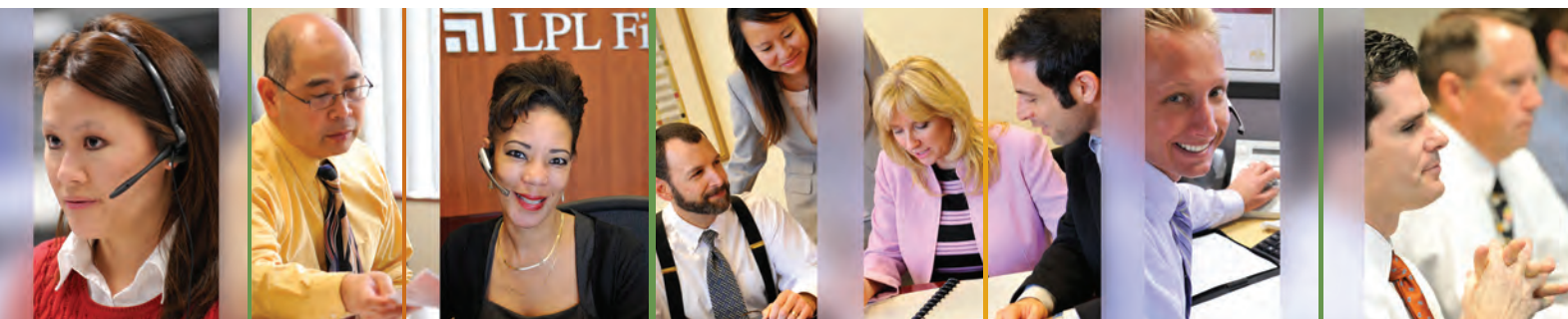
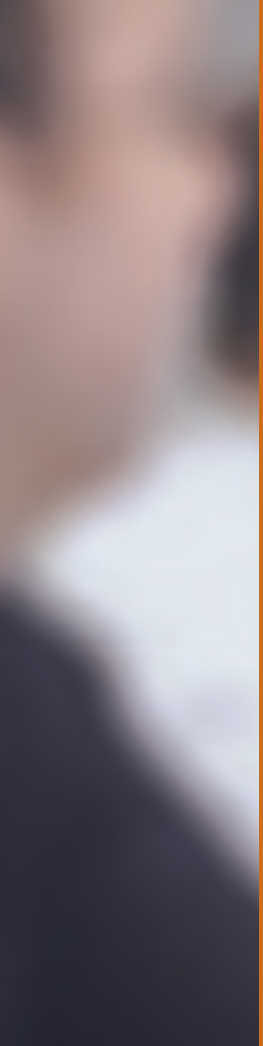


2009 ANNUAL REPORT



Clarity of Purpose

Courage of Conviction



Clarity of Purpose

Courage of Conviction

2009

2009 ANNUAL REPORT | CONTENTS

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Clockwise from bottom right:

Mark Casady
Chairman and CEO

Esther Stearns
President and COO

Robert Moore
Chief Financial Officer

Bill Dwyer
President, National Sales and Marketing

From the Office of the Chairman

For LPL Financial, it was our internal commitment that characterized 2009 more than any external market factors could.

For financial services firms, 2009 was the second consecutive year of extraordinary challenges. And once again, in response, LPL Financial focused on the extraordinary opportunities—the chance to demonstrate how clarity of purpose and courage of conviction could enable our firm to gain strength from adversity and emerge from a difficult year as a strong leader in our industry.

As the year began, the financial markets continued to grapple with the fallout from the credit crisis that dominated 2008. Investor caution remained high, placing extreme demands upon LPL Financial advisors, who worked diligently to ensure that anxious clients were given the advice and counsel they needed to maintain perspective. Supporting our customers through this time and empowering them to deliver the guidance their clients were seeking was the singular focus of LPL Financial in 2009. We demonstrated this focus in every aspect of our business, as the full resources of our firm were called upon as never before and LPL Financial enabled our customers to meet a wide range of needs.

But managing through a year such as 2009 required more than a clear purpose; it also

required the courage of conviction to execute our vision day in and day out, the resolve to follow a strategy through to completion, even when to do so meant making difficult decisions. Thus, for LPL Financial, it was our internal commitment that characterized 2009 more than any external market factors could.

Maintaining a singular focus on our customers

The financial crisis and its aftermath tarnished many well-known brands, causing considerable disruption in the financial advice landscape in 2009. Because they provide independent advice and services at the local level, LPL Financial advisors and financial institutions were well positioned to retain clients and provide an alternative for those seeking change. Helping customers benefit from this opportunity was a priority, as we enhanced our support of our advisors and developed tools that would allow them to do the same with their own clients. While financial circumstances may have forced others in our industry to lose focus on their customers' needs, our conflict-free business model and financial stability allowed us to concentrate our resources on understanding and responding to these needs.

More than ever, in 2009, LPL Financial customers drew upon the substantial resources we offer as a result of our scale and ability to expand services while keeping costs fixed. For example, advisors employed our research capabilities as never before, utilizing our up-to-the-minute analysis, commentary, and communication tools to provide answers to the questions that were most troubling to their clients. In a similar fashion, our advisors benefited from robust new marketing programs to help them capture new business and deepen relationships with existing clients. These resources are but two examples among the myriad of programs and tools—from customized business consulting to comprehensive compliance and risk management—that demonstrated the depth of support LPL Financial has to offer and, equally important, our ability to deliver this support when needed.

The efficacy of this support is illustrated by the J.D. Power and Associates 2009 U.S. Full Service Investor Satisfaction Study, in which LPL Financial received a number two ranking out of 14 leading financial services companies. Significantly, LPL Financial received the highest scores among all the study's participants in the area of Financial Advisor Satisfaction—the most important factor in the study, according to J.D. Power. In an environment where many disenfranchised investors are seeking new sources of guidance, these findings demonstrate the value of independent advice and the opportunity that lies ahead for LPL Financial advisors.

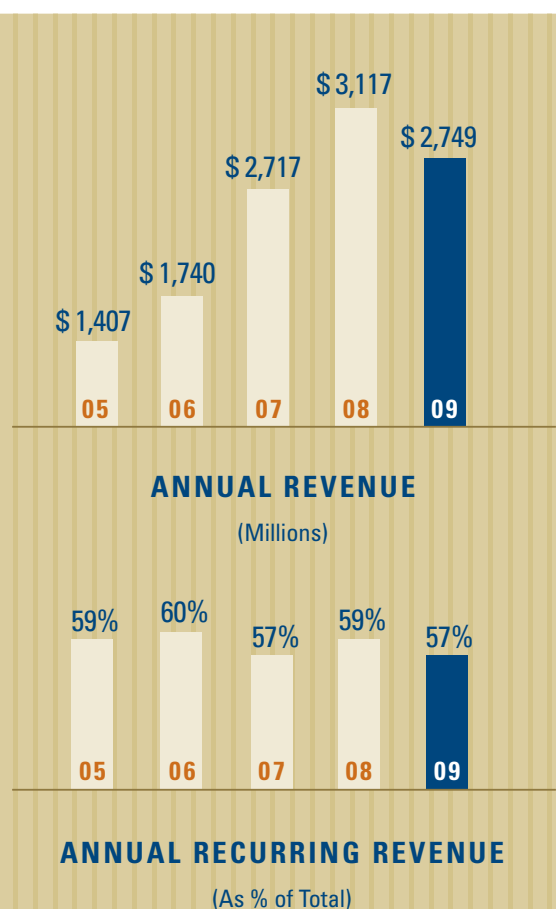
Supporting the evolution of our customers

Key to the firm's growth and our continued financial stability in 2009 has been the diversity of our business lines, each of which is built from our core focus of supporting financial advisors and institutions in the delivery of quality investment advice. In 2007, LPL Financial

entered the custom clearing business, through which we leverage our expertise in custody and clearing of assets, combined with our extensive knowledge of the broker/dealer industry, to support the broker/dealer arms of large financial services companies. This support enables our broker/dealer customers to evolve and grow their business without significant investments in building new infrastructure, and in 2010 we will look to extend this service to additional customers.

Also in 2007, we achieved significant expansion in our Institution Services business, becoming the largest investment services provider to banks and credit unions.¹ Since that time, we have continued to expand our support of these financial institutions by augmenting their focus on core banking products with investment and insurance solutions that are enabling them to deepen their relationships with their clients and drive retention.

¹ Based on number of financial institutions served as reported in 2008–10 Kenneth Kehler study



In October 2008, continuing to anticipate and support the evolution of our customers' business, LPL Financial recognized the need for an integrated RIA offering and introduced our hybrid RIA platform—a solution that enables us to serve independent advisors along the entire spectrum of possible business profiles. This platform was integral to our success at attracting new advisors in 2009 and reached \$7.3 billion in assets by the end of the year despite the market disruption and the presence of entrenched competitors. The central tenet underscored by the flexibility of our platform remains our fundamental belief in the power of independence and an advice model that allows advisors to use their knowledge of their clients' goals to guide their investment decisions.

