

August 25, 2010

**Attorney General Michael A. Delaney  
New Hampshire State Attorney General's Office  
33 Capitol Street  
Concord, NH 03301**

**Re: LPL Financial Corporation  
Notification of Security Breach under N.H. Rev. Stat. § 359-C:20**

Dear Michael A. Delaney:

We write to advise you of an incident involving a potential breach of personal information of an LPL Financial client. On August 18, 2010, we were notified that an unencrypted portable drive containing client personally identifiable information was lost in the mail. As a result, personal information, including name, address, financial account information, social security number, and date of birth, may have been breached. This incident affected three New Hampshire residents.

**Learning About the Incident.** LPL Financial first learned of this incident on August 18, 2010, and took the following actions: (1) determined what information had been compromised; (2) investigated the situation; and (3) notified and offered solutions to the affected individuals.

**Investigating the Disclosure.** We conducted an internal investigation and identified those clients whose personal information may have been accessed; and, though we have no evidence of any fraudulent activity, we used the information gathered during our research to generate a customer notification mailing list.

**Communicating with Affected Individuals.** In order to ensure that affected individuals could take immediate steps to protect themselves from possible identity theft or other monetary damage, LPL Financial moved quickly to inform them of the incident. LPL Financial retained Intersections Inc., a leading global provider of consumer and corporate identity risk management services. In tandem, LPL Financial prepared guidance for call center representatives and drafted a communication to affected individuals. The communication will be sent by first-class mail on August 25, 2010. The notification materials, attached to this letter as Exhibit A, advise the affected individual to remain vigilant by reviewing account statements and utilizing the credit monitoring and identity theft protection service that Intersections Inc. offers.



**Services to Affected Individuals.** Intersections Inc. will offer to ITAC Sentinel<sup>®</sup> Plus, a credit monitoring and identity theft protection service. ITAC Sentinel Plus not only provides essential monitoring and protection of credit data, but also monitors the internet for personal data such as Social Security number, bank accounts, and credit card accounts on websites where such information may be shared, traded, or sold. The features of ITAC Sentinel Plus include:

ITAC Sentinel Plus features include:

- Three-bureau credit report and scores
- Three-bureau daily monitoring with NOTIFY EXPRESS<sup>®</sup> alerts
- Three-bureau quarterly credit update
- ITAC victim assistance
- Card theft protection
- Internet surveillance
- Credit education specialists
- Up to \$20,000 identity theft insurance with \$0 deductible\*

We believe the services offered to our clients will help them immediately respond to any threats of identity theft or other misuse of their data as a result of this isolated incident.

We trust that this letter and its enclosures provide you with all the information required to assess this incident and our response. Please let us know if you have additional questions or if we can be of further assistance.

Sincerely,

A handwritten signature in black ink, appearing to read "Marc Loewenthal", written over a white background.

Marc Loewenthal  
Senior Vice President  
Chief Security/Privacy Officer  
LPL Financial

Enclosures

cc: Keith Fine

\*Insurance underwritten by Travelers Casualty and Surety Company of America and its property casualty affiliates, Hartford, CT 06183. Coverage for all claims or losses depends on actual policy provisions. Availability of coverage can depend on underwriting qualifications and state regulations.

EXHIBIT A



9785 Towne Centre Drive  
San Diego, CA 92121-1968

858 450 9606 office

<<Partner Logo & Return Address>>

<<John Doe  
1234 First Street  
Anywhere, VA 22154>>

Dear <<Name>>,

As you are a valued client of John Beamon and/or Bill Beamon and LPL Financial, guarding your privacy is a top priority for our firm. Regrettably, on 8-18-2010, we were notified that an unencrypted portable drive containing your personal information was lost in the mail. As a result, your personal information, including your name, address, financial account information, social security number, and date of birth, may be exposed.

We maintain a strong commitment to protecting your information and aim to communicate openly should it ever be compromised. While we have no evidence that the information has been misused, we wanted to make you aware of the incident and the steps we are taking to help safeguard your personal information.

**COMPLIMENTARY SERVICE OFFER:** LPL Financial would like to offer you a free one-year subscription to ITAC Sentinel<sup>®</sup> Plus, a credit monitoring and identity theft protection service. ITAC Sentinel Plus not only provides essential monitoring and protection of credit data, but also monitors the Internet for personal data such as Social Security number, bank accounts, and credit card accounts on websites known to be frequented by identity thieves. This program is provided by Intersections Inc. (NASDAQ: INTX), a leading global provider of consumer and corporate identity risk management services.

ITAC Sentinel<sup>®</sup> Plus features include:

- 3-bureau credit report and scores
- 3-bureau daily monitoring with Notify Express<sup>®</sup> alerts
- 3-bureau quarterly credit update
- ITAC victim assistance
- Card theft protection
- Internet surveillance
- Credit education specialists
- Up to \$20,000 identity theft insurance with \$0 deductible\*

If you wish to take advantage of this comprehensive monitoring service, you must enroll by October 25, 2010.

**ENROLLMENT PROCEDURE:** To activate this coverage, please call the toll-free number or visit the website listed below and enter the redemption code. The redemption code is required for enrollment.

Toll-free: XXX-XXX-XXXX  
Website: [www.itacsentinel.com/alert](http://www.itacsentinel.com/alert)  
Redemption code: XXXXXXXXXX

EXHIBIT A



When you enroll, you will need to provide the following information:

- Mailing address
- Phone number
- Social Security number
- Email address
- Redemption code

In addition to ITAC Sentinel<sup>®</sup> Plus service, you may also obtain information regarding steps you can take to safeguard yourself against identity theft from the following sources:

**Equifax Credit Information Services, Inc.**

P.O. Box 105788  
Atlanta, GA 30348  
(888) 766-0008

**Federal Trade Commission**

Consumer Response Center  
600 Pennsylvania Avenue, NW  
Washington, DC 20580  
(877) FTC-HELP or (877) 382-4357  
<http://www.ftc.gov>

**TransUnion Fraud Victim Assistance  
Department**

P.O. Box 6790  
Fullerton, CA 92834  
(800) 680-7289

**Experian**

P.O. Box 9554  
Allen, TX 75013  
(888) 397-3742

We apologize for any inconvenience or concern this situation may cause. We at LPL Financial believe it is important for you to be fully informed of any potential risk resulting from this incident. Again, we want to reassure you that we have no evidence that your personal information has been misused. Maintaining the privacy of your information is a key priority for LPL Financial, and we will continue to take the needed steps to protect your information.

If you have any further questions regarding this incident, please call either your LPL Financial advisor directly or the LPL Financial client line at 1-800-877-7210 ext 6835, 6:00 a.m. and 4:00 p.m. PT.

Sincerely,

Marc Loewenthal  
Senior Vice President  
Chief Security/Privacy Officer  
LPL Financial

\*Insurance underwritten by Travelers Casualty and Surety Company of America and its property casualty affiliates, Hartford, CT 06183. Coverage for all claims or losses depends on actual policy provisions. Availability of coverage can depend on underwriting qualifications and state regulations.