

**VILLAGE OF VERNON HILLS  
RESOLUTION 2023-044**

**A RESOLUTION APPROVING AN ADMINISTRATIVE SERVICES AGREEMENT WITH MISSIONSQUARE AS ADMINISTRATOR FOR THE VILLAGE'S 401(a) and 457 (b) RETIREMENT PLANS AND A CONSULTING AGREEMENT IN RELATION TO SAID RETIREMENT PLANS**

**WHEREAS**, the VILLAGE OF VERNON HILLS, Lake County, Illinois (the "Village") is a home rule municipality, pursuant to Article VII, Section 6 of the Illinois Constitution of 1970; and

**WHEREAS**, the Village provides Retirement Plan options under Internal Revenue Code Sections 401(a) and 457(b) to its employees which plans require a Plan Administrator to provide record keeping, communications regarding investment alternatives, account maintenance, investment and tax reporting, transactions processing and benefit disbursement; and

**WHEREAS**, the Village desires to retain MissionSquare to serve as Plan Administrator in accordance with the contractual terms reflected in the Administrative Services Agreement attached hereto as **Exhibit A** and to retain a Retirement Plan Consultant in accordance with the Consulting Agreement attached hereto as **Exhibit B**; and

**WHEREAS**, the Village is empowered to enter into such an agreement pursuant to its home rule powers and contracting authority provided by Article VII, Section 6 of the Illinois Constitution of 1970, and finds that entering into this agreement is in the best interests of the Village.

**NOW, THEREFORE, BE IT RESOLVED BY THE PRESIDENT AND BOARD OF TRUSTEES OF THE VILLAGE OF VERNON HILLS, LAKE COUNTY, ILLINOIS, AS FOLLOWS:**

**SECTION 1:** Each Whereas paragraph above is incorporated by reference into this Section 1 and made a part hereof as material and operative provisions of this Resolution.

**SECTION 2:** The President and Board of Trustees of the Village of Vernon Hills approve of the attached Administrative Services Agreement, (**Exhibit "A"**) and Consulting Agreement (**Exhibit "B"**).

**SECTION 3:** The President and Board of Trustees of the Village of Vernon Hills authorize and direct the Finance Director/Treasurer, as current Plan Coordinator of the Village's 401(a) and 457(b) plans, to execute said Agreements, and to execute and deliver all other instruments, payments and documents that are necessary to fulfill the Village's obligations under the documents.

Dated this 12<sup>th</sup> day of December 2023

Adopted by roll call vote as follows:

AYES: 7 – Marquardt, Oppenheim, Takaoka, Forster, Schenk, Koch, Byrne

NAYS: 0 - None

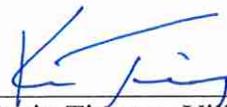
ABSENT AND NOT VOTING: 0 - None

  
Roger L. Byrne, Village President

PASSED: 12/12/2023

APPROVED: 12/12/2023

ATTEST: 12/12/2023

  
Kevin Timony, Village Clerk



**EXHIBIT A**

ADMINISTRATIVE SERVICES AGREEMENT

[ATTACHMENT A]

