options (if election is made)	\$25	Per security
Express Mail/Overnight Delivery	\$15	Per shipment unless otherwise noted
Extension for Money or Securities Received Past Settlement	\$15	Per event
Interest Charged for Money or Securities Received Past Settlement 'Cash Due Interest Rate.'	10.25%	Begins accruing 3 days after trade settlement
Only charged if accrued interest exceeds \$25 for the period.		
Legal Transfer — for processing of certificate requiring legal documentation (e.g., power of attorney, court appointment, death certificate, corporate resolution, etc.)	\$20	Per security
Outgoing Account Transfer — for processing full account transfer of all assets and positions to another financial institution (excludes retirement accounts)	\$125	Per account
Outgoing Account Transfer Check — for processing outgoing account transfer of physical checks	\$15	Per check over \$1,000
Return/Rejected Item/Non-Sufficient Funds (NSF)	\$20	Per item
Small Account Fee <sup>3</sup>	\$10	Per quarter
<b>Retirement Account Fees:</b>		
Annual IRA Maintenance — for custodial and tax reporting services provided to maintain an individual retirement account (IRA) <sup>4</sup>	\$40	Per year/per account
Annual QRP and 403(b)(7) Maintenance — for custodial and tax reporting services provided to maintain qualified retirement plan (QRP) or 403(b)(7) account <sup>4</sup>	\$50	Per year/per account
IRA/QRP and 403(b)(7) Termination	\$125	Per account
QRP and 403(b)(7) Loan Processing	\$50	Per loan
Roth IRA Conversion	\$25	Per conversion
990-T Filing	\$100	Per 900-T
1099-R for Omnibus/Pooled QRPs	\$50	Per 1099-R
<b>CASH MANAGEMENT SERVICES</b>		
Deposit Cash Account sweep fee <sup>5</sup>	\$1.75 (as of 7/1/2021, subject to change)	Monthly, per account
Stop Payment	\$10	Per check
Wired Funds	\$25	Per wire
<b>INVESTMENT SPECIFIC</b>		
<b>Alternative Investment (AI) Products<sup>6</sup>:</b>		
AI Product Processing	\$50	Per transaction
AI Administration	\$35	Per year/per position (\$100 max)
AI Unrelated Business Taxable Income (UBTI) Filing — for preparation and filing of tax forms for UBTI, if applicable	\$100	Per required filing
<b>Foreign Securities:</b>		
Foreign Transaction Tax <sup>7</sup>	0.3%	Per purchase transaction
Transaction (not applicable to American Depository Receipts)	\$40	Per transaction or transfer
Transfer and Ship	\$250	Per transfer
<b>Physical Certificates / Transfer and Ship</b> — for issuance of physical certificate upon request (rate depends on transfer agent)	\$0 - \$25	Per certificate
<b>Restricted Securities</b> — Legend Removal	\$50	Per legal transfer
<b>Stock Option</b> — Exercise (Cashless)	Margin Interest Rate	Per transaction
<b>Transaction Charges<sup>6</sup>:</b>		
Equities (including Closed-end Funds)	\$7	Per transaction
ETFs <sup>8</sup>	\$0, \$9	Per transaction
Fixed Income <sup>9</sup>	\$50	Per transaction
Mutual Funds <sup>10</sup>	\$0, \$4.50, \$26.50	Per transaction
Systematic Trade <sup>11</sup>	\$0	Per transaction
Options	\$25	Per transaction
Unit Investment Trusts	\$35	Per transaction

<sup>1</sup> See account agreements for more information. These fees generally are not based directly on the costs of the transaction or service by LPL, and may include a profit to LPL.

<sup>2</sup> This fee applies to OMP accounts only and is waived if systematic contributions are set up for the account.

<sup>3</sup> A \$10 per quarter fee applies to SAM accounts below \$100,000.

<sup>4</sup> This fee does not apply to OMP, MWP, PWP, and GWP accounts.

<sup>5</sup> This fee only applies to IRAs that participate in the DCA Program. This monthly fee is based on a fee schedule tied to current Fed Funds Target Rate as detailed in the DCA Disclosure Booklet located on LPL.com. The current fee can be found at lpl.com. It is expected that this fee will be recouped from the DCA Program Banks and will not be a fee directly applied to your account. For more information, see the DCA Disclosure booklet.

<sup>6</sup> These fees apply to SAM accounts only.

<sup>7</sup> A Foreign Transaction Tax is charged by LPL on foreign equity security purchases where the underlying non-U.S. securities are from French or Italian issuers. This tax is levied by the French or Italian governments, and the charge offsets the tax incurred by LPL as a result of executing the transaction on your behalf.

<sup>8</sup> The charge is \$0 for an ETF whose sponsor participates in LPL's ETF No Transaction Fee Network.

<sup>9</sup> This charge does not apply to Structured Product purchase transactions.

<sup>10</sup> The charge is \$0 for a Full Participating Fund (a fund that pays a certain level of recordkeeping fees to LPL and/or is part of LPL's Mutual Fund No Transaction Fee Network), \$4.50 for a Participating Fund (a fund that pays a certain level of recordkeeping fees to LPL), and \$26.50 for a Non-Participating Fund (a fund that does not pay recordkeeping fees or pays below a certain level of recordkeeping fees to LPL).

<sup>11</sup> Systematic trades will not be subject to any trading costs if a minimum of 4 executions occur. If the execution minimum is unmet, standard trading fees will be applied retroactively. Systematic trades can only be established for existing positions.

Make Checks Payable as Follows:

John Doe 123 Main St. Your Town, USA	001
PAY TO THE ORDER OF: <u>LPL Financial</u>	Date: <u>12/1/16</u>
\$ <u>600.00</u>	
<u>six hundred dollars</u>	DOLLARS
Notes: <u>Account Number</u>	Signature: <u>John Doe</u>

**Security Endorsement Instructions:**

For value received, (Leave Blank) hereby sells, assigns and transfers unto (Leave Blank) shares represented by the within certificate and do hereby irrevocably constitute and appoint (LPL Financial) as Attorney to transfer the said shares on the books of the within named Corporation with full power of substitution in the premises.

**Dated:** (Date Signed)

**Signed:** (Sign Exactly as Registered on the Front, With All Signatures)



Member FINRA/SIPC

**FS06-LPL**  
Revised 0325



<b>Facts</b>	<b>What Does LPL Enterprise, LLC (“LPL E”) Do with Your Personal Information?</b>
<b>Why?</b>	Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share and protect your personal information. Please read this notice carefully to understand what we do.
<b>What?</b>	<p>The types of personal information we collect and share depend on the product or service you have with us. This information can include:</p> <ul style="list-style-type: none"> <li>• Social Security number and Income</li> <li>• Investment experience and Assets</li> <li>• Account transactions and Retirement assets</li> </ul> <p>When you are no longer our customer, we continue to share your information as described in this notice.</p>
<b>How?</b>	All financial companies need to share customers’ personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers’ personal information; the reasons LPL E chooses to share personal information; and whether you can limit this sharing.

<b>Reasons We Can Share Your Personal Information</b>	<b>Does LPL E Share?</b>	<b>Can You Limit This Sharing?</b>
<b>For our everyday business purposes</b> — such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	<b>Yes</b>	<b>No</b>
<b>For our marketing purposes</b> — to offer our products and service to you	<b>Yes</b>	<b>No</b>
<b>For joint marketing with other financial companies</b>	<b>Yes</b>	<b>No</b>
<b>For our affiliates’ everyday business purposes</b> — information about your transactions and experiences	<b>Yes</b>	<b>No</b>
<b>For our affiliates’ everyday business purposes</b> — information about your creditworthiness	<b>No</b>	<b>We don’t share</b>
<b>For our affiliates to market to you</b>	<b>No</b>	<b>We don’t share</b>
<b>For nonaffiliates to market to you</b> For more information, please see the below section ‘ <b>Additional Information About How to Opt-out</b> ’	<b>Yes</b>	<b>Yes</b>

<b>Questions?</b>	Go to <a href="http://www.LPL.com">www.LPL.com</a>
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<b>Who We Are</b>	
<b>Who is providing this notice?</b>	<p>LPL Enterprise LLC and its affiliates (collectively, LPL E). Our affiliates include the following:</p> <ul style="list-style-type: none"> <li>• LPL Financial, LLC</li> <li>• PTC Holdings, Inc.</li> <li>• The Private Trust Company, N.A</li> <li>• LPL Insurance Associates, Inc.</li> <li>• FRG Holdings, LLC</li> <li>• Fiduciary Trust Company of New Hampshire</li> <li>• Bay Financial Associates, LLC</li> </ul>

<b>What We do</b>	
<b>How does LPL E protect my personal information?</b>	<p>To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files.</p> <p>Our online environment uses security technologies, including layered security and access controls over personal information. For further information, please visit LPL.com and search “How LPL Financial Secures Your Information.”</p>
<b>How does LPL E collect my personal information?</b>	<p>We collect your personal information, for example, when you:</p> <ul style="list-style-type: none"> <li>• Open an account.</li> <li>• Enter into an investment advisory account.</li> <li>• Apply for insurance.</li> <li>• Tell us about your investment or retirement portfolio.</li> <li>• Seek advice about your investments.</li> </ul> <p>We also collect your personal information from others such as credit bureaus, affiliates or other companies.</p>
<b>Why can't I limit all sharing?</b>	<p>Federal law gives you the right to limit only:</p> <ul style="list-style-type: none"> <li>• sharing for affiliates' everyday business purposes—information about your creditworthiness</li> <li>• affiliates from using your information to market to you</li> <li>• sharing for nonaffiliates to market to you</li> </ul> <p>State laws and individual companies may give you additional rights to limit sharing. See below for more on your rights under state law.</p>
<b>What happens when I limit sharing on an account I hold jointly with someone else?</b>	<p>Your choices will apply to everyone on your account.</p>

<b>Definitions</b>	
<b>Affiliates</b>	<p>Companies related by common ownership or control. They can be financial and nonfinancial companies.</p> <p>Our affiliates include companies with an LPL Financial name; financial companies such as The Private Trust Company, N.A; non-financial companies and others.</p>
<b>Non-Affiliates</b>	<p>Companies not related by common ownership or control. They can be financial and nonfinancial companies.</p> <p>We may share information with non-affiliates, which include an independent representative's new brokerage or investment advisory firm.</p>
<b>Joint Marketing</b>	<p>A formal agreement between nonaffiliated financial companies that together market financial products or services to you.</p> <p>This may include banks, credit unions or other financial institutions with which we have a joint marketing agreement.</p>

<b>Other Important Information</b>
<p><b>Information for customers who reside in California, North Dakota and Vermont:</b></p> <p>In response to applicable state law, if the mailing address provided for your account is in California, North Dakota, or Vermont, we will automatically treat your account as if you do not want us to disclose your personal information to non-affiliated third parties for purposes of them marketing to you, except as permitted by the applicable state law.</p>

**Additional Information About How to Opt-out**

**For clients of independent financial professionals:**

Should your financial professional terminate their relationship with LPL E, they may be permitted to share your personal information with their new brokerage or investment advisory firm. If you would like to opt-out from this type of information sharing, please complete and mail the form ("Mail-In Opt-Out Form") below to:

LPL Financial  
Attn: Privacy Office  
1055 LPL Way  
Fort Mill, SC 29715

**LPL Enterprise, LLC Mail-In Opt-Out Form**

By completing and returning this form, I am instructing LPL E to limit the personal information that my financial professional is permitted to take if he or she moves to another brokerage or investment advisory firm.

Please note that for accounts held jointly by two or more persons, the privacy choices made by any account holder apply to all joint holders with respect to the account. **In order for your Opt-Out election to be effective, you must complete ALL of the following information:**

Name (please print clearly):

Address:

City:

State/Zip:

Phone Number:

Name of Financial Professional:

Signature:

Date:



Facts	What Does LPL Financial, LLC Do with Your Personal Information?
<b>Why?</b>	Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share and protect your personal information. Please read this notice carefully to understand what we do.
<b>What?</b>	<p>The types of personal information we collect and share depend on the product or service you have with us. This information can include:</p> <ul style="list-style-type: none"> <li>• Social Security number and Income</li> <li>• Investment experience and Assets</li> <li>• Account transactions and Retirement assets</li> </ul> <p>When you are no longer our customer, we continue to share your information as described in this notice.</p>
<b>How?</b>	All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information; the reasons LPL chooses to share personal information; and whether you can limit this sharing.

Reasons We Can Share Your Personal Information	Does LPL Share?	Can You Limit This Sharing?
<b>For our everyday business purposes</b> — such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	Yes	No
<b>For our marketing purposes</b> — to offer our products and service to you	Yes	No
<b>For joint marketing with other financial companies</b>	Yes	No
<b>For our affiliates' everyday business purposes</b> — information about your transactions and experiences	Yes	No
<b>For our affiliates' everyday business purposes</b> — information about your creditworthiness	No	We don't share
<b>For our affiliates to market to you</b>	No	We don't share
<b>For nonaffiliates to market to you</b> For more information, please see the below section ' <b>Additional Information About How to Opt-out</b> '	Yes	Yes

<b>Questions?</b>	Go to <a href="http://www.LPL.com">www.LPL.com</a>
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Who We Are	
<b>Who is providing this notice?</b>	<p>LPL Financial LLC and its affiliates (collectively, LPL). Our affiliates include the following:</p> <ul style="list-style-type: none"> <li>• Fortigent, LLC</li> <li>• PTC Holdings, Inc.</li> <li>• The Private Trust Company, N.A</li> <li>• LPL Insurance Associates, Inc.</li> <li>• FRG Holdings, LLC</li> <li>• Allen &amp; Company of Florida, LLC, DBA Allen &amp; Company</li> <li>• Fiduciary Trust Company of New Hampshire</li> <li>• Bay Financial Associates, LLC</li> </ul>

<b>What We do</b>	
<b>How does LPL protect my personal information?</b>	<p>To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files.</p> <p>Our online environment uses security technologies, including layered security and access controls over personal information. For further information, please visit LPL.com and search “How LPL Financial Secures Your Information.”</p>
<b>How does LPL collect my personal information?</b>	<p>We collect your personal information, for example, when you:</p> <ul style="list-style-type: none"> <li>• Open an account.</li> <li>• Enter into an investment advisory account.</li> <li>• Apply for insurance.</li> <li>• Tell us about your investment or retirement portfolio.</li> <li>• Seek advice about your investments.</li> </ul> <p>We also collect your personal information from others such as credit bureaus, affiliates or other companies.</p>
<b>Why can't I limit all sharing?</b>	<p>Federal law gives you the right to limit only:</p> <ul style="list-style-type: none"> <li>• sharing for affiliates' everyday business purposes—information</li> <li>• about your creditworthiness</li> <li>• affiliates from using your information to market to you</li> <li>• sharing for nonaffiliates to market to you</li> </ul> <p>State laws and individual companies may give you additional rights to limit sharing. See below for more on your rights under state law.</p>
<b>What happens when I limit sharing on an account I hold jointly with someone else?</b>	<p>Your choices will apply to everyone on your account.</p>

<b>Definitions</b>	
<b>Affiliates</b>	<p>Companies related by common ownership or control. They can be financial and nonfinancial companies.</p> <p>Our affiliates include companies with an LPL Financial name; financial companies such as The Private Trust Company, N.A; non-financial companies and others.</p>
<b>Non-Affiliates</b>	<p>Companies not related by common ownership or control. They can be financial and nonfinancial companies.</p> <p>We may share information with non-affiliates, which include an independent representative's new brokerage or investment advisory firm, or banks/credit unions associated with accounts established through LPL representatives.</p>
<b>Joint Marketing</b>	<p>A formal agreement between nonaffiliated financial companies that together market financial products or services to you.</p> <p>This may include banks, credit unions or other financial institutions with which we have a joint marketing agreement.</p>

<b>Other Important Information</b>
<p><b>Information for customers who reside in California, North Dakota and Vermont:</b></p> <p>In response to applicable state law, if the mailing address provided for your account is in California, North Dakota, or Vermont, we will automatically treat your account as if you do not want us to disclose your personal information to non-affiliated third parties for purposes of them marketing to you, except as permitted by the applicable state law.</p>

### Additional Information About How to Opt-out

#### For clients of LPL financial professionals also affiliated with a bank, credit union or other financial institution ("Institution"):

LPL may share your information with your financial professional's Institution so they may inform you about their products and services that may be of interest to you. You can exercise your right to opt-out from this type of sharing by visiting [https:// https://privacy.lpl.com/content/lpl-www/ccpa/financialinstitution.html](https://privacy.lpl.com/content/lpl-www/ccpa/financialinstitution.html) or by calling (855) 804-3041.

#### For clients of independent investment advisor firms or independent financial professionals:

Should your independent financial professional terminate their relationship with LPL, they may be permitted to share your personal information with their new brokerage or investment advisory firm. If you would like to opt-out from this type of information sharing, please complete and mail the form ("Mail-In Opt-Out Form") below to:

LPL Financial  
Attn: Privacy Office  
1055 LPL Way  
Fort Mill, SC 29715

Please note that LPL Financial participates in the Protocol for Broker Recruiting ("Protocol"). LPL will permit your financial professional to take your name, address, phone number, email address and the account title of the accounts serviced (or additional information as permitted if the Protocol is amended) if your financial professional joins another Protocol firm. The retention of this limited information by your financial professional under the Protocol may occur even if you have exercised your rights to limit information sharing as described above.

### Mail-In Opt-Out Form

By completing and returning this form, I am instructing LPL to limit the personal information that my financial professional is permitted to take if he or she moves to another brokerage or investment advisory firm.

However, I understand that if my financial professional joins another Protocol firm, LPL may disclose my name, address, telephone number, email and the account title of the account(s) serviced by my financial professional to the new brokerage or investment advisory firm as allowed under federal and certain state laws and the Protocol.

Please note that for accounts held jointly by two or more persons, the privacy choices made by any account holder apply to all joint holders with respect to the account. **In order for your Opt-Out election to be effective, you must complete ALL of the following information:**

Name (please print clearly):

Address:

City:

State/Zip:

Phone Number:

Name of LPL Financial Professional:

Signature:

Date:

**ACCOUNT PACKET**

**GUIDED WEALTH PORTFOLIOS (GWP)  
PROGRAM BROCHURE**

LPL Financial LLC  
1055 LPL Way, Fort Mill, SC 29715  
[www.lpl.com](http://www.lpl.com) (704) 733-3482

March 31, 2025

This program brochure provides information about the qualifications and business practices of LPL Financial (“LPL”). If you have any questions about the contents of this brochure, please LPL at [lplfinancial.adv@lplfinancial.com](mailto:lplfinancial.adv@lplfinancial.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Additional information about LPL also is available on the SEC’s website at <https://adviserinfo.sec.gov/>.

**ITEM 1 COVER PAGE**

**ITEM 2 MATERIAL CHANGES**

The following is a summary of certain changes made to this Brochure from the time of the initial filing dated November 8, 2024. Item 4 was updated to reflect that a client’s cash allocation after reaching the specified date of a Major Purchase Goal increased from up to 30% to up to 70%. Additional risk disclosures were added in Item 6 related to third-party service providers’ or any counterparties’ potential use of artificial intelligence and machine learning. Item 9 was updated to provide information regarding disciplinary events involving (i) a settlement with the SEC that included a \$50 million fine for failing to maintain required records of certain business-related communications; and (ii) a settlement with the SEC that included an \$18 million fine for LPL not following its anti-money laundering policies for its customer identification program and ongoing customer due diligence obligations. Item 9 was also updated to reflect the following setup fee charges payable to LPL by model managers or product sponsors, if applicable to the program: (x) the one-time sponsor-level mutual fund setup fee was reduced from \$40,000 to \$15,000, with the per-fund setup fee increasing from \$5,000 to \$7,500; and (y) up to \$15,000 as a sponsor level due diligence fee for exchange traded products. In addition, Item 9 was updated to disclose conflicts related to LPL’s decision to make certain product sponsors available on the applicable platforms when certain sponsors reimburse LPL for technology development related costs associated with the launch or maintenance of a platform, tool, or service. Item 9 was also updated to disclose risks related to LPL’s ability to block or review client orders before they are directed to an exchange or market maker for execution. This may result in a delay in execution, which could cause (i) a difference between execution price and the displayed quote at the time the order was entered; and (ii) a limit order becoming ineligible for execution.

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## ACCOUNT PACKET

# GUIDED WEALTH PORTFOLIOS – PROGRAM BROCHURE

## ITEM 4 SERVICES, FEES, AND COMPENSATION

### Services

LPL offers various types of advisory services and programs, including wrap fee programs, mutual fund asset allocation programs, an advisor-enhanced digital advice program, advisory programs offered by affiliated and unaffiliated investment advisor firms, including its affiliate, LPL Enterprise, LLC (“LPLE”), and their associated persons. LPLE is a registered investment adviser and broker-dealer that offers investment advisory and brokerage services through a network of financial professionals. This Brochure provides a description of the advisory services offered under LPL’s Guided Wealth Portfolios (“GWP”) program (“Program”) when offered through LPLE. In instances where programs are managed by affiliates, such as this Program, affiliates are compensated for performing that service, which creates a potential conflict of interest whereby we, or our affiliates, earn additional compensation. For more information about LPL’s or LPLE’s advisory services and programs other than GWP, please contact LPL or LPLE, respectively, for a copy of a similar brochure that describes such services or program or go to <https://advsier.infro.sec.gov/>.

LPL’s advisory services are made available to clients primarily through individuals associated with LPL or LPLE as investment adviser representatives (“IARs”). For more information about the IAR providing advisory services, client should refer to the Brochure Supplement for the IAR. The Brochure Supplement is a separate document that is provided by the IAR along with this Brochure before or at the time client engages the IAR. If client did not receive a Brochure Supplement for the IAR, the client should contact the IAR or LPLE at [lpenterprise.adv@lplfinancial.com](mailto:lpenterprise.adv@lplfinancial.com). IARs are required by applicable rules and policies to obtain licenses and complete certain training in order to recommend certain investment products and services. You should be aware that your IAR, depending on the licenses or training obtained, may or may not be able to recommend certain investments, models, programs, or services. Before engaging with an IAR, clients should take time to consider the differences between an advisory relationship and a brokerage relationship to determine which type of service best services the client’s investment needs and goals. All recommendations regarding advisory accounts will be in an advisory capacity, and any recommendation regarding any brokerage account will be in a brokerage capacity, unless a client is expressly told otherwise. Clients should speak to their IAR to understand the different types of services available through LPLE. Not all IARs of LPLE have access to all products and services. For more information about LPL’s or LPLE’s advisory services and programs other than GWP, please contact your IAR or LPLE, respectively for a copy of a similar brochure that describes such service or program or go to <https://adviserinfo.sec.gov/>.

LPLE is a broker-dealer registered with the Financial Industry Regulatory Authority (“FINRA”), and your IAR may be registered with LPLE as a broker-dealer registered representative. Therefore, your IAR may be able to offer a client both investment advisory and brokerage services. Before engaging with an IAR clients should take time to consider the differences between an advisory relationship and a brokerage relationship to determine which type of service best serves the client’s investment needs and goals. All recommendations regarding advisory accounts will be in an advisory capacity, and any recommendations regarding any brokerage account a client opens with LPL will be in a brokerage capacity, unless a client is expressly told otherwise. Clients should speak to their IAR to understand the different types of services available through LPL. Not all LPL IARs have access to all products and services.

In addition, as described below, the Program is made available through a web-based portal, and communications concerning the Program are intended to occur primarily through electronic means (including but not limited to, through email communications or through such portal), although an IAR of LPLE will be available to discuss investment strategies, objectives, or the account in general in person or via telephone. Therefore, the Program differs from more traditional advisory relationships in which an IAR has more frequent personal interactions with a client. Potential clients should consider whether GWP will provide the type of advisory relationship they desire.

The Program offers clients the ability to participate in a centrally managed investment program, which is made available to users and clients through a web-based, interactive account management portal (the “Portal”). Clients are required to maintain an active profile in the Portal to participate in the Program. The Program generates investment recommendations based upon





## ACCOUNT PACKET

### GUIDED WEALTH PORTFOLIOS – PROGRAM BROCHURE

model portfolios constructed by LPL and selected for the account as described below (such model portfolio selected for the account, the “Model Portfolio”).

A preview of the Program (the “Proposal Tool”) is provided to help users determine whether they would like to become advisory clients and receive ongoing financial advice from LPL by enrolling in the advisory service (the “Advisory Service”). The Proposal Tool and Advisory Service are described in more detail below. Users of the Proposal Tool are not considered to be advisory clients of LPL, LPLE or the IAR, do not enter into an advisory agreement with LPL, LPLE or the IAR, do not receive ongoing investment advice or supervisions of their assets, and do not receive any trading services.

IARs may, in their sole discretion and as agreed from time to time with clients, provide financial planning or financial consulting services on behalf of LPLE to clients in connection with the program at no additional cost. IARs may also require clients to enter into a separate agreement with LPLE with an agreed upon fee for financial planning or financial consulting services. The scope and duration of financial planning and consulting services varies, will generally be agreed upon at the time the IAR provides the services, and may include comprehensive financial planning or consulting on a particular issue such as retirement planning, education planning, estate planning, cash flow/budget planning, risk management planning, personal wealth planning, tax planning, business planning, investment planning/asset allocation, or other planning as needed. Financial planning and consulting may or may not include a written, customized financial plan.

LPL and LPLE each reserve the right to accept or reject this Agreement in its sole discretion and for any reason.

#### Features of the Proposal Tool

Users of the Proposal Tool (each, a “user”) agree to a terms of use (“Terms of Use”) and complete an investor profile. Users must select from one of the following goals for each account: retirement (“Retirement Goal”), major purchase (“Major Purchase Goal”), or general investing (“General Investing Goal”). Based on the investor profile completed, the Proposal Tool generates sample asset allocation recommendations (“Sample Recommendations”).

