

Dear Valued Client:

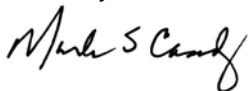
In light of recent news about Lehman Brothers, one of the nation's largest and oldest investment banks, LPL Financial understands that you may have questions about what impact these events may have on your investments. In addition, you may also have concerns about the stability of LPL Financial and any impact these events may have on our firm. To address some of these questions, I would like to share with you some information about our relationship with Lehman Brothers, our business model, and the financial strength of our firm that may alleviate any concerns you might have.

With specific respect to the situation at Lehman Brothers, please be assured that LPL Financial has minimal exposure to Lehman. Through the planning and oversight of our enterprise risk management department, we are well-positioned to withstand this event with no impact to our firm. In addition, I'd like to remind you of the following:

- **No Investment Banking:** LPL Financial does not engage in the business practices of banks or investment banks. We do not provide loans to hedge funds or other speculators. We do not hold any securities on our books that are open to market risk. As a result, our business withstands shocks to the markets very well. In fact, we were upgraded by Moody's on September 5, and [their press release](#) contains some very positive comments about our business model.
- **High Net Capital Levels:** LPL Financial maintains net capital well in excess of the required capital of our regulator, which is FINRA. In fact, it is multiples higher than that which is required.
- **Strong Liquidity Position:** LPL Financial has access to operating lines of credit, which provide substantial liquidity to the firm. This is in addition to cash assets that we hold on the balance sheet. Therefore, the total liquidity of the firm far exceeds any measure of what has been needed in the past or is anticipated in the future.
- **No Investment Inventory:** Unlike other types of brokerage firms, LPL Financial does not maintain an inventory of investments. This fact means that our liquidity as a firm is not impacted by the rise and fall of the values of securities on our books, as we have none.
- **Active Monitoring of Partners:** Our enterprise risk management department routinely reviews our counterparty risk, as well as those with whom LPL Financial does business to limit exposure to risk. This team monitors all outstanding debits and credits and the firms that clear those trades to ensure they are healthy and do not pose a risk to LPL Financial or our clients.

I hope this information helps you to feel the same degree of confidence we at LPL Financial hold concerning the strength of our organization. If you have any questions, please contact your LPL Financial advisor.

Sincerely,



Mark Casady  
Chairman and CEO  
LPL Financial