**ADMINISTRATIVE SERVICES AGREEMENT**

for

**Village of Vernon Hills**

Type: **457**

Account #: **301321**

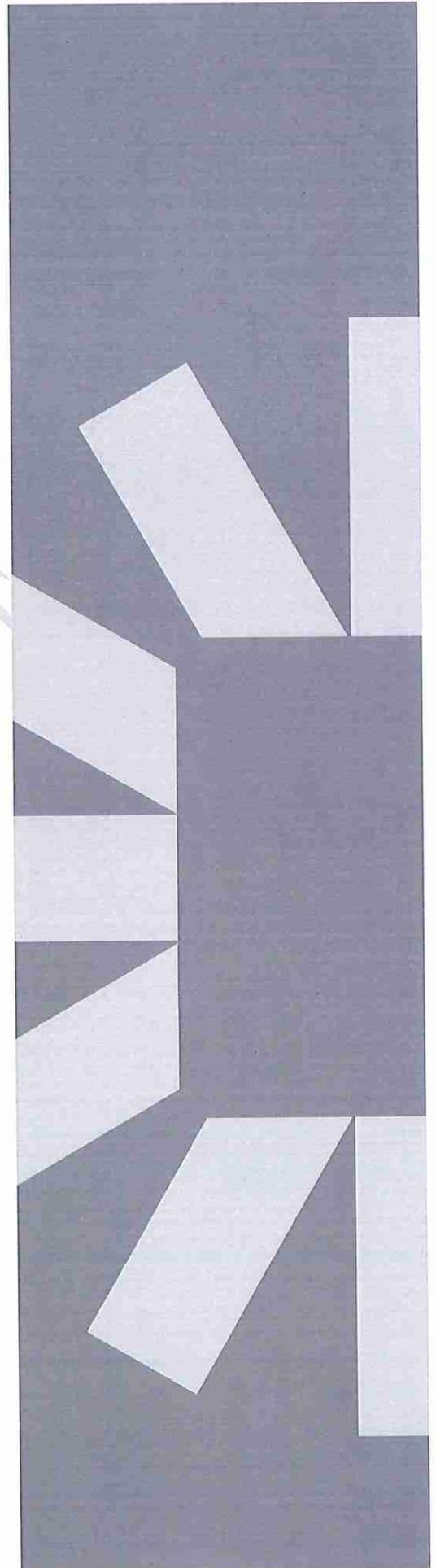
Type: **401**

Account #: **107589**

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**MissionSquare**  
RETIREMENT

DRAFT - DO NOT



# [ATTACHMENT A]

## ADMINISTRATIVE SERVICES AGREEMENT

This Administrative Services Agreement ("Agreement"), made as of this day, (please enter date) \_\_\_\_\_, (herein referred to as the "Inception Date"), between the International City Management Association Retirement Corporation doing business as MissionSquare Retirement ("MissionSquare"), a nonprofit corporation organized and existing under the laws of the State of Delaware, and the **Village of Vernon Hills** ("Employer"), an **Entity** organized and existing under the laws of the State of **Illinois** with an office at **290 Evergreen Drive, Vernon Hills, Illinois 60061**.

### RECITALS

Employer acts as public plan sponsor of a retirement plan ("Plan"), and in that capacity, has responsibility to obtain administrative services and investment alternatives for the Plan;

VantageTrust is a group trust established and maintained in accordance with New Hampshire Revised Statutes Annotated section 391:1 and Internal Revenue Service Revenue Ruling 81-100, 1981-1 C.B. 326, which provides for the commingled investment of retirement funds;

MissionSquare, or its wholly owned subsidiary, acts as investment adviser to VantageTrust Company, LLC, the Trustee of VantageTrust;

MissionSquare has designed, and VantageTrust Company offers, a series of separate funds (the "Funds") for the investment of plan assets as referenced in the Funds' principal disclosure documents, the Disclosure Memorandum and the Fact Sheets (together, "MissionSquare Disclosures"); and

MissionSquare provides a range of services to public employers for the operation of employee retirement plans including, but not limited to, communications concerning investment alternatives, account maintenance, account recordkeeping, investment and tax reporting, transaction processing, and benefit disbursement.

**AGREEMENTS**

1. Appointment of MissionSquare

Employer hereby appoints MissionSquare as administrator of the Plan to perform all nondiscretionary functions necessary for the administration of the Plan. The functions to be performed by MissionSquare shall be those set forth in Exhibit A to this Agreement.

2. Adoption of VantageTrust

Employer has adopted the Declaration of Trust of VantageTrust Company and agrees to the commingled investment of assets of the Plan within VantageTrust. Employer agrees that the investment, management, and distribution of amounts deposited in VantageTrust shall be subject to the Declaration of Trust, as it may be amended from time to time and shall also be subject to terms and conditions set forth in disclosure documents (such as the MissionSquare Disclosures or Employer Bulletins) as those terms and conditions may be adjusted from time to time.