The Proposal Tool provides Sample Recommendations that may assist users in determining whether to utilize the Advisory Service. The Proposal Tool is intended to be used for educational and informational purposes only. The Proposal Tool does not provide comprehensive financial planning and is not intended to constitute legal, financial or tax advice. To use the Proposal Tool, users are responsible for providing information about, among other things, their goals, age, risk tolerance, and investment horizon. The Proposal Tool is only one of many tools that users may use as part of a comprehensive investment analysis process. Users should not rely on the Proposal Tool as the sole basis for investment decisions.

Although LPL and LPLE are investment advisers and broker-dealers registered with the SEC and members of the Financial Industry Regulatory Authority, the Proposal Tool does not establish an investment advisory contract or relationship between you and LPL, LPLE or IAR. The scope of any investment advisory relationship with LPL and LPLE begins when users enroll in the Advisory Service. The output that users receive by using the Proposal Tool, including the Sample Recommendations, may differ materially from the advice users would receive as an advisory client of LPL or LPLE. LPL and LPLE do not provide ongoing investment management or trading services for assets of users of the Proposal Tool, does not make any determination as to whether the website through which the Program is accessed or the Proposal Tool is appropriate for any user, cannot access any assets in any accounts of users, does not place any trades on behalf of users of the Proposal Tool, and does not provide ongoing supervision of assets of users of the Proposal Tool.

#### Features of the Advisory Service

Investors participating in the Advisory Service (“clients” and each, a “client”) complete an account application (the “Account Application”) and enter into an account agreement (the “Account Agreement”) with LPL, LPLE and IAR. As part of the account opening process, clients are responsible for providing complete and accurate information regarding, among other things, their goal for the account, age, risk tolerance, and investment horizon (collectively, “Client Profile”). LPL, LPLE and IAR rely on the information in the Client Profile in order to provide services under the Program, including but not limited to, determination of suitability of the Program for clients. Based on the Client Profile, the IAR selects an appropriate investment allocation track



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### GUIDED WEALTH PORTFOLIOS – PROGRAM BROCHURE

("Investment Allocation Track") and model portfolio ("Model Portfolio") for a client. LPLE, through the IAR, is required to review and accept the account, including the Investment Allocation Track and Model Portfolio, prior to account opening. The Model Portfolios have been designed and are maintained by LPL Research (the "Portfolio Strategist") and include a list of exchange-traded funds ("ETFs") holdings and may in the future include open-end mutual funds ("Mutual Funds") holdings (collectively, "Program Securities"), and include relative weightings and a list of potential replacement securities for tax harvesting purposes. LPL Research currently serves as the sole Portfolio Strategist and does not charge a fee for its services. Only one Model Portfolio is permitted per account.

As a client approaches the Retirement Age or the specified date of the major purchase, LPL will automatically adjust the client's asset allocation annually based upon the client's associated investment allocation track (described below under "LPL as Portfolio Strategist"). For the Major Purchase Goal, after reaching the specified date of the major purchase, LPL will automatically allocate up to 70% of the account to cash and cash equivalents, unless the client extends the timing for the major purchase. For the General Investing Goal, the client's asset allocation generally remains static, subject to rebalancing and tax loss harvesting as described below. The Investment Allocation Track selected for the account seeks to achieve an overall investment objective for the entire account and may be inconsistent with a particular holding and the account's performance at any time and may be inconsistent with other asset allocations suggested to client by LPL, LPLE or IAR prior to client entering into the Account Agreement. The Investment Allocation Tracks are designed as long-term goals for the account, and asset withdrawals may impair the achievement of client's investment objectives. A Client Profile that includes a conservative Investment Allocation Track over a long-term investment horizon may result in the selection of riskier investments than would be selected based on the same conservative Investment Allocation Track but over a shorter-term investment horizon. Clients should contact LPLE through their IAR if they believe the Investment Allocation Track does not appropriately reflect the Client Profile.

By executing the Account Agreement, clients authorize LPL to have discretion to buy and sell Program Securities in accordance with the Model Portfolio and to liquidate previously purchased non-model securities that are transferred into the account. Mutual Funds and ETFs that are not Program Securities or that are not included within the Model Portfolio selected for the client's account will not be purchased for the account. LPL has full discretion to invest according to the Model Portfolio. LPL expects to closely track the Model Portfolios, applying discretion only to address particular account issues, including tax loss harvesting, short-term gain avoidance, cash inflows and outflows, and investment restrictions placed on the account. LPL may also deviate from the Model Portfolios in smaller accounts, in which it is not possible or impractical to be invested in all of a Model Portfolio's holdings.

In addition, uninvested cash may be invested in money market funds, the Multi-Bank Insured Cash Account ("ICA") or the Deposit Cash Account ("DCA"), as applicable, as described in the Account Agreement. Dividends paid by the Program Securities in the account will be contributed to the cash allocation and ultimately reinvested into the account based on the Model Portfolio once the tolerance within cash allocation is surpassed.

Pursuant to the Account Agreement, client authorizes LPL to perform tax harvesting based on the guidelines LPL establishes for the Program, on a systematic and periodic basis. LPL will perform tax loss harvesting only when total account unrealized losses and individual positions available losses each exceed thresholds set by LPL for the Program. LPL will seek to re-invest proceeds from tax loss harvesting into a substitute Program Security for the 30-day period from the initial sale of the harvested security, but will hold such proceeds in cash if proceeds cannot be reinvested into a substitute Program Security. In implementing the Investment Allocation Track or processing client requests, including withdrawal requests, LPL may determine the securities for liquidation based in-part on avoiding short-term gain realization.

During the term of the Account Agreement, LPL will perform a daily review of the account to determine if rebalancing is appropriate based on tolerance thresholds established by LPL. The account will be rebalanced following a rebalancing review if the Account has available cash for investment and at least one of the account positions, including cash, is outside LPL's set tolerance thresholds, subject to a minimum transaction amount established by LPL. LPL will also perform an annual rebalancing of the Account if Account positions are outside of LPL's set tolerance thresholds. In addition, LPL may review the account for rebalancing in the event that a Model Portfolio is changed. LPL may delay placing rebalancing transactions for non-qualified



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### GUIDED WEALTH PORTFOLIOS – PROGRAM BROCHURE

accounts by a number of days, to be determined by LPL, in an attempt to limit the tax treatment of realized short-term gains for any position being sold. In addition, trading in the account at any given time is also subject to certain conditions, including but not limited to, conditions related to trade size, compliance tests, the target cash allocation and allocation tolerances. LPL, LPLE, the IAR, and clients cannot alter the rebalancing frequency.

LPLE, through its IAR, is responsible on an ongoing basis as investment adviser and fiduciary for the client relationship, including for recommending the Program to the client; providing ongoing monitoring of the Program, the performance of client accounts, and the services of LPL; determining initial and ongoing suitability of the program for clients; reviewing clients' suggested portfolio allocations; reviewing any change in Investment Allocation Track due to changes clients make to their Client Profile; answering questions regarding the Program, assisting with paperwork and administrative and operational details for accounts; and being available to clients to discuss investment strategies, changes in financial circumstances, objectives or accounts generally in person or via telephone. LPLE or the IAR may also recommend other suitable investment programs.

Clients may make cash additions to an account and may withdraw account assets at any time, subject to meeting the required account minimum balance of \$5,000 and certain other conditions described in the Account Agreement. Liquidation requests in connection with withdrawals, and changes to the Model Portfolio or Investment Allocation Track selected may take up to 5 business days to process, and, in certain circumstances, may take longer to allocate assets. Clients may also fund an account with previously purchased, non-model securities. Clients authorize LPL in the Account Agreement to liquidate previously purchased, non-model securities as soon as reasonably practicable. In some circumstances, LPL will take into consideration the tax implications of realized gain and loss exposure of liquidating previously purchased, non-model securities when effecting liquidations. The Program is designed as a long-term investment vehicle and asset withdrawals may impair the achievement of client's investment objectives.

In the Advisory Service of GWP, LPL is appointed by each client as custodian of account assets and broker-dealer with respect to processing securities transactions for the accounts. LPL also provides administrative services, such as performance reporting, to clients. LPL may aggregate transactions with other clients to improve the quality of execution.

#### Fee Schedule

Users of the Proposal Tool do not pay any fees or expenses. Clients of the Advisory Service pay an annualized account fee ("Account Fee"). The Account Fee is made up of an Advisor Fee and an LPL Program Fee. LPL reserve the right to increase the upper limits of the Advisor Fee and/or LPL Program Fee range(s) upon 30 days' prior notice to clients. No performance-based fees are charged to accounts in the Program.

Advisor Fee. The Advisor Fee is charged for the investment advisory services of LPL, LPLE and IAR. The Advisor Fee is shared with LPLE and the IAR. The Advisor Fee is negotiable between the client and the IAR and is based on the value of assets in the account, including cash holdings. The maximum Advisor Fee is 1.00%. LPL shares between 90% and 100% of the Advisor Fee with the unaffiliated financial institution with which IAR is associated, or its affiliate, based on the agreement between LPLE and the financial institution.

LPL Program Fee. Clients will pay a fee of 0.35% for the investment advisory, administrative, trading, custodial, and clearing services of LPL.

#### How the Account Fee is Charged

LPL deducts the Account Fee and other fees and charges associated with a GWP account from the account. LPL retains amounts described above under "Fee Schedule" for services provided and pays the applicable of the Advisor Fee to LPLE and unaffiliated financial institutions with whom LPLE has agreement as described herein. LPL calculates and deducts the Account Fee in the method described in the Account Agreement. Alternative payment methods that may be offered in other advisory platforms are not available in GWP.



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# GUIDED WEALTH PORTFOLIOS – PROGRAM BROCHURE

### Payment in Advance and Refund of Pre-Paid Fees

LPL deducts the Account Fee quarterly in advance. For purposes of calculating the quarterly Account Fee and providing performance information, the account quarter will begin on the first day of the month in which the account is accepted by LPL and LPLE. The initial Account Fee is deducted at the end of the first quarter in which the account is accepted and will include the prorated amount for the initial quarter. Subsequent Account Fees will be assessed at the beginning of each quarter thereafter and will be based on the value of the account assets under management as of the close of business on the last business day of the preceding quarter (as valued by an independent pricing service, where available, or otherwise in good faith as reflected in Client's account statement) and based on the fee rate in effect at the time of assessment. At the time of a subsequent Account Fee assessment, the Account Fee will be adjusted for deposits and withdrawals during the prior quarter pro -rata based on the asset value of the transaction and based on the fee rate in effect at the time of the assessment. If there is a change in the Account Fee rate negotiated between IAR and Client during the quarter, the effective date of any increase or decrease will be at the beginning of the next quarterly cycle.

If the Account Agreement is terminated before the end of the quarterly period, LPL will pay the client a pro-rated refund of any pre-paid quarterly Account Fee based on the number of days remaining in the quarter after the termination date. However, if the account is closed within the first six months by the client or as a result of withdrawals that bring the account value below the required minimum, LPL and LPLE reserve the right to retain the pre-paid quarterly Account Fee for the current quarter in order to cover the administrative costs of establishing the account (for example, the costs related to transferring positions in and out of the account, data entry in opening the account, and re-registration of positions).

### Other Types of Fees and Expenses of LPL

In addition to the Account Fee, clients also pay LPL other additional miscellaneous administrative or custodial-related fees and charges that apply to a GWP account. LPL notifies clients of these charges at account opening and makes available a current list of these charges on its website at [lpl.com/disclosures.html](http://lpl.com/disclosures.html). These miscellaneous fees are not directly based on the costs of the transaction or service by LPL, may include a profit to LPL, and certain of the fees may be lowered or waived for certain clients. These fees are subject to change at the discretion of LPL. Clients are notified of these charges and any changes through information provided with their periodic statements. These fees and charges shall continue until thirty (30) days after LPL has notified client in writing of any change in the amount of the fees or charges applicable to the account, at which time the new fees or charges will become effective unless client notifies LPL in writing that the account is to be closed.

### Fees Charged by Third Parties

There are other fees and charges that are imposed by third parties other than LPL and LPLE that apply to investments in GWP accounts. Some of these fees and charges are described below. In GWP, assets are invested in Model Portfolios that currently are comprised of ETFs and may include mutual funds in the future, and, therefore, there are two layers of advisory fees and expenses for those assets. As a shareholder of a fund, Clients will pay an advisory fee to the fund manager and other expenses charged by the fund. In the case of mutual funds that are funds of funds, there could be an additional layer of fees, including performance fees that vary depending on the performance of the fund. Clients will also pay LPL, LPLE and IAR the Account Fee with respect to assets invested in ETFs and mutual funds. The ETFs and mutual funds available in the Program can be purchased directly outside of the Program. Therefore, clients could generally avoid an additional layer of fees by not using the advisory services of LPL, LPLE and IAR and by making their own decisions regarding the investment.

If client transfers into a GWP account a previously purchased mutual fund, and there is an applicable contingent deferred sales charge on the fund, client will pay that charge when the mutual fund is sold. If the account is invested in a mutual fund that charges a fee if a redemption is made within a specific time period after the investment, client will be charged a redemption fee. Depending on the share class and fee structure of the previously purchased mutual fund, LPL can receive fees such as 12b-1 fees, recordkeeping fees and revenue sharing from the previously purchased mutual fund until the position is liquidated and subsequently invested according to the GWP model. If a mutual fund has a frequent trading policy, the policy can limit a client's transactions in shares of the fund (e.g., for rebalancing, liquidations, deposits, or tax harvesting). Decisions regarding the sale of



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mutual funds in an account may be made by LPL without regard to whether a client will be assessed a redemption fee. Clients can find more information regarding the fees and expenses of an ETF or mutual fund in the fund's prospectus, which is available upon request from LPL, or directly from the fund.

When transferring securities into a GWP account, client should be aware that certain securities are not eligible for the account. In such case, the securities may be rejected, sold after the transfer, or moved to a brokerage account. Note that when an ineligible security is transferred into an account and subsequently sold or moved to a brokerage account, the advisory fee will be charged on such asset for the period of time the security was held in the account.

Client should be aware that previously purchased, non-model securities transferred into an account may have been subject to a commission or sales load when the security was originally purchased. If client has paid a commission on the purchase of a security in an LPL brokerage account within up to two years of the transfer of the security into the account, client may be entitled to a credit for a portion of the Account Fee.

After transfer into a GWP account, client should understand that an advisory fee will be charged based on the total assets in the account, including the transferred securities. When transferring securities into an account, client should consider and speak to IAR about whether:

- a commission was previously paid on the security;
- client wishes for the security to be managed as part of the account and be subject to an advisory fee; or
- client wishes to hold the security in a brokerage account that is not managed and not subject to an advisory fee.

In the future, for Model Portfolios consisting of mutual funds, LPL intends to select only no-load and load-waived mutual funds. In some cases, a mutual fund in GWP will charge shareholders an asset based sales charge or service fee (e.g., 12b-1 fee) that is paid to LPL. Any 12b-1 fees paid to LPL by mutual funds (other than the cash sweep money market funds ("Sweep Funds") described in the section of Item 9 labeled "Participation or Interest in Client Transactions") are credited to the client's account.

Clients also incur charges imposed by third parties or LPL in connection with investments made through their accounts, including, but not limited to, taxes and charges required by law or imposed by exchanges or regulatory bodies. For example, an industry-wide charge mandated by a regulator applies to sales of certain securities. The amount of this regulatory fee may vary over time, and because variations might not be immediately known to LPL, the amount may be estimated and assessed in advance. To the extent that such estimated amount differs from the actual amount of the regulatory fee, LPL retains the excess. These charges will be reflected on transaction confirmations and/or periodic statements.

#### Important Things to Consider About Fees on a GWP Account

- The Account Fee is a wrap fee for investment advisory services, the execution of transactions and other administrative and custodial services. Clients do not pay a commission or transaction charge to LPL or LPLE for the execution of transactions in the account. The Account Fee may cost the client more than purchasing the program services separately, for example, paying an advisory fee plus commissions or transaction charges to a broker-dealer for each transaction in the account. Factors that bear upon the cost of the account in relation to the cost of the same services purchased separately include the:
  - type and size of the account
  - type of securities in the Model Portfolio (currently ETFs and possibly mutual funds in the future)
  - historical and or expected size or number of trades for the account, and
  - number and range of supplementary advisory and client-related services provided to the client.
- The Account Fee may be higher than the fees charged by other investment advisors for similar services. Clients could generally pay a lower advisory fee for investment advisory services through other investment advisors, including algorithm-driven, automated ("robo") providers. However, clients using other robo services will forgo opportunities to utilize LPL-constructed model portfolios or to work directly with a financial advisor. In addition, the Account Fee may be higher than fees charged by other advisors, particularly if the Advisor Fee component of the Account Fee is at or near the maximum fee set out above. The IAR is responsible for determining the Advisor Fee to charge each client based on factors such as total





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amount of assets involved in the relationship and the number and range of supplementary advisory and client-related services to be provided to the account. Clients should consider the level and complexity of the advisory services to be provided when negotiating the Advisor Fee with IAR.

- LPLE and IAR receive compensation as a result of recommending a client's participation in the Program. The amount of this compensation may be more or less than what LPLE or IAR would receive if the client participated in other LPL or LPLE programs or paid separately for investment advice, brokerage and other client services, particularly where LPLE or IAR retains a greater portion of the Account Fee or additional cash or non-cash compensation, even though the client's fee remains the same. Based on the compensation structure between the financial institution and IAR, IAR can have a financial incentive to recommend the Program over other programs and services. This compensation includes a portion of the Account Fee and also can include other compensation, such as bonuses, awards or other things of value offered by LPL or LPLE to IARs. However, LPLE and IAR intend to make all recommendations independent of such considerations and based solely on their obligations to consider Client's objectives and needs.
- The investment products available to be purchased in the Program can be purchased by clients outside of a GWP account, through broker-dealers or other investment firms not affiliated with LPL or LPLE.
- Clients should consider the impact of fees and expenses on their investment portfolio, as described in the informational brochure titled "How Fees and Expenses Affect Your Portfolio" on [lpl.com/disclosures.html](http://lpl.com/disclosures.html) under "Investor Regulatory & Educational Resources."

#### ITEM 5 ACCOUNT REQUIREMENTS AND TYPES OF CLIENTS

The Program is available for individuals (individually or jointly with another person) and their traditional individual retirement accounts ("IRAs"), Roth IRAs, and owner-only Simplified Employer Pension IRAs where the only eligible participants of the SEP IRA are the business owners and their spouses. Employee benefit plans subject to the Employee Retirement Income Security Act of 1974, as amended ("ERISA") ("ERISA Plans") (including SEP IRAs for employees other than business owners and their spouses) are not eligible to participate in the Program. Participation in the Program is subject to LPL's and LPLE's discretion, and LPL or LPLE may prohibit any person from participating for any reason or no reason at all.

Use of the Proposal Tool is governed by the Terms of Use. For the avoidance of doubt, the Advisory Service will be provided under and governed by the Account Agreement entered into at the time of enrollment.

Use of the Advisory Service is governed by the Account Agreement, which may be terminated by any party effective upon written notice to the other parties or by client calling the operational support desk, as set forth in the Account Agreement and as described below in the event certain minimums are not maintained. In the event that a client's country of residence or citizenship status changes, such notification to LPL as required under the Account Agreement may result in termination of his or her account by LPL if LPL does not service accounts in the new jurisdiction. In addition, if a client revokes his or her consent to electronic delivery of communications, such revocation will be deemed to be a notice from the client to terminate his or her account. Promptly upon termination, accounts will be deactivated. In a deactivated account, no advisory fees are charged, and LPL, LPLE and IAR have no responsibility to provide ongoing investment advice.

In order to be a client of the Advisory Service, LPL requires a minimum value for a Program account to begin being managed. In certain instances, LPL will permit a lower minimum account value. Note that an account will not be invested according to a Model Portfolio until the applicable minimum for the Model Portfolio and allocation has been reached. If LPL and LPLE have not received all paperwork in good order within the timeframe required by LPL and LPLE from the day a client submits its Account Application, LPL or LPLE will discard the Account Application and terminate the account immediately. In addition, if the account has not reached the required minimum value within the timeframe required by LPL, LPL will terminate the account immediately. In the event client withdrawals cause the account asset value to fall below required minimum for a period of 30 days, client understands that the account will be deactivated. In a deactivated account, no advisory fees are charged, and LPL, LPLE, and its IAR have no responsibility to provide ongoing investment advice. Withdrawals from the account may be made to the extent that the account



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value does not fall below the required minimum. Withdrawal requests for accounts with a value at the required minimum or less will result in account deactivation.

#### ITEM 6 PORTFOLIO MANAGER SELECTION AND EVALUATION

In GWP, the client selects the IAR. Each IAR is generally required to possess a FINRA Series 65 or 66 license (to the extent required). For more information about the IAR managing the account, client should refer to the Brochure Supplement for the IAR, which client should have received along with this Brochure at the time client opened the account. For more information about LPLE, clients should refer to LPLE's Form ADV brochure or contact LPLE for more information.

LPL makes available Model Portfolios designed by LPL in GWP. LPL has discretionary authority to implement trades in GWP.

#### LPL as a Portfolio Strategist

In GWP, clients invest in Model Portfolios designed by LPL Research. LPL Research provides various types of advisory services. LPL Research provides research recommendations on asset allocation and ETFs and mutual funds. LPL Research provides investment advice on ETF and mutual fund selection and allocation through other LPL advisory programs, such as Optimum Market Portfolios, Personal Wealth Portfolios and Model Wealth Portfolios. LPL Research also reviews and recommends outside portfolio management firms for LPL's separately managed account wrap program, Manager Select.

Based upon a client's risk tolerance as indicated in the Client Profile, the client is assigned an investment allocation track (currently conservative, moderate, or aggressive) for a Retirement Goal or a Major Purchase Goal, the purpose of which is to slowly rotate the client's equity exposure allocation to fixed income exposure and cash over time. LPL Research created these tracks using academic research on optimal retirement allocations, the industry averages as calculated by Morningstar for the target date fund universe, and input from other third parties.

Within the applicable allocation track and based upon either a client's chosen Retirement Age in the Client Profile or the desired date of a major purchase, as applicable, the client will be assigned a Model Portfolio and one of five of LPL's standard investment objectives:

- *Income with capital preservation.* Designed as a longer term accumulation account, this investment objective is considered generally the most conservative. Emphasis is placed on generation of current income with minimal risk of capital loss. Lowering the risk generally means lowering the potential income and overall return.
- *Income with moderate growth.* This investment objective emphasizes generation of current income with a secondary focus on moderate capital growth.
- *Growth with income.* This investment objective emphasizes modest capital growth with some focus on generation of current income.
- *Growth.* This investment objective emphasizes achieving high long-term growth and capital appreciation. There is little focus on generation of current income.
- *Aggressive growth.* This investment objective emphasizes aggressive growth and maximum capital appreciation, with no focus on generation of current income. This objective has a high level of risk and is for investors with a longer timer horizon.

For the General Investing Goal, the client is assigned one of the Investment Allocation Tracks (currently, conservative, moderate conservative, moderate, moderate aggressive or aggressive) and a Model Portfolio based upon the client's risk tolerance as indicated in the Client Profile. In the General Investing Goal, the client's asset allocations generally remain static, subject to rebalancing and tax loss harvesting as described below.

It is important to note that no methodology or investment strategy is guaranteed to be successful or profitable. LPL Research does not charge a fee for its Model Portfolios. IAR and clients cannot change or customize the Model Portfolios.

#### Types of Investments and Risks

The Model Portfolios include ETFs and may include mutual funds in the future. Investing in securities involves the risk of loss that clients should be prepared to bear. Described below are some risks associated with investing and with some types of



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investments that are available in the Program. Although LPL, LPLE and the IAR will not make any investment decisions for, or engage in any trading activity on behalf of, users of the Proposal Tool, the investment risks described below are generally applicable to the information provided to users of the Proposal Tool.

