

March 9, 2010

Attorney General Michael A. Delany
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 Delany:

We write to advise you of an incident involving a potential breach of personal information of LPL Financial clients. On February 24, 2010, we were notified that an unencrypted portable drive containing personal information was stolen from an LPL Financial advisor's vehicle. As a result, personal information including name, address, date of birth, and social security number may have been breached. This incident affected one New Hampshire resident.

Learning About the Incident. LPL Financial first learned of this incident on February 24, 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 individual. A list containing the names and addresses of the affected New Hampshire residents is attached to this letter as **Exhibit A**.

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.

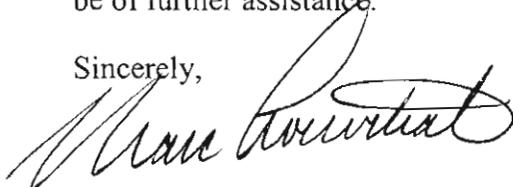
Communicating with Affected Individuals. In order to ensure that affected individuals could take immediate steps to protect themselves from possible identity theft or other monetary damage, we moved quickly to inform them of the incident. We retained Kroll Inc. ("Kroll"), a risk consulting company, to 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 March, 2010. The notification materials, attached to this letter as **Exhibit B**, 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,



Marc Loewenthal
Senior Vice President, Chief Security / Privacy Officer

Enclosures

cc: Keith Fine

A list containing the names and addresses of the affected New Hampshire residents is attached to this letter as Exhibit A.

Exhibit A

Below is the name and address of the LPL Financial client affected by the Breach.



<FirstName> <MiddleInitial> <LastName> <Suffix>
Membership Number: <Membership Number>

Member Services: 1-800-588-9839
8:00 a.m. to 5:00 p.m. (Central Time), Monday through Friday
If you have questions or feel you may have an identity theft issue,
please call ID TheftSmart member services.

URGENT — Please Open Immediately.

<FirstName> <MiddleInitial> <LastName> <Suffix>
<Address> (Line 1)
<Address> (Line 2)
<City>, <State> <Zip>
<POSTNET BARCODE>

Dear <FirstName> <MiddleInitial> <LastName> <Suffix>.

As you are a valued client of Christian D'Urso and LPL Financial, guarding your privacy is a top priority for our firm. Regrettably, on February 24, 2010, we were notified that an unencrypted portable drive containing your personal information was stolen from Mr. D'Urso's vehicle. As a result, your personal information, including your name, address, date of birth, and Social Security number, may have been 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.

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 includes access to Enhanced Identity Theft Consultation and Restoration, Continuous Credit Monitoring, and a current 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.

For online credit services, submit an online authorization at www.idintegrity.com. If you prefer to receive credit services through the mail, please fill out and return the enclosed *Consumer Credit Report and Credit Monitoring Authorization Form*.

If you have any questions or feel you have an identity theft issue, please call ID TheftSmart member services 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

Experian
P.O. Box 9554
Allen, TX 75013
1-888-397-3742

TransUnion Fraud Victim Assistance Department
P.O. Box 6790
Fullerton, CA 92834
1-800-680-7289

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>

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.

Sincerely,

A handwritten signature in black ink, appearing to read "Marc Loewenthal". The signature is fluid and cursive, with the first name "Marc" being more prominent than the last name "Loewenthal".

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

Enclosures:

Membership card
Authorization form for credit report and credit monitoring service
Service overview brochure