3. Exclusivity Agreement

Employer agrees that for the initial or succeeding term of this Agreement specified in Section 11, so long as MissionSquare continues to perform in all material respects the services to be performed by it under this Agreement, Employer shall not obtain plan administration from anyone other than MissionSquare. Employer acknowledges that MissionSquare has agreed to the compensation to be paid to MissionSquare under this Agreement in the expectation that MissionSquare will be able to offset costs allocable to performing this Agreement with revenues arising from Employer's exclusive use of MissionSquare at the rates provided herein throughout the initial or succeeding term.

4. Employer Duty to Furnish Information

Employer agrees to furnish to MissionSquare on a timely basis such information as is necessary for MissionSquare to carry out its responsibilities as Administrator of the Plan, including information needed to allocate individual participant accounts to Funds in VantageTrust, and information as to the employment status of participants, and participant ages, addresses, and other identifying information (including tax identification numbers). Employer also agrees that it will notify MissionSquare in a timely manner regarding changes in staff as it relates to various roles. Such notification is to be completed through the plan sponsor website. MissionSquare shall be entitled to rely upon the accuracy of any information that is furnished to it by a responsible official of the Employer or

any information relating to an individual participant or beneficiary that is furnished by such participant or beneficiary, and MissionSquare shall not be responsible for any error arising from its reliance on such information. MissionSquare will provide reports and account information to the Employer through the plan sponsor website.

Employer is required to send in contributions through the plan sponsor website. Alternative electronic methods may be allowed but must be approved by MissionSquare for use. Contributions may not be sent through paper submittal documents.

To the extent Employer selects third-party investment options that do not have profile information provided to MissionSquare through our electronic data feeds from external sources (such as Morningstar) or the third-party investment option providers, the Employer is responsible for providing to MissionSquare timely investment option updates for disclosure to Plan participants. Such updates may be provided to MissionSquare through the Employer's investment consultant or other designated representative.

5. MissionSquare Representations and Warranties

MissionSquare represents and warrants to Employer that:

- (a) MissionSquare is a non-profit corporation with full power and authority to enter into this Agreement and to perform its obligations under this Agreement. The ability of MissionSquare, or its wholly owned subsidiary, to serve as investment adviser to VantageTrust Company is dependent upon the continued willingness of VantageTrust Company for MissionSquare, or its wholly owned subsidiary, to serve in that capacity.
- (b) MissionSquare is an investment adviser registered as such with the U.S. Securities and Exchange Commission under the Investment Advisers Act of 1940, as amended.
- (c)(i) MissionSquare shall maintain and administer the 457(b) Plan in accordance with the requirements for eligible deferred compensation plans under Section 457 of the Internal Revenue Code and other applicable federal law; provided, however, that MissionSquare shall not be responsible for the eligible status of the 457(b) Plan in the event that the Employer directs MissionSquare to administer the 457(b) Plan or disburse assets in a manner inconsistent with the requirements of Section 457 or otherwise causes the 457(b) Plan not to be carried out in accordance with its terms. Further, in the event that the Employer uses its own

customized plan document, MissionSquare shall not be responsible for the eligible status of the 457(b) Plan to the extent affected by terms in the Employer's plan document that differ from those in MissionSquare's model plan document. MissionSquare shall not be responsible for monitoring state or local law applicable to retirement plans or for administering the 457(b) Plan in compliance with local or state requirements regarding plan administration unless Employer notifies MissionSquare of any such local or state requirements.

- (c)(ii) MissionSquare shall maintain and administer the 401(a) Plan in accordance with the requirements for plans which satisfy the qualification requirements of Section 401 of the Internal Revenue Code and other applicable federal law; provided, however, MissionSquare shall not be responsible for the qualified status of the 401(a) Plan in the event that the Employer directs MissionSquare to administer the 401(a) Plan or disburse assets in a manner inconsistent with the requirements of Section 401 or otherwise causes the 401(a) Plan not to be carried out in accordance with its terms; provided, further, that if the plan document used by the Employer contains terms that differ from the terms of MissionSquare's model plan document, MissionSquare shall not be responsible for the qualified status of the 401(a) Plan to the extent affected by the differing terms in the Employer's plan document. MissionSquare shall not be responsible for monitoring state or local law applicable to retirement plans or for administering the 401(a) Plan in compliance with local or state requirements regarding plan administration unless Employer notifies MissionSquare of any such local or state requirements.