- *Market Risk.* This is the risk that the value of securities owned by an investor may go up or down, sometimes rapidly or unpredictably, due to factors affecting securities markets generally or particular industries.
- *Interest Rate Risk.* This is the risk that fixed income securities will decline in value because of an increase in interest rates; a bond or a fixed income fund with a longer duration will be more sensitive to changes in interest rates than a bond or fixed income fund with a shorter duration.
- *Economic Conditions Risk.* This is the risk that economic, political, or financial developments will, from time to time, result in periods of volatility or other adverse effects that could negatively impact your account.
- *Credit Risk.* This is the risk that an investor (could lose money if the issuer or guarantor of a fixed income security is unable or unwilling to meet its financial obligations).
- *Liquidity Risk.* This is the risk that an investor would not be able to sell or redeem an investment quickly, or would not be able to sell or redeem an investment quickly without significantly affecting the price. Liquidity risk is heightened when markets are distressed. Generally, alternative investments have higher liquidity risk than equities, fixed income securities or mutual funds or ETFs.
- *Issuer-Specific Risk.* This is the risk that the value of an individual security or particular type of security can be more volatile than the market as a whole and can perform differently from the value of the market as a whole.
- *Investment Company Risk.* To the extent a client account invests in ETFs or other investment companies, its performance will be affected by the performance of those other investment companies. Investments in ETFs and other investment companies are subject to the risks of the investment companies' investments, as well as to the investment companies' expenses. If a client account invests in other investment companies, the client account may receive distributions of taxable gains from portfolio transactions by that investment company and may recognize taxable gains from transactions in shares of that investment company, which would be taxable when distributed.
- *Concentration Risk.* To the extent a client account concentrates its investments by investing a significant portion of its assets in the securities of a single issuer, industry, sector, country or region, the overall adverse impact on the client of adverse developments in the business of such issuer, such industry or such government could be considerably greater than if they did not concentrate their investments to such an extent.
- *Sector Risk.* To the extent a client account invests more heavily in particular sectors, industries, or sub-sectors of the market, its performance will be especially sensitive to developments that significantly affect those sectors, industries, or sub-sectors. An individual sector, industry, or sub-sector of the market may be more volatile, and may perform differently, than the broader market. The several industries that constitute a sector may all react in the same way to economic, political, or regulatory events. A client's account performance could be affected if the sectors, industries, or sub-sectors do not perform as expected. Alternatively, the lack of exposure to one or more sectors or industries may adversely affect performance.
- *Exchange-Traded Funds (ETFs).* ETFs are typically investment companies that are legally classified as open-end mutual funds or UITs. However, they differ from traditional mutual funds, in particular, in that ETF shares are listed on a securities exchange. Shares can be bought and sold throughout the trading day like shares of other publicly-traded companies. ETF shares may trade at a discount or premium to their net asset value. This difference between the bid price and the ask price is often referred to as the "spread." The spread varies over time based on the ETF's trading volume and market liquidity, and is generally lower if the ETF has a lot of trading volume and market liquidity and higher if the ETF has little trading volume and market liquidity. Although many ETFs are registered as an investment company under the Investment Company Act of 1940 like traditional mutual funds, some ETFs, in particular those that invest in commodities, are not registered as an investment company. ETFs may be closed and liquidated at the discretion of the issuing company.
- *Tax-Loss Harvesting.* The tax-loss harvesting feature of the Advisory Service involves a variety of risks. You should confer with your personal tax advisor regarding the tax consequences of investing with the Program and engaging in the tax-loss



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harvesting strategy, based on your particular circumstances. You and your personal tax advisors are responsible for how the transactions in your account are reported to the IRS or any other taxing authority. Neither LPL, nor LPLE, nor the IAR assume any responsibility to you for the tax consequences of any transaction. The Program’s tax-loss harvesting strategy is not intended as tax advice, and neither LPL, nor LPLE, nor the IAR represents in any manner that the tax consequences described will be obtained or that the Program’s investment strategy will result in any particular tax consequence. The tax consequences of this strategy are complex and may be subject to challenge by the IRS. This strategy was not developed to be used by, and it cannot be used by, any investor to avoid penalties or interest. You should be aware that if you and/or your spouse have other taxable or non-taxable accounts, and you hold in those accounts any of the securities (including options contracts) held in your GWP account, you cannot trade any of those securities 30 days before or after the Program account trades those same securities as part of the tax-loss harvesting strategy to avoid possible wash sales and, as a result, a nullification of any tax benefits of the strategy. For more information on the wash sale rule, please read IRS Publication 550. In addition, when LPL replaces investments with “similar” investments as part of the tax-loss harvesting strategy, it is a reference to investments that are expected, but are not guaranteed, to perform similarly and that might lower an investor’s tax bill while maintaining a similar expected risk and return on investor’s portfolio. Expected returns and risk characteristics are no guarantee of actual performance.

In addition to the risks described above, the Program involves certain additional risks due to its reliance technology systems.

- *Reliance on Electronic Communications and Delivery.* Both the Proposal Tool and Advisory Service are primarily online services, and communications concerning the Program are intended to occur primarily through electronic means (including but not limited to, email communications and the Portal, although the IAR or LPLE will be available to discuss investment strategies, objectives or the account in general in person or via telephone. Additionally, clients are required to create and maintain an active Portal profile to use the Proposal Tool or receive the Advisory Service. Therefore, the Program differs from more traditional advisory relationships in which an IAR has more frequent personal interactions with a client. Persons looking for more personal communications should consider whether the Proposal Tool or Advisory Service, as applicable, will meet their communication preferences. As set forth in the Terms of Use or the Account Agreement, as applicable, users and clients consent to the electronic delivery of all current and future Form ADVs, brochure supplements, privacy notices, prospectuses and offering documents, tax forms and other legal and regulatory notices, disclosures, reports and other communications, including delivery through the Portal, to your e-mail address of record or to such other password-protected website as LPL or LPLE may designate.
- *Investment Horizon.* The Retirement Goal and the Major Purchase Goal are only appropriate for investors with medium- to long-term investment horizons, before such investors plan to access assets that are invested pursuant to the Program. If investors need access to the assets in their accounts at any point prior to the end of the investment horizon, the prices at which these assets are liquidated may cause them to experience a material loss and will negatively compromise the ability of LPL to help them meet their investing goals.
- *Reliance on Information Provided by User or Client; Protecting Your Account.* LPL, LPLE and the IAR provide advice and recommendations based on the information you provide to us regarding your investment objectives, financial condition, income, other investments, and all other information requested of you when using the Proposal Tool or becoming a client of the Advisory Service. If a user or client were to provide LPL, LPLE and the IAR with incomplete or inaccurate information, such omissions or inaccuracies could materially impact the quality and applicability of recommendations of LPL, LPLE or the IAR. In addition, users and clients are responsible for monitoring and updating information provided in the event of changes (e.g., contact information or life event changes, such as a change to Retirement Age), that could impact the recommendations made by the Program. You are solely responsible for additions to and withdrawals from your account and for maintaining the confidentiality of any password you select for your account. You are required to notify LPL, LPLE and the IAR in the event you become aware of unauthorized use of your account or any other security breach related to your use of the Proposal Tool or Advisory Service.
- *Limitations of the Advisory Service.* With respect to the Advisory Service, the recommendations provided by LPL, LPLE, and the IAR are not intended to comprise the client’s complete investment program to the extent that a client has investible and



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invested assets held in ERISA Plans, or other accounts that the client has not transferred into the account. In addition, recommendations of LPL, LPLE and the IAR are generally limited in scope to the information that users and clients provide. There may be additional information or other financial circumstances not considered by LPL, LPLE and the IAR based on the questions asked at the time a user or client establishes their Investment Allocation Track that would inform the investment advice and recommendations provided by LPL, LPLE and the IAR. Clients should contact their IAR to discuss any such additional information or other financial circumstances that they believe may be relevant to the advice provided through the Program.

- *Reliance on Technology; Back-up Measures; Cyber Security Breaches and Identity Theft.* The Program's investment activities and investment strategies are dependent upon various computer and telecommunications technologies, many of which are provided by or are dependent upon third parties, data feed, data center, telecommunications, or utility providers. The successful deployment, implementation, and/or operation of such activities and strategies, and various other critical activities provided by LPL, LPLE and the IAR, could be severely compromised, damaged or interrupted by system, network or component failure, computer and telecommunications failure, power loss, a software-related "system crash," unauthorized system access or use (such as "hacking"), computer viruses and similar programs, other security breaches, fire or water damage or other catastrophic events, power outages, human errors in using or accessing relevant systems, or various other events or circumstances. Unintentional cyber events, such as the inadvertent release of confidential information, could also adversely impact investor account. Any cyber event could cause result in the loss or theft of investor data or cause investors financial loss and expense.
- *Use of Artificial Intelligence and Machine Learning.* Recent technological advances in artificial intelligence, generative artificial intelligence, and machine learning technology (collectively, "Machine Learning Technology") may pose risks to LPL and LPLE. LPL and LPLE could be further exposed to the risks of Machine Learning Technology if third-party service providers or any counterparties, whether or not known to LPL or LPLE, also use Machine Learning Technology in their business activities. LPL and LPLE will not be in a position to control the operations of third-party service providers or counterparties, the manner in which third-party products are developed or maintained or the manner in which third-party services are provided. Machine Learning Technology is generally highly reliant on the collection and analysis of large amounts of data, and it is not possible or practicable to incorporate all relevant data into the model that Machine Learning Technology utilizes to operate. Certain data in such models will inevitably contain a degree of inaccuracy and error, potentially materially so, and could otherwise be inadequate or flawed, which would be likely to degrade the effectiveness of Machine Learning Technology. To the extent that LPL or LPLE are exposed to the risks of Machine Learning Technology, any such inaccuracies or errors could have adverse impacts on LPL or LPLE, as applicable. Machine Learning Technology and its applications, including in the financial services sector, continue to develop rapidly, and it is impossible to predict the future risks that will from time to time arise from such developments.

#### Voting Client Securities

In GWP, LPL, LPLE and IAR do not accept authority to vote client securities. Clients retain the right to vote all proxies that are solicited for securities held in the account. Clients will receive proxies or other solicitations from LPL. When LPL delivers mutual fund shareholder reports and proxies to clients, LPL is reimbursed by the mutual fund for the delivery costs. The maximum fee that can be charged for delivery is set by New York Stock Exchange (NYSE) rules. If LPL uses a vendor to perform the delivery, the vendor seeks reimbursement from the mutual fund on LPL's behalf and in certain cases remits a portion of the reimbursement to LPL. If clients have questions regarding the solicitation, they should contact the contact person that the issuer identifies in the proxy materials or their IAR. In addition, clients retain the right and obligation to take action with respect to legal proceedings relating to securities held in the account.





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#### ITEM 7 CLIENT INFORMATION PROVIDED TO PORTFOLIO MANAGERS

Users of the Proposal Tool complete an investor profile, including risk tolerance and Retirement Age or desired date of a major purchase, if applicable. Clients of the Advisory Service complete the investor profile and also complete an Account Application which is a part of the Account Agreement.

In quarterly communications with clients of the Advisory Service, LPL or LPLE asks clients to contact them if there have been any changes in the client's financial situation or investment objective.

Users and clients should understand that the Investment Allocation Track seeks to achieve an overall objective for the entire account and may be inconsistent with a particular Sample Recommendation or holding and, for clients, the account's performance at any time. Users and clients also should be aware that Investment Allocation Tracks are designed to achieve long-term goals for the account.

#### ITEM 8 CLIENT CONTACT WITH PORTFOLIO MANAGERS

LPL does not place any restrictions on a user's or client's ability to contact and consult with LPL, LPLE, or IARs and users and clients should contact their IAR with any questions regarding the Program.

#### ITEM 9 ADDITIONAL INFORMATION

##### Disciplinary Information

LPL entered into a settlement with the SEC in which the SEC found that LPL willfully violated its obligations under Section 17(a) of the Exchange Act and Rule 17a-8 thereunder, which require broker-dealers to comply with certain anti-money laundering ("AML") requirements. The SEC found that LPL did not follow its AML policies for its customer identification program and ongoing customer due diligence obligations by, among other things, not properly verifying new accounts; not timely closing accounts that did not pass its screening measures; and not closing or restricting certain accounts that were prohibited under LPL's AML Policies.

The SEC censured LPL and ordered LPL to cease and desist from committing or causing any violations and any future violations of such section and rule, to pay a civil monetary penalty in the amount of \$18 million, and to comply with certain undertakings (2025).

LPL entered into a settlement with the SEC in which the SEC found that LPL willfully violated Section 17(a) of the Exchange Act and Rule 17a-4(b)(4) thereunder and Section 204 of the Advisers Act and Rule 204-2(a)(7) thereunder in connection with the maintenance and preservation of off-channel communications; and failed to reasonably supervise its personnel within the meaning of Section 15(b)(4)(E) of the Exchange Act and Section 203(e)(6) of the Advisers Act. LPL admitted to the facts in the settlement order and acknowledged its conduct violated the federal securities laws. The SEC ordered LPL to cease and desist from committing or causing any violations and any future violations of Section 17(a) of the Exchange Act and Rule 17a-4(b)(4) thereunder and Section 204 of the Advisers Act and Rule 204-2(a)(7) thereunder, censured it for its conduct, ordered it to pay a civil monetary penalty in the amount of \$50,000,000, and ordered it to comply with certain undertakings (2024).

LPL entered into a settlement with the SEC in connection with LPL's failure to comply with its Customer Identification Program procedures. The SEC found that LPL willfully violated Section 17(a) of the Exchange Act and Rule 17a-8 thereunder and was a cause of a third party's violations of Sections 17(a)(2) and (3) of the Securities Act and Section 206(2) of the Advisers Act. The SEC ordered LPL to cease and desist from committing or causing any further violations of these laws and regulations, censured LPL for its conduct, and ordered the payment of disgorgement and prejudgment interest totaling \$141,202 (deemed satisfied based on LPL's voluntary remedial payment of \$4,118,876 to the impacted client), and the payment of a civil money penalty of \$750,000 (2021).

As part of a voluntary self-reporting initiative in 2019, LPL entered into a settlement with the SEC in which the SEC found that LPL willfully violated Section 206(2) and 207 of the Investment Advisers Act of 1940 (the "Advisers Act") in connection with inadequate disclosure to clients of its and its associated persons' conflicts of interest related to its receipt of 12b-1 fees and/or its selection of mutual fund share classes that pay such fees. The SEC ordered LPL to cease and desist from committing or



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causing any violations of Sections 206(2) and 207 of the Advisers Act, censured it for its conduct, and ordered the payment of disgorgement and prejudgment interest to affected investors totaling \$9,333,516 (2019).

LPL, as a broker-dealer, is a member of FINRA and has found to be in violation of FINRA's rules related to its brokerage activities. In particular, LPL consented to sanctions related to the following matters:

- LPL's supervisory systems and maintenance of books and records relating to brokerage direct business transactions, supervisory systems and misstatements about fees relating to brokerage product switch transactions, and supervisory systems relating to brokerage recommendations of publicly traded securities of business development companies (BDCs) to customers, resulting in a censure, a fine of \$5.5 million, restitution to impacted customers, and an undertaking to certify that LPL has remediated the systems and procedures for making recommendations of BDCs (2023).
- LPL's supervisory systems and procedures relating to the transmittal of customer funds by wire or check to third parties and maintenance of related books and records, resulting in a censure, a fine of \$3,000,000, restitution to impacted clients, and an undertaking to identify and pay restitution to affected customers for certain other improper transfers (2023).
- LPL's failure to accurately calculate its customer reserve requirement, failure to maintain a sufficient customer reserve, failure to maintain policies and procedures reasonably designed to achieve compliance with the Securities and Exchange Act and FINRA rules, and failure to maintain accurate books and records, resulting in a censure and a fine of \$300,000 (2022).
- LPL's self-reporting of potential issues related to certain C-share purchase suitability reviews and its supervisory systems and procedures relating to waivers of front-end sales charges for rollovers of 529 savings plan investments from one state plan to another, resulting in a censure and payment of restitution to impacted customers (2021).
- LPL's supervisory systems and procedures relating to record retention, fingerprinting and screening of certain associated persons, and supervision of consolidated reports, resulting in a censure, a fine of \$6,500,000 and an undertaking to review and enhance related policies, systems and procedures (2020).
- LPL's supervisory systems and procedures relating to changes in the authority of custodians of accounts established under the Uniform Gifts to Minors Act and/or the Uniform Transfers to Minors Act, resulting in a censure, a fine of \$300,000, and an undertaking to review and enhance its policies, systems, and procedures related to supervision of such accounts (2019).
- The effectiveness of LPL's anti-money laundering program, LPL's failure to amend certain Forms U4 and U5, and LPL's systems and supervisory procedures relating to Forms U4 and U5 reporting requirements, resulting in a censure and a fine of \$2,750,000 and an undertaking to review the process used to disclose customer complaints on Forms U4 and U5 (2018).
- LPL's brokerage supervisory and disclosure procedures related to the sale of certain brokered certificates of deposit in brokerage accounts, resulting in a censure and a fine of \$375,000 (2018).
- LPL's systems and supervisory procedures relating to the creation and distribution of certain required account notices, resulting in a censure, a fine of \$900,000, and an undertaking to review affected processes (2016).
- LPL's systems and supervisory procedures relating to the format in which certain electronic records were retained, resulting in a censure and a fine of \$750,000 (2016).
- LPL's various brokerage supervisory procedures, including those related to the sale of complex non-traditional ETFs, variable annuity ("VA") contracts, real estate investment trusts ("REITs") and other products in brokerage accounts, as well as LPL's failure to monitor and report trades and deliver trade confirmations, resulting in a censure and a fine of \$10,000,000, and restitution of \$1,664,592 (2015).

LPL, as a broker-dealer, is regulated by each of the 50 states and has been the subject of orders related to the violation of state laws and regulations in connection with its brokerage activities. In particular, LPL entered into consent orders related to the following matters:

- LPL's supervision of electronic signature practices at an LPL branch office in Massachusetts, resulting in a fine of \$250,000 and an undertaking to conduct an internal review of certain related policies and procedures (Massachusetts or "MA", 2023).



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- LPL’s supervision of an LPL broker-dealer/investment adviser agent’s sales of structured products, resulting in a censure, an offer of restitution to impacted clients, and a fine of \$125,000 (Texas, 2022).
- LPL’s supervision of two LPL broker-dealer and/or investment adviser agents who pled guilty to charges of fraudulent practices with LPL customers, resulting in a cease and desist order, a fine of \$350,000 and a \$150,000 contribution for financial literacy and investor education initiatives, training and related materials (Connecticut, 2021).
- LPL’s supervision of an LPL representative under a heightened supervision plan, resulting in a cease and desist order; a fine of \$275,000; payments of restitution, disgorgement and investigative costs; and offers of payment of surrender charges in connection with variable annuity contracts for impacted customers (New Hampshire or “NH”, 2020).
- LPL’s failure to timely register (or maintain the registration of) certain agents in MA and failure to amend Forms U4 and U5 for certain agents registered in MA, resulting in a censure, a fine of \$1,100,000, and an undertaking to review and enhance its policies and procedures related to registering its agents in MA and filing reportable events (MA, 2019).
- LPL’s brokerage supervisory procedures relating to email review and annual branch office examinations, resulting in a civil penalty of \$450,000 and an undertaking for third-party review of related processes (Indiana, 2018).
- The sale of unregistered, non-exempt securities in violation of state registration requirements, resulting (upon entry of the individual consent order) in payment to each participating state or jurisdiction of a civil penalty of \$499,000, reimbursement of certain investigative expenses, remediation through repurchase of certain securities and payment of losses to certain affected customers, and certain additional undertakings (Settlement with up to 53 members of the North American Securities Administrators Association (NASAA), 2018).
- The sale of non-traded alternative investments in excess of prospectus standards or LPL’s internal guidelines and the maintenance of related books and records, resulting in a censure, a fine of \$950,000, a \$25,000 contribution to an investor education fund and remediation of losses to impacted customers (New Jersey, 2017).
- LPL’s supervisory practices for LPL representatives located on the premises of a credit union, resulting in a censure, a fine of \$1,000,000, and an undertaking to avoid investor confusion specific to the name under which the credit union does business and review LPL’s related policies and procedures (MA, 2017).
- LPL’s oversight of certain VA transactions, resulting in a censure, a fine of \$975,000, restitution to clients and former clients of an LPL representative, disgorgement of commissions retained by LPL in connection with such representative’s VA sales, and an undertaking to review such representative’s brokerage and advisory activities and LPL’s related policies and procedures (MA, 2017).
- The sale in brokerage accounts of non-traded REITs in excess of prospectus standards, state concentration limits or LPL’s internal guidelines, resulting in an aggregate civil penalty of \$1,425,000, reimbursement of certain investigative expenses and remediation of losses to impacted customers (Global settlement with certain members of NASAA, 2015).
- The sale of non-traded REITs in excess of prospectus standards, state concentration limits or LPL’s internal guidelines, resulting in an administrative fine of \$250,000, reimbursement of investigative costs of \$250,000, a \$250,000 contribution to an investor education fund and remediation of losses to impacted customers (NH, 2015).
- The sale of leveraged and inverse leveraged ETFs (“Leveraged ETFs”), resulting in an administrative fine of \$50,000 (Delaware), a penalty of \$200,000 (MA), restitution to Delaware customers in an amount up to \$150,000, restitution to MA customers in an amount up to \$1,600,000, and an agreement to make certain changes in its supervisory system with respect to Leveraged ETFs (2015).
- Failure to implement procedures related to the use of senior-specific titles by LPL representatives as required under MA law, resulting in a censure and a fine of \$250,000 (2015).

For more information about those state events and other disciplinary and legal events involving LPL and its IARs, users and clients should refer to Investment Adviser Public Disclosure at <https://adviserinfo.sec.gov/> or FINRA BrokerCheck at <https://brokercheck.finra.org/>.



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### Other Financial Industry Activities and Affiliations

LPL is also a broker-dealer registered with FINRA and the SEC. As a broker-dealer, LPL transacts business in various types of securities, including mutual funds, stocks, bonds, commodities, options, private and public partnerships, variable annuities, REITs, and other investment products. LPL is registered to operate in all 50 states and has primarily an independent-contractor sales force of registered representatives and IARs dispersed throughout the United States. LPL has a dedicated team of employee IARs in its offices who service certain accounts, and also a small subset of IARs who operate their own offices or are located on the premises of certain financial institutions and are employees of LPL Employee Services, LLC, an LPL-affiliated company. LPL is also registered as an introducing broker with the Commodity Futures Trading Commission. In addition, LPL is qualified to sell insurance products in all 50 states.

Our affiliate, LPLE, is an investment adviser registered with the SEC and a broker-dealer registered with FINRA and the SEC. As a broker-dealer, LPLE transacts business in various types of securities, including mutual funds, stocks, bonds, commodities, options, private and public partnerships, variable annuities, REITs and other investment products. LPLE is registered to operate in all 50 states and has primarily an independent-contractor sales force of registered representatives and investment adviser representatives dispersed throughout the United States. If required for their positions with a registered broker-dealer, LPLE's principal executive officers are securities licensed as registered representatives of LPL. In addition, LPLE is qualified to sell insurance products in all 50 states.

LPL, LPLE and The Private Trust Company, N.A. ("PTC"), a federally chartered non-depository bank licensed to provide trust services in all 50 states, are related persons. PTC serves as IRA custodian for Program accounts set up as IRAs. PTC also provides personal trustee services to clients for a variety of administrative fiduciary service, which services may relate to a Program account. Because LPL, LPLE and PTC are affiliated companies and share in revenues, there is a financial benefit to the companies if a client uses PTC as a custodian or for personal trustee services, or if a PTC client uses LPL or LPLE as an investment adviser. PTC's IRA custodian and trustee services and fees are established under a separate engagement between the client and PTC.

Fiduciary Trust Company of New Hampshire ("FTC"), a non-depository trust company, is a related person of LPL and LPLE. FTC provides custodial and various other recordkeeping and services to IRAs and certain employer-sponsored plans maintained through non-GWP Program accounts. Because LPL, LPLE and FTC are affiliated companies and share in revenues, there is a financial benefit to the companies if a client is referred to or otherwise elects to engage with FTC for services under another LPL program, and uses LPL or LPLE as the investment adviser or broker-dealer. FTC's custodial and recordkeeping services and related fees are established under a separate engagement between the client and FTC.

LPL and LPLE have an affiliated insurance agency, LPL Insurance Associates, Inc. ("LPLIA") through which their respective IARs may sell insurance products. LPL and LPLE receive compensation from issuers of life insurance (universal, variable universal, whole life, and term) and other insurance contracts that are made available by their respective IARs, such as long-term care insurance and disability insurance. The compensation includes commissions and trails, and may include payments for administrative services that LPL or LPLE provides and/or payments made in connection with LPL's marketing and sales-force education and training efforts, including annual national sales and education conference and other conferences of LPL and LPLE. IARs receive a percentage of the commissions or trailing commissions paid to LPL, LPLE or LPLIA. IARs may also sell insurance through an independent unaffiliated insurance agency. An IAR may earn compensation (including trailing compensation), benefits and non-cash compensation through LPL, LPLE or the third-party insurance agency and may have an incentive to recommend you purchase or sell insurance products with LPL, LPLE or the independent agency.

### Code of Ethics and Personal Trading

LPL and LPLE have each adopted a code of ethics that includes guidelines regarding personal securities transactions of its employees and IARs. The code of ethics permits employees and IARs to invest for their own personal accounts in the same securities that are purchased for clients in Program accounts (or that are recommended to users). This presents a conflict of interest because trading by an employee or IAR in a personal securities account in the same security on or about the same time



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as trading by a client can disadvantage the client. LPL and LPLE each address this conflict of interest by requiring in its code of ethics that employees and IARs report certain personal securities transactions and holding. LPL and LPLE each have procedures to review personal trading accounts for front-running. However, since LPL's Research Department has sole control over trading decisions (including timing of implementation thereof) for the Model Portfolios in the Program, the potential for front-running by most employees and IARs is limited, and no such review is conducted other than for employees in LPL's Research Department. In addition, employees in LPL's Research Department are required to obtain pre-clearance prior to purchasing certain securities for a personal account. Employees and IARs are also required to obtain pre-approval for investments in private placements and initial public offerings. A copy of the code of ethics is available to clients or prospective clients upon request and is available at [lpl.com/disclosures.html](http://lpl.com/disclosures.html) and [lpl.com/lpl-enterprise.html](http://lpl.com/lpl-enterprise.html), respectively.

#### Participation or Interest in Client Transactions

LPL's and LPLE's parent company, LPL Financial Holdings Inc., is a publicly traded company. LPL and LPLE do not permit its IARs to recommend or solicit orders of LPL Financial Holdings Inc. stock in GWP accounts. However, a model may include an ETF or mutual fund that holds LPL Financial Holdings Inc. stock as an underlying investment, for example, an ETF that seeks to replicate the performance of an investment services index that includes LPL Financial Holdings Inc.

Purchases of mutual fund shares are typically processed through LPL's proprietary account resulting in such purchases being characterized as principal transactions for certain reporting purposes. In such case, the shares will be purchased at the fund's net asset value, and no additional charges will be applied to such transactions as a result of LPL's use of a proprietary account. LPL and LPLE do not otherwise engage in principal transactions with its clients in GWP.

For certain ETFs and stocks, LPL executes trades in fractional shares of those securities as an accommodation to clients. There is not an active open market for fractional shares, and executing trades with LPL is most often the only form of liquidity for a client that holds fractional shares in his or her account. LPL and LPLE do not receive any compensation other than advisory fees for executing trades in fractional shares for a client's advisory account. LPL will only buy and sell fractional shares when a client is also trading whole shares of the security, in connection with a dividend reinvestment plan, or to sell remaining fractional shares to close a position. Trades in fractional shares will happen on the same day and at the same price as a trade in whole shares, or otherwise at market closing price.

