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COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF BANKING AND SECURITIES

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COMMONWEALTH OF PENNSYLVANIA :  
DEPARTMENT OF BANKING AND :  
SECURITIES, BUREAU OF SECURITIES :  
COMPLIANCE AND EXAMINATIONS : DOCKET No. 230028 (SEC-CAO) :  
: :  
v. : :  
: :  
LPL FINANCIAL, LLC :

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**CONSENT AGREEMENT AND ORDER**

The Commonwealth of Pennsylvania, acting through the Department of Banking and Securities (“Department”), Bureau of Securities Compliance and Examinations (“Bureau”), has conducted an investigation of the business practices of LPL Financial LLC (“LPL”) and its officers and employees. Based on the results of its investigation, the Bureau has concluded that LPL has operated in violation of Section 301(c.1)(1)(ii) the Pennsylvania Securities Act of 1972, 70 P.S. § 1-101 *et seq.* (“1972 Act”). LPL, in lieu of litigation, and without admitting or denying the allegations herein, and intending to be legally bound, hereby agrees to the terms of this Consent Agreement and Order (“Order”).

**BACKGROUND**

1. The Department is the Commonwealth of Pennsylvania’s administrative agency authorized and empowered to administer and enforce the 1972 Act.
2. The Bureau is primarily responsible for administering and enforcing the 1972 Act for the Department.
3. LPL (CRD # 6413) is a California limited liability company with an address at 1055 LPL Way, Fort Mill, SC 29715.

4. From August 1975 through the present, LPL has been registered as an investment adviser with the United States Securities and Exchange Commission (“SEC”) under Section 203(c) of the Investment Advisers Act of 1940 and is a “federally covered adviser” as defined under Section 102(f.1) of the 1972 Act, 70 P.S. § 1-102(f.1).

5. From November 1980 through the present, LPL has been Notice Filed in Pennsylvania as an investment adviser pursuant to Section 301(f) of the 1972 Act, 70 P.S. § 1-301(f).

6. From January 2018 until June 2023, LPL failed to register at least one of its representatives as an investment adviser representative in Pennsylvania.

#### **VIOLATION**

7. By engaging in the acts and conduct set forth in paragraphs 4 through 6 above, LPL had at least one unregistered investment adviser in violation of Section 301(c.1)(1)(ii) of the 1972 Act, 70 P.S. § 1-301(c.1)(1)(ii).

#### **RELIEF**

8. Within 30 days of the Effective Date of this Order, as defined in paragraph 15, LPL shall pay the Department an administrative assessment in the amount of \$190,000.00. Payment shall be made by certified check or money order made payable to the “Department of Banking and Securities” and shall be mailed or delivered in person to the Bureau of Securities Compliance and Examinations located at 17 N. Second Street, Suite 1300, Harrisburg, Pennsylvania 17101.

9. LPL is ORDERED to comply with the 1972 Act, and Regulations adopted by the Department, and in particular Section 301(c.1)(1)(ii) of the 1972 Act, 70 P.S. § 1-301(c.1)(1)(ii).

10. Should LPL fail to comply with any and/or all provisions of this Order, the Department may impose additional sanctions and costs and seek other appropriate relief subject to LPL's right to a hearing pursuant to the 1972 Act.

#### **FURTHER PROVISIONS**

11. Consent. LPL hereby knowingly, willingly, voluntarily and irrevocably consents to the entry of this Order pursuant to the Bureau's authority under the 1972 Act and agrees that it understands all of the terms and conditions contained herein. LPL, by voluntarily entering into this Order, waives any right to a hearing or appeal concerning the terms, conditions, and/or penalties set forth in this Order.

12. Entire Agreement. This Order contains the entire agreement between the Department and LPL. There are no other terms, obligations, covenants, representations, statements, conditions, or otherwise, of any kind whatsoever concerning this Order. This Order may be amended in writing by mutual agreement by the Department and LPL.

13. Binding Nature. The Department, LPL, and all officers, owners, directors, employees, heirs and assigns of LPL intend to be and are legally bound by the terms of this Order.

14. Counsel. This Order is entered into by the parties upon full opportunity for legal advice from legal counsel.

15. Effectiveness. LPL hereby stipulates and agrees that the Order shall become effective on the date the Bureau executes the Order ("Effective Date").

16. No Disqualification. Nothing in this Order is intended to form the basis for any disqualification under the laws of any state, the District of Columbia, Puerto Rico, or the U.S. Virgin Islands; under the rules or regulations of any securities or commodities regulator or self-regulatory organizations; or under the federal securities laws, including but not limited to, Section 3(a)(39) of the Securities Exchange Act of 1934 and Regulation A, Rules 504 and 506 of Regulation D and Rule 503(a) of Regulation CF under the Securities Act of 1933. Furthermore, nothing in this Order is intended to form the basis for disqualification under the FINRA rules prohibiting continuance in membership or disqualification under other SRO rules prohibiting continuance in membership. This Order is not intended to be a final order based upon violations of any Pennsylvania statute, rule, or regulation that prohibits fraudulent, manipulative, or deceptive conduct.

17. Other Enforcement Action.

(a) The Department reserves all of its rights, duties, and authority to enforce all statutes, rules, and regulations under its jurisdiction against LPL in the future regarding all matters not resolved by this Order.

(b) LPL acknowledges and agrees that this Order is only binding upon the Department and not any other local, state or federal agency, department, or office regarding matters within this Order.

18. Authorization. The parties below are authorized to execute this Order and legally bind their respective parties.

19. Counterparts. This Order may be executed in separate counterparts, by facsimile and/or by PDF.

20. Titles. The titles used to identify the paragraphs of this document are for the convenience of reference only and do not control the interpretation of this document.

21. Finding. The Department finds that it is necessary and appropriate in the public

interest and for the protection of investors, and consistent with the purposes fairly intended by the policy and provisions of the 1972 Act to issue this Order.

**WHEREFORE**, in consideration of the foregoing, including the recital paragraphs, the Commonwealth of Pennsylvania, Department of Banking and Securities, Bureau of Securities Compliance and Examination and LPL Financial LLC, intending to be legally bound, do hereby execute this Consent Agreement and Order.

**FOR THE COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF BANKING AND SECURITIES  
BUREAU OF SECURITIES COMPLIANCE AND EXAMINATIONS**

Redacted

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Eric R. Pistilli, Deputy Secretary for Securities

Date: 08/10/2023



**FOR LPL FINANCIAL LLC**

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(Signature)

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Matt Applebaum, SVP Associate General Counsel  
(Print Officer Name)

Date: August 9, 2023