6. Employer Representations and Warranties

Employer represents and warrants to MissionSquare that:

- (a) Employer is organized in the form and manner recited in the opening paragraph of this Agreement with full power and authority to enter into and perform its obligations under this Agreement and to act for the Plan and participants in the manner contemplated in this Agreement. Execution, delivery, and performance of this Agreement will not conflict with any law, rule, regulation or contract by which the Employer is bound or to which it is a party.
- (b) Employer understands and agrees that MissionSquare's sole function under this Agreement is to act as recordkeeper and to

provide administrative, investment or other services at the direction of Plan participants, the Employer, its agents or designees in accordance with the terms of this Agreement. Under the terms of this Agreement, MissionSquare does not render investment advice, is neither the "Plan Administrator" nor "Plan Sponsor" as those terms are defined under applicable federal, state, or local law, and does not provide legal, tax or accounting advice with respect to the creation, adoption or operation of the Plan and its related trust. MissionSquare does not perform any service under this Agreement that might cause MissionSquare to be treated as a "fiduciary" of the Plan under applicable law, except, and only, to the extent that MissionSquare provides investment advisory services to individual participants enrolled in Guided Pathways Advisory Services.

- (c) Employer acknowledges and agrees that MissionSquare does not assume any responsibility with respect to the selection or retention of the Plan's investment options. Employer shall have exclusive responsibility for the Plan's investment options, including the selection of the applicable share class. Where applicable, Employer understands that the MissionSquare Retirement IncomeAdvantage Fund is an investment option for the Plan and that the fund invests in a separate account available through a group variable annuity contract. By entering into this Agreement, Employer acknowledges that it has received the Important Considerations document and the MissionSquare Disclosures and that it has read the information therein concerning the MissionSquare Retirement IncomeAdvantage Fund.
- (d) Employer acknowledges that certain such services to be performed by MissionSquare under this Agreement may be performed by an affiliate or agent of MissionSquare pursuant to one or more other contractual arrangements or relationships, and that MissionSquare reserves the right to change vendors with which it has contracted to provide services in connection with this Agreement without prior notice to Employer.
- (e) Employer approves the use of its Plan in MissionSquare external media, publications and materials. Examples include press releases announcements and inclusion of the general plan information in request for proposal responses.

7. Participation in Certain Proceedings

The Employer hereby authorizes MissionSquare to act as agent, to appear on its behalf, and to join the Employer as a necessary party in all legal proceedings involving the garnishment of benefits or the transfer of benefits pursuant to the divorce or separation of participants in the Plan. Unless Employer notifies MissionSquare otherwise, Employer consents to the disbursement by MissionSquare of benefits that have been garnished or transferred to a former spouse, current spouse, or child pursuant to a domestic relations order or child support order.

8. Compensation and Payment

- (a) **Participant Fees.** Plan participant accounts shall be assessed an asset-based fee to cover the costs of record-keeping and other services provided by MissionSquare, and other costs associated with the Plans as directed by the Employer. The Employer shall work with MissionSquare to determine the appropriate amount of the gross asset-based fee to be charged to participant accounts, which may be increased or decreased from time to time at the direction of the Employer. At the inception of this Agreement the participant fee shall be **0.18%**.
- (b) **Revenue Requirement.** MissionSquare shall receive total annual aggregate revenue of **0.05%** of Plan assets under MissionSquare's administration for providing recordkeeping and other services to the Plans. Such revenue shall be deducted by MissionSquare from amounts collected through the application of the asset-based fee described in section 8(a) prior to allocation of any participant level asset-based fees to the Administrative Allowance Account (an unallocated plan account, which may also be known as a "plan level expense account") described in section 8(c) below.
- (c) **Administrative Allowance Account.** Amounts collected through the application of the asset-based fee described in section 8(a) above in excess of the Revenue Requirement specified in subsection 8(b) above, if any, shall be held in an Administrative Allowance Account for each Plan (that is maintained as a Plan asset by MissionSquare). Employer understands that the Plan administrative allowance is to be used only to pay for reasonable plan administrative expenses of the Plan or allocated to Plan participants at the instruction of the Employer. Employer may determine that funds from the Administrative Allowance Account should directly pay the invoices of consultants to the Plan. If

