

Hybrid to RIA only (IFA)

Q. Will I still have access to BranchNet and ClientWorks?

A. Yes, you will have full access to BranchNet, ClientWorks and any premium subscriptions associated with your login.

Q. Will I still have access to the Resource Center?

A. Yes, a unique version of the Resource Center has been created for RIA only (IFA) advisors.

Q. Will there be an interruption in Account View?

A. No, clients will still be able to access Account View to view the account details just as they always have.

Q. Will I be able to continue to leverage my LPL email address?

A. You will need to supply LPL with a new email address for communication from LPL post conversion. LPL will not be retaining or surveilling emails; it is suggested you work with a third party vendor such as Erado or Smarsh to retain emails.

Q. Will I continue to have access to brokerage account history through BranchNet?

A. Under LPL's privacy policy statement you can legally retain client monthly brokerage statements. Historical brokerage commission statements can also be accessed and saved. It is suggested you save these historical documents outside of BranchNet. Once securities licenses are relinquished legally LPL cannot grant you online access to any historical brokerage account information through BranchNet.

Q. Can trade confirmations be suppressed on client accounts under the IFA platform?

A. No, LPL Financial is required to deliver trade confirmations on client accounts.

Q. Do I need to repaper my accounts?

A. No, all your current advisory accounts will remain as is with no client interruption and no repapering required.

Q. Will I be charged a termination fee when moving brokerage accounts to SWM?

A. There is no termination fee applied when a journal occurs from brokerage to SWM as long as the accounts are like registered.

Q. What happens to remaining brokerage accounts that still have assets?

A. Clients will receive a letter notifying that their advisor has terminated their brokerage relationship with LPL and will be given options on what to do with their account including finding another advisor and moving to a "house" account.

Q. What happens to any direct business accounts that still have assets?

A. LPL Financials Registration department sends a file each week to the fund sponsors and carriers specifying advisors that have relinquished their securities licenses. Once the sponsor or carrier receives this information, the advisor will be removed from the account. This change will be reflected on the client's monthly/quarterly statement.

Q. Can I assign a new rep of record to brokerage accounts that will not convert to SWM accounts as well as direct business accounts?

A. Yes, if moving all/portion of direct business accounts or specific brokerage accounts between LPL advisors, please complete Form 443 and have both advisors sign off on the form and fax to LPL Financial for processing. We recommend phoning each sponsor to see if any of them require their own special forms to be completed. The new account's department will process the rep change at LPL Financial and will then forward the rep change information to the sponsor/carrier. This process can take up to 4 weeks to complete.

Conversion FAQ's

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Q. What happens to my brokerage licenses?

A. They will remain active with FINRA for the next two years and can be reinstated with a broker/dealer during that time. After two years they will lapse.

Q. Will I need to change my disclosure information on marketing materials, stationary, business cards, website, etc.?

A. Yes, you will need to modify your disclosure by removing "Securities offered through LPL Financial" as well as remove any mention of FINRA.

Q. Will I still be subjected to a minimum dollar amount custodied at LPL Financial?

A. Yes, you will need to maintain at least \$25mm of advisory business with LPL Financial.

Q. Are there any advisory platform differences that I need to be aware of?

A. Advisors will only have access to the Lincoln Variable Annuity in SWM.

Q. Will LPL Financial continue to provide fee billing and performance reporting for my advisory accounts?

A. Yes, we will continue to offer these services at no cost. However, under the IFA platform you can choose to conduct your own fee billing and performance reporting.

Q. Do I have the option of voting proxies on behalf of my clients?

A. Yes. This is done by selecting the appropriate box on the client account application.

Q. Will LPL Financial conduct surveillance on assets custodied away?

A. No, as an IFA LPL Financial does not have an obligation to conduct surveillance on outside assets.

Q. Will I still be responsible for responding to items through OSJ Review Tool or Advisory Account Review dashboard?

A. No, these tools currently in place to ensure that you are in compliance with federal, state and FINRA rules and regulations, as well as all LPL Financial policies and procedures. As an IFA you are now responsible for ensuring that you are in compliance with SEC or state rules and requirements as well as the policies and procedures established under your own RIA.

Q. Will LPL Financial continue to conduct OFAC checks on accounts opened through BranchNet?

A. Yes

Q. Do I need to continue to submit advertising pieces through LPL Financial prior to sharing with clients?

A. No

Q. Our office currently has a signature guarantee stamp from LPL; will we need to return it?

A. This will need to be returned to LPL via regular mail. Please reference the advisors name and rep ID and mail ATTN: Registration

Q. Am I eligible to continue to participate in the LPL Financial deferred compensation program?

A. No, under the hybrid program advisors can defer broker commissions only due to the structure of the platform. Given that there are no broker commissions as an IFA, you would no longer be eligible to defer assets.

Q. I was granted a transition loan by LPL Financial, are there any changes in the terms of that loan?

A. Yes, the loan would need to be re-paid prior to moving to the IFA platform.

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Q. Will I continue to be covered under LPL Financials E&O Insurance?

A. No, you will need to procure your own E&O Insurance. If you would like to leverage our broker for E&O, Barney & Barney, please contact them directly at 858-587-7450.

Q. Will I still be eligible for conference benefits?

A. Yes, however benefits will be credited to the RIA firm. You will receive a request to complete the RIA Club Benefit Allocation Form (F471). The purpose of this form is to communicate to LPL Financial how you would like to split RIA firm revenue among the advisors within your office.

Q. Will I still be eligible to receive stock options?

A. No. Only licensed individuals with LPL are able to participate in the Advisor Stock Option Program due to legal restrictions.

Q. What if I would like to hire a FINRA licensed person with an affiliation with LPL's Broker/Dealer under my RIA?

A. Once there is a person FINRA licensed with LPL in your office, this will convert the firm back to a Hybrid Firm and all the requirements to supervise the office will apply again. It is highly recommended this is not done unless the office is comfortable operating as a Hybrid Firm.