Streamlining the organization yields solid financial performance

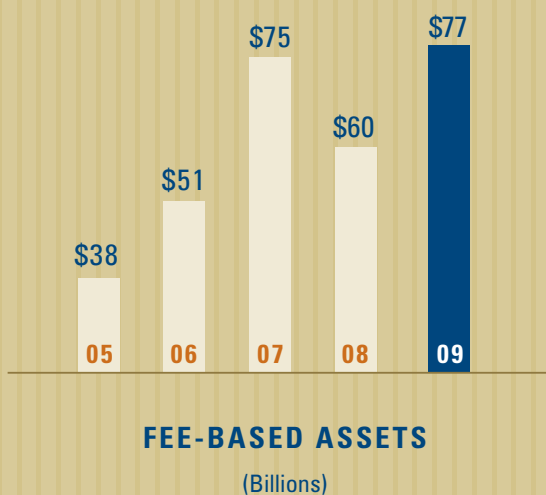
LPL Financial closed 2008 by announcing the beginning of a strategic business review of all areas of our business. Throughout this strategic business review, in both planning and execution, our focus remained on our customers and helping them to capitalize on the opportunities presented by the upheaval in the financial services industry. This focus required thoughtful decision making around

how best to allocate resources in support of our customers' business. The first outcome of the strategic business review was a workforce reduction of approximately 10%, which took effect in the first quarter of 2009. The reduction was implemented smoothly, with compassion for our employees, and without appreciable impact to service levels.

Later in the year, we announced several restructurings as further outcomes of the strategic business review. The first, which took place in May, consolidated various sales and marketing functions supporting our independent advisors and financial institution customers, resulting in the creation of a robust National Sales and Marketing business unit. At the same time, we consolidated compliance functions for these two customer groups into a centralized organization. We then integrated the Compliance organization with our Enterprise Risk Management business unit, further strengthening our holistic approach to compliance and risk management across the organization and positioning LPL Financial as a pioneer in an increasingly complex regulatory environment.

The final product of our strategic business review was the integration of the advisors from three of our affiliated broker/dealers—Mutual Service Corporation, Associated Securities Corp., and Waterstone Financial Group, Inc.—into the LPL Financial broker/dealer in September 2009. This integration allows advisors from these affiliated firms to benefit from the full breadth of LPL Financial resources at a time of great opportunity for their business.

As a result of our successful execution of the strategic business review, the firm realized significant savings in the form of a year-over-year expense reduction of 19%. Equally important, our organization is now more streamlined and less complex. This simplified structure will help to permanently reduce our



cost base, promote ongoing efficiency in our operations, and foster the implementation of best practices across the firm—all outcomes that demonstrate the fact that delivering sustainable benefits for our customers and our key stakeholders is at the heart of the choices we made.

From the beginnings of the financial crisis in 2008, we acted as excellent stewards of our financial resources in terms of our conservative use of capital and management of expenses to align with falling revenues. In 2009, our organizational realignments, combined with the recovery of financial asset values as the year progressed, placed LPL Financial on solid footing entering 2010, with business results having resumed a strong positive trajectory. Underscoring the success of our financial management through this period, the firm received a credit extension in December 2009. We are proud of these results, particularly given the economic landscape in which they were accomplished, and we are equally proud that they were accomplished while we simultaneously improved service to our customers.

Fostering continued recovery in 2010

As the market recovery that began in late 2009 continues, we will remain focused on fostering the recovery of our customers' business. As in the past, we will continue to expand resources our customers can leverage in serving their clients. In addition, we will increasingly look to capitalize on our firm's position and presence to inform the



ongoing dialogue around regulatory reform, ensuring our customers' voice—the voice of independent advice—is heard and understood.

LPL Financial has come far since its origins as a resourceful competitor within the independent advisor market space. As a result of sound decisions made in the past, today we have significant resources to deploy in support of our customers and a substantial impact to bear on the broader industry in which we operate. As the cost of doing business continues to rise, the scale we have achieved has become increasingly valuable as it enables us to invest in the talent, technology, and innovations to build leading solutions for our customers' business.

Yet, amidst this change, the fundamentals of our business remain the same, as does our foundation of unbiased, conflict-free advice. Our purpose is as clear today as it was when we began serving our first customer. And we remain firm in our conviction to ensuring that all of our customers—and the millions of investors they represent—are well equipped to meet the challenges and opportunities of the future.

Mark Casady
Chairman and CEO

Esther Stearns
President and COO

Robert Moore
Chief Financial Officer

Bill Dwyer
President, National Sales
and Marketing



Now more than ever...independence matters

When the systems and institutions that underpin our economy are shaken as they were in 2009, investors cannot help but wonder where to turn for the objective advice that will help them right their financial ship and get back on course to meet their goals.



Where previously big-name firms had beckoned as the source of financial success, recent events demonstrated that having an advisor who knows your name is more important than having a brokerage firm whose name you know.

The need for independent, objective advice delivered by local business owners and financial institutions was never more evident. As LPL Financial customers rose to meet this need, they were supported by the nation's leading independent broker/dealer² with a conflict-free business model and a 40-year history of putting customer needs first. Our investments in tools and talent had prepared

us to help our customers meet this challenge head-on and guide their clients through it.

At this unique point in our history, the breadth of resources LPL Financial offers our customers was more valuable than ever, and the firm lost no time initiating an organizational response that would empower our customers to leverage the firm's capabilities and experienced, dedicated professionals during these extraordinary times. As a result, in a year when many firms were challenged to retain accounts, LPL Financial advisors opened over 600,000 new accounts in 2009, representing a 9% increase over 2008.

²Based on total revenue as reported in *Financial Planning magazine*, June 1996-2009

Performance, service, and transparency support the

With such unprecedented events taking place in the financial markets throughout the year, the full resources of LPL Financial were brought to bear in support of our customers and their clients. In few cases were the depth of our expertise and our readiness to support more apparent than with our Research group, which quickly found itself at the forefront of helping advisors to address the challenges facing their clients.

Ordinarily, the results of a research organization might be summed up in the solid performance of its investment models over the course of a year. For LPL Financial in 2009, this was a positive story indeed, as all of our models outperformed their benchmarks for the year. Given the market environment, this performance reflects our success in taking a defensive posture to protect assets during periods of weakness and then repositioning once the seeds of growth appeared to take opportunistic advantage of the extreme valuations resulting from market weakness.

But model performance is only one part of the equation, albeit an important one, for our Research organization's success. In 2009, and going forward, service and transparency are also taking center stage in the group's overall performance metrics.

Timely intelligence puts markets in perspective

With a dedicated service component, LPL Financial Research attempts to create solutions with our customers. In order to deliver the best possible service, in 2009, we launched a series of initiatives to provide a stream of information to help advisors put day-to-day market events in perspective for clients. As a result, Research significantly increased the amount of up-to-date market intelligence delivered to advisors.

One significant enhancement to the team's service capabilities is the launch of the ASK (accurate, swift, and knowledgeable) Research Service Desk, a team of research professionals dedicated exclusively to answering advisor investment-research inquiries via phone and email. The ASK team provides timely responses to advisor inquiries, enabling them to be more responsive to their clients' questions and needs. In addition, through this ongoing interaction with advisors, the ASK team is able to identify themes and common questions that can be addressed more widely in one of the team's broader based communication vehicles.



delivery of conflict-free advice

Creating clarity through transparency

In 2009, clients became increasingly involved in their account management, seeking deeper insight into the investment process than in years past. To meet the need for greater transparency, we knew we had to do more than just provide recommendations; advisors needed to know the rationale for how we reach our conclusions in order to have more detailed investment conversations with their clients.

Central to our goal of creating a more transparent Research organization was developing a stream of insightful and consistent advisor and client communications. To this end, Research continued to host a morning call for advisors to explore daily market conditions and added an afternoon call during the peak of market volatility to recap the events of the day. The notes for the morning call are made available on a subscription basis for advisors who may be unable to attend or who want a recap of the morning's discussion. As a testament to the need for and the success of these calls, in 2009, the subscriber base for the morning call notes grew to over 4,000 financial advisors.

Research also published a new *Road to Recovery* campaign to help advisors and their clients navigate the challenging markets. Focusing on the three stages of volatility, healing, and recovery, the *Road to Recovery* equipped advisors to talk with their clients about market conditions and



set expectations for the future. A wealth of client-approved materials was made available as part of this campaign, as well as through the *Operation Handhold* campaign that began in 2008 and continued into 2009.