Employer makes such a determination, Employer will direct MissionSquare in a separate letter to send Administrative Allowance monies to such consultants.

The payment will be made only from the above-referenced Plan's Administrative Allowance Account. Should the amount in the Plan's Administrative Allowance Account be insufficient to cover the fee due, MissionSquare will seek written instruction from the Plan or Plan Sponsor as to the amount to pay the consultant. For processing purposes, the consultant may submit an invoice to MissionSquare for payment of the fee; provided, however, that MissionSquare will pay the consultant only as set forth above. The consultant shall have no authority to calculate the fee amount, change the frequency of the payment, or change the payee.

Employer acknowledges and agrees that, for the purposes of these payments, MissionSquare is acting as the agent of the Plan. Employer also acknowledges that in following its direction MissionSquare is not exercising any discretion regarding whether the above fee payment is an appropriate or reasonable use of Plan funds. Accordingly, Employer agrees to hold MissionSquare harmless from adverse consequences that may result from making such payments.

- (d) **Revenue Received from Investment Options.** Neither MissionSquare nor the Employer shall retain recordkeeping revenue received directly from investment options made available under the Plan. MissionSquare shall be compensated from fees collected from participant accounts through the application of the asset-based fee described in section 8(a) above. In the event that any Plan investment options do generate revenue from plan investments, MissionSquare shall, as directed by the Employer, credit any and all revenue back to those participant accounts invested in the option in question.

Notwithstanding the foregoing, MissionSquare shall be entitled to retain all recordkeeping revenue received directly from the stable value option.

- (e) **Compensation for Management Services to VantageTrust Company, Compensation for Advisory and other Services to the MissionSquare Funds Class M and Payments from Third-Party Investment Options.** Employer acknowledges that MissionSquare, or its wholly owned subsidiary, receives fees from

VantageTrust Company for investment advisory services and plan and participant services furnished to VantageTrust Company. Employer further acknowledges that MissionSquare, including certain of its wholly owned subsidiaries, receives compensation for advisory and other services furnished to the MissionSquare Funds Class M, which serve as the underlying portfolios of a number of Funds offered through VantageTrust. For a MissionSquare Fund Class R that invests substantially all of its assets in a third-party mutual fund not affiliated with MissionSquare, MissionSquare or its wholly owned subsidiary receives payments from the third-party mutual fund families or their service providers in the form of 12b-1 fees, service fees, compensation for sub-accounting and other services provided based on assets in the underlying third-party mutual fund. These fees are described in the MissionSquare Disclosures and MissionSquare's fee disclosure statement. In addition, to the extent that third party investment options are included in the investment line-up for the Plan, MissionSquare receives administrative fees from its third-party settlement and clearing agent for providing administrative and other services based on assets invested in third-party investment options; such administrative fees come from payments made by third-party investment options to the settlement and clearing agent.

(f) **Redemption Fees.** Redemption fees imposed by outside investment options in which Plan assets are invested are collected and paid to the investment option by MissionSquare. MissionSquare remits 100% of redemption fees back to the specific investment option to which redemption fees apply. These redemption fees and the individual investment option's policy with respect to redemption fees are specified in the prospectus or other disclosure documents for the individual investment option and referenced in the MissionSquare Disclosures.