#### 12b-1 Fees; Recordkeeping Services and Compensation; Revenue Sharing Arrangements

Some previously purchased, non-model mutual funds charge shareholders a 12b-1 fee, and, in the future, mutual funds selected in a Model Portfolio may charge shareholders a 12b-1 fee. To the extent a mutual fund charges a 12b-1 fee, the fee will be paid to LPL by the mutual fund. Any 12b-1 fees paid to LPL by mutual funds (other than Sweep Funds) will be credited to the account.

LPL performs recordkeeping, administrative and shareholder services on behalf of mutual funds and receives compensation for the services based on mutual fund holdings of GWP clients. These services include establishing and maintaining accounts with the funds, facilitating settlement of funds, responding to customer inquiries and requests, and maintaining sub-account records reflecting the issuance, exchange, or redemption of shares by each program account. A type of recordkeeping service that LPL provides to certain mutual fund families is to process transactions on an omnibus basis, which means that LPL consolidates client trades into one daily trade with a fund, and maintains all pertinent shareholder information for the fund. If LPL does not provide omnibus services to a mutual fund, then fund shares are traded on a networked basis, which means LPL submits a separate trade for each individual client trade to the fund. In that case, LPL maintains only certain elements of the fund's shareholder information.

The compensation LPL receives from a fund for recordkeeping, administrative, and shareholder services is based on the amount of GWP client assets that are invested in the fund (up to 0.30% annually), or the number of positions held by GWP clients in the fund (up to \$25 per position). In addition, LPL charges a setup fee to product sponsors when adding new investment products or share classes of an investment product to LPL's investment platforms. In the case of exchange traded products, LPL receives





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up to \$15,000 as a sponsor level due diligence fee, up to \$7,500 per fund and up to an additional \$15,000 per fund for complex exchange-traded products and ETPs. In the case of mutual funds, LPL receives a one-time set up fee of up to \$15,000 as a sponsor level due diligence fee and a setup fee of \$7,500 per fund. LPL does not share this compensation with LPLE or its IARs.

When LPL incurs technology development related costs associated with the launch or maintenance of a platform, tool or service, LPL sometimes receives reimbursements from product sponsors for such costs. Because LPL benefits from product sponsors' reimbursements of technology development-related costs, LPL's financial interests are conflicted with its ability to use strictly objective factors when selecting product sponsors to make available on the applicable platforms.

LPL has fee arrangements with investment advisors or distributors ("sponsors") of ETFs, mutual funds, annuities, alternative investment products and structured products that are available for purchase through the Program, called revenue sharing. Under these arrangements, the sponsor pays LPL a fee based on the amount of client sales or assets invested in the sponsor's products or a fixed fee, and LPL provides marketing support, data analytics, and administrative services to the sponsor and allows the sponsor to access LPL representatives so that the sponsor can promote such products. The amount and form of revenue sharing fee received by LPL can vary depending on many factors, including the services provided by LPL and the sponsor's investment products. LPL marketing support compensation for mutual funds, interval funds, ETFs and positional money market funds (other than the Sweep Funds) consists of flat and/or asset based fees totaling up to 0.15% annually, or up to \$1,000,000. LPL does not accept revenue sharing fees for assets held in retirement accounts. LPL does not require that a sponsor participate in revenue sharing arrangements for the sponsor's products to be selected for a Model Portfolio. In general, sponsors pay LPL a revenue sharing fee in addition to other product-related fees paid by a client, which include sales charges, deferred sales charges, distribution and service fees, redemption fees, and other fees and expenses disclosed in a product's offering documents. Revenue sharing fees may be paid by a particular investment fund, or its investment advisor or distributor, or an affiliate.

LPL offers product sponsors of mutual funds, closed funds, interval funds, ETFs, alternative investments, advisory strategies, annuities and life insurance contracts the opportunity to purchase analytical data, business intelligence and ad hoc reporting. This information helps product sponsors in their sales, distribution and product development efforts with respect to customers and clients and creates similar conflicts to those discussed above. LPL receives up to \$600,000 annually from each product sponsor in third party compensation for this information.

LPL receipt of revenue sharing fees creates a conflict of interest for LPL, which means that there is an incentive for LPL and its respective financial professionals to recommend investment products that pay revenue sharing fees. LPL or its affiliate receives significantly more revenue sharing fees from the sponsors for which clients have the largest holdings, which creates a conflict of interest for LPL to promote and recommend these sponsors' investments.

Revenue sharing payments are generally higher for investment products with higher expense ratios (the overall fee paid by an investor in the product). Additionally, revenue sharing payments for some ETFs are based on management fees and will be higher for ETFs with higher expense ratios, both because LPL is paid a portion of the higher fees and because generally the percentage rate that LPL gets paid increases for investment products with higher expense ratios. As a result, LPL has an increased incentive to choose investment products that charge more in fees and to promote or recommend these investment products so that LPL earns more, and that could cause lower performance for client accounts. Other investment products with lower fees that are not party to revenue sharing agreements are available. Higher expense ratios will cause an investor to earn less on an investment than a comparable investment with a lower expense ratio. This results in a conflict of interest between clients and LPL because the revenue sharing arrangements give LPL an incentive to recommend investments that could cause lower performance for client accounts. The variations between amounts and forms of revenue sharing payments also create an incentive for LPL to recommend holding products which pay revenue sharing payments to LPL or its affiliate as an ongoing percentage of client assets. This conflict can cause clients to pay higher overall fees and expenses and have an impact on the investment performance of an account. Additionally, LPL receives significantly more revenue sharing from firms for which clients have the largest holdings, and some of LPL's contracts pay increased asset based fees when certain threshold are met. This creates a conflict of interest for LPL to promote and recommend those investments. However, these conflicts are mitigated





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insofar as the revenue sharing payments LPL receives are not shared with LPLE or the IAR who selects or recommends the investment products for client accounts.

The revenue that LPL receives from 12b-1 fees, recordkeeping compensation, and revenue sharing arrangements is an important revenue stream and presents conflicts of interest that affect LPL's ability to provide clients with unbiased, objective investment advice concerning the retention of previously purchased mutual funds and, in the future, the selection of funds and share classes for a Model Portfolio. In particular, LPL has a financial incentive: (i) to retain or select a product or a share class that charges a 12b-1 fee and/or pays recordkeeping compensation to LPL over another comparable product or a share class that does not charge 12b-1 fees or pay recordkeeping compensation; (ii) to retain or select a product sponsored by a company that makes revenue sharing payments to LPL, instead of another comparable product whose sponsor does not make such payments; and (iii) to retain or select a product or a share class that charges 12b-1 fees, pays recordkeeping compensation to LPL, or whose sponsor makes revenue sharing payments to LPL that, in each case, are comparatively higher than those charged or paid by another comparable fund or share class or a sponsor of such products or share classes. Such other comparable products and/or share classes may be more appropriate for a client than the product or share class offered through the Program. Additionally, LPL receives significantly more revenue sharing from fund sponsors for which LPL's clients have the largest holdings, which creates a conflict of interest for LPL and LPLE to promote and recommend those investments. LPL's website at [lpl.com/disclosures.html](http://lpl.com/disclosures.html) identifies the products that pay recordkeeping compensation and the mutual fund sponsors that make revenue sharing payments to LPL.

LPL credits to clients any 12b-1 fees it receives from mutual funds (other than the Sweep Funds), and therefore, LPL and LPLE do not have an incentive to select one fund or Program Share Class over another solely on the basis of the 12b-1 fee. In addition, LPL does not share 12b-1 fees, recordkeeping fees, or revenue sharing payments with LPLE or IARs, and therefore, there is no financial incentive for LPLE or an IAR to select a participating fund over another fund because of this fee arrangement. Although LPL does not share recordkeeping fees or revenue sharing payments with LPLE or its IARs, such fees and payments will increase LPL's profits and indirectly benefit LPLE and IARs, for example by increasing the value of equity awards from LPL's parent company to IARs or by being used by LPL to support marketing or training costs.

#### Cash Sweep Service Options

LPL automatically transfers cash balances (including otherwise uninvested cash amounts received from the customer, securities transactions, dividend and interest payments, and other account-related activities) in a customer's eligible accounts through the account's designated sweep service option, where applicable. The type of sweep service options available (and how cash is held) depends on the customer's account type. LPL offers Federal Deposit Insurance Corporation ("FDIC")-insured bank sweep services for most customer accounts. Accounts may be eligible for the LPL Insured Cash Account ("ICA") Program, the LPL Deposit Cash Account ("DCA") Program or the money market mutual fund sweep, each described below. Not all sweep service options are available to all types of customer accounts. Cash sweep is offered as an account feature and service to facilitate the operation and maintenance of the account and is not intended to be used as an investment option or as part of an account's asset allocation, though for certain advisory accounts, it is typical for an account to have an allocation to cash to support the operational needs and fees charged to the account. LPL and its financial professionals do not typically recommend specific sweep service options or underlying sweep holdings. For more information, please see your customer agreement and the applicable ICA or DCA disclosure booklet, or the sweep money market fund prospectus.

The aggregate fees and expenses received by LPL in connection with the customer account's designated sweep service option can be higher or lower than the customer's yields on the sweep service option depending on the particular sweep option, prevailing interest rates and other market factors. See <https://www.lpl.com/disclosures/lpl-financial-fdic-insured-bank-deposit-sweep-programs.html> for Information about our customer fees and customer Interest rates for ICA and DCA, or contact your LPLE IAR for information about our customer fees and customer interest rates for money market funds. Historically, customer yields in ICA have always been lower than the aggregate fees and charges received by LPL. Customer yields in DCA and in money market mutual funds have been both lower and higher than the aggregate fees and charges received by LPL.



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Cash sweep services are not intended to be used for long-term investments and are more appropriately viewed as an indirect cost of maintaining and operating the account. LPL makes available a wide range of investment alternatives with differing risk and return characteristics, which are better suited for meeting customer investment needs and objectives. Customers should compare the terms, interest rates, required minimum amounts and other features of their account's applicable sweep service option available through other types of accounts and investment options available in their account.

FDIC insurance protects against the loss of FDIC-insured deposits if the depository institution or bank holding the deposit fails. LPL itself is not an FDIC-insured depository institution. With respect to our sweep service options, only balances received by, and deposited at, the ICA and DCA are eligible for FDIC insurance (subject to applicable limits). Eligibility for pass-through deposit insurance coverage for ICA and DCA, deposits is subject to fulfilling specific conditions. Client Cash Accounts and money market mutual funds are not customer bank deposits and are subject to investment risks, including the potential loss of the amount invested. These investments are not FDIC-Insured, but may be subject to SIPC protection.

- **Insured Cash Account (ICA).** LPL's ICA sweep service option automatically sweeps otherwise uninvested cash balances held within customer brokerage (and certain advisory accounts) into interest-bearing bank deposits eligible for FDIC insurance (subject to applicable limits). Under its agreement with each ICA participating bank in which customer cash may be swept, LPL receives a fee from the bank equal to a percentage of the average daily deposit balance held at the bank. Such fees differ among the participating banks depending on the current interest rate environment and/or any fee waivers made by LPL. The fee LPL receives is generally an average aggregate annual rate of up to 6% as applied across the deposits held at all of the ICA participating banks. Because the banks generally pay different amounts to LPL on account balances, fees received by LPL with respect to a specific customer account (and the account's cash holdings) may be higher or lower than this average percentage amount. The fees received by LPL from the ICA participating banks reduce the interest rate customers receive on their cash held through ICA. These fees are additional compensation to LPL for operating and maintaining the account and for LPL's other services to the account. LPL has chosen to offer ICA as the sole sweep service option for certain account types, in part because of the additional compensation LPL earns from the use of ICA.

In situations where customer cash balances allocated through ICA exceed the deposit availability at ICA participating banks, uninsured cash balances may be placed into an "overflow" Client Cash Account. Such balances are considered to be "free credit balances" and represent a direct liability of LPL to the customer. See below for information about how LPL is compensated on Client Cash Account balances.

- **Deposit Cash Account (DCA).** LPL's DCA sweep service option automatically sweeps otherwise uninvested cash balances held within certain advisory accounts into interest bearing bank deposits eligible for FDIC Insurance (subject to applicable limits). In the DCA program, each Bank pays compensation equal to a percentage of the average daily aggregated omnibus deposit balance held at the bank. This amount includes the fee for the third-party administrator, LPL's per account fee, and interest payable to participating accounts. Such fees differ among the participating banks. Customers have no rights to the amounts paid by the DCA participating banks, except for interest actually credited to the customer account. However, amounts collected from the DCA participating banks during each period, less interest credited, will be allocated on a per-dollar, per-account basis and used to offset each customer's monthly LPL account fee for providing the sweep services. In addition, part of the payment by the participating banks will be used to compensate the third-party administrator for its services. For its services under the DCA program, including making the platform available, LPL receives a per-account fee each month. The monthly fee is based on a fee schedule indexed to the current Federal Funds Target (FFT) Rate as detailed in the DCA Disclosure Booklet located on [lpl.com](http://lpl.com). The current fee can also be found at [lpl.com](http://lpl.com). It is expected that this fee will be recouped from the DCA participating banks and will not be a fee directly applied to customer accounts. The fee LPL receives under the DCA program does not vary, and is not affected by the actual amounts held in the deposit accounts or in the customer's account. LPL has chosen to offer DCA as the sole service option for certain account types, in part because of the additional compensation LPL earns from the use of DCA.



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In situations where customer cash balances in DCA exceed the deposit availability at DCA participating banks, uninsured cash balances may be placed into an “overflow” money market mutual fund. See below for further information about fees generated by cash balances maintained in the DCA “overflow” money market mutual fund.

- **Client Cash Accounts – ICA Overflow Balances.** LPL receives additional compensation and benefits from the customer cash balances maintained in the ICA overflow mechanism, referred to as Client Cash Account, which constitute free credit balances available for LPL use. LPL can use free credit balances to fund its ongoing operations subject to the limitations under SEC Rule 15c3-3. Pursuant to Rule 15c3-3, LPL can (i) deposit free credit cash balances into a segregated deposit account at its banks, thereby earning interest on the Client Cash Account balances deposited, or (ii) invest the cash balances in securities backed by the full faith and credit of the U.S. government, thereby making money on any yield generated by such securities. The amount LPL will earn from these sources will vary based on market forces and the contracts for deposit arrangements that LPL is able to secure with its banks. LPL may use both or either of these vehicles at its sole discretion. Any amounts LPL receives pursuant to these sources will be reduced by the interest payable, if any, to customers on such balances, and further reduced by the cost of borrowing any funds necessary to meet its reserve requirements under Rule 15c3-3. For example, LPL may earn interest or a return by investing in short-term U.S. Government or Agency instruments or by using these balances to fund margin loans to its customers at a lower funding cost than would otherwise be the case. Customers do not share in the returns or proceeds associated with LPL's use or investment of such free credit balances, which are expected to exceed the amount of any Interest paid to the customer for Client Cash Account balances.
- **Money Market Mutual Fund Sweep Option.** For customer accounts not eligible for ICA or DCA, otherwise uninvested cash balances held in the account are automatically swept and invested daily into shares of a money market mutual fund. Currently, taxable and tax-exempt money market funds offered by J.P. Morgan Asset Management and Federated Services Company, are available. LPL receives compensation in the form of servicing fees of up to 0.25% of customer assets invested in J.P. Morgan Asset Management money market funds and up to 0.35% of customer assets invested in Federated Services Company money market funds. These money market mutual funds generally pay higher 12b-1 fees than other money market funds that are not used for sweep services. The 12b-1 fees and the payer of such fees are set out in the prospectus of the money market mutual fund. LPL receives service and administrative fees relating to the support of the sweep program from the sponsors of these funds, ranging between 0.25% and 0.45% of the assets Invested In the money market funds. Such fees may be waived by the fund companies in their sole discretion. These payments are in addition to other fees (e.g., recordkeeping and 12b-1 fees) received by LPL, where applicable.

LPL also receives fees of up to 0.45% for DCA “overflow” balances that are swept into the Goldman Sachs Asset Management Financial Square Government Fund, if any. The fees and the payer of such fees are set out in the prospectus of the money market fund.

The compensation that LPL receives related to ICA, DCA (including from any ICA and DCA overflow mechanisms) and the Sweep Funds is in addition to the Account Fee that LPL, LPLE and IAR receive with respect to the assets in the sweep investment. This compensation related to ICA, DCA and Sweep Funds is an important revenue stream and presents a conflict of interest to LPL because LPL has a financial benefit if cash balances are maintained in ICA, DCA or the Sweep Funds. In addition, LPL will not take into account this compensation when it makes decisions on a Model Portfolio's allocation to cash. LPL will not share this compensation with LPLE or its IARs.

#### Credit Cards

As part of its cash management services, LPL makes available for its customers credit cards through a partner bank. LPL receives a flat fee for each new activated credit card that is used by the cardholder in the first 90 days. LPL also receives a portion of the transaction volume of the cardholder's account. LPL's portion of the transaction volume varies depending on the number of LPL active cardholder accounts.



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### Review of Accounts

IARs of LPLE review accounts and meet with clients, on a regular basis or as requested by the client. IARs have access to review monthly or quarterly accounts statements as well as performance information, and such meetings may include a review of this information with client and other information or data related to the client's account and investment objectives.

Client may access account statements, showing account activity and month or quarter-end positions, and confirmations of the transactions that occurred within the account through the Portal. Confirmations of transactions will be consolidated in the case of rebalancing transactions. Detailed performance information is generally available in electronic form through the Portal and is available on year-end statements. IARs have access to review accounts statements and performance information.

Users of the Proposal Tool do not receive any reporting.

### Other Compensation

LPL and LPLE employees and their IARs receive additional compensation, business entertainment and gifts from product sponsors. However, such compensation may not be tied to the sales of any products. Compensation includes such items as gifts valued at less than \$100 annually, an occasional dinner or ticket to a sporting event, or reimbursement in connection with educational meetings, customer appreciation events, or marketing or advertising initiatives, including services for identifying prospective clients. Product sponsors also pay for, or reimburse LPL and LPLE for the costs associated with, education or training events that are attended by LPL and LPLE employees and IARs, and for LPL or LPLE-sponsored conferences and events. LPL and LPLE employees and IARs also receive reimbursement from product sponsors for technology-related costs, such as those to build systems, tools and new features to aid in serving customers.

LPL and LPLE employees provide sales support resources to IARs of LPLE that use LPL advisory programs. The compensation that LPL and LPLE pay to these employees varies based on the assets in LPL's different advisory programs. These employees have an incentive to promote certain advisory programs to IARs of LPLE over other advisory programs. These employees also earn more compensation when IARs transition client assets from brokerage accounts to advisory accounts, and have a financial incentive to encourage IARs of LPLE to transition brokerage accounts to advisory.

LPL receives compensation in the form of earnings on its short-term investment of cash in Program accounts prior to the time the cash is invested for the account. These earnings are generally known as "float." Cash in the account would typically result from contributions to the account or sales of securities in the account. For accounts that opt out of the sweep program, the accounts typically remain in free credit balances. In such case, LPL receives compensation in the form of earnings on cash. LPL does not share this compensation with LPLE or its IARs.

In the event a trade error occurs in an account, and such error is determined to be caused by LPL or LPLE, LPL typically will cancel the trade and remove the resulting monetary loss to the client from the account. If a trade correction is required as a result of client (e.g., if client does not make full payment for purchases or fails to deliver negotiable securities for liquidations before trade settlement), LPL typically will cancel the trade and any resulting monetary loss will be borne by the client. In the case of a trade that requires a correction as described above and that resulted in a monetary gain to the client, such gain will be removed from the account and can result in a financial benefit to LPL.

If a Model Portfolio is selected that only consists of ETFs and/or mutual funds within the same fund family or within affiliated fund families, the Portfolio Strategist will select only those funds within the affiliated fund families.

### Conflicts Related to Compensation to IARs and Unaffiliated Financial Institutions

IARs are associated with unaffiliated financial institutions, like insurance companies. Based on an arrangement between LPLE and the financial institution, IARs offer advisory services. Such advisory services are offered by LPLE and not the financial institution. Any securities recommended as part of the investment advice are not guaranteed by the financial institution, or insured by the Federal Deposit Insurance Corporation or any other federal or state deposit guarantee fund relating to financial institutions.



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### GUIDED WEALTH PORTFOLIOS – PROGRAM BROCHURE

IARs have a financial incentive to negotiate fee arrangements that maximize their compensation. In some programs, LPLE charges a negotiable advisory fee for itself plus a fee for third-party managers that is not negotiable. Differences in fees for third-party managers, and the absence of such fees in other programs, creates a conflict of interest for the IARs insofar as IARs can negotiate a higher LPLE advisory fee for a program or strategy with lower or no separate manager fee than they could for an account subject to a higher third-party manager fee. The amount received by an IAR as a result of a client's participation in any particular program offered by LPLE often is more than the IAR would have received if the client participated in other programs, paid third-party manager fees, or paid separately for investment advice, brokerage and other services covered by the account fee.

LPLE has entered into agreements with the financial institutions pursuant to which LPLE typically shares compensation, including a portion of the Account Fee, with the financial institution or its affiliates. LPLE typically shares between 90% to 100% of the Account Fee with the financial institution with which the IAR is affiliated, or an affiliate of such financial institution, and the financial institution or its affiliate pays part of that amount to IAR. The financial institution establishes the compensation plan for the IAR, which is subject to approval by LPLE. The compensation plan determines how the IAR's compensation is structured.

This compensation the IAR receives from the financial institution could be more than if the client participated in other LPLE programs, programs of other investment advisors or paid separately for investment advice, brokerage and other client services, and likewise, the fees that are assessed by LPL or LPLE could be less for GWP than other programs or services. In such cases, the IAR has a financial incentive to recommend advisory services in GWP over other programs and services. Although the IAR may factor in the fees that are assessed by LPL or LPLE in the overall Advisory Fee negotiated by the client, IAR can still earn more for offering GWP at a lower overall fee rate than the fee rate for a program offering a third-party manager. If an IAR is recommending an advisory program or service, he or she must believe that the program or service is suitable and in the best interest of the client in accordance with the applicable standards under the Advisers Act or other applicable law. All compensation paid to the financial institution and the IAR will be the sole responsibility of LPLE, and will not result in any increase in the Account Fees you pay to LPL and LPLE.

LPLE also may provide other forms of compensation to financial institutions, such as bonuses, awards or other things of value offered by LPL or LPLE to the institution. For example, LPLE pays certain financial institutions based on production, in the form of repayable notes, reimbursement of fees that LPL or LPLE charges for items such as administrative services, and other things of value such as free or reduced-cost marketing materials, transition assistance for changing association from another broker-dealer or investment adviser firm to LPLE, advances of advisory fees, and/or attendance at LPL's or LPLE's national conference or top producer forums and events. LPLE pays this compensation based on overall business production and/or on the amount of assets serviced in LPLE advisory programs. LPLE pays this compensation based on overall business production and/or on the amount of assets serviced in LPLE advisory programs. The financial institution and IAR have a financial incentive for an IAR to recommend the program account and services that will result in the greatest compensation to the financial institution and IAR. If LPLE makes a loan to a new or existing financial institution, there is also a conflict of interest because LPLE's interest in collecting on the loan affects its ability to objectively supervise an IAR at that financial institution.

In addition, financial institutions are eligible to receive financial assistance from LPL in connection with transferring existing client accounts serviced at an approved third-party investment program to an on-platform LPL advisory or brokerage account ("Operational Assistance"). These payments are typically calculated as a percentage of assets transferred to LPL up to 0.15%, but in some cases may involve a flat amount up to \$350 per transferred account. While Operational Assistance is intended to offset bona fide time and effort incurred by the financial institution's IARs in identifying and coordinating transfers, these payments can create an incentive for IARs to recommend that clients transfer their assets to on-platform LPL advisory and brokerage accounts since this will result in additional compensation to the financial institution. However, an IAR may only recommend a program or service that he or she believes is suitable and in the best interests of a client in accordance with the standard of care under applicable law.

Some of these financial institutions are affiliated with investment product sponsors, meaning that the investment products are sponsored by the financial institution. An IAR associated with a financial institution has a conflict of interest when IAR encourages clients to invest in that financial institution's proprietary investment products because the financial institution can influence the





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### GUIDED WEALTH PORTFOLIOS – PROGRAM BROCHURE

compensation paid to the IAR or terminate their relationship with the IAR altogether. Certain IARs are statutory agents of financial institutions that are affiliated with investment product sponsors, which means that they receive benefits and insurance as part of their contractual arrangement with those financial institutions. To be statutory agents, such IARs must primarily sell insurance products as their principal business activity, which creates a conflict of interest because such forms of non-cash compensation incentivize IARs to utilize proprietary products. In addition, when an affiliated investment product is selected for an account, the financial institution receives a portion of the Account Fee pursuant to the agreement between LPLE and the financial institution and its affiliate receives fees from the affiliated investment product except to the extent those fees are credited back to the client's account. Because affiliates of the financial institution earn fees and other benefits from the affiliated product, the IAR has an incentive to select its affiliated products based on the compensation and benefits its affiliates receive rather than on a client's needs. Certain financial institutions provide credits for affiliated investment products. We update this information from time to time on [lpl.com/disclosures.html](http://lpl.com/disclosures.html). For more information, click on "Account Disclosures, Agreements, Fee Schedules & Conflicts of Interest," and then "Third Party Compensation and Related Conflicts of Interest."

Note that the IAR does not receive additional compensation from the financial institution for selecting affiliated products and the IAR may only utilize an investment product that he or she believes is appropriate for clients. LPL reviews and selects investment products for the program and LPL may elect to remove or replace an investment product. There is a conflict of interest because the business relationship between LPL and the financial institution could affect LPL's ability to objectively select and determine whether to continue to maintain these investment products in the program. However, LPL only approves investment products that it determines are suitable and in the best interests of clients using the program, depending on clients' investment objective and risk tolerance.