No substitute for independent, conflict-free advice

While the tools and methods used to deliver research have grown more comprehensive, ultimately, it is the quality and objectivity of our recommendations that make our research particularly valuable to advisors and their clients. More than at any other time in our history, 2009 highlighted the critical need for independent, conflict-free advice. Because we have no proprietary products or investment banking services to promote, LPL Financial advisors can be certain that we are their partner in providing the highest quality investment advice.

**All of our models
outperformed their
benchmarks for
the year.**

Deepening relationships with timely communication



In light of 2009's market turbulence and conflicting economic signals, robust sales and marketing support were increasingly important in communicating with and retaining existing clients, as well as in developing new client relationships. Following the consolidation of the sales and marketing functions for our independent advisors and financial institution customers at the mid-point of the year, LPL Financial was better positioned than ever before to deliver timely and effective product and business consulting and turnkey marketing programs that empowered our financial advisors to proactively address the needs of existing clients while attracting new business.

In this sense, a primary focus of LPL Financial in 2009 was to deepen our relationships with and support of our customers by making it increasingly easy and efficient for them to leverage our tools in strengthening their own client relationships.

ClientsFirst: client-acquisition program helps advisors capture opportunity

In a year characterized by extraordinary efforts to support our customers, perhaps the flagship initiative of the year was **ClientsFirst**, a comprehensive marketing platform designed to assist independent and financial institution-based advisors in capturing the market opportunity that existed because of industry turmoil in 2009.

Through **ClientsFirst**, LPL Financial partnered with eight nationally known product sponsors to deliver a broad array of seminars and corresponding direct-marketing programs, client letters and postcards, print advertisements, and other customizable marketing materials. **ClientsFirst** focuses on three key components of client acquisition: helping advisors to *find* and

and comprehensive support

connect with prospective new clients, developing relationships with prospects to *convert* them to clients, and fostering ongoing dialogue that helps advisors to *keep* clients once established.

Since the launch of **ClientsFirst** in May 2009, it has helped thousands of LPL Financial advisors to develop and deepen client relationships. The program continues to expand with the addition of new sales tools and product sponsor resources, including new **AdvisorFirst** sales-growth and business-efficiency components for 2010.

Expanded business consulting enhances all aspects of customers' practice

While the breadth of our resources has long been a strength of LPL Financial, increasingly, it is the depth of our consultative support in helping customers to leverage these resources that is becoming a key driver in our joint success. In 2009, business consulting teams specializing in working with independent financial advisors and financial institution program managers and advisors deepened their support of our customers, helping them to maximize productivity and profitability through dedicated relationship management, personalized practice management consultation, and comprehensive education and training. As a result, our customers were able to leverage LPL Financial in virtually all aspects of their business while they focused on client retention and attracting new clients searching for independent advice.

Business consulting for independent advisors

In Independent Advisor Services, we introduced relationship managers, who work with our branch offices to help advisors develop and achieve their business goals, to 700 additional branches. Relationship managers now cover 1,100 LPL Financial independent advisor branches. This expansion represents a reallocation of resources based on evidence of the value this service brings to our advisors' business.

To help our independent advisors more effectively manage the business aspects of their practice and spend less time on non-revenue-generating activity, a major focus at the end of 2009 was the development of an online profitability assessment tool, which was introduced in January 2010.

Since the launch of ClientsFirst in May 2009, it has helped thousands of LPL Financial advisors to develop and deepen client relationships.



The tool allows advisors to input specific information about their practice and obtain a comprehensive profit and loss analysis, an assessment of cash flow, and a benchmarked evaluation of revenue and expenses.

Our business consultants also helped independent advisors to focus on the future of their practice. In 2009, succession-planning activity, as measured by revenue transfers, tripled over the previous year, buoyed in part by new resources added to our online succession-planning resource, LPLtransitions.com.

Business consulting for financial institutions and institution-based advisors

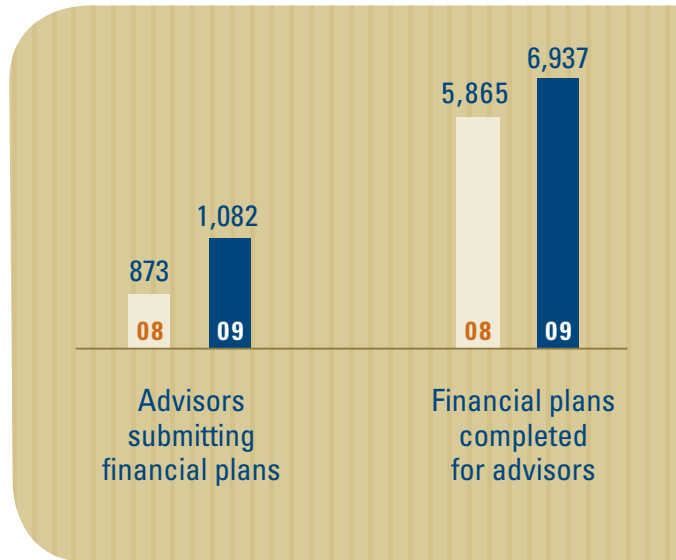
In Institution Services, the focus of the Business Consulting group was also on helping our customers capitalize on opportunity amidst the challenges of the year. As trusted local institutions, the regional and community banks and credit unions that partner with LPL Financial to provide investment services to their clients

held a distinct advantage over some of their larger, national competitors.

Helping them make the most of this opportunity, our business consultants and relationship managers worked closely with program and sales management at the institutions to evaluate and enhance the overall financial performance of the investment programs. This strategy involved an analysis of our investment program support to ensure that our services were aligned with the institutions' opportunities and that our consultants were focused on the factors of performance we could most positively influence. We also worked closely with these programs to add new financial advisors to meet the increasing demand for local advice and to optimize advisor sales activity.

For our institution-based advisors, our focus in 2009 was to create efficiencies through marketing campaigns, product consulting, and sales management support tailored to their unique client base. Institution-based advisors leveraged the steady stream of research and marketing communications developed by LPL Financial and also benefited from consulting on strategies for utilizing these resources with existing and prospective clients. In addition, in an environment of extraordinarily low interest rates, LPL Financial helped bank and credit union advisors address the needs of their most risk-averse clients with increased product support regarding fixed annuities and conservative fixed-income products. We also enhanced our operational and compliance support of these products in the first quarter of the year





by expanding our Annuity Order Entry system on BranchNet to include fixed annuities.

Simplifying the sales process with brokerage and advisory consulting

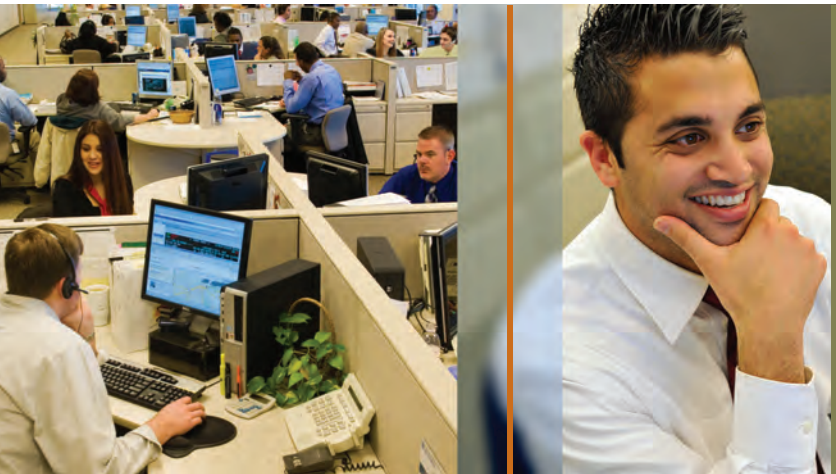
Shifting client needs in 2009 resulted in an increased demand on the time of financial advisors who needed to maintain a prolific flow of information and communicate regularly with clients as economic conditions evolved. In addition to the research and marketing tools developed to address this need, LPL Financial also introduced and enhanced resources to help advisors effectively and efficiently communicate investment proposals and product recommendations to their clients.

One such enhancement was the expansion of our Investor Presentation and Proposal Tool to include new product and investment solutions. New to the tool in 2009 was the ability for advisors to address common retirement challenges with variable annuities

by using an interactive income needs analysis with clients. As a result of these enhancements, as well as the increasing demand by investors to have financial plans developed or reevaluated, use of our proposal and presentation tools exploded in 2009, allowing advisors to deliver investment advice to meet the increasing demand while managing demands on their time more efficiently.

Similarly, 2009 also brought about an increase in use of our integrated wealth management tool, WealthVision. Upgraded in 2009, WealthVision combines powerful financial planning tools with exceptional client-service features, including account aggregation for LPL Financial and non-LPL Financial accounts, unique document storage, and a robust client site. Adoption of WealthVision by advisors has steadily increased since its launch in 2007, and in 2009, the number of financial plans generated through this tool increased 30% over the prior year, as our advisors worked to

LPL Financial introduced and enhanced resources to help advisors effectively and efficiently communicate with their clients.



