

August 29, 2011

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

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

Dear **Mr. Delaney**:

We write to advise you of an incident involving a potential breach of personal information of LPL Financial clients. On August 19, 2011, **a laptop and hard copy work documents were stolen from the vehicle of a financial advisor who is associated with LPL Financial. The laptop was configured with whole disk encryption and therefore only the information contained in the hard copies was accessible. This information, which included personal client information, such as name, address, financial account information, and social security numbers, may have been breached.** This incident affected one New Hampshire Resident.

Learning About the Incident. After learning of this incident on **August 19, 2011**, LPL Financial determined what information had been compromised and investigated the situation. The affected individual will be notified in writing and offered credit monitoring and identity theft prevention services.

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 Individual. In order to ensure that the affected individual could take immediate steps to protect himself from possible identity theft or other monetary damage, LPL Financial moved quickly to inform him of the incident. LPL Financial retained Intersections Inc., a leading global provider of consumer and corporate identity risk management services. LPL Financial call center representatives are prepared to address security breach-related issues and a communication to the affected individual was drafted. The communication will be sent by first-class mail on **August 28, 2011**. 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 Individual. Intersections Inc. will offer ITAC Sentinel[®] 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:

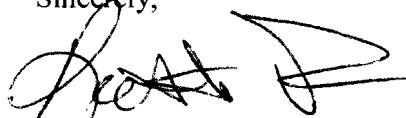
ITAC Sentinel Plus features include:

- Three-bureau credit report and scores
- Three-bureau daily monitoring with NOTIFY EXPRESS[®] 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 client will help him 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,



Keith Fine
Senior Vice President
Legal
LPL Financial

Enclosures

cc: Marc Loewenthal

*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.

<<Partner Logo & Return Address>>



Dear [REDACTED],

As you are a valued client of [REDACTED] and LPL Financial LLC, guarding your privacy is a top priority for our firm. Regrettably, on [REDACTED], we were notified that [REDACTED]. As a result, your personal information, including [REDACTED], may have been exposed to unauthorized access or acquisition.

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[®] Plus, a credit monitoring and identity theft protection service. ITAC Sentinel Plus provides essential monitoring and protection of not only credit data, but also monitors Internet chat rooms and newsgroups and alerts you if your Social Security number, credit cards, and bank account numbers are found in unsecure online locations. This program is provided by Intersections Inc. (NASDAQ: INTX), a leading provider of consumer and corporate identity risk management services.

ITAC Sentinel[®] Plus features include:

- 3-Bureau Credit Report and Scores
- 3-Bureau Daily Monitoring with NOTIFY EXPRESS[®] 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 monitoring service, you must enroll by [REDACTED].

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: (866) 313-6374
Website: www.itacsentinel.com/alert
Redemption code: [REDACTED]

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 the ITAC Sentinel Plus service, we advise you to remain vigilant by reviewing your account statements and monitoring your credit reports regularly. You may obtain a copy of your credit report, free of charge, whether or not you suspect any unauthorized activity on your account, by contacting one or more of the following national consumer reporting agencies:

Equifax Credit Information Services, Inc.

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

Experian

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

**TransUnion Fraud Victim Assistance
Department**

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

You may also obtain information from the Federal Trade Commission about steps you can take to avoid identity theft.

Federal Trade Commission

Consumer Response Center
600 Pennsylvania Avenue, NW
Washington, DC 20580
(877) FTC-HELP or (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.

If you have any further questions regarding this incident, please call either your LPL Financial advisor directly or the LPL Financial client line at (800) 877-7210 x6835, between 6:00 a.m. and 4:00 p.m. PT.

Sincerely,



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.