#### Financial Information and Custody

LPLE will utilize LPL to maintain custody of assets in the Program. LPL is a qualified custodian as defined in Rule 206(4)-2 under the Advisers Act and maintains custody of GWP client funds and securities in a separate account for each client under the client's name. LPL as a qualified custodian sends account statements showing all transactions, positions, and all deposits and withdrawals of principal and income. LPL sends account statements periodically when the account has had activity or quarterly if there has been no activity. Clients should carefully review those account statements. LPL will not have custody of any funds and securities of users of the Proposal Tool.

#### Brokerage Practices

LPLE requires that clients direct LPL as custodian of account assets and broker-dealer with respect to processing securities transactions for a GWP account. When securities transactions are effected through LPL, there are no brokerage commissions charged to the account.

Clients should understand that not all advisors or program sponsors require their clients to direct brokerage. The fact that LPLE's affiliate, LPL is the sole broker-dealer on the account presents a conflict of interest. By directing brokerage to LPL, clients may be unable to achieve the most favorable execution of client transactions. Therefore, directed brokerage may cost clients more money. However, clients should understand that LPL and LPLE are not paid commissions or transaction charges for executing transactions in GWP accounts. In addition, in the case of mutual funds, execution is made at the net asset value of the fund. Although LPL is not paid a commission or transaction charge for transactions in the account, LPL bears costs for each transaction made in an account. This presents a conflict of interest because these costs may be a factor LPL considers when deciding what parameters to set for rebalancing transactions that occur in an account.

LPL will aggregate transactions for a client with other clients to improve the quality of execution. When transactions are so aggregated, the actual prices applicable to the aggregated transactions will be averaged, and the account will be deemed to have purchased or sold its proportionate share of the securities involved at the average price obtained. LPL also will aggregate rebalancing transactions for an account with other Program accounts. Due to the large number of accounts that may be involved in rebalancing transactions on a single day, LPL may effect transactions for some accounts on one day and for other





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### GUIDED WEALTH PORTFOLIOS – PROGRAM BROCHURE

accounts on the following day or days which may result in price differences. In such case, LPL will have discretion to sequence the accounts involved in rebalancing transactions with the goal of treating all accounts equitably over time.

Dividends paid by securities in a client's account may be automatically reinvested or may be paid to the client in cash. In general, mutual fund dividends will be reinvested in the specific mutual fund paying the dividend, while dividends for ETFs will generally be paid in cash.

Certain orders may be blocked or subject to review by LPL before they are directed to an exchange or market maker for execution. This review may result in a delay in execution. LPL reserves the right to place restrictions on your account in our sole discretion, and to cancel any order that we believe would violate federal credit regulations or other regulatory limitations; however, LPL will have no responsibility or liability for failing to cancel any order.

#### Brochure Supplements

Accompanying this Brochure are Brochure Supplements for members of the LPL Research team. Note that although these individuals are responsible for certain investment advice provided by LPL, and may meet with LPLE clients from time to time, they are not responsible for the ongoing individualized investment advice provided for your account. For more information about the IAR(s) managing your account, please refer to the Brochure Supplement(s) for your IAR(s), which should have been provided along with this Brochure at the time you opened your account. If you did not receive a Brochure Supplement for your IAR(s), please contact your IAR(s) or LPLE at [lpenterprise.adv@lpfinancial.com](mailto:lpenterprise.adv@lpfinancial.com).



## BROCHURE SUPPLEMENTS

March 31, 2025

Marc Andrew Zabicki  
Louis James Carpenetti  
Garrett Fish  
Jason Hoody  
Kristian Kerr  
Jeffrey Roach

Adam Turnquist  
Lawrence Dean Gillum  
Jina Yoon  
Quincy Krosby  
Thomas Shipp  
Craig Brown  
Scott Froidl

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These Brochure Supplements provide information about certain LPL employees or officers that supplements the LPL Financial Brochure that is attached to these Brochure Supplements. Please contact LPL Financial at the number above if you did not receive the LPL Financial Brochure or if you have any questions about the contents of these Brochure Supplements. You may also contact your LPL investment advisor representative with questions. Additional information about these LPL employees or officers is available on the SEC's website at <https://adviserinfo.sec.gov/>.

Note that although these LPL employees or officers included in these Brochure Supplements are responsible for investment advice provided by LPL they are not the IARs responsible for the ongoing individualized investment advice provided to a particular client. For more information about the IAR managing the account, client should refer to the Brochure Supplement for the IAR, which should have been provided by the IAR along with the LPL Financial Brochure and these Brochure Supplements at the time client opened the account. If client did not receive a Brochure Supplement for the IAR, the client should contact the IAR or LPL at [lpfinancial.adv@lpfinancial.com](mailto:lpfinancial.adv@lpfinancial.com).

### **Marc Andrew Zabicki**

#### **Educational Background and Business Experience**

Marc Zabicki was born in 1966. He has a BS in Economics from Florida State University and he is a Chartered Financial Analyst (CFA). He is Chief Investment Officer and the Director of Research for LPL Research and has been with the firm since 2020. Prior to joining LPL, he was Chief Investment Officer at Bower Hill Capital Management.

#### **Disciplinary Information**

None.

#### **Other Business Activities**

Mr. Zabicki is a registered representative of LPL. However, he does not engage in the sale of securities or receive commissions or other compensation based on the sale of securities or other investment products.

#### **Additional Compensation**

Mr. Zabicki receives a regular salary and a discretionary bonus. Since the bonus for LPL Research personnel is based on the performance of certain portfolios managed by LPL

Research, it presents a conflict of interest because it could incentivize the LPL Research team to focus on short-term performance, take undue risk, or favor certain portfolios over others. LPL mitigates this conflict by basing the bonus calculation on short and long-term performance, capping the amount of compensation paid regardless of the return, and tying a portion of the compensation to the outperformance of all LPL managed portfolios.

#### **Supervision**

Mr. Zabicki is responsible for the advice provided by the LPL Research Department through LPL's advisory programs, and he reports to Rob Pettman, Executive Vice President. The advice provided by Mr. Zabicki is subject to LPL's policies and procedures and to any guidelines established for the applicable advisory program. The Chief Compliance Officer ("CCO"), Advisory Compliance is responsible for administering LPL's policies and procedures for investment advisory activities. The Advisory Compliance Department can be reached at (800) 877-7210.



## **BROCHURE SUPPLEMENTS**

### **Louis James Carpenetti**

#### **Educational Background and Business Experience**

Louis James Carpenetti was born in 1971. He has a BS in Management from Palm Beach Atlantic University, an MBA from Georgia College & State University, a CFA Charterholder and has earned the CFP® certification. He is a Senior Vice President of Trading at LPL and joined LPL in July 2021. Prior to joining LPL, Mr. Carpenetti was Managing Director for Truist for 22 years serving in a variety of management and trading capacities.

#### **Disciplinary Information**

None.

#### **Other Business Activities**

Mr. Carpenetti is a registered representative of LPL. However, he does not engage in the sale of securities or receive commissions or other compensation based on the sale of securities or other investment products.

#### **Additional Compensation**

Mr. Carpenetti receives a regular salary and a discretionary bonus. Since the bonus for LPL Research personnel is based on the performance of certain portfolios managed by LPL Research, it presents a conflict of interest because it could incentivize the LPL Research team to focus on short-term performance, take undue risk, or favor certain portfolios over others. LPL mitigates this conflict by basing the bonus calculation on short and long-term performance, capping the amount of compensation paid regardless of the return, and tying a portion of the compensation to the outperformance of all LPL managed portfolios.

#### **Supervision**

As a Senior Vice President, Mr. Carpenetti is responsible for trade execution in LPL's advisory programs, subject to LPL's policies and procedures and to any guidelines established for the applicable advisory program. The CCO, Advisory Compliance is responsible for administering LPL's policies and procedures for investment advisory activities. The Advisory Compliance Department can be reached at (800) 877-7210.

### **Garrett Fish**

#### **Educational Background and Business Experience**

Garrett Fish was born in 1969. He has a BA in Japanese History from Bates College and is a CFA Charterholder. He

is a Senior Vice President and Head of Model Portfolio Management at LPL and joined LPL in 2022. Prior to joining LPL, Mr. Fish was a Portfolio Manager at JPMorgan Asset Management.

#### **Disciplinary Information**

None.

#### **Other Business Activities**

Mr. Fish is a registered representative of LPL. However, he does not engage in the sale of securities or receive commissions or other compensation based on the sale of securities or other investment products.

#### **Additional Compensation**

Mr. Fish receives a regular salary and a discretionary bonus. Since the bonus for LPL Research personnel is based on the performance of certain portfolios managed by LPL Research, it presents a conflict of interest because it could incentivize the LPL Research team to focus on short-term performance, take undue risk, or favor certain portfolios over others. LPL mitigates this conflict by basing the bonus calculation on short and long-term performance, capping the amount of compensation paid regardless of the return, and tying a portion of the compensation to the outperformance of all LPL managed portfolios.

#### **Supervision**

Mr. Fish reports to Mr. Zabicki, Chief Investment Officer and the Director of Research of LPL, who is responsible for the advice provided by the LPL Research Department through LPL's advisory programs. The advice provided by Mr. Fish is subject to LPL's policies and procedures and to any guidelines established for the applicable advisory program. The CCO, Advisory Compliance is responsible for administering LPL's policies and procedures for investment advisory activities. The Advisory Compliance Department can be reached at (800) 877-7210.

### **Jason Hoody**

#### **Educational Background and Business Experience**

Jason Hoody was born in 1975. He has a BS in Political Science from Clarkson University, an MA in International Affairs from American University, an MS in Finance from Johns Hopkins University, and is a CFA Charterholder. He is a Senior Vice President in Research at LPL and joined LPL in 2015. Prior to joining LPL, he was a Vice President at BB&T and an analyst at KPMG.



## **BROCHURE SUPPLEMENTS**

### **Disciplinary Information**

None.

### **Other Business Activities**

None.

### **Additional Compensation**

Mr. Hoody receives a regular salary and a discretionary bonus. Since the bonus for LPL Research personnel is based on the performance of certain portfolios managed by LPL Research, it presents a conflict of interest because it could incentivize the LPL Research team to focus on short-term performance, take undue risk, or favor certain portfolios over others. LPL mitigates this conflict by basing the bonus calculation on short and long-term performance, capping the amount of compensation paid regardless of the return, and tying a portion of the compensation to the outperformance of all LPL managed portfolios.

### **Supervision**

Mr. Hoody reports to Mr. Zabicki, Chief Investment Officer and the Director of Research of LPL, who is responsible for the advice provided by the LPL Research Department through LPL's advisory programs. The advice provided by Mr. Hoody is subject to LPL's policies and procedures and to any guidelines established for the applicable advisory program. The CCO, Advisory Compliance is responsible for administering LPL's policies and procedures for investment advisory activities. The Advisory Compliance Department can be reached at (800) 877-7210.

### **Kristian Kerr**

#### **Educational Background and Business Experience**

Kristian Kerr was born in 1977. He has a BBA in International Business from Schiller International University in Madrid, Spain. He is a Senior Vice President and the Head of Macro Strategy at LPL and joined LPL in 2023. Prior to joining LPL, Mr. Kerr worked at Citi Private Bank as the Western Region Head of Foreign Exchange & Macro.

#### **Disciplinary Information**

None.

#### **Other Business Activities**

Mr. Kerr does not engage in the sale of securities or receive commissions or other compensation based on the sale of securities or other investment products.

### **Additional Compensation**

Mr. Kerr receives a regular salary and a discretionary bonus. Since the bonus for LPL Research personnel is based on the performance of certain portfolios managed by LPL Research, it presents a conflict of interest because it could incentivize the LPL Research team to focus on short-term performance, take undue risk, or favor certain portfolios over others. LPL mitigates this conflict by basing the bonus calculation on short and long-term performance, capping the amount of compensation paid regardless of the return, and tying a portion of the compensation to the outperformance of all LPL managed portfolios.

### **Supervision**

Mr. Kerr reports to Mr. Zabicki, the Director of Research of LPL, who is responsible for the advice provided by the LPL Research Department through LPL's advisory programs. The advice provided by Mr. Kerr is subject to LPL's policies and procedures and to any guidelines established for the applicable advisory program. The CCO, Advisory Compliance is responsible for administering LPL's policies and procedures for investment advisory activities. The Advisory Compliance Department can be reached at (800) 877-7210.

### **Jeffrey Roach**

#### **Educational Background and Business Experience**

Jeffrey Roach was born in 1973. He has a BS in Mathematics from Bob Jones University and a MA and PhD in Economics from Clemson University. He is Chief Economist at LPL and joined LPL in 2022. Prior to joining LPL, Dr. Roach was Senior US Economist for Visa Inc, Managing Director, Economist at MacroView Partners and Chief Economist at Horizon Investments.

#### **Disciplinary Information**

None.

#### **Other Business Activities**

Dr. Roach is a registered representative of LPL. However, he does not engage in the sale of securities or receive commissions or other compensation based on the sale of securities or other investment products.

#### **Additional Compensation**

Dr. Roach receives a regular salary and a discretionary bonus. Since the bonus for LPL Research personnel is based on the performance of certain portfolios managed by LPL



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Research, it presents a conflict of interest because it could incentivize the LPL Research team to focus on short-term performance, take undue risk, or favor certain portfolios over others. LPL mitigates this conflict by basing the bonus calculation on short and long-term performance, capping the amount of compensation paid regardless of the return, and tying a portion of the compensation to the outperformance of all LPL managed portfolios.

### **Supervision**

Dr. Roach reports to Mr. Zabicki, Chief Investment Officer and the Director of Research of LPL, who is responsible for the advice provided by the LPL Research Department through LPL's advisory programs. The advice provided by Dr. Roach is subject to LPL's policies and procedures and to any guidelines established for the applicable advisory program. The CCO, Advisory Compliance is responsible for administering LPL's policies and procedures for investment advisory activities. The Advisory Compliance Department can be reached at (800) 877-7210.

### **Adam Turnquist**

#### **Educational Background and Business Experience**

Adam Turnquist was born in 1984. He has a BS from the University of Minnesota-Duluth and an MBA from the University of St. Thomas. He is Chief Technical Strategist and joined LPL in 2022. Prior to joining LPL, Mr. Turnquist worked as a Vice President, Technical Research Analyst at Piper Sandler.

#### **Disciplinary Information**

None.

#### **Other Business Activities**

Mr. Turnquist is a registered representative of LPL. However, he does not engage in the sale of securities or receive commissions or other compensation based on the sale of securities or other investment products.

#### **Additional Compensation**

Mr. Turnquist receives a regular salary and a discretionary bonus. Since the bonus for LPL Research personnel is based on the performance of certain portfolios managed by LPL Research, it presents a conflict of interest because it could incentivize the LPL Research team to focus on short-term performance, take undue risk, or favor certain portfolios over others. LPL mitigates this conflict by basing the bonus calculation on short and long-term performance,

capping the amount of compensation paid regardless of the return, and tying a portion of the compensation to the outperformance of all LPL managed portfolios.

### **Supervision**

Mr. Turnquist reports up to Mr. Zabicki, Chief Investment Officer and the Director of Research of LPL, who is responsible for the advice provided by the LPL Research Department through LPL's advisory programs. The advice provided by Mr. Turnquist is subject to LPL's policies and procedures and to any guidelines established for the applicable advisory program. The CCO, Advisory Compliance is responsible for administering LPL's policies and procedures for investment advisory activities. The Advisory Compliance Department can be reached at (800) 877-7210.

### **Lawrence Dean Gillum**

#### **Educational Background and Business Experience**

Lawrence Gillum was born in 1974. He has a BS from University of Florida and a Master in Business Administration from the University of North Carolina, Keenan Flagler Business School. He is a Vice President of Research at LPL and joined LPL in 2021. Prior to joining LPL, Mr. Gillum served as a Director at Raymond James where he oversaw fixed income research within the firm's discretionary model platform.

#### **Disciplinary Information**

None.

#### **Other Business Activities**

Mr. Gillum is a registered representative of LPL. However, he does not engage in the sale of securities or receive commissions or other compensation based on the sale of securities or other investment products.

#### **Additional Compensation**

Mr. Gillum receives a regular salary and a discretionary bonus. Since the bonus for LPL Research personnel is based on the performance of certain portfolios managed by LPL Research, it presents a conflict of interest because it could incentivize the LPL Research team to focus on short-term performance, take undue risk, or favor certain portfolios over others. LPL mitigates this conflict by basing the bonus calculation on short and long-term performance, capping the amount of compensation paid regardless of the return,



## **BROCHURE SUPPLEMENTS**

and tying a portion of the compensation to the outperformance of all LPL managed portfolios.

### **Supervision**

Mr. Gillum reports up to Mr. Zabicki, Chief Investment Officer and the Director of Research of LPL, who is responsible for the advice provided by the LPL Research Department through LPL's advisory programs. The advice provided by Mr. Gillum is subject to LPL's policies and procedures and to any guidelines established for the applicable advisory program. The CCO, Advisory Compliance is responsible for administering LPL's policies and procedures for investment advisory activities. The Advisory Compliance Department can be reached at (800) 877-7210.

### **Jina Yoon**

#### **Educational Background and Business Experience**

Jina Yoon was born in 1983. She has a BS and MEng from Cornell University. She is Chief Alternate Investment Strategist at LPL and joined LPL in 2023. Prior to joining LPL, Ms. Yoon was the Head of Portfolio Management & Senior Portfolio Manager at Nomura Private Capital. Prior to Nomura, she served both Institutional and Private Wealth Clients as the Head of Tactical Strategies at Credit Suisse.

#### **Disciplinary Information**

None.

#### **Other Business Activities**

Ms. Yoon does not engage in the sale of securities or receive commissions or other compensation based on the sale of securities or other investment products.

#### **Additional Compensation**

Ms. Yoon receives a regular salary and a discretionary bonus. Since the bonus for LPL Research personnel is based on the performance of certain portfolios managed by LPL Research, it presents a conflict of interest because it could incentivize the LPL Research team to focus on short-term performance, take undue risk, or favor certain portfolios over others. LPL mitigates this conflict by basing the bonus calculation on short and long-term performance, capping the amount of compensation paid regardless of the return, and tying a portion of the compensation to the outperformance of all LPL managed portfolios.

### **Supervision**

Ms. Yoon reports up to Mr. Zabicki, the Director of Research of LPL, who is responsible for the advice provided by the LPL Research Department through LPL's advisory programs. The advice provided by Ms. Yoon is subject to LPL's policies and procedures and to any guidelines established for the applicable advisory program. The CCO, Advisory Compliance is responsible for administering LPL's policies and procedures for investment advisory activities. The Advisory Compliance Department can be reached at (800) 877-7210.

### **Quincy Krosby**

#### **Educational Background and Business Experience**

Quincy Krosby was born in 1948. She has an MPhil and PhD from The London School of Economics. She is Chief Global Strategist at LPL and joined LPL in 2022. Prior to joining LPL, Ms. Krosby worked at Prudential Financial as Chief Market Strategist.

#### **Disciplinary Information**

None.

#### **Other Business Activities**

Ms. Krosby is a registered representative of LPL. However, she does not engage in the sale of securities or receive commissions or other compensation based on the sale of securities or other investment products.

#### **Additional Compensation**

Ms. Krosby receives a regular salary.

### **Supervision**

Ms. Krosby reports to Mr. Zabicki, Chief Investment Officer and the Director of Research of LPL, who is responsible for the advice provided by the LPL Research Department through LPL's advisory programs. This is subject to LPL's policies and procedures and to any guidelines established for the applicable advisory program. The CCO, Advisory Compliance is responsible for administering LPL's policies and procedures for investment advisory activities. The Advisory Compliance Department can be reached at (800) 877-7210.





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### **Thomas Shipp**

#### **Educational Background and Business Experience**

Thomas Shipp was born in 1984. He has a BS in Business Administration from Fordham University and is a CFA Charterholder. He is a Vice President and Head of Equity Research at LPL and joined LPL in 2017. Prior to joining LPL, Mr. Shipp was an Associate in the Equity Research Department at BMO Capital Markets.

#### **Disciplinary Information**

None.

#### **Other Business Activities**

Mr. Shipp is a registered representative of LPL. However, he does not engage in the sale of securities or receive commissions or other compensation based on the sale of securities or other investment products.

#### **Additional Compensation**

Mr. Shipp receives a regular salary and a discretionary bonus. Since the bonus for LPL Research personnel is based on the performance of certain portfolios managed by LPL Research, it presents a conflict of interest because it could incentivize the LPL Research team to focus on short-term performance, take undue risk, or favor certain portfolios over others. LPL mitigates this conflict by basing the bonus calculation on short and long-term performance, capping the amount of compensation paid regardless of the return, and tying a portion of the compensation to the outperformance of all LPL managed portfolios.

#### **Supervision**

Mr. Shipp reports to Mr. Zabicki, the Director of Research of LPL, who is responsible for the advice provided by the LPL Research Department through LPL's advisory programs. The advice provided by Mr. Shipp is subject to LPL's policies and procedures and to any guidelines established for the applicable advisory program. The CCO, Advisory Compliance is responsible for administering LPL's policies and procedures for investment advisory activities. The Advisory Compliance Department can be reached at (800) 877-7210.

### **Craig Brown**

#### **Educational Background and Business Experience**

Craig Brown was born in 1988. He has a dual BS in Economics and Information Analysis from James Madison

University and a MAIS in Computational Social Science from George Mason University. He is a Vice President and Head of Quant Strategy at LPL and joined LPL in 2021. Prior to joining LPL, Mr. Brown was a Senior Associate in Investment Analytics and Data at Dimensional Fund Advisors.

#### **Disciplinary Information**

None.

#### **Other Business Activities**

Mr. Brown does not engage in the sale of securities or receive commissions or other compensation based on the sale of securities or other investment products.

#### **Additional Compensation**

Mr. Brown receives a regular salary and a discretionary bonus. Since the bonus for LPL Research personnel is based on the performance of certain portfolios managed by LPL Research, it presents a conflict of interest because it could incentivize the LPL Research team to focus on short-term performance, take undue risk, or favor certain portfolios over others. LPL mitigates this conflict by basing the bonus calculation on short and long-term performance, capping the amount of compensation paid regardless of the return, and tying a portion of the compensation to the outperformance of all LPL managed portfolios.

#### **Supervision**

Mr. Brown reports to Mr. Zabicki, the Director of Research of LPL, who is responsible for the advice provided by the LPL Research Department through LPL's advisory programs. The advice provided by Mr. Brown is subject to LPL's policies and procedures and to any guidelines established for the applicable advisory program. The CCO, Advisory Compliance is responsible for administering LPL's policies and procedures for investment advisory activities. The Advisory Compliance Department can be reached at (800) 877-7210.

### **Scott Froidl**

#### **Educational Background and Business Experience**

Scott Froidl was born in 1971. He has a BS from Lindenwood University. He is an Assistant Vice President Senior Investment Analyst at LPL and joined LPL in 2021. Prior to joining LPL, Mr. Froidl was a Senior Investment Analyst at Wells Fargo from 2018 until 2021 and Senior Investment Analyst at Stifel in 2018 while starting with the firm in 2001.



## **BROCHURE SUPPLEMENTS**

### **Disciplinary Information**

None.

### **Other Business Activities**

Mr. Froidl is a registered representative of LPL. However, he does not engage in the sale of securities or receive commissions or other compensation based on the sale of securities or other investment products.

### **Additional Compensation**

Mr. Froidl receives a regular salary and a discretionary bonus. Since the bonus for LPL Research personnel is based on the performance of certain portfolios managed by LPL Research, it presents a conflict of interest because it could incentivize the LPL Research team to focus on short-term performance, take undue risk, or favor certain portfolios over others. LPL mitigates this conflict by basing the bonus calculation on short and long-term performance, capping the amount of compensation paid regardless of the return, and tying a portion of the compensation to the outperformance of all LPL managed portfolios.

### **Supervision**

Mr. Froidl reports to Mr. Zabicki, the Director of Research of LPL, who is responsible for the advice provided by the LPL Research Department through LPL's advisory programs. The advice provided by Mr. Froidl is subject to LPL's policies and procedures and to any guidelines established for the applicable advisory program. The CCO, Advisory Compliance is responsible for administering LPL's policies and procedures for investment advisory activities. The Advisory Compliance Department can be reached at (800) 877-7210.

### **Jeffrey Alan Buchbinder**

#### **Educational Background and Business Experience**

Jeffrey Alan Buchbinder was born in 1971. He has a BA in Economics from Northwestern University and an MBA from Duke University. He is Chief Equity Strategist and Portfolio Manager for LPL Financial Research and has been with the firm since 2003. Prior to joining LPL, he served as an Equity Research Associate at Sanford C. Bernstein. Prior to Bernstein, he was an Equity Research Associate at Deutsche Bank.

#### **Disciplinary Information**

None.

### **Other Business Activities**

Mr. Buchbinder is a registered representative of LPL. However, he does not engage in the sale of securities or receive commissions or other compensation based on the sale of securities or other investment products.

### **Additional Compensation**

Mr. Buchbinder receives a regular salary and a discretionary bonus. Since the bonus for LPL Research personnel is based on the performance of certain portfolios managed by LPL Research, it presents a conflict of interest because it could incentivize the LPL Research team to focus on short-term performance, take undue risk, or favor certain portfolios over others. LPL mitigates this conflict by basing the bonus calculation on short and long-term performance, capping the amount of compensation paid regardless of the return, and tying a portion of the compensation to the outperformance of all LPL managed portfolios.

### **Supervision**

Mr. Buchbinder reports up to Mr. Zabicki, Chief Investment Officer and the Director of Research of LPL, who is responsible for the advice provided by the LPL Research Department through LPL's advisory programs. The advice provided by Mr. Buchbinder is subject to LPL's policies and procedures and to any guidelines established for the applicable advisory program. The CCO, Advisory Compliance is responsible for administering LPL's policies and procedures for investment advisory activities. The Advisory Compliance Department can be reached at (800) 877-7210.