In just its second year, Model Wealth Portfolios (MWP) grew by \$858 million for a year-end total of \$1.3 billion in assets under management.

help their clients adjust to changes in market conditions that could impact their financial futures. More than 1,300 LPL Financial advisors used WealthVision as of year end, with 73% of the financial planning activity for advisors on the LPL Financial corporate RIA being performed on the system.

Serving more clients more efficiently with advisory platforms

The LPL Financial advisory platform provides advisors with efficiencies through a range of asset allocation

vehicles that allow them to meet the needs of clients of any size with a single solution. By leveraging the LPL Financial Research group for asset allocation, manager selection, portfolio management, and trading efficiencies, advisors are able to effectively meet a range of client needs and investment objectives while focusing more attention on the client relationship itself.

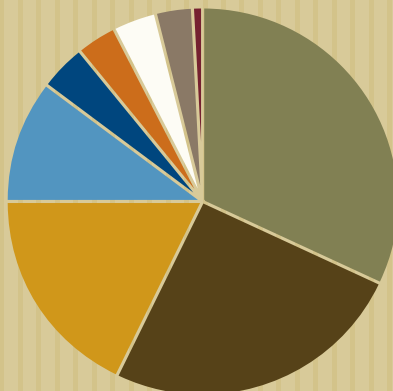
The benefits of this strategy were evidenced in the impressive growth in our advisory platforms in 2009. In just its second year, Model Wealth Portfolios (MWP), a discretionary mutual fund asset allocation platform that provides advisors with a direct translation of LPL Financial Research's proprietary strategy, grew by \$858 million for a year-end total of \$1.3 billion in assets under management. At year end, LPL Financial had 991 advisors using MWP in over 5,560 accounts. One development driving the continued success of this platform was the partnership with Dimensional Fund Advisors to build the Dimension Model series in MWP in 2009.

In addition to the exceptional growth experienced by MWP, Strategic Asset Management (SAM), our flagship advisory platform, also grew in 2009, finishing the year with \$68.5 billion in assets under management, a 36% increase over 2008.

Consolidated insurance organization drives sales for advisors, profitability for firm

As part of the consolidation of sales and marketing functions across our firm, in 2009, LPL Financial consolidated our insurance organizations, creating a central insurance

Advisory	■	32.3%
Variable annuities	■	25.3%
Mutual funds	■	17.9%
Fixed annuities	■	10.3%
Equities	■	4.0%
Alternative investments	■	3.5%
Fixed income	■	3.4%
Insurance	■	3.2%
Other	■	0.1%



PRODUCT MIX

general agency and sales team to support both independent and financial institution-based advisors in their sales of insurance products. Consolidating support for these two customer groups created a more scalable insurance organization, enhancing the consulting and case management services available for all of our advisors.

One example of this enhanced support was the addition of a premier case program, which improves advisors' ability to close large insurance cases. A long-term care program was also introduced in 2009 to enable advisors to help clients prepare for increased life expectancies and rising healthcare costs. As a result of these enhancements, LPL Insurance Associates top-line revenue grew in 2009, despite it being a down year for the insurance industry as a whole.

Retirement Plan Plus launched to help advisors address growing retirement need

In 2009, LPL Financial, in partnership with a limited group of retirement plan product sponsors, launched Retirement Plan Plus. Similar to our existing Plus programs for mutual funds and variable annuities, Retirement Plan Plus is a robust platform to serve financial advisors focused on the retirement plan space. We also expect the program to attract, educate, and support advisors new to the retirement plan arena.

focus|09

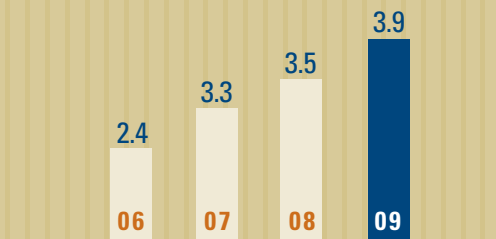
National Conference invites attendees to explore the theme *ClientsFirst: A Focus on Main Street*

Each summer, LPL Financial customers from across the country gather at our national focus conference to learn about new LPL Financial programs and resources, to meet with product sponsors and learn about new investment solutions for their clients, and to network with other leading financial advisors. The theme of focus09 was *ClientsFirst: A Focus on Main Street*, reflecting the increasing validity of the mission that has been central to the LPL Financial business model since our inception: serving Main Street with independent advice. The conference also recognized recent dramatic shifts in the landscape of advice and shed light on the challenges investors face in addressing financial needs in an economic environment characterized by volatility and rapid change.

In 2010, we will be implementing solutions-based campaigns under the theme of *Focus on the American Dream*, a natural next step as advisors help their clients rebuild their financial futures in the wake of the prior year's crisis.

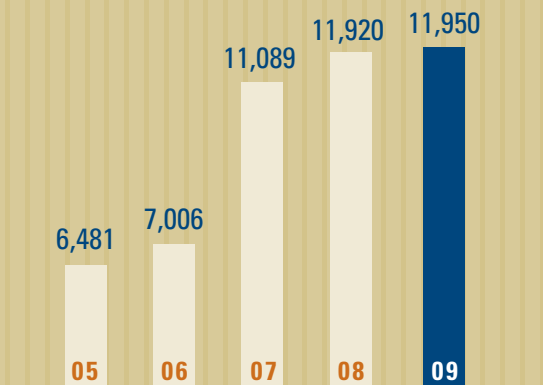


Measures of success



TOTAL FUNDED CLIENT ACCOUNTS

(Millions)



TOTAL ADVISORS

While the financial services industry as a whole contracted in 2009, and many brokerage firms found themselves struggling to retain advisors, LPL Financial experienced continued success attracting new customers to the firm. Both Independent Advisor Services and Institution Services enjoyed record years in business development, underscoring the attractiveness of the independent advice model to financial advisors and institutions looking for the freedom to serve only the best interests of their clients.

Attracting a broad range of independent advisors with a flexible business model

Our conflict-free model and unwavering focus on supporting advisors in providing unbiased advice helped attract prospects

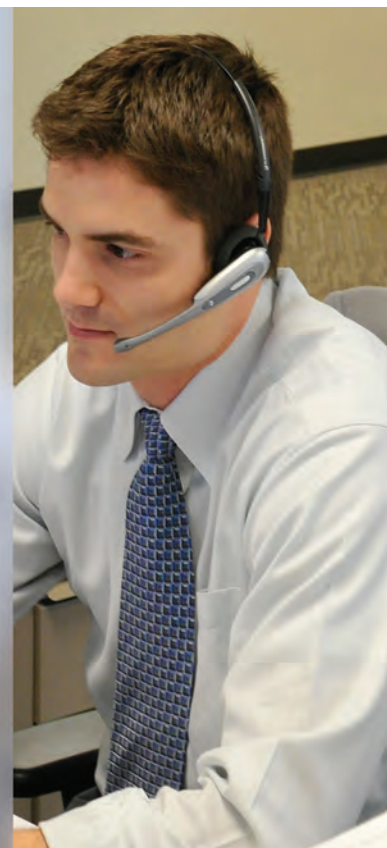
to LPL Financial from close to 200 different firms. In 2009, independent advisor business development was up an impressive 41% on the self-clearing platform compared with 2008. This success in attracting new advisors resulted in a total of 750 net new advisors added in 2009, excluding attrition from the integration of the advisors from our affiliated broker/dealers. While we believe this increase was a clear reflection of the movement toward independence in the industry, our success can also be attributed to an increasingly targeted business development approach that seeks to convert advisors from all segments of our industry: wirehouses, regional broker/dealers, national banks, and insurance firms. In addition, we continued to attract more advisors with large practices. In 2009, these advisors flocked to LPL Financial, where they could build their practice in an open-architecture environment augmented by leading technology and greater business consulting support.

Our hybrid RIA platform has been a key element in the firm's success in attracting larger advisors in terms of assets under management. The LPL Financial business development team employs a highly consultative approach in helping advisors determine not only whether to go independent, but also which business model—registered representative, hybrid, or RIA—is best for them and their

clients. The firm's increased market share reflects the ongoing enhancement of our value proposition as we have continually developed our investment platforms and used the firm's scale and resulting efficiencies to increase advisor profitability.

But the growth in new advisor relationships is just one part of the story. Advisor retention played an equal part in the firm's net advisor growth in 2009. Excluding attrition attributable to the integration of the affiliated broker/dealer advisors onto the LPL Financial platform, the firm retained approximately 96% of production on the year.

In 2009, independent advisor business development was up an impressive 41% compared with 2008, with 750 net new advisors added.



Within existing programs, we attracted over 130 new advisors in 2009.