(g) **Payment Procedures.** All payments to MissionSquare pursuant to this Section 8 shall be made from Plan assets held by VantageTrust or received from third-party investment options or their service providers in connection with Plan assets invested in such third-party investment options, to the extent not paid by the Employer. The amount of Plan assets administered by MissionSquare shall be adjusted as required to reflect any such payments as are made from the Plan. In the event that the Employer agrees to pay amounts owed pursuant to this Section 8 directly, any amounts

unpaid and outstanding after 30 days of invoice to the Employer shall be withdrawn from Plan assets.

The compensation and payment set forth in this Section **8** are contingent upon the Employer's using MissionSquare's plan sponsor website for contribution processing and submitting contribution funds by ACH or wire transfer on a consistent basis over the term of this Agreement. The compensation in this Section **8** is also based on the assets of the Plan being invested in **R3** shares of MissionSquare PLUS Fund and the Employer offering the MissionSquare PLUS Fund as the sole stable value option.

The compensation and payment set forth in this Section **8** are further contingent upon the transfer of all assets of the Plan(s) from the prior recordkeeper for the Plan(s) to MissionSquare's administration in the approximate amount of **\$680 thousand**. Employer further acknowledges and agrees that compensation and payment under this Agreement shall be subject to re-negotiation in the event that there is a material difference between the assets and/or participants transferred to MissionSquare and the information provided from the Employer pursuant to the Request for Proposal.

The compensation and payment in this Section **8** will take effect in the calendar quarter following receipt of all assets of the Plan's prior recordkeeper and the receipt at a Delivery Address (defined below the signature line) of one fully executed copy of this Administrative Services Agreement based upon the following schedule:

- Assets and Agreement received by February 20 - Effective April
- Assets and Agreement received by May 20 - Effective July
- Assets and Agreement received by August 20 - Effective October
- Assets and Agreement received by November 20 - Effective January

Employer further acknowledges and agrees that compensation and payment under this Agreement shall be subject to re-negotiation in the event that the Employer (a) chooses to implement additional mutual funds that neither (i) trade via NSCC nor (ii) meet MissionSquare's daily trading operational guidelines or (b) chooses to implement investment options that are not mutual funds.

#### 9. Indemnification

MissionSquare shall not be responsible for any acts or omissions of any person with respect to the Plan or its related trust, other than MissionSquare in connection with the administration or operation of the Plan. Employer shall indemnify MissionSquare against, and hold MissionSquare harmless from, any and all loss, damage, penalty, liability, cost, and expense, including without limitation, reasonable attorney's fees, that may be incurred by, imposed upon,

or asserted against MissionSquare by reason of any claim, regulatory proceeding, or litigation arising from any act done or omitted to be done by any individual or person with respect to the Plan or its related trust, excepting only any and all loss, damage, penalty, liability, cost or expense resulting from MissionSquare's negligence, bad faith, or willful misconduct.

10. Term

The term of this Agreement will extend **five (5) years** from the date of completion and reconciliation of the transition of assets of the Plan from the prior record keeper to MissionSquare. The Employer understands and acknowledges that, in the event the Employer terminates this Agreement (or replaces the MissionSquare PLUS Fund of VantageTrust, as an investment option in its investment line-up), MissionSquare retains full discretion to release Plan assets invested in the MissionSquare PLUS Fund in an orderly manner over a period of up to 12 months from the date MissionSquare receives written notification from the Employer that it has made a final and binding selection of a replacement for MissionSquare as administrator of the Plan (or a replacement investment option for the MissionSquare PLUS Fund).

11. Amendments and Adjustments

- (a) This Agreement may be amended by written instrument signed by the parties.
- (b) MissionSquare may modify this Agreement by providing 60 days' advance written notice to the Employer prior to the effective date of such proposed modification. Such modification shall become effective unless, within the 60-day notice period, the Employer notifies MissionSquare in writing that it objects to such modification.
- (c) The parties agree that enhancements may be made to administrative services under this Agreement. The Employer will be notified of enhancements or reduction in fees through electronic messages or special mailings.