### **George Smith**

#### **Educational Background and Business Experience**

George Smith was born in 1983. He has a BS in Mathematics from the University of Bristol in the United Kingdom (UK). He is Portfolio Strategist at LPL and joined LPL in 2013. Prior to joining LPL, Mr. Smith worked in London, UK for Legal and General Investment Management (LGIM) and Goldman Sachs Asset Management (GSAM).

#### **Disciplinary Information**

None.

#### **Other Business Activities**

Mr. Smith is a registered representative of LPL. However, he does not engage in the sale of securities or receive



## **BROCHURE SUPPLEMENTS**

commissions or other compensation based on the sale of securities or other investment products.

### **Additional Compensation**

Mr. Smith receives a regular salary and a discretionary bonus. Since the bonus for LPL Research personnel is based on the performance of certain portfolios managed by LPL Research, it presents a conflict of interest because it could incentivize the LPL Research team to focus on short-term performance, take undue risk, or favor certain portfolios over others. LPL mitigates this conflict by basing the bonus calculation on short and long-term performance, capping the amount of compensation paid regardless of the return, and tying a portion of the compensation to the outperformance of all LPL managed portfolios.

### **Supervision**

Mr. Smith reports up to Mr. Zabicki, the Director of Research of LPL, who is responsible for the advice provided by the LPL Research Department through LPL's advisory programs. The advice provided by Mr. Smith is subject to LPL's policies and procedures and to any guidelines established for the applicable advisory program. The CCO, Advisory Compliance is responsible for administering LPL's policies and procedures for investment advisory activities. The Advisory Compliance Department can be reached at (800) 877-7210.



# LPL ENTERPRISE, LLC FIRM BROCHURE

LPL Enterprise, LLC  
1055 LPL Way, Fort Mill, SC 29715  
[www.lpl.com/lpl-enterprise.html](http://www.lpl.com/lpl-enterprise.html) (704) 733-3482

March 31, 2025

This brochure provides information about the qualifications and business practices of LPL Enterprise, LLC ("LPLE"). If you have any questions about the contents of this brochure, please contact your LPLE representative or LPLE at [LPLEnterprise.ADV@lpl.com](mailto:LPLEnterprise.ADV@lpl.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

Additional information about LPLE also is available on the SEC's website at <https://adviserinfo.sec.gov/>

## ITEM 1 COVER PAGE

## ITEM 2 MATERIAL CHANGES

The following is a summary of certain changes made to this Brochure from the time of the initial filing dated July 5, 2024. Item 4 was updated to include a description of a Third-Party Asset Management Program. Additional risk disclosures were added in Item 8 related to third-party service providers' or any counterparties' potential use of artificial intelligence and machine learning, as well as risks related to investment strategies that seek to enhance after-tax performance, including funds that utilize a tax-managed strategy (e.g., an "exchange fund"). Item 9 was updated to provide information regarding disciplinary events of our affiliate LPL Financial LLC, involving (i) a settlement with the SEC that included a \$50 million fine for failing to maintain required records of certain business-related communications; and (ii) a settlement with the SEC that included an \$18 million fine for LPL not following its anti-money laundering policies for its customer identification program and ongoing customer due diligence obligations. Item 14 was updated to disclose that financial institutions may receive up to 0.15% of assets transferred to on-platform LPLE programs from third-party investment programs as Operational Assistance.

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# LPL ENTERPRISE, LLC FIRM BROCHURE

## ITEM 4 ADVISORY BUSINESS

### Introduction

LPLE is an investment adviser registered with the Securities and Exchange Commission (“SEC”) pursuant to the Investment Advisers Act of 1940 (the “Advisers Act”). Note that registration as an investment adviser with the SEC does not imply a certain level of skill or training. LPLE is owned 100% by LPL Holdings, Inc., which is owned 100% by LPL Financial Holdings Inc., a publicly held company.

LPLE’s advisory services are made available to clients primarily through individuals associated with LPLE as investment adviser representatives (“IARs”). For more information about the IAR providing advisory services, client should refer to the Brochure Supplement for the IAR. The Brochure Supplement is a separate document that is provided by the IAR along with this Brochure before or at the time client engages the IAR. If client did not receive a Brochure Supplement for the IAR, the client should contact the IAR or LPLE at [LPLEnterprise.ADV@lpl.com](mailto:LPLEnterprise.ADV@lpl.com). IARs are required by applicable rules and policies to obtain licenses and complete certain training in order to recommend certain investment products and services. You should be aware that your IAR, depending on the licenses or training obtained, may or may not be able to recommend certain investments, models, programs, or services. In addition, your IAR may be associated with a financial institution that does not offer certain products, investments, models, programs, or services. Please ask your IAR whether any limitations apply.

### Types of Advisory Services

LPLE offers various types of advisory services and programs, including a wrap program called Model Wealth Portfolios (“MWP”) sponsored by its affiliate, LPL Financial LLC (“LPL”) and financial planning and consulting services. This Brochure provides certain information about MWP and information about financial planning and consulting services. LPL provides a separate disclosure brochure for MWP. If clients would like more information on MWP, clients should contact their IAR for a copy of that program brochure or go to <https://adviserinfo.sec.gov>. LPLE conducts its advisory business under the name “LPL Enterprise, LLC.” Although LPLE uses separate marketing names, LPLE does not conduct any advisory business primarily through any of those entities.

LPLE is also a broker-dealer registered with the Financial Industry Regulatory Authority (“FINRA”), and IARs are typically also registered with LPLE as broker-dealer registered representatives. Therefore, in such cases, IARs are able to offer a client both investment advisory and brokerage services. Before engaging with an IAR, clients should take time to consider the differences between an advisory relationship and a brokerage relationship to determine which type of service best serves the client’s investment needs and goals. All recommendations regarding advisory accounts will be in an advisory capacity, and any recommendations regarding any brokerage account will be in a brokerage capacity, unless a client is expressly told otherwise. Clients should speak to the IAR to understand the different types of services available through LPLE. Not all LPLE IARs have access to all products and services.

Following is a summary description of advisory services covered by this Brochure. Please consult the applicable client account agreement and fee schedules for additional information and details regarding these programs and services.

### Financial Planning & Consulting Services

Under our Financial Planning & Consulting Services Program, LPLE, through its IARs, provides personal financial planning and consulting services tailored to the individual needs of the client. The scope and duration of services varies and is determined between the client and IAR, and may range from comprehensive financial planning to consulting on a particular issue, including focus on topics such as retirement planning, education planning, estate planning, cash flow/budget planning, risk management planning, personal wealth planning, tax planning, business planning, investment planning/asset allocation, divorce planning, executive compensation strategies, or such other financial planning or consulting services needs as designated in the Financial Planning & Consulting Services Program Agreement, and may include delivery of a written financial plan or report depending upon the scope of agreed upon services.



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The client remains solely responsible for determining whether or not to implement program recommendations and taking all necessary steps to do so. LPLE and IAR will not exercise investment discretion or implement any investment advice or recommendations provided as part of the services. Rather, the services are offered as point-in-time based consultations that are provided either on a one-time basis or periodically at such frequency as requested by client, and do not include providing ongoing active investment management or monitoring services. Moreover, to the extent that the services include consideration of a client's group or individual qualified retirement plan assets, this is not intended to result in LPLE or IAR acting as a "fiduciary" as such term applies under the Employee Retirement Security Act of 1974 ("ERISA") or the Internal Revenue Code. Clients may elect to retain LPLE and IAR to provide various securities and/or ongoing investment management or monitoring services by enrolling in other programs available through LPLE.

### Third Party Asset Management (TAMP)

TAMP services are generally offered through LPLE as co-investment advisory service arrangements but may also be referral-based in nature, as designated within the applicable TAMP sponsor (as defined below) agreement, disclosures or other account paperwork provided to the client when establishing a TAMP account.

*Co-Investment Advisory Services:* LPLE, through its IARs, provides access to asset management programs offered by third-party investment advisors (referred to as "TAMP sponsors") with which LPLE have entered an agreement to provide services as a co-investment advisor. These TAMP sponsors are subject to review according to LPLE standards for inclusion as a TAMP and change from time to time. As of the date of this Brochure, these firms include AssetMark, Beacon, Brinker Capital, City National Rochdale Investment Management, Dunham & Associates, Flexible Plan, FOCUS Partners (formerly Buckingham Strategic Partners), Freedom Investment Management, Madison Investments, Matson Money, Manning & Napier, Members Trust Company, Morningstar Investment Services, Orion Portfolio Solutions, SEI, Symmetry Partners, and The Pacific Financial Group. Please consult IAR for information regarding available TAMP sponsors.

TAMP services generally begin by the IAR assisting the client with setting an appropriate investment objective based on their unique financial circumstances and needs, determining the appropriateness of the program and opening an account with a suitable TAMP sponsor. The IAR also typically assists the client with selecting a suitable model investment portfolio consisting of securities selected and managed by either the TAMP sponsor or a designated portfolio management firm (referred to as a "subadvisor") available through the TAMP sponsor. The TAMP sponsor or subadvisor is typically granted authority in its client agreement to purchase and sell securities on a discretionary basis pursuant to the investment objective chosen by the client, though trading authority may be limited to non-discretionary under certain circumstances based on the terms of the terms governing the arrangement. LPLE, through its IAR, provides ongoing monitoring of the client's TAMP account and may periodically recommend changes to the model portfolio, or TAMP sponsor or subadvisor, as appropriate based on changes to the client's investment objective or other relevant factors. In the case of group retirement plans, LPLE and the IAR do not act as an "investment manager" as defined under Section 3(38) of ERISA, unless otherwise expressly acknowledged in writing by LPLE.

The TAMP sponsor and subadvisors typically provide impersonal investment advice by constructing and maintaining various model investment portfolios that are managed according to specific investment strategies associated with the corresponding models, and that are not generally customized for individual clients (subject to the client's ability to request reasonable investment restrictions. In limited cases, the TAMP sponsor or subadvisor may enable the IAR or client a great degree of influence and/or discretion to customize model portfolio holdings, pursuant to the terms of the TAMP sponsor's client agreement. In addition to portfolio management services, the TAMP sponsor will also generally arrange for custody of client assets, trade execution, cashiering services, and such other services as outlined in their separate client agreement and disclosure brochure.

Since the services provided by each TAMP sponsor or subadvisor are unique, clients should request and carefully review the applicable disclosure brochure, client agreement and other account paperwork for each TAMP for more detailed information about the services provided by the TAMP sponsor, including without limitation, a description of the TAMP sponsor's background, investment strategies, fees, custody arrangements, conflicts of interest, and other relevant information regarding the TAMP sponsor's services and business practices. Clients may request a copy of their disclosure brochure from the IAR or by





## LPL ENTERPRISE, LLC FIRM BROCHURE

visiting <https://adviserinfo.sec.gov/>. Clients may also request the Form ADV 2B Supplemental Brochure for TAMP sponsors and subadvisors from their IAR for detailed information about the management personnel responsible for managing TAMP investment portfolios.

*Referral-based Services:* On a limited basis, LPLE offers TAMP referral and related services through its IAR, to accommodate certain (i) clients serviced by AssetMark or BNY Mellon Wealth Management, (ii) group retirement plan sponsors or participants and (iii) other legacy or unique client arrangements LPLE elects to accommodate and service on a referral basis. In such case, the TAMP client agreement, disclosures or other account paperwork will ordinarily identify LPLE and its IARs as either a referral agent, solicitor or promoter, and outline details of the referral arrangement between the TAMP sponsor and LPLE. Under these arrangements, the client engages the TAMP sponsor as the investment advisor responsible for providing ongoing investment advice and portfolio management, and LPLE is compensated by the TAMP sponsor for providing the referral, enrollment and ongoing account administrative support as a liaison between the client and TAMP sponsor through the IAR.

### Access to LPL Programs

LPLE offers clients access to LPL's MWP investment advisory program. MWP is a unified managed account program in which LPL and LPLE provide ongoing investment advice on a discretionary basis. LPLE, through IAR, obtains the necessary financial data from the client, assists the client in determining the suitability of the program and assists the client in setting an appropriate investment objective. LPLE selects one or more model portfolios of securities (each, a "Portfolio") designed by LPL's Research Department, a third-party investment strategist, or LPLE, through IAR (each, a "Portfolio Strategist"), consistent with the client's stated investment objective. These Portfolios may contain mutual funds, exchange-traded funds ("ETFs"), exchange-traded notes ("ETNs"), closed-end funds, equities, or fixed-income securities. LPLE, through IAR, provides ongoing advice on the selection or replacement of a Portfolio based on the client's individual needs and may choose more than one Portfolio to be managed within a single MWP account. A Portfolio also may be comprised of one or more underlying models.

Clients grant LPLE and IAR discretion to choose among the available models designed by the Portfolio Strategists. The Portfolio Strategist is responsible for selecting the securities within a Portfolio and for making changes to the securities selected. Each Portfolio Strategist provides its model portfolio to LPL, and LPL makes the decisions on how to implement the model on behalf of clients.

Clients should review the MWP Program Brochure for more detailed information about this program.

## ITEM 5 FEES AND COMPENSATION

### Financial Planning & Consulting Services

Clients generally pay either a flat or hourly fee and will be billed at such frequency (e.g., upfront, monthly, quarterly or annually) as negotiated with the IAR and indicated in Schedule A to the client agreement. These fees typically range from \$0 to \$10,000, or up to \$500 per hour, but may exceed this amount depending on the frequency and scope of complexity of the financial planning engagement. The IAR may elect to provide these services on a discounted or complimentary basis for no fee. Clients should understand that the fee client negotiates with IAR for these services will be higher than the fees charged by other investment advisors for similar services in certain circumstances and particularly, if the fee is at or near the maximum fees set out above. The IAR is responsible for determining the fee to charge each client based on factors such as total amount of assets involved in the relationship, the complexity of the planning services, and the number and range of supplementary advisory and client-related services to be provided. Clients should consider the level and complexity of the planning services to be provided when negotiating the fee with IAR.

Clients may pay the financial planning fee by check made payable to LPL Enterprise, LLC. In the alternative, clients may instruct and authorize LPL to debit the fee on a one-time or reoccurring basis either (i) from a non-retirement account of the client custodied at LPL or (ii) through an LPLE approved third party payment processing service.

The client may terminate their services agreement at any time and request a refund of unearned fees, if any, based on the time and effort of services completed prior to termination of the agreement.



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### TAMP – Co-Investment Advisory Model

For co-investment advisory TAMP arrangements, LPLE and the TAMP sponsor each charge an advisory fee to the client for their respective services as indicated in the TAMP sponsor's account paperwork. The LPLE IAR negotiates the fee payable to LPLE typically up to a maximum of 2% (but may be higher in certain circumstances) and the TAMP sponsor often discloses a standardized fee schedule with a set minimum or maximum fee, though its fees may also be negotiable. The advisory fee is ordinarily based on the value of assets under management as calculated by the designated custodian, which generally deducts and pays fees to LPLE and the TAMP sponsor either quarterly in arrears or in advance, although some arrangements may support monthly fees. The total advisory fee is often paid to the TAMP sponsor which in turn pays the agreed upon portion to LPLE. LPLE typically shares between 90% to 100% of the advisory fee with the financial institution with which the IAR is affiliated or an affiliate of such financial institution. The program agreements and/or disclosure brochures provided by LPLE and the TAMP sponsor will outline how a client may terminate a TAMP arrangement and request a refund of any pre-paid unearned fees.

There are other fees and charges imposed by the TAMP sponsor or third parties that apply to investments in TAMP accounts. Some of these fees and charges are described below and should also be outlined in the TAMP sponsors' respective disclosure brochures as applicable. The client will be charged commissions, markups, markdowns, or transaction charges by the broker-dealer who executes transactions in the TAMP account. There also are custodial related fees imposed by the custodian of assets for the program account. These additional fees and charges will be set out in the TAMP disclosure brochure and the agreements executed by the client at the time the account is opened. LPLE does not share in any of the transaction fees or custodial fees associated with TAMP accounts.

If assets are invested in mutual funds, ETFs or other pooled funds, there are two layers of advisory fees and expenses for those assets. Client will pay an advisory fee to the fund manager and other expenses as a shareholder of the fund. Client will also pay the TAMP advisory fee with respect to those assets. The mutual funds and ETFs available in the programs often may be purchased directly. Therefore, clients could avoid the second layer of fees by not using the advisory services of the TAMP and IAR and by making their own decisions regarding the investment.

A mutual fund in a TAMP account may pay an asset based sales charge or service fee (e.g., 12b-1 fee) that is paid to the broker-dealer on the account. LPLE and LPLE IARs generally are not paid these fees for TAMP accounts.

If client transfers into a TAMP account a previously purchased mutual fund, and there is an applicable contingent deferred sales charge on the fund, client will pay that charge when the mutual fund is sold. If the account is invested in a mutual fund that charges a fee if a redemption is made within a specific time period after the investment, client will be charged a redemption fee. If a mutual fund has a frequent trading policy, the policy can limit a client's transactions in shares of the fund (e.g., for rebalancing, liquidations, deposits, or tax harvesting).

If client holds variable annuity or variable universal life insurance subaccount assets that are managed as part of a TAMP account, there are mortality, expense and administrative charges, fees for additional riders on the contract and charges for excessive transfers within a calendar year imposed by the sponsor. If client holds a UIT in a TAMP account, UIT sponsors charge creation and development fees or similar fees. Further information regarding fees assessed by a mutual fund, variable annuity, variable universal life insurance product, or UIT is available in the appropriate prospectus, which clients may request from IAR.

Client understands that a TAMP account will be charged an ongoing fee for investment advisory services and that the ongoing fee may cost more than if the assets were held in a traditional brokerage account. In a brokerage account, a client is charged a commission for each transaction, and there is typically no duty to provide ongoing advice with respect to the account. If client plans to follow a buy and hold strategy for the account or does not wish to purchase ongoing investment advice or management services, client should consider opening a brokerage account rather than a TAMP account.

If the TAMP arrangement is a wrap fee program, clients should understand that the wrap fee may cost the client more than purchasing the program services separately, for example, paying fees for the advisory services of the TAMP and IAR, plus commissions for each transaction in the account. Factors that bear upon the cost of the account in relation to the cost of the same services purchased separately include the:



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- type and size of the account
- types of securities in the account
- historical and or expected size or number of trades for the account, and
- number and range of supplementary advisory and client-related services provided to the client.

The investment products and services available to be purchased in TAMP accounts can be purchased by clients outside of a TAMP account, through LPLE, or through broker-dealers or other investment firms not affiliated LPLE or the TAMP sponsor. In addition, investment models or subadvisors offered by TAMP sponsors may also be available through other LPLE advisory programs at a lower overall cost to clients. Where the same model or subadvisor is offered by a TAMP and in another LPLE advisory program, the total cost a client pays to access these through a TAMP, including amounts charged directly or indirectly for co-advisory or referral fees to paid LPLE and the LPLE IAR could exceed the total inclusive cost for access to the same model or subadvisor through an alternative LPLE advisory program. Advisory programs differ in overall features and functionalities offered, and an IAR may only recommend a program or service that he or she believes is suitable and in the best interest of a client.

TAMP sponsors may offer one or more share classes per mutual fund in their investment models or programs. Share classes are different types of mutual fund shares that typically carry different levels of distribution or servicing fees and are available for purchase by different types of investors, and include, for example, "Class I, "institutional," "investor," "retail," "service," "administrative" or "platform" share classes. For LPLE's other advisory programs, mutual fund share classes are generally no-load or load-waived, however the share classes are, in many cases, not the least expensive share class that the mutual fund makes available. In the TAMPs, the TAMP sponsor or a model advisor or subadvisor determines which mutual fund share classes to use. The share classes chosen by the TAMP sponsor or other third-party adviser may be more or less expensive to clients than those available in the other advisory programs. Therefore, clients may be able to purchase the same mutual funds outside of the TAMP account for lower fees.

Client should be aware that securities transferred into a TAMP account may have been subject to a commission or sales load when the security was originally purchased. After transfer into a TAMP account, client should understand that an advisory fee will be charged based on the total assets in the account, including the transferred security. When transferring securities into an account, client should consider and speak to IAR about whether:

- a commission was previously paid on the security;
- client wishes for the security to be managed as part of the account and be subject to an advisory fee; or
- client wishes to hold the security in a brokerage account that is not managed and not subject to an advisory fee.

### Fees for LPL Programs

Clients in the MWP program are charged an annualized account fee which is comprised of an advisory fee and a manager fee. The advisory fee is charged for the investment advisory services of LPLE as well as the as well as the investment advisory, administrative, trading, custodial and clearing services of LPL. The maximum advisory fee is 2.35% and is negotiable. Depending upon the model(s) selected for the account, clients pay a manager fee set by LPL for the use of each model portfolio. The manager fee ranges from 0% to 0.60%. LPL deducts the account fee and other fees and charges associated with an MWP account quarterly in advance. In addition to the account fee, clients also pay LPL other additional miscellaneous administrative and custodial-related fees and charges and other fees and charges imposed by third parties that apply to an MWP account. Clients should review the MWP Program Brochure for more information about the fees associated with this program.

### ITEM 6 PERFORMANCE BASED FEES AND SIDE-BY-SIDE MANAGEMENT

This Item is not applicable. LPLE and its IARs do not accept performance-based fees.

### ITEM 7 TYPES OF CLIENTS

LPLE's advisory services are available for individuals, individual retirement accounts ("IRAs"), banks, thrift institutions, credit unions, pension and profit-sharing plans, including plans subject to ERISA, participants in such plans, trusts, estates, charitable organizations, state and municipal government entities, corporations and other business entities.



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LPL requires a minimum asset value for an MWP account to be managed, as disclosed in the MWP Program Brochure. LPLE does not require a minimum asset amount for financial planning and consulting services.

For TAMPs, the TAMP sponsor typically establishes a minimum account value, which will be set out in the account opening documents and Form ADV Part 2A of the TAMP sponsor.

### ITEM 8 METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

LPLE and its IARs have access to various LPL and third-party research reports and model portfolios, including from the Research Department of its affiliate LPL, to which they may refer in determining investment advice to clients. LPLE and the IAR choose their own research methods, investment style and management philosophy. It is important to note that no methodology or investment strategy is guaranteed to be successful or profitable.

#### Types of Investments and Risks

Depending on the type of service being provided, LPLE and its IARs can recommend different types of securities, including mutual funds, closed-end funds, ETFs, ETNs, equities, and fixed income securities. Investing in securities involves the risk of loss that clients should be prepared to bear. Described below are some risks associated with investing and with some types of investments that an IAR can recommend depending on the service provided.

- *Market Risk.* This is the risk that the value of securities owned by an investor may go up or down, sometimes rapidly or unpredictably, due to factors affecting securities markets generally or particular industries.
- *Interest Rate Risk.* This is the risk that fixed income securities will decline in value because of an increase in interest rates; a bond or a fixed income fund with a longer duration will be more sensitive to changes in interest rates than a bond or bond fund with a shorter duration.
- *Economic Conditions Risk.* This is the risk that economic, political, or financial developments will, from time to time, result in periods of volatility or other adverse effects that could negatively impact your account.
- *Credit Risk.* This is the risk that an investor could lose money if the issuer or guarantor of a fixed income security is unable or unwilling to meet its financial obligations.
- *Liquidity Risk.* This is the risk that an investor would not be able to sell or redeem an investment quickly, or would not be able to sell or redeem an investment quickly without significantly affecting the price. Liquidity risk is heightened when markets are distressed. Generally, alternative investments have higher liquidity risk than equities, fixed income securities or mutual funds or ETFs.
- *Issuer-Specific Risk.* This is the risk that the value of an individual security or particular type of security can be more volatile than the market as a whole and can perform differently from the value of the market as a whole.
- *Investment Company Risk.* To the extent a client account invests in ETFs or other investment companies, its performance will be affected by the performance of those other investment companies. Investments in ETFs and other investment companies are subject to the risks of the investment companies' investments, as well as to the investment companies' expenses. If a client account invests in other investment companies, the client account may receive distributions of taxable gains from portfolio transactions by that investment company and may recognize taxable gains from transactions in shares of that investment company, which would be taxable when distributed.
- *Concentration Risk.* To the extent a client account concentrates its investments by investing a significant portion of its assets in the securities of a single issuer, industry, sector, country or region, the overall adverse impact on the client of adverse developments in the business of such issuer, such industry or such government could be considerably greater than if they did not concentrate their investments to such an extent.
- *Sector Risk.* To the extent a client account invests more heavily in particular sectors, industries, or sub-sectors of the market, its performance will be especially sensitive to developments that significantly affect those sectors, industries, or sub-sectors. An individual sector, industry, or sub-sector of the market may be more volatile, and may perform differently, than the broader market. The several industries that constitute a sector may all react in the same way to economic, political or regulatory events. A client account's performance could be affected if the sectors, industries, or sub-sectors do not perform as expected. Alternatively, the lack of exposure to one or more sectors or industries may adversely affect performance.