Appealing to financial institutions that provide trusted, local advice

Supporting community and regional banks and credit unions is a core focus for LPL Financial. As a result of this focus—as well as the unmatched breadth of resources we make available to financial institution program managers and advisors—LPL Financial enjoyed significant success in attracting new financial institution customers in 2009. While the growth in number of new financial institution partners was substantial, particularly given the consolidation and disruption in the banking industry over the course of the year, it is the relative size of these customers that best demonstrates our business development success for the year. In 2009, the average investment program revenue for these new programs was almost double the average revenue of new institution customers added in 2008. These

factors, combined with an attrition rate in Institution Services of less than 3% in 2009, resulted in a stellar year for the business unit.

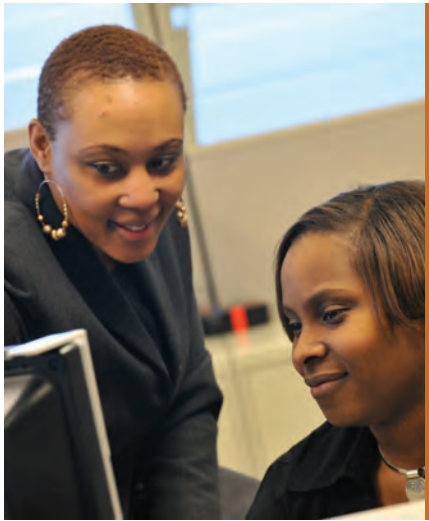
In addition to attracting new financial institution programs to the firm, another focus of the Institution Services Business Development group is working with our investment program partners to attract new financial advisors to their institutions to support their growth. Due to the popularity of this service with our financial institution customers, our Institution Services Business Development team was leveraged to attract over 130 new advisors to existing programs in 2009. As was the case in Independent Advisor Services, these new institution-based financial advisors brought with them significantly higher average production than in the past.

Continued advancements in serving institutional customers

One indicator of the firm's success in our industry has been our ability to leverage our expertise in the development of advisory, clearing, and technology platforms to serve other financial services firms. LPL Financial offers a range of solutions that allow broker/dealers to expand the support they make available to their financial representatives without taking on additional infrastructure.

These services begin with our subsidiary, Independent Advisers Group Corporation, commonly known as IAG, which provides advisory platforms to other industry broker/dealers, allowing their advisors to utilize select models developed by the LPL Financial Research team in their clients' portfolios.

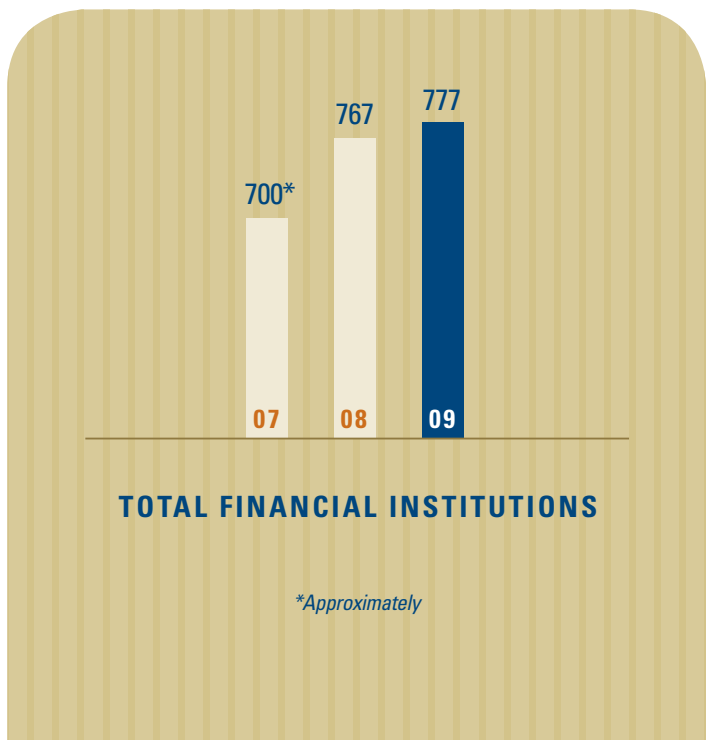




Our services for institutional customers evolved further in 2007 with the launch of our Custom Clearing Services business, which leverages our expertise in clearing and technology to serve the broker/dealer arms of large financial services firms.

While the economic landscape in 2009 made it an inopportune time to take on additional clearing customers—or for many broker/dealers to make the important decision of changing clearing partners—with the signs of market recovery late in the year, LPL Financial intensified our focus on growth and established a structured approach to selling a range of institutional services. Interest in both the IAG and Custom Clearing Services offerings increased in 2009, as financial institutions sought to learn more about ways they can leverage successful elements of the LPL Financial broker/dealer platform to enhance product distribution, financial advisor satisfaction, and client service for their representatives.

One indicator of the firm’s success in our industry has been our ability to leverage our expertise in the development of advisory, clearing, and technology platforms to serve other financial services firms.



Our commitment in action: implementing firm-wide

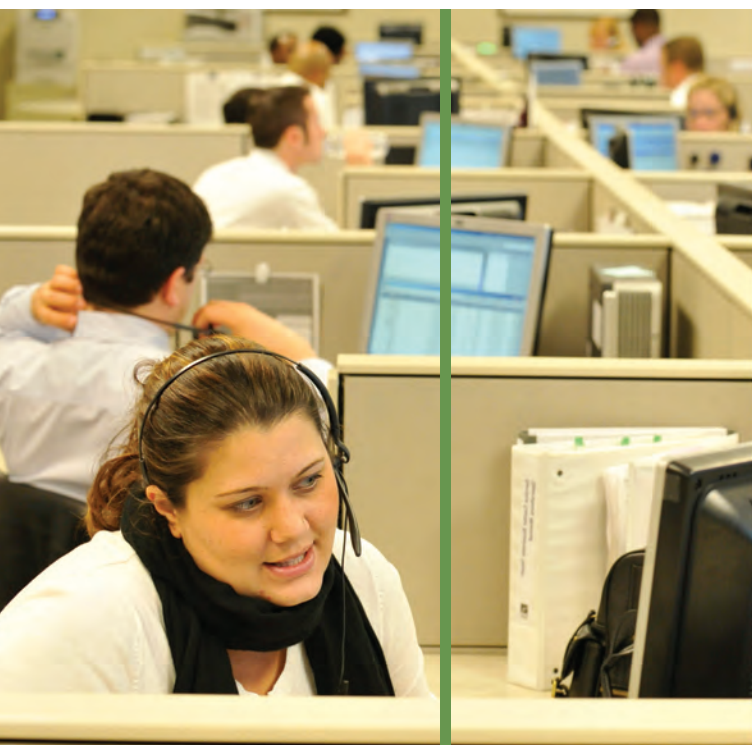
As resources and teams across the firm remained focused on meeting the pressing needs of our customers, LPL Financial also maintained perspective on the way these needs would evolve as economic conditions stabilized, resulting in both short- and long-term infrastructure enhancements.

Responding to present service needs while laying groundwork for the future

While the response to customer needs was truly firm-wide, nowhere was this response more evident than on the front lines of our service organization in Broker/Dealer Support Services. Although investor confidence dipped, account activity remained high.

Responsiveness was critical, especially early in the year, as our advisors and their clients received much-needed assistance during trying times. In each interaction, service staff strived to be a calm and reassuring counterpoint to the often-emotional and anxious conversations advisors were having with their clients.

In all areas of our business, we are guided in our customer service efforts by the firm's Commitment Creed, which emphasizes the belief that has been at the heart of LPL Financial for more than 40 years: our customers are the most important people to our company. Through service enhancements and initiatives introduced throughout the year, this belief remained



infrastructure enhancements



central to all of our efforts to exceed expectations in delivering the best possible service experience for our customers.

Service360 pilot ushers in future of service at LPL Financial

In 2008, LPL Financial devoted considerable time, research, and analysis to the development of a new service model with the goal of revolutionizing our service delivery through a team-based approach that drives both advisor and employee satisfaction.

Service360 emphasizes timely, accurate, and efficient service delivered in a more personal, relationship-focused manner and with greater accountability and ownership on the part of the service team. **Service360** got underway in 2009 with pilot programs supporting two customer groups in Independent Advisor Services.

In our pilot, two service teams—one in Charlotte and one in San Diego—were assigned to support the account servicing and basic operational needs of approximately

1,500 independent advisors from 500 LPL Financial branches for at least 120 days. Through the program, LPL Financial evaluated both qualitative and quantitative metrics to determine the strengths and potential weaknesses of this type of service model. The goal of the pilot was to test effectiveness and to determine if any adjustments should be made prior to the launch of **Service360** to additional customers.

