

## LPL Financial Announces Changes to Assist Advisors and Investors With Impending DOL Rule

### Plans include pricing and account minimum reductions, simplified brokerage IRA solution and operational and practice management support

SAN DIEGO, March 16, 2016 (GLOBE NEWSWIRE) -- Leading retail investment advisory firm and independent broker/dealer LPL Financial LLC, a wholly owned subsidiary of LPL Financial Holdings Inc. (NASDAQ:LPLA), today announced a portion of its preparatory work for the impending Department of Labor (DOL) fiduciary rule. The planned changes are intended to help advisors take proactive steps to adapt to this regulation, enabling them to expand their services to more investors and to continue to provide needed financial advice and flexible solutions to their clients.

"While we continue to advocate for a thoughtful resolution to the fiduciary issue—one that preserves investor choice—LPL recognizes that the DOL rule will have implications for financial advisors and investors," said Dan Arnold, president, LPL. "Since last summer, we have been preparing to ensure our advisors and the firm approach this opportunity from a position of strength.

"Regardless of the final outcome, we expect demand for advisory services to increase going forward," continued Arnold. "We also believe that retirement investors will continue to benefit from a brokerage relationship and that the need for a brokerage offering will continue if these relationships can be supported under the DOL rule. The changes announced today position both LPL and our advisors for growth and increased market share, while offering choice and flexibility to serve a range of investors seeking both ongoing and occasional advice."

Changes the firm plans to implement include:

- ▮ **Price reductions:** LPL plans to reduce the pricing of its centrally managed platforms in order to help advisors provide their services more cost-effectively and grow their practices by reaching more investors. In addition to the previously-announced elimination of the LPL Research strategist fee and annual IRA maintenance fee in its Model Wealth Portfolios (MWP) advisory platform earlier this year, the firm plans to further reduce MWP pricing in 2017. The change is expected to lower the total cost of accessing quality financial advice for investors in some cases by nearly 30% compared to current pricing.
- ▮ **Lower account minimums:** To help ensure that investors continue to have access to financial advice, LPL plans to lower the account minimums in its Optimum Market Portfolios (OMP) advisory platform from \$15,000 to \$10,000 later this year. As previously announced, LPL eliminated the IRA maintenance fee for OMP at the start of this year.
- ▮ **Simplified mutual-fund only brokerage IRA offering:** In anticipation of the additional operational requirements the firm expects for direct business, LPL is planning to create a simplified mutual fund-only brokerage IRA offering to support the continued use of mutual funds in a brokerage relationship as an option for IRA business. This offering would allow LPL to support mutual funds previously held directly with manufacturers. The new offering is not expected to have an annual IRA maintenance fee.
- ▮ **Enhanced practice management capabilities to manage change:** The firm plans to provide specialized practice management support to help advisors manage through changes in their practices, including licensing assistance and business analysis.
- ▮ **Operational enhancements to drive efficiency:** The firm is also planning simplified operational processes—such as keeping account numbers unchanged when accounts are transitioned from brokerage to advisory accounts—that will allow investors who want to convert their accounts to do so in a more streamlined way.

"While much uncertainty remains as to what the final DOL rule will look like, LPL is taking a proactive approach by making changes to our platform and capabilities that we believe will help advisors grow their practices and support more investors in need of financial advice," said Arnold. "We are proud to use our size and scale as a market leader to further strengthen the transparency and value LPL provides to investors and the advisors who serve them."

### Forward-Looking Statements

Statements in this press release regarding the Company's future operating results, plans, business strategies, growth and market share, including statements relating to the Company's expectations with regard to the U.S. Department of Labor ("DOL") fiduciary rule and its resulting implications, and the Company's future pricing and service offerings, as well as any other statements that are not related to present facts or current conditions or that are not purely historical, constitute forward-looking statements. These forward-looking statements are based on the Company's historical performance and its plans, estimates, and expectations as of March 16, 2016. The words "plans," "intends," "will," and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. Forward-looking statements are not guarantees that the future results, plans, intentions or expectations expressed or implied by the Company will be achieved. Matters subject to forward-looking statements involve known and unknown risks and uncertainties, including economic, legislative, regulatory, competitive, and other factors, which may cause actual financial or operating results, levels of activity, or the timing of events, to be materially different than those expressed or implied by forward-looking statements. Important factors that could cause or contribute to such differences include: changes in general economic and financial market conditions, including retail investor sentiment; effects of competition in the financial services industry; changes in the number of the Company's financial advisors and institutions, and their ability to market effectively financial products and services; changes in the growth and profitability of the Company's fee-based business; the effect of current, pending and future legislation, regulation and regulatory actions, including the final terms of the DOL fiduciary rule and disciplinary actions imposed by federal and state securities regulators or self-regulatory organizations; the costs of settling and remediating issues related to pending or future regulatory matters; the Company's ability to recruit new advisors and attract new business to its platform; and the other factors set forth in Part I, "Item 1A. Risk Factors" in the Company's 2015 Annual Report on Form 10-K and any subsequent SEC filings. Except as required by law, the Company specifically disclaims any obligation to update any forward-looking statements as a result of developments occurring after the date of this earnings release, even if its estimates change, and you should not rely on those statements as representing the Company's views as of any date subsequent to the date of this press release.

### **About LPL Financial**

LPL Financial, a wholly owned subsidiary of LPL Financial Holdings Inc. (NASDAQ:LPLA), is a leader in the retail financial advice market and served \$459 billion in advisory and brokerage assets as of January 31, 2016. LPL is one of the fastest growing RIA custodians and is the nation's largest independent broker-dealer (based on total revenues, Financial Planning magazine June 1996-2015). The Company provides proprietary technology, comprehensive clearing and compliance services, practice management programs and training, and independent research to more than 14,000 independent financial advisors and over 700 banks and credit unions, enabling them to help their clients turn life's aspirations into financial realities. Advisors associated with LPL also service an estimated 40,000 retirement plans with an estimated \$118 billion in retirement plan assets, as of December 31, 2015. LPL also supports more than 4,000 financial advisors licensed and affiliated with insurance companies with customized clearing, advisory platforms, and technology solutions. LPL Financial and its affiliates have more than 3,400 employees with primary offices in Boston, Charlotte, and San Diego. For more information, please visit [www.lpl.com](http://www.lpl.com).

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