Wealth*Team*

ACCOUNT PROTECTION & OVERSIGHT*

LPL's regulatory obligations and controls include the following:

- LPL must identify and segregate securities by customer, and must segregate customers' securities and funds from its proprietary business activities.
- LPL is required to maintain minimum net capital and to set aside a reserve for the benefit of its customers.
- The purpose of these requirements is that if a broker/dealer fails financially, customers' securities and funds should be readily available to be returned to customers.
- In addition, LPL's financial statements are audited annually by an independent public accountant and those financial statements are filed regularly with the SEC.
- LPL is required to purchase a fidelity bond from an insurance company to provide a source of compensation to customers in the event of fraud or embezzlement by employees.
- LPL Financial is a member firm of the Securities Investor Protection Corporation (SIPC). Membership provides account protection up to a maximum of $500,000 per client, of which $250,000 may be claims for cash. For an explanatory brochure, please visit http://www.sipc.org/. Through London Insurers, LPL Financial accounts have additional securities protection to cover the net equity of client accounts up to an overall aggregate firm limit of $750 million, subject to conditions and limitations.

  London Insurers rely on SIPC to determine the extent of losses incurred by individual LPL account holders. This additional protection covers losses above limits available from SIPC and would be payable up to a total of $750 million.
- The account protection applies when a SIPC member firm fails financially and is unable to meet its obligations to securities clients, but it does not protect against losses from the rise and fall in the market value of investments. This extensive coverage reflects a strong commitment to serving your investment needs.
- LPL also purchases additional amounts of professional liability insurance.
- Cash in the Insured Cash Accounts (ICAs) and Deposit Cash Accounts (DCAs) is insurable up to the FDIC insurance limit of $250,000 per bank, and covers losses if the bank of deposit were to fail. LPL's ICA and DCA program provides $2.5 million FDIC insurance in the aggregate, when there are enough banks in the program with capacity to accept deposits. The deposit amount in each bank must be under the FDIC insurance limit. (For joint accounts, it's $500,000 per bank and $5 million in the aggregate.) FDIC insurance is in addition to the SIPC insurance available for investments in the account.
- LPL will reimburse you for 100% of realized losses in your impacted LPL accounts, which were incurred directly as a result of unauthorized access to an LPL system. For terms and customer obligations, go to lpl.com/disclosures/privacy-security/lpl-cyber-security/cyber-fraud-guarantee.html

**As of March 14, 2023*

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