



LPL Financial to Acquire Financial Services Provider Crown Capital Securities

Jul 25, 2023

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SAN DIEGO, July 25, 2023 (GLOBE NEWSWIRE) -- [LPL Financial](#) LLC ("LPL Financial" or "LPL") today announced that the firm has entered into a definitive purchase agreement to acquire the wealth management business of Crown Capital Securities, L.P. ("Crown Capital" or "Crown"), a full-service broker-dealer and registered investment advisor ("RIA") headquartered in Orange County, California. Crown supports approximately 260 financial advisors, who serve approximately \$6.5 billion of advisory and brokerage assets.

Established in 1999, Crown was founded on the philosophy that financial advisors should have the freedom to build a practice on their terms. Crown advisors offer their clients customized, high-touch services such as investment management, estate planning, risk management, education planning, corporate benefits, full-service brokerage and alternative investments.

"Since our inception, we have been focused on supporting our advisors so they have more time to develop customized and integrated investment and planning strategies and more time to spend with their clients, providing a best-in-class customer experience," said Darol K. Paulsen, Chief Executive Officer, Crown Capital. "LPL shares that philosophy, which is why we're confident LPL will preserve our advisor-first legacy." "This was an emotional and very personal decision for the firm, and we believe LPL was the ideal choice to help our advisors take their businesses to the next level in the future," said Phyllis Paulsen, Executive Vice President, Crown Capital.

"Crown Capital advisors share a common mission to help their clients build their financial legacies," said Rich Steinmeier, LPL Financial managing director and divisional president, Business Development. "LPL's industry-leading platform will enable them to streamline operations, enhance their service offering, and grow their client relationships. We are committed to supporting the Crown advisors so they can continue providing exceptional service to their clients, and look forward to welcoming them to LPL."

"Through this agreement, Crown advisors will maintain the independence and freedom to innovate, which they have valued at Crown, while enjoying access to LPL's industry-leading technology and integrated advisor platform," said Jonathan French, President, Crown Capital. "Additionally, advisors will have the operational support to help their practices thrive, and enhance their long-standing and personal client relationships."

The purchase agreement was signed on July 21, 2023, and the transaction is expected to close in early 2024, subject to receipt of regulatory approval and other customary closing conditions.

About LPL Financial

LPL Financial Holdings Inc. (Nasdaq: LPLA) was founded on the principle that the firm should work for the advisor, and not the other way around. Today, LPL is a leader in the markets we serve, supporting more than 21,000 financial advisors, including advisors at approximately 1,100 enterprises and at approximately 500 RIA firms nationwide. We are steadfast in our commitment to the advisor-mediated advice model and the belief that Americans deserve access to personalized guidance from a financial advisor. At LPL, independence means that advisors have the freedom they deserve to choose the business model, services, and technology resources that allow them to run their perfect practice. And they have the freedom to manage their client relationships, because they know their clients best. Simply put, we take care of our advisors, so they can take care of their clients.

Securities and advisory services offered through LPL Financial, a registered investment advisor. Member FINRA/SIPC. LPL Financial and its affiliated companies provide financial services only from the United States. Crown Capital and LPL Financial are separate entities.

Throughout this communication, the terms "financial advisors" and "advisors" are used to refer to registered representatives and/or investment advisor representatives affiliated with LPL Financial.

We routinely disclose information that may be important to shareholders in the "Investor Relations" or "Press Releases" section of our website.

Warning Regarding Forward-Looking Statements

Statements in this press release regarding LPL's and Crown Capital's future operating results, growth and plans, including potential future levels of assets serviced, the onboarding of advisors and assets, or 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 historical performance of LPL and Crown Capital and LPL's plans, estimates and expectations as of July 25, 2023. Forward-looking statements are not guarantees that the future levels of assets serviced, results, plans, intentions or expectations expressed or implied by LPL 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 levels of assets serviced, 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. In particular, LPL can provide no assurance that the assets reported as serviced by Crown Capital financial advisors will translate into assets serviced at LPL, or that Crown Capital financial advisors will join LPL. Important factors that could cause or contribute to such differences include: satisfaction of closing conditions under the parties' purchase agreement, including receipt of transaction approval from the Financial Industry Regulatory Authority; difficulties or delays in onboarding Crown Capital financial advisors or clients, which could negatively affect LPL's ability to realize revenue or expense synergies or other expected benefits of the transaction; disruptions of LPL's business that could make it more difficult to maintain relationships with its financial advisors and their clients; the choice by clients of Crown Capital advisors not to open brokerage and/or advisory accounts at LPL; changes in general economic and financial market conditions, including retail investor sentiment; fluctuations in the value of assets under custody; effects of competition in the financial services industry, including competitors' success in recruiting Crown Capital advisors and their clients; and the other factors set forth in Part I, "Item 1A. Risk Factors" in LPL's 2022 Annual Report on Form 10-K and any subsequent SEC filing. Except as required by law, LPL specifically disclaims any obligation to update any forward-looking statements as a result of developments occurring after the date of this press 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. Estimated numbers are

used for illustrative purpose only, are not forecasts and may not reflect actual results.

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