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- *Equity Securities.* Common and preferred stock represents the equity ownership of a company. Stock markets are volatile and the price of equity securities fluctuates based on changes in a company's financial condition and overall market and economic conditions. The value of equity securities may also decline due to factors that affect particular industries or particular issuers. The values of equity securities may be more volatile than those of other asset classes.
- *Debt Securities.* Debt securities, such as bonds, involve interest rate risk, credit risk, extension risk, prepayment risk, and other types of risks. In addition, the value of debt securities may fluctuate in response to market movements or issues that affect particular industries or issuers. When interest rates fall, the issuers of debt securities may prepay principal more quickly than expected, and investors may have to reinvest the proceeds at a lower interest rate. This is known as "prepayment risk." When interest rates rise, debt securities may be repaid more slowly than expected, and the value of the debt security can fall sharply. This is known as "extension risk." Certain types of debt securities may be subject to "call and redemption risk," which is the risk that the issuer may call a bond for redemption before it matures and the investor may lose income.
- *Foreign Securities Risk.* Foreign investments involve special risks not present in U.S. investments that increase an investor's potential to lose money. Among other issues, custody of securities in foreign markets, changes in foreign currency exchange rates, foreign economic and market conditions, actions adverse to investors taken by foreign governments, lack of governmental oversight or regulation of securities markets, underdeveloped settlement and clearing services, and foreign withholding taxes may negatively affect the value of investments in foreign securities.
- *Alternative Strategy Mutual Funds.* Certain mutual funds invest primarily in alternative investments and/or strategies. Investing in alternative investments and/or strategies may not be appropriate for all investors and involves special risks, such as risks associated with commodities, real estate, leverage, selling securities short, the use of derivatives, potential adverse market forces, regulatory changes, and potential illiquidity. Clients should be aware that alternative investments and/or strategies are generally considered speculative in nature and involve a high degree of risk, particularly if concentrating investments. There are special risks associated with mutual funds that invest principally in real estate securities, such as sensitivity to changes in real estate values and interest rates and price volatility because of the fund's concentration in the real estate industry. These types of funds tend to have higher expense ratios than more traditional mutual funds. They also tend to be newer and have less of a track record or performance history.
- *Closed-End.* Clients should be aware that closed-end funds available within the program may not give investors the right to redeem their shares, and a secondary market may not exist. Therefore, clients may be unable to liquidate all or a portion of their shares in these types of funds.
- *Exchange-Traded Funds (ETFs).* ETFs are typically investment companies that are legally classified as open end mutual funds or UITs. However, they differ from traditional mutual funds, in particular, in that ETF shares are listed on a securities exchange. Shares can be bought and sold throughout the trading day like shares of other publicly-traded companies. ETF shares may trade at a discount or premium to their net asset value. This difference between the bid price and the ask price is often referred to as the "spread." The spread varies over time based on the ETF's trading volume and market liquidity, and is generally lower if the ETF has a lot of trading volume and market liquidity and higher if the ETF has little trading volume and market liquidity. Although many ETFs are registered as an investment company under the Investment Company Act of 1940 like traditional mutual funds, some ETFs, in particular those that invest in commodities, are not registered as an investment company. ETFs may be closed and liquidated at the discretion of the issuing company.
- *Exchange-Traded Notes (ETNs).* An ETN is a senior unsecured debt obligation designed to track the total return of an underlying market index or other benchmark. ETNs may be linked to a variety of assets, for example, commodity futures, foreign currency and equities. ETNs are similar to ETFs in that they are listed on an exchange and can typically be bought or sold throughout the trading day. However, an ETN is not a mutual fund and does not have a net asset value; the ETN trades at the prevailing market price. Some of the more common risks of an ETN are as follows: The repayment of the principal, interest (if any), and the payment of any returns at maturity or upon redemption are dependent upon the ETN issuer's ability to pay. In addition, the trading price of the ETN in the secondary market may be adversely impacted if the issuer's credit rating is downgraded. The index or asset class for performance replication in an ETN may or may not be concentrated in a





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specific sector, asset class or country and may therefore carry specific risks. ETNs may be closed and liquidated at the discretion of the issuing company.

- *Tax-Managed Investing Risk.* Investment strategies that seek to enhance after-tax performance might be unable to fully realize strategic gains or harvest losses due to various factors. Market conditions could limit the ability to generate tax losses. A tax-managed strategy could cause a client portfolio to hold a security to achieve more favorable tax treatment or to sell a security in order to create tax losses. A tax loss realized by a U.S. investor after selling a security will be negated if the investor purchases the security within thirty days. There is no guarantee that securities submitted for exchange will be accepted by a fund that utilizes a tax-managed strategy (e.g., an “exchange fund”), and exchange funds may accept “out-of-benchmark” securities at the sole discretion of portfolio managers. Although third-party managers of these strategies seek to avoid “wash sales” whenever possible and temporarily restrict securities they have sold at a loss to prevent them, a wash sale can occur inadvertently because of trading by a client in portfolios not managed by the third-party manager. A wash sale can also be triggered by the third-party manager when it has sold a security for loss harvesting and shortly thereafter the firm is directed by the client to invest a substantial amount of cash resulting in a repurchase of the security. Changes to the tax code and other policy changes could result in unfavorable tax treatment for investors in tax-managed strategies.
- *Direct Indexing.* Direct indexing strategies seek to replicate the performance of a market index by directly holding the individual securities, or a representative sample of the individual securities, that make up the index. Direct indexing may provide a more tax efficient means of investing, and may allow for more customized investment allocations, than investing in a fund or other commingled product that seeks to replicate the index. The potential benefits of direct indexing, however, will not necessarily be realized if you don’t take advantage of tax planning or impose account restrictions, such as account level security or sector-based restrictions or customizations based on your specific tax, ESG or other preferences. Fees and expenses for the direct indexing strategy in some cases will be higher than the fees and expenses associated with alternative index products. Higher fees and expenses could adversely impact account performance. The size of your account and the number of securities in the index your account seeks to replicate also limit the ability of your account to replicate the index. As a result, the direct indexing strategy introduces the risk of tracking error relative to the index into your account and can cause your portfolio to underperform the index, including as a result of customization. LPL and LPLE cannot guarantee that the dividend yield in your portfolio will accurately track a market index.
- *High-Yield Debt.* High-yield debt is issued by companies or municipalities that do not qualify for “investment grade” ratings by one or more rating agencies. The below investment grade designation is based on the rating agency’s opinion of an issuer that it has a greater risk to repay both principal and interest and a greater risk of default than those issuers rated investment grade. High yield debt carries greater risk than investment grade debt. There is the risk that the potential deterioration of an issuer’s financial health and subsequent downgrade in its rating will result in a decline in market value or default. Because of the potential inability of an issuer to make interest and principal payments, an investor may receive back less than originally invested. There is also the risk that the bond’s market value will decline as interest rates rise and that an investor will not be able to liquidate a bond before maturity.
- *Cybersecurity Risk.* Failures or breaches of the electronic systems of LPL, LPLE, their services providers, securities market participants or the issuers of securities can cause significant losses for investors. Unintentional cyber events, such as the inadvertent release of confidential information, could also adversely impact investor account. Any cyber event could cause result in the loss or theft of investor data or cause investors financial loss and expense.
- *Use of Artificial Intelligence and Machine Learning.* Recent technological advances in artificial intelligence, generative artificial intelligence, and machine learning technology (collectively, “Machine Learning Technology”) may pose risks to LPL, LPLE and its IARs. LPL, LPLE and its IARs could be further exposed to the risks of Machine Learning Technology if third-party service providers or any counterparties, whether or not known to LPL, LPLE or its IARs, also use Machine Learning Technology in their business activities. LPLE, LPLE and its IARs will not be in a position to control the operations of third-party service providers or counterparties, the manner in which third-party products are developed or maintained or the manner in which third-party services are provided. Machine Learning Technology is generally highly reliant on the collection and analysis of large amounts of data, and it is not possible or practicable to incorporate all relevant data into the model that Machine Learning Technology utilizes to operate. Certain data in such models will inevitably contain a degree of





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inaccuracy and error, potentially materially so, and could otherwise be inadequate or flawed, which would be likely to degrade the effectiveness of Machine Learning Technology. To the extent that LPL, LPLE or its IARs are exposed to the risks of Machine Learning Technology, any such inaccuracies or errors could have adverse impacts on LPL, LPLE or its IARs, as applicable. Machine Learning Technology and its applications, including in the financial services sector, continue to develop rapidly, and it is impossible to predict the future risks that will from time to time arise from such developments.

- *Values-Based and Environmental, Social and Governance (ESG) Investing Risk.* Values-based investing or ESG investing, also known as “socially responsible investing,” “sustainable investing,” or “impact investing,” focuses on the social values or environmental, social, and governance standards or the sustainability factors of an investment. Some values-based investing strategies focus on factors relating to an individual investor’s personal or religious values, such as “biblical investing,” while other strategies focus on issues like environmental impact. Some values-based investment strategies use values-based criteria to supplement financial analysis when considering a particular issuer or security, while others affirmatively select “socially responsible” investments or screen out or exclude investments in companies that engage in certain activities. Values-based investing may limit the type and number of investments available in a strategy and cause the strategy to underperform other strategies without a values-based focus or with a focus that involves a different type of focus or screening methodology. Values-based strategies may underperform the market as a whole. Companies and issuers selected in a values-based strategy may not or may not continue to demonstrate values-based characteristics. Different investors likely have different opinions about what types of investments are socially responsible.
- *Comparable Products.* LPL and LPLE offer various mutual funds, ETFs and other investment products that have similar or identical investment strategies but different fee and expense arrangements. For example, LPL sells both mutual funds and ETFs that are designed to track an index of securities, such as the S&P 500 Index. A mutual fund and an ETF following an identical strategy have different fees and expenses that affect your investment return. Those fees and expenses include direct costs like sales loads, commissions, and other transaction costs, and indirect costs at the product level like advisory or management fees, distribution expenses (12b-1 fees), and other administrative, shareholder servicing and transfer agent fees. The impact of those fee and expenses on your investment returns also varies based on the size of your initial investment, the length of time you hold the investment, and other factors. The differences in fees and expenses, and additional differences in compensation paid directly by product sponsors like revenue sharing, mean that LPL, LPLE and their IARs generally will earn more compensation for selling one investment product than another. As a result, LPL, LPLE and their IARs have a conflict of interest because of the financial incentive to recommend investment products that pay more compensation if a less expensive comparable product could be used to achieve a customer’s investment objective.
- *Company Stock.* If company stock is available as an investment option to client in a retirement plan, and if client chooses to invest in company stock, client should understand the risks associated with holding company stock in a retirement plan. These risks may include, but are not necessarily limited to, lack of liquidity, over-dependency on client’s employer, and less flexibility to change the allocation of plan assets. Client should pay careful consideration to the benefits of a diversified portfolio. Although diversification is not a guarantee against loss, it can be an effective strategy to help manage investment risk.
- *Tax-Loss Harvesting and Premium Tax Services.* The tax-loss harvesting and premium tax services features of MWP involves a variety of risks. You should confer with your personal tax advisor regarding the tax consequences of investing and engaging in the tax-loss harvesting strategy and tax overlay services, based on your particular circumstances. You and your personal tax advisors are responsible for how the transactions in your account are reported to the IRS or any other taxing authority. Neither LPL nor LPLE assumes any responsibility to you for the tax consequences of any transaction. MWP’s tax-loss harvesting strategy and its tax overlay services are not intended as tax advice, and neither LPL nor LPLE represents in any manner that the tax consequences described will be obtained or that MWP’s investment strategy will result in any particular tax consequence. The tax consequences of these features are complex and may be subject to challenge by the IRS. These features were not developed to be used by, and it cannot be used by, any investor to avoid penalties or interest. You should be aware that if you and/or your spouse have other taxable or non-taxable accounts, and you hold in those accounts any of the securities (including options contracts) held in your MWP account, you cannot trade any of those securities 30 days before or after the MWP account trades those same securities as part of the tax-loss harvesting strategy to avoid possible wash sales and, as a result, a nullification of any tax benefits of the strategy. For more information on the wash sale rule, please read IRS Publication 550. In addition, when LPL replaces investments with “similar” investments as part of the tax-loss harvesting strategy, it is a reference



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to investments that are expected, but are not guaranteed, to perform similarly and that might lower an investor's tax bill while maintaining a similar expected risk and return on investor's portfolio. Expected returns and risk characteristics are no guarantee of actual performance.

### ITEM 9 DISCIPLINARY INFORMATION

LPLE has not had any disciplinary events since its registration with the SEC or FINRA, nor had LPLE's predecessor entity, Harvest Financial Corporation, had any disciplinary events within the past ten (10) years as a dually-registered investment adviser and broker-dealer with the SEC and FINRA. However, because LPLE is an affiliate of LPL, and LPL and LPLE share certain personnel and supervisory processes, this item includes the disciplinary information involving LPL and its IARs within the past (10) years from the date of this filing.

LPL entered into a settlement with the SEC in which the SEC found that LPL willfully violated its obligations under Section 17(a) of the Exchange Act and Rule 17a-8 thereunder, which require broker-dealers to comply with certain anti-money laundering ("AML") requirements. The SEC found that LPL did not follow its AML policies for its customer identification program and ongoing customer due diligence obligations by, among other things, not properly verifying new accounts; not timely closing accounts that did not pass its screening measures; and not closing or restricting certain accounts that were prohibited under LPL's AML Policies. The SEC censured LPL and ordered LPL to cease and desist from committing or causing any violations and any future violations of such section and rule, to pay a civil monetary penalty in the amount of \$18 million, and to comply with certain undertakings (2025).

LPL entered into a settlement with the SEC in which the SEC found that LPL willfully violated Section 17(a) of the Exchange Act and Rule 17a-4(b)(4) thereunder and Section 204 of the Advisers Act and Rule 204-2(a)(7) thereunder in connection with the maintenance and preservation of off-channel communications; and failed to reasonably supervise its personnel within the meaning of Section 15(b)(4)(E) of the Exchange Act and Section 203(e)(6) of the Advisers Act. LPL admitted to the facts in the settlement order and acknowledged its conduct violated the federal securities laws. The SEC ordered LPL to cease and desist from committing or causing any violations and any future violations of Section 17(a) of the Exchange Act and Rule 17a-4(b)(4) thereunder and Section 204 of the Advisers Act and Rule 204-2(a)(7) thereunder, censured it for its conduct, ordered it to pay a civil monetary penalty in the amount of \$50,000,000, and ordered it to comply with certain undertakings (2024).

LPL entered into a settlement with the SEC in connection with LPL's failure to comply with its Customer Identification Program procedures. The SEC found that LPL willfully violated Section 17(a) of the Exchange Act and Rule 17a-8 thereunder and was a cause of a third party's violations of Sections 17(a)(2) and (3) of the Securities Act and Section 206(2) of the Advisers Act. The SEC ordered LPL to cease and desist from committing or causing any further violations of these laws and regulations, censured LPL for its conduct, and ordered the payment of disgorgement and prejudgment interest totaling \$141,202 (deemed satisfied based on LPL's voluntary remedial payment of \$4,118,876 to the impacted client), and the payment of a civil money penalty of \$750,000 (2021).

As part of a voluntary self-reporting initiative in 2019, LPL entered into a settlement with the SEC in which the SEC found that LPL willfully violated Section 206(2) and 207 of the Advisers Act in connection with inadequate disclosure to clients of its and its associated persons' conflicts of interest related to its receipt of 12b-1 fees and/or its selection of mutual fund share classes that pay such fees. The SEC ordered LPL to cease and desist from committing or causing any violations of Sections 206(2) and 207 of the Advisers Act, censured it for its conduct, and ordered the payment of disgorgement and prejudgment interest to affected investors totaling \$9,333,516 (2019).

LPL, as a broker-dealer, is a member of FINRA and has found to be in violation of FINRA's rules related to its brokerage activities. In particular, LPL consented to sanctions related to the following matters:

- LPL's supervisory systems and maintenance of books and records relating to brokerage direct business transactions, supervisory systems and misstatements about fees relating to brokerage product switch transactions, and supervisory systems relating to brokerage recommendations of publicly traded securities of business development companies (BDCs) to customers, resulting in a censure, a fine of \$5.5 million, restitution to impacted customers, and an undertaking to certify that LPL has remediated the systems and procedures for making recommendations of BDCs (2023).



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- LPL's supervisory systems and procedures relating to the transmittal of customer funds by wire or check to third parties and maintenance of related books and records, resulting in a censure, a fine of \$3,000,000, restitution to impacted clients, and an undertaking to identify and pay restitution to affected customers for certain other improper transfers (2023).
- LPL's failure to accurately calculate its customer reserve requirement, failure to maintain a sufficient customer reserve, failure to maintain policies and procedures reasonably designed to achieve compliance with the Securities and Exchange Act and FINRA rules, and failure to maintain accurate books and records, resulting in a censure and a fine of \$300,000 (2022).
- LPL's self-reporting of potential issues related to certain C-share purchase suitability reviews and its supervisory systems and procedures relating to waivers of front-end sales charges for rollovers of 529 savings plan investments from one state plan to another, resulting in a censure and payment of restitution to impacted customers (2021).
- LPL's supervisory systems and procedures relating to record retention, fingerprinting and screening of certain associated persons, and supervision of consolidated reports, resulting in a censure, a fine of \$6,500,000 and an undertaking to review and enhance related policies, systems and procedures (2020).
- LPL's supervisory systems and procedures relating to changes in the authority of custodians of accounts established under the Uniform Gifts to Minors Act and/or the Uniform Transfers to Minors Act, resulting in a censure, a fine of \$300,000, and an undertaking to review and enhance its policies, systems, and procedures related to supervision of such accounts (2019).
- The effectiveness of LPL's anti-money laundering program, LPL's failure to amend certain Forms U4 and U5, and LPL's systems and supervisory procedures relating to Forms U4 and U5 reporting requirements, resulting in a censure and a fine of \$2,750,000 and an undertaking to review the process used to disclose customer complaints on Forms U4 and U5 (2018).
- LPL's brokerage supervisory and disclosure procedures related to the sale of certain brokered certificates of deposit in brokerage accounts, resulting in a censure and a fine of \$375,000 (2018).
- LPL's systems and supervisory procedures relating to the creation and distribution of certain required account notices, resulting in a censure, a fine of \$900,000, and an undertaking to review affected processes (2016).
- LPL's systems and supervisory procedures relating to the format in which certain electronic records were retained, resulting in a censure and a fine of \$750,000 (2016).
- LPL's various brokerage supervisory procedures, including those related to the sale of complex non-traditional ETFs, variable annuity ("VA") contracts, REITs and other products in brokerage accounts, as well as LPL's failure to monitor and report trades and deliver trade confirmations, resulting in a censure and a fine of \$10,000,000, and restitution of \$1,664,592 (2015).

LPL, as a broker-dealer, is regulated by each of the 50 states and has been the subject of orders related to the violation of state laws and regulations in connection with its brokerage activities. In particular, LPL entered into consent orders related to the following matters:

- LPL's supervision of electronic signature practices at an LPL branch office in Massachusetts, resulting in a fine of \$250,000 and an undertaking to conduct an internal review of certain related policies and procedures (Massachusetts or "MA", 2023)
- LPL's supervision of an LPL broker-dealer/investment adviser agent's sales of structured products, resulting in a censure, an offer of restitution to impacted clients, and a fine of \$125,000 (Texas, 2022).
- LPL's supervision of two LPL broker-dealer and/or investment adviser agents who pled guilty to charges of fraudulent practices with LPL customers, resulting in a cease and desist order, a fine of \$350,000 and a \$150,000 contribution for financial literacy and investor education initiatives, training and related materials (Connecticut, 2021).
- LPL's supervision of an LPL representative under a heightened supervision plan, resulting in a cease and desist order; a fine of \$275,000; payments of restitution, disgorgement and investigative costs; and offers of payment of surrender charges in connection with variable annuity contracts for impacted customers (New Hampshire or "NH", 2020).
- LPL's failure to timely register (or maintain the registration of) certain agents in MA and failure to amend Forms U4 and U5 for certain agents registered in MA, resulting in a censure, a fine of \$1,100,000, and an undertaking to review and enhance its policies and procedures related to registering its agents in MA and filing reportable events (MA, 2019).
- LPL's brokerage supervisory procedures relating to email review and annual branch office examinations, resulting in a civil penalty of \$450,000 and an undertaking for third-party review of related processes (Indiana, 2018).



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- The sale of unregistered, non-exempt securities in violation of state registration requirements, resulting (upon entry of the individual consent order) in payment to each participating state or jurisdiction of a civil penalty of \$499,000, reimbursement of certain investigative expenses, remediation through repurchase of certain securities and payment of losses to certain affected customers, and certain additional undertakings (Settlement with up to 53 members of the North American Securities Administrators Association (NASAA), 2018).
- The sale of non-traded alternative investments in excess of prospectus standards or LPL's internal guidelines and the maintenance of related books and records, resulting in a censure, a fine of \$950,000, a \$25,000 contribution to an investor education fund and remediation of losses to impacted customers (New Jersey, 2017).
- LPL's supervisory practices for LPL representatives located on the premises of a credit union, resulting in a censure, a fine of \$1,000,000, and an undertaking to avoid investor confusion specific to the name under which the credit union does business and review LPL's related policies and procedures (MA, 2017).
- LPL's oversight of certain VA transactions, resulting in a censure, a fine of \$975,000, restitution to clients and former clients of an LPL representative, disgorgement of commissions retained by LPL in connection with such representative's VA sales, and an undertaking to review such representative's brokerage and advisory activities and LPL's related policies and procedures (MA, 2017).
- The sale in brokerage accounts of non-traded REITs in excess of prospectus standards, state concentration limits or LPL's internal guidelines, resulting in an aggregate civil penalty of \$1,425,000, reimbursement of certain investigative expenses and remediation of losses to impacted customers (Global settlement with certain members of NASAA, 2015).
- The sale of non-traded REITs in excess of prospectus standards, state concentration limits or LPL's internal guidelines, resulting in an administrative fine of \$250,000, reimbursement of investigative costs of \$250,000, a \$250,000 contribution to an investor education fund and remediation of losses to impacted customers (NH, 2015).
- The sale of leveraged and inverse leveraged ETFs ("Leveraged ETFs"), resulting in an administrative fine of \$50,000 (Delaware), a penalty of \$200,000 (MA), restitution to Delaware customers in an amount up to \$150,000, restitution to Massachusetts customers in an amount up to \$1,600,000, and an agreement to make certain changes in its supervisory system with respect to Leveraged ETFs (2015).
- Failure to implement procedures related to the use of senior-specific titles by LPL representatives as required under MA law, resulting in censure and a fine of \$250,000 (2015).

For more information about those state events and other disciplinary and legal events involving LPL and its IARs, client should refer to Investment Adviser Public Disclosure at <https://adviserinfo.sec.gov> or FINRA BrokerCheck at <https://brokercheck.finra.org>.

### ITEM 10 OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

In addition to being registered as an investment adviser with the SEC, LPLE is a broker-dealer registered with FINRA and the SEC. As a broker-dealer, LPLE transacts business in various types of securities, including mutual funds, stocks, bonds, commodities, options, private and public partnerships, variable annuities, REITs and other investment products. LPLE is registered to operate in all 50 states and has primarily an independent-contractor sales force of registered representatives and investment adviser representatives dispersed throughout the United States. In addition, LPLE is qualified to sell insurance products in all 50 states.

Our affiliate LPL is also a registered investment adviser and broker-dealer. As a broker-dealer, LPL transacts business in various types of securities, including mutual funds, stocks, bonds, commodities, options, private and public partnerships, variable annuities, real estate investment trusts and other investment products. LPL is registered to operate in all 50 states and has primarily an independent-contractor sales force of registered representatives and IARs dispersed throughout the United States. LPL has a dedicated team of employee IARs in its offices who service certain accounts, and also a small subset of IARs who operate their own offices or are located on the premises of certain financial institutions and are employees of LPL Employee Services, LLC, an LPL-affiliated company. LPL is also registered as an introducing broker with the Commodity Futures Trading Commission. In addition, LPL is qualified to sell insurance products in all 50 states.

LPLE and The Private Trust Company, N.A. ("PTC"), a federally chartered non-depository bank licensed to provide trust services in all 50 states, are related persons. PTC serves as IRA custodian for client accounts set up as IRAs and receives an annual



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maintenance fee for this service. PTC also provides personal trustee services to clients for a variety of administrative fiduciary services, which services may relate to an advisory account. Because LPLE and PTC are affiliated companies and share in revenues, there is a financial benefit to the companies if a client uses PTC as a custodian or for personal trustee services, or if a PTC client uses LPLE as an investment advisor. PTC's IRA custodian and trustee services and related fees are established under a separate engagement between the client and PTC.

Fiduciary Trust Company of New Hampshire ("FTC"), a non-depository trust company, is a related person of LPLE. FTC provides custodial and various other recordkeeping and services to IRAs and certain employer-sponsored plans maintained through OPA Program accounts. Because LPLE and FTC are affiliated companies and share in revenues, there is a financial benefit to the companies if a client is referred to or otherwise elects to engage with FTC for services under another LPLE program, and uses LPLE as the investment advisor or broker-dealer. FTC's custodial and recordkeeping services and related fees are established under a separate engagement between the client and FTC.

IARs are permitted to engage in certain LPLE-approved business activities other than the provision of brokerage and advisory services through LPLE, and in certain cases, an IAR could receive greater compensation through the outside business than through LPLE. An IAR could also be an accountant, real estate agent, tax preparer, lawyer or refer customers to other service providers and receive referral fees, for example. As other examples, an IAR could provide advisory or financial planning and consulting services through an independent unaffiliated investment advisory firm or sell insurance.

Additionally, LPLE and/or its IARs may refer clients to unaffiliated firms other than investment product sponsors or financial institutions, for either investment or non-investment related products or services, in exchange for a referral fee or other forms of indirect compensation. These may include referrals for investment banking, lending, accounting, tax preparation, financial technology tools, or such other products, services or consultations that may be requested by and/or benefit a client. As applicable, clients will receive additional disclosures identifying these particular arrangements and any related compensation at the time of the referral.

LPLE has an affiliated insurance agency, LPL Insurance Associates, Inc. ("LPLIA") through which IARs may sell insurance products. LPLE receives compensation from issuers of life insurance (universal, variable universal, whole life, term, and annuities) and other insurance contracts that are made available to IARs, such as long term care insurance and disability insurance. The compensation includes commissions and trails, and may include payments for administrative services that LPLE provides and/or payments made in connection with LPL's marketing and sales-force education and training efforts, including annual national sales and education conference and other conferences of LPL and LPLE. IARs receive a percentage of the commissions or trailing commissions paid to LPLE or LPLIA. IARs may also sell insurance through LPLE or an independent unaffiliated insurance agency. An IAR may earn compensation (including trailing compensation), benefits and non-cash compensation through LPLE or the third-party insurance agency and may have an incentive to recommend you purchase or sell insurance products with LPLE or the independent agency.