By all measures, the pilot is proving to be a success, validating our new service model and laying the groundwork for introducing the program to a broader customer base in 2010. Transaction times for basic operational tasks were reduced significantly, and both advisor and employee satisfaction surveys showed positive results. Equally encouraging was the feedback we received from advisors who reveled in the heightened accountability of LPL Financial employees and the deeper relationships they were experiencing with their service partners.

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Increased emphasis placed on productivity and ease of doing business

In addition to the more global service delivery redesign of the **Service360** initiative, in 2009, LPL Financial undertook several smaller, yet meaningful, process improvements to increase productivity, simplify our operations, and make it easier for our customers to do business with us. This effort involved a review of multiple processes to eliminate steps that did not add value. Six different departments within Broker/Dealer Support Services were reviewed in 2009, and several more will be reviewed in 2010 as we look to institutionalize a focus on productivity and simplicity of process that reduces waste and creates additional opportunities for LPL Financial to better support our customers.

Deepening firm-wide technology support

Through our Business Technology Services organization, we continue to enhance the firm's infrastructure by improving processes for our customers. An important part of our value proposition comes from our comprehensive technological offerings, superior system integration among these offerings, cost-effective delivery, and state-of-the-art processes to generate efficiencies in everything from account opening and performance monitoring to financial planning and relationship management.

Given the scope and importance of these systems, each year, performance is a primary metric for our technology organization. In 2009, we continued to deliver a reliable

environment in BranchNet, the system used by LPL Financial advisors to access client account information and place trades. System health checks, load balancing, and continuous process improvement were all keys to our ability to achieve a high level of performance.

By the end of 2009, LPL Financial had experienced 19 months of consistently exceeding performance targets for BranchNet and other critical technology systems, demonstrating the firm's commitment to ensuring maximum system availability for our customers. From this foundation of performance, in 2009 we sought to enhance our technology support of our customers and our firm as a whole.

Responding to business needs

A key focus for our technology group in 2009 was to increase emphasis on understanding and responding to business needs. The expansion of our needs management organization was critical to this effort, as it provided each area of our business with a technology liaison for initiating and scoping projects, formulating strategic technology roadmaps, and resolving technology-related issues. Aligning members of the technology group with departments and business units across the firm improved our decision-making ability as we prioritized projects throughout the year, ensuring that technology enhancements were closely tied to business priorities.

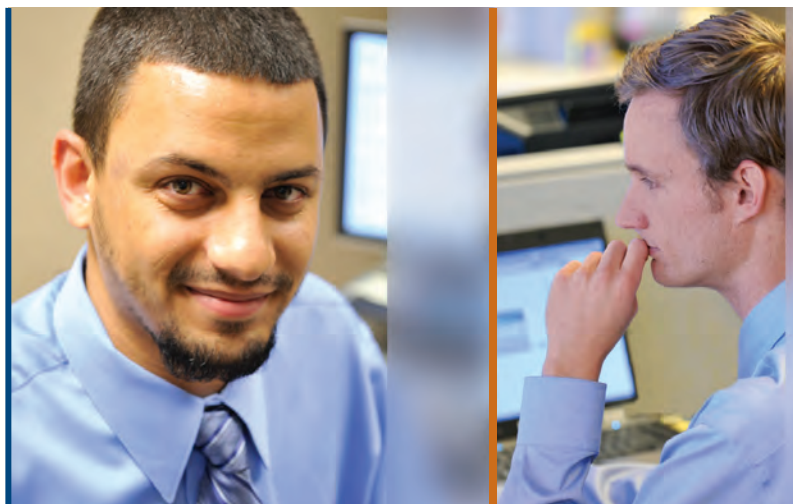
Business Technology Services also placed an increased emphasis on the business of IT in 2009, focusing on financial and

vendor management and time and budget allocations to ensure the optimum use of financial and human resources. By developing greater discipline in the management of our entire technology portfolio, we were able to heighten our focus on productivity and simplification of processes to ensure resources were committed where they added the most value. This approach resulted in significant cost savings to the firm in 2009, helping to drive our firm-wide response to challenging market conditions while setting the stage for ongoing savings in the future.

Improving architecture, design, and scalability

While making great strides in managing the business side of IT, we also made significant enhancements to our technology infrastructure, including upgrading BranchNet to the latest version of Microsoft database software to enhance our platform's ability to scale to the firm's business requirements. In doing so, we improved our

A key focus for our Business Technology Services group in 2009 was to increase emphasis on understanding and responding to business needs.



operating control of the platform, allowing us to manage the system more proactively, add capacity, and improve system performance and response time for BranchNet users.

Additionally, in order to enhance security, we completed an important project to change our authentication protocol. Beyond its security benefits, this significant investment in time and resources also facilitated the integration of affiliated advisors onto the LPL Financial platform.

Delivering product enhancements

Alongside these behind-the-scenes projects, we continued to develop and enhance customer-facing technologies to make LPL Financial advisors' day-to-day processes easier and more efficient, enabling them to spend more time managing client relationships. Among the enhancements introduced in 2009 was the addition of

fixed annuities to our Annuity Order Entry system, an automated process devised to facilitate regulatory compliance regarding customers' annuity purchases. This enhancement was particularly important to our customers given the rate environment in 2009. Additional developments included reporting enhancements to better support large branch offices and program managers at financial institutions by grouping advisors, and improvements to Portfolio Manager to allow batch reporting of client groups.

Comprehensive risk management approach foreshadows industry trend

The latter half of 2008 and the full year of 2009 gave our industry glimpses of imminent regulatory changes. For customers seeking to establish and grow their practice in the midst of an evolving regulatory landscape, LPL Financial was a steady and reliable partner, one that could be counted on to promote the best interests of our customers, their clients, and our firm while doing what is ethically, legally, and morally right.

Consolidating Compliance and Enterprise Risk Management

A primary focus in 2009 was to take a comprehensive view of risk across the whole organization. One outcome of this view was the integration of our Compliance function and our Enterprise Risk Management organization to form a new Governance, Risk, and Compliance group in September. The consolidation was initiated with the objective of looking at risk holistically and consistently, rather than from





within functional units. As a result, we are better able to set firm-wide standards for measuring and addressing risk and to create a common protocol for reporting in 2010.

Currently, regulators and various industry groups are recognizing the value of this model, and we believe LPL Financial is at the forefront of a unified approach to risk management that will soon become an industry standard. We will look to expand on our reputation for conflict-free advice by creating compliance and risk practices that become a competitive advantage for our firm.

Maintaining effective risk management controls

In addition to unifying our risk management efforts, much attention was also given to managing the day-to-day risk environment of our customers and our firm as our industry evolved in 2009. To this end, LPL Financial enacted a series of programs to enhance our security posture.

Further responding to changes in our organization and our industry, in 2009, we recognized that the influx of new financial advisors and institutions to our firm—many of which brought with them larger accounts and practices geared toward the service of higher net worth clients—would impact our product mix. In response, we created a new product due diligence team in September, which now serves as a central point of review for new products we offer.

For customers seeking to establish and grow their practice in the midst of an evolving regulatory landscape, LPL Financial was a steady and reliable partner, one that could be counted on to promote the best interests of our customers, their clients, and our firm while doing what is ethically, legally, and morally right.

LPL Financial in the community

Meeting an increasing need in our home office communities

At the core of our firm's community relations mission is our commitment to being an enabling and caring partner to the communities where our employees live and work. In 2009, nonprofit organizations supporting our home office communities were stretched as never before, doing their best to meet growing needs with reduced resources. LPL Financial was there to help, extending financial resources and employee volunteers to address the challenges the struggling economy brought to neighbors in need.

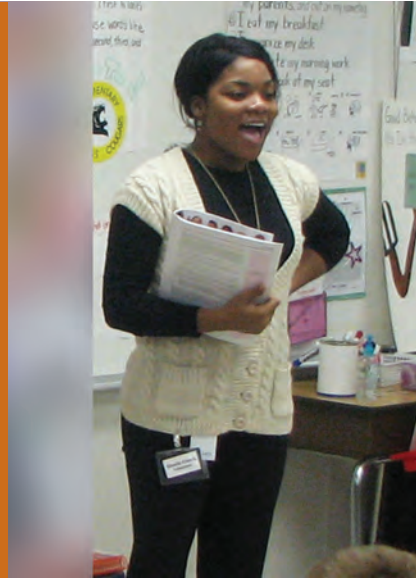
Corporate charitable giving

Despite challenging economic conditions, LPL Financial demonstrated our commitment to our community by making significant financial contributions to nonprofit organizations within our focus areas of communities, children, and the elderly. While continuing our support of long-time partners such as Big Brothers Big Sisters, Junior Achievement, and Rebuilding Together, in 2009, LPL Financial entered new partnerships with Habitat for Humanity and Meals on Wheels. In addition, at year end, when contracting state and county budgets threatened the ability of several of our partners to continue their high levels of community support, LPL Financial stepped in with several one-time donations, including a substantial gift to save Junior Achievement programming in the Charlotte, NC, area.

