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SECRETARY GALVIN AND ALABAMA DIRECTOR BORG ANNOUNCE 26 MILLION DOLLAR SETTLEMENT WITH LPL FINANCIAL

Secretary of the Commonwealth William F. Galvin and Director of the Alabama Securities Commission Joseph P. Borg announced today that they have successfully led an effort to secure a \$26 Million settlement with LPL Financial LLC.

The settlement, which stems from an investigation led by regulators in Massachusetts and Alabama and the North American Securities Administrators Association (NASAA), also ensures that LPL will buy back illegally sold securities from investors, with interest.

The settlement with LPL was reached after a NASAA task force led by regulators in Alabama and Massachusetts determined LPL had been negligent in its duty to supervise its agents and employees and to prevent the sale of unregistered securities to its customers, over the past 12 years.

“The action today represents the states at their best – working together on an extremely important investor protection matter. Because of the states’ combined efforts, thousands of investors will benefit and be given the right to have their money returned plus interest,” said Galvin, who serves as the top securities regulator in Massachusetts.

“This investigation is representative of the aggressive and coordinated enforcement actions of state securities regulators and demonstrates the important investor protection role states serve in safeguarding investors nationwide,” said Borg, who also serves as the President of NASAA.

Customers who were sold unregistered securities, non-exempt securities since October 2006 will be offered the full amount paid, plus 3 percent interest. LPL has also agreed to a full review to assess its compliance with all state securities requirements.

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