

BEFORE THE DIVISION OF INSURANCE  
DEPARTMENT OF LABOR AND REGULATION  
STATE OF SOUTH DAKOTA

---

IN THE MATTER OF  
LPL FINANCIAL LLC

)  
)

CONSENT ORDER

---

In resolution of the above matter and in lieu of issuance of a Notice of Hearing and a formal hearing, the undersigned parties do hereby agree to the following:

LPL FINANCIAL LLC ("LPL FINANCIAL"), whose address is 1055 LPL Way, Fort Mill, SC 29715, is registered broker-dealer firm in the State of South Dakota;

LPL FINANCIAL is aware that the South Dakota Division of Insurance ("Division") has conducted an investigation into its securities related activities in South Dakota;

The Division has alleged the following:

- 1) LPL FINANCIAL established two accounts in restricted status without adequate permission in violation of SDCL § 47-31B-412(d)(9);
- 2) The above-cited conduct may be grounds for the issuance of a monetary penalty of up to \$10,000 per violation, pursuant to SDCL §§ 47-31B-412(c) and 47-31B-604(d);

LPL FINANCIAL is aware of and understands the nature of the charges and has been informed that it has the right to notice, hearing, and appeal, and that by agreeing to and signing this Consent Order agrees to waive these rights;

In return for LPL FINANCIAL agreeing to the provisions of this Consent Order, the Division agrees not to proceed to a formal hearing and agrees that this Consent Order will constitute an informal disposition of this matter pursuant to SDCL § 1-26-20;

By the execution of this Consent Order and the payment of a penalty pursuant to this Consent Order, LPL FINANCIAL neither admits to nor denies the allegations in this Consent Order and neither admits to nor denies any violations of the laws of the State of South Dakota, but waives the right to contest the allegations contained in this Consent Order;

The LPL FINANCIAL agrees to a monetary penalty in the amount of \$2,000 pursuant to SDCL § 47-31B-604(d), in lieu of contesting this matter formally;

The LPL FINANCIAL further agrees to conduct itself in accordance with the securities laws and regulations of the State of South Dakota; and

LPL FINANCIAL further agrees that this Consent Order may be considered for the purpose of determining an appropriate sanction in any future actions with the Division for any violations of the laws or regulations of the State of South Dakota or for failing to abide by any order of the Director;

This Consent Order is not intended to form the basis for any disqualification from registration as a broker-dealer, investment adviser, or issuer under the laws, rules, and regulations of South Dakota, and waives any disqualification from relying upon the securities registration exemptions or safe harbor provisions to which LPL or any of its affiliates may be subject under the laws, rules, and regulations of South Dakota.

Nothing in this Consent Order is intended to form the basis for any disqualification under the laws of any state, the District of Columbia, Puerto Rico, or the U.S. Virgin Islands; under the rules or regulations of any securities or commodities regulator or self-regulatory organizations; or under the federal securities laws, including but not limited to, Section 3(a)(39) of the Securities Exchange Act of 1934 and Regulation A and Rules 504 and 506 of Regulation D under the Securities Act of 1933. Furthermore, nothing in this Order is intended to form the basis for disqualification under the FINRA rules prohibiting continuance in membership or disqualification under other SRO rules prohibiting continuance in membership. This Order is not intended to be a final order based upon violations of any South Dakota statute, rule, or regulation that prohibits fraudulent, manipulative or deceptive conduct.

Except in an action by the Division to enforce the obligations in this Consent Order, this Consent Order is not intended to be deemed or used as (a) an admission of, or evidence of, the validity of any alleged wrongdoing, liability, or lack of any wrongdoing or liability; or (b) an admission of, or evidence of, any such alleged fault or omission of LPL in any civil, criminal, arbitration, or administrative proceeding in any court, administrative agency, or other tribunal.

This Order is not intended to state or imply willful, reckless, or fraudulent conduct by LPL, or its affiliates, directors, officers, employees, associated persons, or agents.

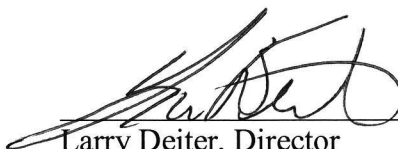
Wherefore, good cause appearing from the foregoing, it is hereby ORDERED that the LPL FINANCIAL will pay a monetary penalty in the amount of \$2,000 payable to "South Dakota Division of Insurance" for deposit in the general fund of the State of South Dakota; and it is further

ORDERED that LPL FINANCIAL will abide by the agreements made by it in this Consent Order; and it is further

ORDERED that this Consent Order is necessary and appropriate in the public interest and for the protection of investors and is consistent with the purposes fairly intended by the policy and provisions of SDCL 47-31B; and it is further

ORDERED that the provisions of this Consent Order shall be effective from the date the Director signs this Order.

Dated at Pierre, South Dakota this 23<sup>rd</sup> day of November 2020.

  
\_\_\_\_\_  
Larry Deiter, Director  
South Dakota Division of Insurance

*[Signature page follows]*

The undersigned, on behalf of LPL FINANCIAL, represents that it understands the terms of this Consent Order and the waiver of its due process rights and voluntarily enters into this Consent Order.

Dated this 13<sup>th</sup> day of November 2020.

Cecilia B. Marico by she  
Signature

Cecilia B. Marico  
Printed Name

SVP, Head of Regulatory Strategy +  
Title Special Investigations