Employee volunteerism and giving

While we believe financial support is an essential component in corporate community partnerships, we are most proud of our employee involvement in making our communities a better place to live. In 2009, more than 200 LPL Financial employees participated in a variety of one-time and ongoing volunteer activities. Employees also contributed thousands of items ranging from books and school supplies to canned food and holiday gifts benefiting our community partners and the individuals they serve. LPL Financial employees also gave generously of their





financial resources through our annual United Way campaign and other fundraising activities.

To recognize and encourage this generosity, in 2009, LPL Financial introduced a charitable matching-gift program for our employees. Through the program, the company matches charitable donations of employees to eligible nonprofit organizations, incrementally expanding the impact of these gifts on the communities where our employees live and work.



Our Mission in the Community

LPL Financial is an enabling and caring partner to the communities where our employees live and work. Through volunteer and financial support of organizations that make an impact in our home office cities, LPL Financial and our employees strive to enhance the lives of individuals and families in need by fostering strong and nurturing communities, enrichment and education for children, and comfort and security for the elderly.



Continuing our involvement with the Invest in Others Charitable Foundation, Inc.

Over the years, LPL Financial has been inspired to hear the stories of devoted financial professionals who are as committed to the well-being of their communities as they are to their clients' financial futures. Inspired by these stories, LPL Financial launched the Invest in Others Charitable Foundation in 2006 to recognize and celebrate philanthropy in the financial services industry. Since that time, the public charity has grown to support thousands of financial advisors and the charities that are dear to them through an advisor matching-gift program and two annual events for the financial services industry.

Advisor matching-gift program

One of the most popular aspects of our involvement with Invest in Others is the matching-gift program for LPL Financial advisors. In 2009, the maximum annual match amount per advisor was increased, creating an additional opportunity for financial advisors to deepen their support of the organizations and programs that serve their community's needs. In 2009, more than 700 advisors participated in the Invest in Others matching-gift program, a 34% increase over 2008 that resulted in almost \$200,000 in matching donations to charities nationwide.

Community Leadership Awards

In September 2009, Invest in Others once again partnered with *InvestmentNews* to host the third annual Community Leadership Awards dinner. The signature fundraiser for Invest in Others, the dinner attracted 450 attendees representing approximately 100 different firms. The event pays tribute to financial advisors from all broker/dealers who are nominated by their peers for exemplary and ongoing humanitarian efforts.

Financial advisor honorees were recognized in four award categories from nearly 400 nominations representing approximately 100 firms across the industry. In addition to serving as a fundraiser for Invest in Others, the Community Leadership Awards dinner also generated \$70,000 in donations to charitable organizations supported by the evening's finalists and honorees.

Inaugural Invest in Others 5K Run/Walk

In August 2009, the inaugural Invest in Others 5K Run/Walk was held in San Diego in conjunction with our focus09 national conference. More than 250 financial advisors and their guests participated to earn a donation on their behalf from Invest in Others to a local San Diego charity. At the end of the race, Invest in Others presented a \$30,000 check to Second Chance, an organization that works to break the cycle of unemployment, poverty, incarceration, and homelessness in San Diego. In addition, the top three male and female financial advisor finishers earned donations in their name to their charities of choice.



Invest in Others Charitable Foundation

About the Invest in Others Charitable Foundation

Established in 2006, the Invest in Others Charitable Foundation is a registered 501(c)(3) charity founded with the mission of encouraging and supporting the philanthropic and volunteer activities of financial advisors in their local communities.

This mission is achieved through a community-based approach to philanthropy that seeks to strengthen neighborhoods from within by empowering those who are committed to serving others in their professional and personal lives.

As mentors, volunteers, fundraisers, and leaders, financial professionals lend their unique skills and perspectives to the challenges and opportunities facing their neighbors. Invest in Others is proud to support and promote these efforts to better our world one community at a time.



Vision counts. Execution is everything.

As evidenced in the programs and initiatives undertaken in 2009, a common thread in our firm's resilience through this challenging year was our unwavering focus on our customers.



From the uncertainty of the first quarter through the signs of recovery that sprang up near the end of the year, our purpose and our path were always clear. This vision, combined with the culture of execution that has been our hallmark from the beginning, enabled LPL Financial to rise to meet the challenges of the year and help our customers to do the same.

Yet while the resources we bring to bear for our customers are considerable, it is our customers themselves who have made the difference for investors trying to see their way out of the economic crisis. Their success, as evidenced by the increase in new accounts opened in 2009 and the performance of our advisors relative to their peers in the industry,

points to a business model whose time has come and an unparalleled moment of opportunity for our customers.

As the U.S. economy slowly recovers from the worst downturn since the Great Depression, the value of independent, objective advice backed by the resources of the nation's largest independent brokerage firm has never been more apparent. And with a streamlined organization led by the most experienced management team in our history, LPL Financial has the clarity of purpose and the courage of conviction to empower our customers to provide this essential service for clients today, tomorrow, and for years to come.



BOARD OF DIRECTORS

MARK CASADY

Mark Casady is chairman of the board and CEO of LPL Financial where, since joining the organization in 2002, he has led the company to become a leading financial services firm. Previously, he was managing director of the mutual fund group for Deutsche Asset Management, Americas—formerly Scudder Investments. He was also a member of the Scudder, Stevens, and Clark board of directors and management committee. Prior to Scudder, Mr. Casady held roles at Concord Financial Group as institutional sales manager and at Northern Trust as vice president of investments and head of global custody operations in its London office. He is former chairman and a current board member of the Insured Retirement Institute (IRI) and serves on the Financial Industry Regulatory Authority (FINRA) board of governors. He has also served on the executive committee of the Investment Company Institute board of governors. In 2007, Mr. Casady was named Financial Executive of the Year by DePaul University College of Commerce and one of the top 50 financial professionals by *Irish American* magazine in 1999. In 2008, he was inducted into the Redefining Investment Strategy Education “Hall of Fame” by the University of Dayton. He received his Bachelor of Science from Indiana University and his MBA from DePaul University.

DICK BOYCE

Dick Boyce is a partner at TPG Capital, one of the largest global investment partnerships, owning 50 companies with over \$125 billion in revenue. He founded and leads TPG’s Operating Group, which drives performance improvement across all TPG companies. In his first role with TPG, he served as the chief executive officer of J.Crew Group, Inc., from 1997-1999, and as a board member from 1997-2006. He became chairman of Burger King Corporation in 2002 and serves on that board today. He also serves on the board of LPL Investment Holdings Inc. Prior to joining TPG, Mr. Boyce was employed by PepsiCo, Inc., from 1992 to 1997, most recently as senior vice president of operations for Pepsi-Cola North America. Other roles at PepsiCo, Inc., included chief financial officer of Pepsi, general manager of the Canadian business unit, and senior vice president of worldwide strategic planning. Mr. Boyce was previously a partner at Bain & Company. He has previously served on the boards of directors of several other TPG companies, including Del Monte Foods, ON Semiconductor,

and Gate Gourmet. Mr. Boyce received a BSE with honors from Princeton University and received his MBA from Stanford Graduate School of Business.

JOHN BRENNAN

John Brennan is chairman emeritus and senior advisor of The Vanguard Group, Inc. Mr. Brennan joined Vanguard in July 1982. He was elected president in 1989, served as chief executive officer from 1996 to 2008, and was chairman of the board from 1998 to 2009. Mr. Brennan is chairman of the Financial Accounting Foundation; a director of LPL Investment Holdings Inc.; a governor of the Financial Industry Regulatory Authority (FINRA); a director of the United Way of Southeastern Pennsylvania; and a trustee of the University of Notre Dame and King Abdullah University of Science and Technology (KAUST). He graduated from Dartmouth College and received a Master’s degree in business administration from the Harvard Business School. He has received honorary degrees from Curry College and Drexel University.

JIM PUTNAM

Jim Putnam is vice chairman of the LPL Investment Holdings Inc. board of directors. He has been chief executive officer of Global Portfolio Advisors (GPA) since 2004. He has served on the board of directors of GPA since 1998 and has been director and vice chairman since December 2005. GPA currently operates in Europe. Prior to his tenure with GPA, Mr. Putnam joined LPL Financial in 1983 and held several positions, culminating in managing director of national sales, responsible for branch development, recruitment, retention, and management of LPL Financial advisors. He was also responsible for marketing and all product sales. Mr. Putnam began his securities career as a retail representative with Dean Witter Reynolds in 1979. Mr. Putnam holds a degree from Western Illinois University.

