RELATIONSHIP SUMMARY (FORM CRS)

Delivery Triggers

Form CRS requires broker/dealers and investment advisers to deliver a brief relationship summary to retail investors. In essence, the Relationship Summary is designed to inform investors of the services they are receiving, the cost of those services, potential conflicts of interest, and whether the firm or its personnel have any disciplinary history. Firms must file an initial Relationship Summary with the SEC and periodically file amendments as needed.

The Relationship Summary must be delivered to prospects, new clients, and existing clients who are "retail investors," when certain events trigger the delivery requirement.

NOTE: The Reg BI disclosure obligation and Brokerage Compensation and Conflicts Disclosure (BCCD) are separate and distinct from the Relationship Summary.

Deliver the Relationship Summary to prospects or new clients at the earliest of:	LPL delivers for advisor	Advisor must deliver	How delivery works at LPL
Recommending an account type, a securities transaction; or an investment strategy involving securities (outside of an existing account). TIP: If using a proposal tool such as IPPT or AdvisoryWorld, you need to deliver the Relationship Summary prior to or as part of the proposal. The Relationship Summary needs to be the first document delivered. TIP: If you are using Client Goals as part of a conversation with a prospect or existing client, consider whether you are making a recommendation that triggers delivery of the Relationship Summary.		✓	You must deliver the LPL Relationship Summary either by hand delivery, email, or regular mail using the new tool in ClientWorks. **TIP:** If you hand deliver the Relationship Summary, you still need to log the delivery using the new tool in ClientWorks. **TIP:** You are required to ask the client for verbal consent to deliver the Relationship Summary via email. **TIP:** If using regular mail, you must wait 5 business days to provide the recommendation (to ensure delivery).
Placing an order for the retail investor.	✓		Orders cannot be placed at LPL outside of an account, so there is no need to worry about this delivery trigger.
Opening a brokerage or advisory account.	✓		LPL is building the LPL Relationship Summary right into New Account Opening through ClientWorks, so there is no need for you to worry about this delivery trigger. **Remember:** If you have made a recommendation of account type, an LPL Relationship Summary must be delivered prior to the opening of the account.

LPL Financial

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To existing clients prior to or at the time of:	LPL delivers for advisor	Advisor must deliver	How delivery works at LPL
Opening an additional brokerage or advisory account that is different from the retail investor's existing account.	✓		LPL is building the LPL Relationship Summary right into New Account Opening through ClientWorks, so there is no need for you to worry about this delivery trigger. **TIP:** If you make a recommendation outside of an existing account, you need to deliver a new Relationship Summary.
Recommending that the retail investor roll over assets from a retirement account into a new or existing account or investment.	✕	✕	LPL has a policy that advisors provide only education about rollovers, not recommendations. This approach means there is no need to deliver the Relationship Summary.
Recommending or providing a new brokerage or advisory service or investment that does not necessarily involve the opening of a new account and would not be held in an existing account.		✓	In response to an FAQ posted by the SEC, you must deliver the LPL Relationship Summary at the time of recommendation of (i) margin, options, or secured lending in an existing brokerage or advisory account; (ii) any change in the level of discretion in an existing SAM or SAM II account; and/or (iii) allowing the purchase or holding of precious metals in a brokerage account. Although we are building the form into these workflows, you should use our tool to deliver and/or log delivery, as applicable, until such updates are complete.

Additional Examples

Scenario 1:

You manage an advisory account for your customer but then want to recommend a variable annuity (not purchased in an advisory account): You must deliver a Relationship Summary prior to or at the time you make the recommendation because the VA sale is a recommendation outside the scope of your advisory relationship (i.e., it's a brokerage transaction resulting in a new account and the paying of a commission).

TIP: Your client will also receive a Relationship Summary upon establishing an outside investment account related to the VA purchase.

Scenario 2:

You recommend your clients engage in direct business. Each time you recommend that your client establish a new direct business position at a different fund sponsor, you must deliver a Relationship Summary.

TIP: If your client engages in a direct business transaction requiring the establishment of a new outside investment account, they will also receive a Relationship Summary as part of the account opening.