12. Notices

Unless otherwise provided in this Agreement, all notices required to be delivered under this Agreement shall be in writing and shall be delivered, mailed, e-mailed or faxed to the location of the relevant party set forth below or to such other address or to the attention of such other persons as such party may hereafter specify by notice to the other party.

**MissionSquare:** Legal Department, MissionSquare, 777 North Capitol Street, N.E., Suite 600, Washington, D.C., 20002-4240  
**Facsimile;** (202) 962-4601

**Employer:** at the office set forth in the first paragraph hereof, or to any other address, facsimile number or e-mail address designated by the Employer to receive the same by written notice similarly given.

Each such notice, request or other communication shall be effective: (i) if given by facsimile, when transmitted to the applicable facsimile number and there is appropriate confirmation of receipt; (ii) if given by mail or e-mail, upon transmission to the designated address with no indication that such address is invalid or incorrect; or (iii) if given by any other means, when actually delivered at the aforesaid address.

13. Complete Agreement

This Agreement shall constitute the complete and full understanding and sole agreement between MissionSquare and Employer relating to the object of this Agreement and correctly sets forth the complete rights, duties and obligations of each party to the other as of its date. This Agreement supersedes all written and oral agreements, communications or negotiations among the parties. Any prior agreements, promises, negotiations or representations, verbal or otherwise, not expressly set forth in this Agreement are of no force and effect.

14. Titles

The headings of Sections of this Agreement and the headings for each of the attached schedules are for convenience only and do not define or limit the contents thereof.

15. Incorporation of Exhibits

All Exhibits (and any subsequent amendments thereto), attached hereto, and referenced herein, are hereby incorporated within this Agreement as if set forth fully herein.

16. Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the State of **Illinois**, applicable to contracts made in that jurisdiction without reference to its conflicts of laws provisions. Venue shall be proper in the Circuit Court of Lake County.

In Witness Whereof, the parties hereto certify that they have read and understand this Agreement and all Schedules attached hereto and have caused this Agreement to be executed by their duly authorized officers as of the Inception Date first above written.

**VILLAGE OF VERNON HILLS**

By \_\_\_\_\_  
Signature/Date

By \_\_\_\_\_  
Name and Title (Please Print)

**THE INTERNATIONAL CITY MANAGEMENT  
ASSOCIATION RETIREMENT CORPORATION  
doing business as MISSIONSQUARE  
RETIREMENT**

By \_\_\_\_\_  
Erica McFarquhar  
Authorized Representative

[An execution copy will be provided via DocuSign]

**Exhibit A**

**Administrative Services**

The administrative services to be performed by MissionSquare under this Agreement shall be as follows:

- (a) Participant enrollment services are provided online. Employees will enroll online through a secure site or the Employer will enroll employees through the plan sponsor website.
- (b) Establishment of participant accounts for each employee participating in the Plan for whom MissionSquare receives appropriate enrollment instructions. MissionSquare is not responsible for determining if such Plan participants are eligible under the terms of the Plan.
- (c) Allocation in accordance with participant directions received in good order of individual participant accounts to investment options offered under the Plan.
- (d) Maintenance of individual accounts for participants reflecting amounts deferred, income, gain or loss credited, and amounts distributed as benefits.
- (e) Maintenance of records for all participants for whom participant accounts have been established. These files shall include enrollment instructions (provided to MissionSquare through the participant website or the plan sponsor website), beneficiary designation instructions and all other documents concerning each participant's account.
- (f) Provision of periodic reports to the Employer through the plan sponsor website. Participants will have access to account information through Participant Services, Voice Response System, the participant website, and text access, and through quarterly statements that can be delivered electronically through the participant website or by postal service.
- (g) Communication to participants of information regarding their rights and elections under the Plan.
- (h) Making available Participant Services Representatives through a toll-free telephone number from 8:30 a.m. to 9:00 p.m. Eastern Time, Monday through Friday (excluding holidays and days on which the securities markets or MissionSquare are closed for business (including emergency closings)), to assist participants.
- (i) Making available access to MissionSquare's website, to allow participants to access certain account information and initiate certain plan transactions at any time. The participant website is normally

available 24 hours a day, seven days a week except during scheduled maintenance periods designed to ensure high-quality performance.

