

June 1, 2009

**Attorney General Kelly A. Ayotte  
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 Attorney General Kelly A. Ayotte,

We write to advise you of an incident involving a potential breach of personal information of LPL Financial clients. In March, 2009, two desktop computers were stolen from the office of an LPL Financial Advisor in Alpharetta, Georgia. As a result, personal information, including name, address, financial account information, and Social Security numbers may have been breached. This incident affected two New Hampshire residents.

**Learning About the Incident.** LPL Financial first learned of this incident on April 29, 2009, 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, we moved quickly to inform them of the incident. We retained Kroll Inc. ("Kroll"), a risk consulting company, to provide toll-free access to its Consumer Solutions Center, along with credit monitoring services and identity theft restoration services. In tandem, we prepared guidance for call center representatives and drafted a communication to affected individuals. The communication was sent by first-class mail in May 2009. The notification materials, attached to this letter as Exhibit A, advise the affected individuals to remain vigilant by reviewing account statements and utilizing the credit monitoring service that Kroll Inc. offers.

**Services to Affected Individuals.** Kroll will provide access to a credit report to affected individuals who enroll for the service. In addition, the enrolled individual's credit file will be monitored for critical changes, including address changes, inquiries, new trade-lines, derogatory notices, and appearance of certain public records. Individuals will be informed of such changes

by either postal or electronic mail. If a person suspects or discovers fraudulent activity, Kroll, as part of the identity restoration services, will provide the affected individual with a toolkit of resources to address issues encountered. Moreover, if the affected individual provides Kroll a Limited Power of Attorney, Kroll will work on the individual's behalf to restore his or her identity, including, among other services: (1) issuing fraud alerts to government agencies and credit reporting agencies; (2) conducting a search of non-credit-data records to detect any other fraudulent activity committed in the person's name; (3) working with account holders and credit reporting agencies to dispute fraudulent accounts; and (4) working with law enforcement agencies to prevent additional fraudulent activity.

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 blue ink, appearing to read "Keith Fine", with a large, stylized flourish extending to the right.

Keith Fine

Enclosures

cc: Marc Loewenthal

Exhibit A

Urgent Message  
Please Open Immediately

[Name]  
[Address]

Dear <FirstName> <MiddleInitial> <LastName>,

As you are a valued client of Sullivan and Schlieman Wealth Management, LLC, and of LPL Financial, our firms make guarding your privacy a top priority. Regrettably, on March 27, 2009, two desktop computers were stolen from the office of Sullivan and Schlieman Wealth Management, LLC. The two desktops were password protected. However, the computers may have contained your personal information, including your name, address, financial account information, and Social Security number. The theft was reported to the Alpharetta Police Department immediately following the incident.

We maintain a strong commitment to protecting your information and aim to communicate openly should it ever be compromised. In fact, before this incident, we took appropriate security measures, such as requiring strong passwords, locking filing cabinets, and installing an alarm system.

While we have no evidence that the information on the stolen computers has been misused, we wanted to make you aware of the incident and the steps we are taking to help safeguard your personal information. Since the theft, Sullivan and Schlieman Wealth Management, LLC, has taken extra steps to make sure this doesn't happen again: reinforced the front door, physically affixed computers to desks, and installed whole-disk encryption software on each computer.

We have engaged Kroll Inc. to provide its ID TheftSmart service; in fact, this packet was mailed from Kroll's print facility in Georgia to expedite delivery. Kroll's service, paid by Sullivan and Schlieman Wealth Management, LLC, includes access to Enhanced Identity Theft Restoration, Continuous Credit Monitoring, and a Trimerged Credit Report.

ID TheftSmart is one of the most comprehensive programs available to help protect your name and credit against identity theft. We encourage you to take time to review the safeguards made available to you and to review your statements and credit information regularly. If you do suspect identity theft, report it immediately to law enforcement as well as to the Federal Trade Commission.

If you have any questions or feel you have an identity theft issue, please call ID TheftSmart at 1-800-588-9839 between 8:00 a.m. and 5:00 p.m. (Central Time), Monday through Friday.

In addition to ID TheftSmart, 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  
1-888-766-0008

**Federal Trade Commission**

Consumer Response Center  
600 Pennsylvania Avenue, NW  
Washington, DC 20580  
1-877-FTC-HELP (1-877-382-4357)  
<http://www.ftc.gov>

**TransUnion Fraud Victim Assistance Dept.**

P.O. Box 6790  
Fullerton, CA 92834

**Experian**

P.O. Box 9554  
Allen, TX 75013

Exhibit A

1-800-680-7289

1-888-397-3742

We apologize for any inconvenience or concern this situation may cause. We at Sullivan and Schlieman Wealth Management, LLC, and 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 Sullivan and Schlieman Wealth Management, LLC, and to LPL Financial, and we will continue to take the needed steps to protect your information.

Sincerely,

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

Enclosures:

Membership card

A Summary of Your Rights Under the Fair Credit Reporting Act

Authorization form for credit report and credit monitoring service

Service overview brochure

Kroll privacy policy