ERIK RAGATZ

Erik Ragatz is a managing director at Hellman & Friedman. His primary areas of focus are the energy/industrials, financial services, and healthcare industries. He is a director of Sheridan Holdings, Inc., LPL Investment Holdings Inc., and Goodman Global, Inc., where he serves as chairman of the board. Mr. Ragatz was formerly a Director of Texas Genco LLC. He was also active in the firm’s investments in Arch Capital Group

Ltd., Digitas, Inc., Gaztransport et Technigaz S.A.S., and Nasdaq Stock Market LLC. Prior to joining the firm in 2001, Mr. Ragatz was employed by Bain Capital in Boston and Sydney. Previously he worked as a management consultant for Bain & Company in San Francisco. Mr. Ragatz graduated with honors and distinction from Stanford University, where he was elected to Phi Beta Kappa. He earned an MBA from the Stanford Graduate School of Business.

JAMES RIEPE

James Riepe is a senior advisor and retired vice chairman of the board of directors of T. Rowe Price Group, Inc., where he worked for nearly 25 years. Previously, he served on the firm's management committee; held oversight of mutual fund activities, including U.S. and global marketing and service operations; and served as chairman of T. Rowe Price Mutual Funds. During his 35-year investment management career, he played a leadership role in industry affairs, serving as chairman of the board of governors and executive committee member of the Investment Company Institute. He was also a member of the board of governors of the National Association of Securities Dealers (now FINRA) and chaired its Investment Companies Committee. Mr. Riepe is a member of the board of directors of The NASDAQ OMX Group, Genworth Financial, LPL Investment Holdings Inc., and the Baltimore Equitable Society. He also served as chairman of the board of trustees of the University of Pennsylvania, from which he earned a Bachelor of Science and an MBA.

RICHARD SCHIFTER

Richard Schifter has been a partner at TPG Capital since 1994. Prior to joining TPG, Mr. Schifter was a partner at the law firm of Arnold & Porter in Washington, D.C., where he specialized in bankruptcy law and corporate restructuring. He joined Arnold & Porter in 1979 and was a partner from 1986 through 1994. Mr. Schifter currently serves on the boards of directors of Republic Airways, Bristol Group, LPL Investment Holdings Inc., Ariel Reinsurance Company Ltd., Tygris Commercial Finance Group, Inc., and Youth, I.N.C. (Improving Non-profits for Children) and on the board of overseers of the University of Pennsylvania Law School. Mr. Schifter received a Bachelor of Arts with distinction from George Washington University and graduated *cum laude* from the University of Pennsylvania Law School.

JEFFREY STIEFLER

Jeffrey Stiefler serves as a venture partner for Emergence Capital Partners, as chairman of Touch Commerce and Logic Source, and as a director of three companies: Verifone, Taleo, and LPL Investment Holdings Inc. Previously, he was chairman, CEO, and president of Digital Insight from 2003 through 2007. From 1995 to 2003, Mr. Stiefler served as an advisor to two private equity firms, McCown DeLeeuw and Company and North Castle Partners. He also served as vice chairman of Walker Digital Corporation and was a director of Education Lending Group. Prior to 1995, Mr. Stiefler was president and a director of American Express Company and president and CEO of IDS Financial Services Corporation (which became American Express Financial Advisors and then Ameriprise). Previously, he held leadership positions with Citicorp and Boise Cascade Corporation. Mr. Stiefler served as director or trustee of a number of philanthropic institutions, including The Salk Institute, Minnesota Business Partnership, Minneapolis Symphony, and Carlson School of Management. He received his Bachelor of Arts from Williams College and MBA from Harvard Business School.

ALLEN THORPE

Allen Thorpe is a managing director of Hellman & Friedman and leads the firm's New York office. His primary areas of focus are financial services and healthcare. He is a director of Emdeon Business Services, Sheridan Holdings, Inc., LPL Investment Holdings Inc., and Mondrian Investment Partners Limited, and is a member of the advisory board of Grosvenor Capital Management Holdings, LLLP. He is also active in the firm's investment in Artisan Partners Limited Partnership. He was formerly a director of portfolio companies Gartmore Investment Management Limited, Mitchell International, Vertafore Inc., and Activant Solutions, Inc. Prior to joining the firm in 1999, Mr. Thorpe was a vice president with Pacific Equity Partners and a manager at Bain & Company. Mr. Thorpe graduated with distinction from Stanford University and earned an MBA from the Harvard Business School, where he was a Baker Scholar.

MANAGING DIRECTORS



DENISE ABOOD

Human Capital



DAN ARNOLD

Divisional President
Institution Services



STEPHANIE BROWN

General Counsel



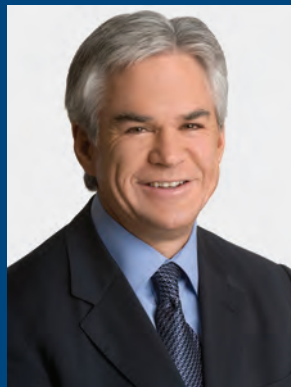
DEREK BRUTON

National Sales Manager
Independent Advisor Services



JONATHAN EATON

Custom Clearing Services



CHRISTOPHER FEENEY

Chief Information Officer



MARK HELLIKER

Broker/Dealer Support Services



JOHN McDERMOTT

Chief Risk Officer



JOSEPH TUORTO

Compliance



BURT WHITE

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EXECUTIVE VICE PRESIDENTS



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Business Consulting
Institution Services



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Officer



FITZ FISHER

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Deputy General Counsel



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Product and Platform
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Human Resources



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MICHELLE HAYMES AZEVEDO

RIA Business Development

YANNI BOUSNAKIS

Overlay Portfolio Manager
Broker/Dealer Support Services

BETHANY BRYANT

CFO, Operations Officer
The Private Trust Company

JEFF BUCHHEISTER

Regulatory Controls and
Commissions
Broker/Dealer Support Services

HEATHER RANDOLPH CARTER

Corporate Communication

CRYSTAL CLIFFORD

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Project Management
Broker/Dealer Support Services

SCOTT COLLINS

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Independent Advisor Services

JILL COOLEY

Special Projects
Broker/Dealer Support Services

BRAD CORNELL

Sponsor Relations

ALLISON COUCH

Business Consulting
Independent Advisor Services

CHRISTOPHER DEFRANK

Business Development
Independent Advisor Services

KRISTINE DELANO

Technology Strategy
Business Technology Services

JENNIFER DUTTON

Needs Management
Business Technology Services

KEITH FINE

Associate Counsel

MARISSA FOX-FOLEY

Advisor Marketing

PRASHANT GADRE

Needs Management
Business Technology Services

TRACY GALLMAN

Investment Product and
Platform Development

JOY GOBLE

Cash Solutions

JODI GOLD

Organizational Development
and Training

MARK GREENBERG

Application Development
Business Technology Services

MICHAEL GREGSON

Trading
Broker/Dealer Support Services

LISA HALL

Operations
Broker/Dealer Support Services

LAWRENCE HATCH

President and Chief Fiduciary
Officer
The Private Trust Company

AMANDA HAWLEY

Associate Counsel

BRAD HEARN

Service
Broker/Dealer Support Services

JAMES HOOKS

Compliance

CRAIG KAMIS

Business Development
Institution Services

MICHELLE KELLEY

Associate Counsel

DAN KREMS

National Sales and Marketing

JOSEPH KUO

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STEPHEN LANK

Operations
Broker/Dealer Support Services

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JOHN MCGIVNEY

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and HOS

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LAURIE STACK

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LPL Insurance Associates

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LPL Insurance Associates

ANTHONY VALERI

Research

WILLIAM WALCHER

Trading
Broker/Dealer Support Services

JEFF WARREN

Custom Clearing Service and
Technical Support
Broker/Dealer Support Services

JEFF WULF

Marketing and Communications

SALVATORE ZAMBITO

Business Consulting
Independent Advisor Services





To review the LPL Investment Holdings Inc. and subsidiaries consolidated statements of financial condition, please go to www.lpl.com under the Financials section. For the audited consolidated financial statements, visit the SEC's internet site at www.sec.gov.

This corporate report includes certain forward-looking statements provided by LPL Financial with respect to the anticipated future performance of LPL Financial. Such forward-looking statements reflect various assumptions of management concerning the future performance of LPL Financial, and are subject to significant business, economic, and competitive uncertainties and contingencies, many of which are beyond the control of LPL Financial. Readers are cautioned not to place undue reliance on these forward-looking statements, which reflect management's opinions only as of the date hereof. There can be no assurance that such forward-looking statements will be realized. The actual results may vary from the anticipated results and such variations may be material. No representations or warranties are made as to the accuracy or reasonableness of such assumptions or forward-looking statements based thereon.

The LPL Financial family of affiliated companies includes LPL Financial and UVEST Financial Services Group, Inc., each of which is a member of FINRA/SIPC.

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in our annual report.

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and the foundation of our success.

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