### ITEM 11 CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

#### Code of Ethics and Personal Trading

LPLE has adopted a code of ethics that includes guidelines regarding personal securities transactions of its employees and IARs. The code of ethics permits LPLE employees and IARs to invest for their own personal accounts in the same securities that LPLE and IAR purchase for clients in program accounts. This presents a conflict of interest because trading by an employee or IAR in a personal securities account in the same security on or about the same time as trading by a client can disadvantage the client. LPLE addresses this conflict of interest by requiring in its code of ethics that LPLE employees and IARs report certain personal securities transactions and holdings to LPLE. LPLE has procedures to review personal trading accounts for front-running. Employees and IARs are also required to obtain pre-approval for investments in private placements and initial public offerings. A copy of the code of ethics is available to clients or prospective clients upon request and is available at [lpl.com/lpl-enterprise.html](http://lpl.com/lpl-enterprise.html).





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### Participation or Interest in Client Transactions

LPLE's parent company, LPL Financial Holdings Inc., is a publicly traded company. LPLE does not permit its IARs to recommend or solicit orders of LPL Financial Holdings Inc. stock. However, LPLE or an IAR may recommend or purchase for clients a mutual fund or ETF that holds LPL Financial Holdings Inc. stock as an underlying investment, for example, an ETF that seeks to replicate the performance of an investment services index that includes LPL Financial Holdings Inc.

As part of financial planning and consulting services, an IAR may or may not provide recommendations as to investment products or securities. To the extent that IAR recommends that client invest in products and services that will result in compensation being paid to LPL, LPLE and the IAR, this presents a conflict of interest. The compensation to IAR, LPL and LPLE may be more or less depending on the product or service that the IAR recommends. Therefore, the IAR has a financial incentive to recommend that a financial plan or consulting advice be implemented using a certain product or service over another product or service. The client is under no obligation to purchase securities or services through LPL, LPLE or the IAR.

If the client decides to implement the recommendations received pursuant to a financial plan or consulting services through an LPLE advisory program or service, the IAR will provide client at the time of engagement with a Brochure, client agreement and other account paperwork that contain specific information about fees and compensation that the IAR, LPLE and LPL will receive in connection with that program. The Brochures are also available at <https://adviserinfo.sec.gov>

If the client desires instead to purchase securities in a brokerage account through IAR acting as a registered representative of LPLE, LPLE and IAR will receive brokerage-related compensation for those services, such as commissions and/or trail fees. LPLE provides information regarding such brokerage compensation at the time of a brokerage transaction and also on its website at [lpl.com/lpl-enterprise.html](http://lpl.com/lpl-enterprise.html). When considering whether to implement recommendations received pursuant to a financial plan or consulting services through IAR and LPLE, clients should discuss with the IAR how LPL, LPLE and IAR will be compensated for any recommendations in the plan.

It is important to note that clients are under no obligation to implement recommendations received pursuant to a financial plan or consulting services through LPLE. Clients should understand that the investment products, securities, and services that an IAR recommends as part of financial planning and consulting services are available to be purchased through broker-dealers, investment advisors or other investment firms not affiliated with LPLE.

### Rollovers

If a client is a participant in an employer-sponsored retirement Plan such as a 401(k) plan, and decides to roll assets out of the plan into an account at LPLE, LPLE and LPLE IARs have a financial incentive to encourage client to invest those assets in the account, because LPLE will be paid on those assets, for example, through advisory fees. Client should be aware that such fees likely will be higher than those a participant pays through an employer-sponsored plan, and there can be maintenance and other miscellaneous fees. As securities held in employer-sponsored plans are generally not transferrable to the client's account, commissions and sales charges may be charged when liquidating such securities prior to the transfer, in addition to commissions and sales charges previously paid on transactions in the plan. This conflict of interest is mitigated by LPL's policy regarding rollovers from an employer-sponsored plan into an LPL individual retirement account ("IRA").

LPL and LPL IARs may assist clients contemplating a rollover by providing general investment education to assist plan participants in making informed investment decisions about the distribution options available to them. LPL's educational services are intended to be consistent with the Department of Labor's Interpretive Bulletin 96-1. LPL is not acting in a fiduciary capacity under ERISA when providing educational services. The general investment education provided is not intended to be viewed or construed as a suggestion for client to take a particular course of action with respect to employer-sponsored plan assets (including, a distribution therefrom). With respect to employer-sponsored plan rollovers, LPL makes information available that outlines the many factors client should consider (including the types of fees and costs of an IRA and IRA investments) before making a decision. IARs may also agree to assist clients seeking a recommendation on whether to roll out of their employer-sponsored plan based on an analysis of the client's personal financial needs, savings objectives and other financial and non-financial considerations, that is designed to determine whether such is in the client's best interest under ERISA.





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### **IRA to IRA Transfers**

If LPL or an LPL IAR recommends that client move assets from an LPL brokerage IRA account or an IRA account held at another financial institution into the account, they are required to consider, based on the information client provides, whether client will be giving up certain investment-related benefits, such as the effects of breakpoints or rights of accumulation, and has determined that the recommendation is in client's best interest because (1) greater services and/or other benefits (including discretionary management, trust services, holistic advice and planning, and automatic account rebalancing) can be achieved with the account; (2) access to your chosen financial professional and asset consolidation (in the case of a transfer from another financial institution); and (3) the asset based fees and transaction charges are justified by these services and features.

Notwithstanding whether a recommendation has been made, clients should understand that with respect to any assets clients decide to move into the account, clients should: (1) evaluate the investment and non-investment considerations important to the client in making the decision; (2) review and understand the fees and costs associated with the account; (3) recognize that higher net fees (if applicable) will reduce the client's investment returns and ultimate retirement assets; and (4) understand the conflicts of interest raised by the financial benefits to LPL and its IARs resulting from the client's decision to move assets into the account.

### **Other Clients**

Client should understand that LPLE and IAR perform advisory and/or brokerage services for various other clients, and that LPLE and IAR may give advice or take actions for those other clients that differ from the advice given to the client. The timing or nature of any action taken for the account may also be different. In addition, LPLE and IAR may, but are not obligated to, purchase or sell or recommend for purchase or sale any security which LPLE or IAR or any of their affiliates may purchase or sell for their own accounts or the account of any other client.

### **ITEM 12 BROKERAGE PRACTICES**

LPLE does not receive research or other products or services other than execution from a broker-dealer in connection with client securities transactions ("soft dollar benefits"). LPLE does not consider, in selecting or recommending broker-dealers, whether LPLE or a related person of LPLE receives client referrals from a broker-dealer or third party.

In connection with TAMPs, the TAMP sponsor may require that clients direct brokerage to a broker-dealer, including the TAMP sponsor or broker-dealer affiliated with the TAMP sponsor. In addition, in connection with customized advisory services, the client may direct that transactions be executed through LPLE or specified third party broker-dealer. Clients should understand that not all advisors require their clients to direct brokerage. By directing brokerage to a broker, clients may be unable to achieve the most favorable execution of client transactions and may pay more in transaction charges than other broker-dealer firms. Therefore, directed brokerage may cost clients more money. For more information about the brokerage practices of a TAMP sponsor, clients should refer to the disclosure brochure for the applicable TAMP.

LPLE requires that clients direct LPL as the broker-dealer to execute transactions in an MWP account. Clients should understand that not all advisors or program sponsors require their clients to direct brokerage. The fact that LPLE's affiliate LPL is the sole broker-dealer on the account presents a conflict of interest. By directing brokerage to LPL, clients may be unable to achieve the most favorable execution of client transactions. Therefore, directed brokerage may cost clients more money. However, clients should understand that LPL is not paid a commission or transaction charge for executing transactions in MWP accounts. In addition, in the case of mutual funds, execution is made at the net asset value of the fund. Although LPL is not paid a commission or transaction charge for transactions in the account, LPL bears costs for each transaction made in an account. This presents a conflict of interest because these costs may be a factor LPL considers when deciding which securities to select and whether or not to place transactions in an account. However, LPL mitigates this conflict by compensating the team responsible for directing the trades through a bonus based on the performance of the portfolios; therefore, the team is not incentivized by cost reduction.

To the extent that LPLE has trading discretion and directly trades client accounts, LPLE will aggregate transactions for a client with other clients to improve the quality of execution. When transactions are so aggregated, the actual prices applicable to the aggregated transactions will be averaged, and the account will be deemed to have purchased or sold its proportionate share of



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the securities involved at the average price obtained. LPLE also will aggregate rebalancing transactions for an account with other program accounts. Due to the large number of accounts that may be involved in rebalancing transactions on a single day, LPLE may effect transactions for some accounts on one day and for other accounts on the following day or days. In such case, LPLE will have discretion to sequence the accounts involved in rebalancing transactions with the goal of treating all accounts equitably over time.

### ITEM 13 REVIEW OF ACCOUNTS

IARs of LPLE review accounts and meet with clients, on a regular basis or as requested by the client, and such meetings may include review of accounts statements, performance information, and other information or data related to the client's account and investment objectives.

For financial planning and consulting services, clients are encouraged to promptly inform the IAR of any changes to their financial circumstances and investment goals, and to consult and update their financial plans annually. Such consultations and annual reviews are conducted at the election of the client as determined with their IAR and may consist of an updated personal financial plan or recommendations if the client's circumstances and/or goals have changed. Alternatively, the review may be a comparison of the client's current assets and goals (in the form of a progress report or update).

For TAMP services, IARs review accounts and meet with clients, on a regular basis or as requested by the client, and such meetings may include review of accounts statements, quarterly performance information, and other information or data related to the client's account and investment objective. The TAMP sponsor or custodian of the TAMP account assets send clients regular written reports and statements regarding the account.

For MWP accounts, LPL provides clients with regular written reports and statements regarding their accounts. LPL provides detailed performance information annually describing account performance and positions, with additional performance information available upon request. In addition, LPL transmits to clients account statements showing transactions, positions, and deposits and withdrawals of principal and income.

### ITEM 14 CLIENT REFERRALS AND OTHER COMPENSATION

#### Other Compensation

LPLE employees and IARs receive additional compensation, business entertainment and gifts from product sponsors. However, such compensation may not be tied to the sales of any products. Compensation includes such items as gifts valued at less than \$100 annually, an occasional dinner or ticket to a sporting event, or reimbursement in connection with educational meetings, customer appreciation events, marketing events or advertising initiatives, including services for identifying prospective clients. Product sponsors also pay for, or reimburse LPLE for the costs associated with, education or training events that are attended by LPLE employees and IARs, and for LPLE-sponsored conferences and events. For example, LPLE's affiliate, LPL, receives marketing and educational support payments of up to \$260,000 annually from recordkeepers and retirement plan product sponsors for access to data analytics, and to participate and present at LPL and LPLE education and training events for LPLE IARs. Any such support payments are not tied to the sales of any products or client assets in the products. IARs do not receive any portion of these payments. LPLE, LPLE employees and IARs also receive reimbursement from product sponsors for technology-related costs, such as those to build systems, tools and new features to aid in serving customers. For a current and complete list of the product sponsors that pay such marketing and educational support payments, please see [lpl.com/lpl-enterprise.html](http://lpl.com/lpl-enterprise.html) or ask your IAR.

LPL and LPLE employees provide sales support resources to IARs of LPLE that use LPL advisory programs. The compensation that LPL and LPLE pay to these employees varies based on the assets in LPL's and LPLE's different advisory programs. These sales employees have an incentive to promote certain advisory programs to IARs of LPLE over other advisory programs. These employees also earn more compensation when IARs transition client assets from brokerage accounts to advisory accounts, and have a financial incentive to encourage IARs of LPLE to do transition brokerage accounts to advisory.

The IAR recommending a TAMP sponsor to the client receives compensation as a result of the client's participation in the program. This compensation includes a portion of the advisory fee or referral fee and other compensation, such as bonuses,



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awards or other things of value offered by the TAMP to the IAR. For example, some TAMPs pay additional marketing payments to LPLE, its employees and/or IARs to cover fees to attend conferences or reimbursement of expenses for workshops, seminars presented to clients or advertising, marketing, or practice management. The eligibility of an IAR to receive such reimbursements and the amount of such reimbursements are based on the amount of assets referred by the IAR to the TAMP. The amount of this compensation may be more or less than what the IAR would receive if the client participated in the LPLE advisory programs, programs of other investment advisors or paid separately for investment advice, brokerage, and other client services. Therefore, in such case, the IAR has a financial incentive to recommend a TAMP account over other programs and services.

LPLE has entered into solicitor referral agreements with certain independent third-party investment advisers and TAMPs, listed under Item 4 "Referral-based Services" pursuant to which LPLE and LPLE IARs receive referral fees from the third party investment advisers and TAMPs in return for referring clients. Referrals to certain third-party investment advisers and TAMPs are subject to restrictions imposed by LPLE. Because LPLE is engaged by and paid by the third-party investment advisor or TAMP for the referral, any recommendation regarding a third party investment advisor or TAMP as part of a referral presents a conflict of interest. LPLE addresses this conflict by providing the client with a disclosure statement explaining the role of LPLE and IAR and the referral fee received by LPLE and IAR. For more information regarding these arrangements, see Item 4 above.

LPLE and its IARs may serve as broker-dealer of record on accounts managed by the independent third-party investment advisor. In such case, LPLE and its representatives receives normal and customary compensation (e.g., commissions, 12b-1 fees, trails) from the sale of mutual funds or variable annuities in such accounts. This compensation is in addition to the solicitor fee paid by the third-party investment advisor.

In addition, LPLE enters into other agreements with TAMP sponsors or third-party investment advisers to whom LPLE refers clients, pursuant to which LPLE provides (i) marketing services on behalf of the third party investment advisers to LPLE representatives; or (ii) data technology services to integrate third party investment adviser account data on LPL's technology systems. LPLE receives fees for these data technology services and such fees may be a flat upfront or annual fee or be based on the amount of assets (up to 10 basis points) recommended or referred by LPLE to the TAMP or the third-party investment adviser. Please refer to [lpl.com/disclosures.html](http://lpl.com/disclosures.html) for current information about any third-party investment adviser that pays this compensation. The IAR does not share in these fees. Any agreements related to referrals are separate from the services provided by LPLE or its IARs. In some cases, the third-party investment advisers pay additional marketing payments to LPLE, its employees and/or IARs to cover fees to attend conferences or reimbursement of expenses for workshops, seminars presented to IARs clients or advertising, marketing or practice management.

### Client Referrals

From time to time, LPLE and/or its IARs enter into arrangements with clients, third parties or other financial intermediaries for lead generation, client referrals or solicitation for program accounts (collectively, "solicitation arrangements"). These solicitation arrangements range from largely impersonal referrals to specific client introductions to LPLE and its IARs. Under solicitation arrangements, the third parties and financial intermediaries are independent contractors. In most cases, third parties are not advisory clients of LPLE and do not refer clients based on their experience with LPLE as advisory clients. The compensation paid under the solicitation arrangements is structured in various ways, including a one-time fee, a flat fee per lead or referral, and sharing a portion of the ongoing advisory fee. LPLE and its IARs have generally entered into the following types of referral arrangements:

- *Referral Networks.* Some third parties operate referral networks. Referral networks may present potential clients with a list of possible investing firms and investment adviser representatives, or may direct potential clients specifically only to LPLE and its IARs. Some referral networks receive a flat fee per referral and/or an ongoing fee, while others share a portion of the ongoing advisory fee;
- *Professional Cross Referrals.* Some IARs have relationships with other professionals, such as accountants, lawyers, or tax advisors, in which the professionals refer clients to IARs and in exchange the IARs refer clients to the professionals for their services. The cross-referral arrangement is a quid pro quo relationship that can give rise to similar conflicts as compensated referrals;



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- *Client Referral Awards.* Investment advisory clients of LPLE's IARs refer new advisory clients to their IARs. Sometimes, in connection with these referrals, IARs pay their clients one-time, non-cash gifts like gift cards or tickets to events for the clients referring to them new advisory clients; and
- *Other Arrangements.* LPLE and its IARs may enter into other arrangements in the future that provide for compensation similar to one or more of the types of arrangements described above.

Depending on the solicitor's arrangement with LPLE, a solicitor may not be compensated for referring a client who opens a brokerage account rather than an advisory account, and as a result may encourage the client to open an advisory account instead of a brokerage account. Solicitation arrangements give rise to material conflicts of interest because the referring party has a financial incentive to introduce new investment advisory clients to LPLE and its IARs. Solicitors may also have other conflicts of interest with respect to a particular IAR or may be associated with LPL or LPLE in another way. Clients who are introduced to LPLE and its IARs through a solicitation arrangement receive specific disclosures at the time of the introduction. If you receive such disclosures, you should review them carefully to understand the details of LPLE's arrangements with the person introducing you to LPLE. LPLE's participation in these referral arrangements does not diminish its fiduciary obligations to its clients.

### Conflicts Related to Compensation to IARs and Unaffiliated Financial Institutions

IARs are associated with unaffiliated financial institutions, like insurance companies. Based on an arrangement between LPLE and the financial institution, IARs offer advisory services. Such advisory services are offered by LPLE and not the financial institution. Any securities recommended as part of the investment advice are not guaranteed by the financial institution, or insured by the Federal Deposit Insurance Corporation or any other federal or state deposit guarantee fund relating to financial institutions.

IARs have a financial incentive to negotiate fee arrangements that maximize their compensation. In some programs, LPLE charges a negotiable advisory fee for itself plus a fee for third-party managers that is not negotiable. Differences in fees for third-party managers, and the absence of such fees in other programs, creates a conflict of interest for the IARs insofar as IARs can negotiate a higher LPLE advisory fee for a program or strategy with lower or no separate manager fee than they could for an account subject to a higher third-party manager fee. The amount received by an IAR as a result of a client's participation in any particular program offered by LPLE often is more than the IAR would have received if the client participated in other programs, paid third-party manager fees, or paid separately for investment advice, brokerage and other services covered by the account fee.

LPLE has entered into agreements with the financial institutions pursuant to which LPLE typically shares compensation, including a portion of the advisory fee, with the financial institution or its affiliates. LPLE typically shares between 90% to 100% of the advisory fee with the financial institution with which the IAR is affiliated or an affiliate of such financial institution, and the financial institution or its affiliate pays part of that amount to IAR. The financial institution establishes the compensation plan for the IAR, which is subject to approval by LPLE. The compensation plan determines how the IAR's compensation is structured.

This compensation the IAR receives from the financial institution could be more than if the client participated in other LPLE programs, programs of other investment advisors or paid separately for investment advice, brokerage and other client services, and likewise, the fees that are assessed by LPL or LPLE could be less than other programs or services. Although the IAR may factor in the fees that are assessed by LPL or LPLE in the overall advisory fee negotiated by the client, IAR can still earn more for offering a program at a lower overall fee rate than the fee rate for a program offering a third-party manager. However, if an IAR is recommending an advisory program or service, he or she must believe that the program or service is suitable and in the best interests of the client in accordance with the applicable standards under the Advisers Act or other applicable law. All compensation paid the financial institution and the IAR will be the sole responsibility of LPLE, and will not result in any increase in the advisory fees you pay to LPL and LPLE.

LPLE also may provide other forms of compensation to financial institutions, such as bonuses, awards or other things of value offered by LPL or LPLE to the institution. For example LPLE pays certain financial institutions based on production, in the form of repayable notes, reimbursement of fees that LPL or LPLE charges for items such as administrative services, and other things of value such as free or reduced-cost marketing materials, transition assistance for changing association from another broker-dealer or investment adviser firm to LPLE, advances of advisory fees, and/or attendance at LPL's or LPLE's national conference or top



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producer forums and events. LPLE pays this compensation based on overall business production and/or on the amount of assets serviced in LPLE advisory programs. LPLE pays this compensation based on overall business production and/or on the amount of assets serviced in LPLE advisory programs. The financial institution and IAR have a financial incentive for an IAR to recommend the program account and services that will result in the greatest compensation to the financial institution and IAR. If LPLE makes a loan to a new or existing financial institution, there is also a conflict of interest because LPLE's interest in collecting on the loan affects its ability to objectively supervise an IAR at that financial institution.

In addition, financial institutions are eligible to receive financial assistance from LPL in connection with transferring existing client accounts serviced at an approved third-party investment program to an LPLE advisory or brokerage account custodied at LPL ("Operational Assistance"). These payments are typically calculated as a percentage of assets transferred to LPL up to 0.15%, but in some cases may involve a flat amount up to \$350 per transferred account. While Operational Assistance is intended to offset bona fide time and effort incurred by the financial institution's IARs in identifying and coordinating transfers, these payments can create an incentive for IARs to recommend that clients transfer their assets to LPL custodied advisory and brokerage accounts since this will result in additional compensation to the financial institution. However, an IAR may only recommend a program or service that he or she believes is suitable and in the best interests of a client in accordance with the standard of care under applicable law.

Some of these financial institutions are affiliated with investment product sponsors, meaning that the investment products are sponsored by the financial institution. An IAR associated with a financial institution has a conflict of interest when IAR encourages clients to invest in that financial institution's proprietary investment products because the financial institution can influence the compensation paid to the IAR or terminate their relationship with the IAR altogether. Certain IARs are statutory agents of financial institutions that are affiliated with investment product sponsors, which means that they receive benefits and insurance as part of their contractual arrangement with those financial institutions. To be statutory agents, such IARs must primarily sell insurance products as their principal business activity, which creates a conflict of interest because such forms of non-cash compensation incentivize IARs to utilize proprietary products. In addition, when an affiliated investment product is selected for an account, the financial institution receives a portion of the advisory fee pursuant to the agreement between LPLE and the financial institution and its affiliate receives fees from the affiliated investment product except to the extent those fees are credited back to the client's account. Because affiliates of the financial institution earn fees and other benefits from the affiliated product, the IAR has an incentive to select its affiliated products based on the compensation and benefits its affiliates receive rather than on a client's needs. Certain financial institutions provide credits for affiliated investment products. We update this information from time to time on [lpl.com/lpl-enterprise.html](http://lpl.com/lpl-enterprise.html).

Note that the IAR does not receive additional compensation from the financial institution for selecting affiliated products and the IAR may only utilize an investment product that he or she believes is appropriate for clients. LPL reviews and selects investment products for the program and LPL may elect to remove or replace an investment product. There is a conflict of interest because the business relationship between LPL and the financial institution could affect LPL's ability to objectively select and determine whether to continue to maintain these investment products in the program. However, LPL only approves investment products that it determines are suitable and in the best interests of clients using the program, depending on clients' investment objective and risk tolerance.

Specifically, if your IAR is associated with the Prudential Insurance Company of America ("PICA"), you should note that certain model strategies created by PGIM Investments LLC ("PGIM Investments"), an affiliate of PICA, are available in the MWP Program. These models include mutual funds that are advised and/or sub-advised by affiliates of PICA ("PICA Proprietary Funds"). PICA Proprietary Funds can represent all of the investments in the portfolio. PGIM Investments, as a Portfolio Strategist, has an incentive to select PICA Proprietary Funds for its models due to the compensation and benefits it and/or its affiliates receive(s). As a Portfolio Strategist in MWP, PGIM Investments does not charge a manager fee for PGIM Investments model strategies, but PGIM is compensated by the fees associated with the underlying PICA Proprietary Funds it selects for the strategies. Your IAR has an incentive to select the PGIM model strategies for your account due to their association with PICA, which can influence their compensation or terminate their relationship altogether. However, your IAR may only recommend a model strategy that he or she believes is appropriate for you and in your best interest. Qualified retirement accounts receive a credit in an amount equal to the



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mutual fund advisory and administrative services fees that PICA affiliates receive in connection with the affiliated mutual funds held in the account.

### **ITEM 15 CUSTODY**

For TAMP accounts, client assets are maintained at a custodian other than LPLE. In such case, the client will complete account paperwork with the outside custodian that will provide the name and address of the custodian. The client will receive statements and reports directly from the custodian, rather than from LPLE. Clients should refer to the statements and reports that they receive from the custodian or TAMP sponsor. Clients should review these statements and reports carefully.

For certain services described in this brochure (e.g., hourly consulting services), LPLE may receive prepayment of fees for 6 or more months in advance.

For MWP, which is described in a separate LPL disclosure brochure, LPLE will utilize LPL, which is a qualified custodian as defined in Rule 206(4)-2 under the Advisers Act and maintains custody of client funds and securities in a separate account for each client under the client's name. LPL as a qualified custodian for those program accounts sends account statements showing all transactions, positions, and all deposits and withdrawals of principal and income. LPL sends account statements periodically when the account has had activity or quarterly if there has been no activity. Clients should carefully review those account statements. If clients would like more information on such programs, clients should contact the IAR for a copy of the program brochure that describes such program or go to <https://adviserinfo.sec.gov>.

### **ITEM 16 INVESTMENT DISCRETION**

With respect to financial planning and consulting services, LPLE and the IAR do not have any discretionary investment authority, and do not implement or monitor any recommendations provided to clients. For MWP, which is described in a separate LPL disclosure brochure, LPLE has discretionary investment authority.

For TAMPs, the client typically authorizes the third-party investment advisor to purchase and sell securities on a discretionary basis pursuant to the investment objective chosen by the client. This authorization will be set out in the TAMP client agreement. LPLE and the IAR generally do not have discretion on TAMP accounts subject to limited exceptions on an accommodation basis.

### **ITEM 17 VOTING CLIENT SECURITIES**

LPLE does not accept authority to vote client securities in connection with any of the services described in this Brochure. LPL does accept authority to vote client securities in connection with MWP. Please see the MWP program brochure for more information.

### **ITEM 18 FINANCIAL INFORMATION**

LPLE is a qualified custodian as defined in Rule 206(4)-2, and is therefore not required to include a balance sheet for its most recent financial fiscal year.