- (j) Maintaining the security and confidentiality of client information through a system of controls including but not limited to, as appropriate: restricting plan and participant information only to those who need it to provide services, software and hardware security, access controls, data back-up and storage procedures, non-disclosure agreements, security incident response procedures, and audit reviews.
- (k) Making available access to MissionSquare's plan sponsor web site to allow plan sponsors to access certain plan information and initiate plan transactions such as enrolling participants and managing contributions at any time. The plan sponsor web site is normally available 24 hours a day, seven days a week except during scheduled maintenance periods designed to ensure high-quality performance.
- (l) Distribution of benefits as agent for the Employer in accordance with terms of the Plan. Participants who have separated from service can request distributions through the participant website or via form.
- (m) MissionSquare is authorized by the Employer to (a) determine whether a domestic relations order is an acceptable qualified domestic relations order under the terms of the Plan and (b) establish a separate account record for the alternate payee and provide for the investment and distribution of assets held thereunder.
- (n) Loans may be made available on the terms specified in the Loan Guidelines, if loans are adopted by the Employer. Participants can request loans through the participant website.
- (o) Guided Pathways Advisory Services - MissionSquare's participant advice service, "Fund Advice", may be made available through a third-party vendor on the terms specified on MissionSquare's website.
- (p) MissionSquare is authorized by the Employer to establish an unallocated plan level expense account to function as the Administrative Allowance account, to be invested as Employer directs.
- (q) MissionSquare will determine appropriate delivery method (electronic and/or print) for plan sponsor/participant communications and education based on a number of factors (audience, effectiveness, etc.)

**EXHIBIT B**

CONSULTING AGREEMENT

# [ATTACHMENT B]

## RETIREMENT PLAN CONSULTING PROGRAM (RPCP) CONSULTING AGREEMENT

This Retirement Plan Consulting Program Agreement ("Agreement") by and among the plan sponsor ("Client") identified in Schedule A to this Agreement ("Schedule A"), LPL Financial LLC ("LPL"), a registered investment advisor under the Investment Advisers Act of 1940, as amended (the "Advisers Act"), and the LPL investment advisor representative indicated in Schedule A ("Advisor Representative"). This Agreement when executed shall be effective as of the date set out in Schedule A.

Client sponsors and maintains a retirement plan ("Plan"), that may or may not be qualified under Section 401(a), 403(b), or 457(b) of the Internal Revenue Code of 1986, as amended, and/or subject to the Employee Retirement Income Security Act of 1974 ("ERISA"). Client has the power and authority to designate and direct investment alternatives under the terms of the Plan and to enter into contractual arrangements with third parties to assist in the discharge of these and related duties. In connection with and in discharge of its duties with respect to the Plan, Client desires to engage the services of LPL and Advisor Representative for the purposes specifically set forth below.

### 1. INVESTMENT ADVISORY AND/OR CONSULTING SERVICES

From and after the effective date and until this Agreement is terminated, LPL and Advisor Representative shall provide the services selected by Client, as set forth in Schedule A, which is attached hereto and hereby incorporated by reference (the "Services"). Client understands it has the sole responsibility for determining whether to implement any recommendations made by LPL or Advisor Representative. Client acknowledges it is not required to implement any of the recommendations or otherwise conduct business through LPL or Advisor Representative and that neither LPL nor Advisor Representative has any responsibility for decisions made by Client that are inconsistent with their advice.

The services provided by LPL and Advisor Representative are services only to the Plan or to Client with respect to Client's responsibilities to the Plan and not to any particular Plan participant(s). If the Services selected by Client include enrollment and investment education for Plan participants, the parties acknowledge and agree that such enrollment and education services do not include any individualized investment advice to Plan participants with respect to their Plan assets and that LPL and Advisor Representative will not act as fiduciaries under ERISA or the Internal Revenue Code ("Code") in providing such services.

### 2. TERMINATION

This Agreement may be terminated by any party effective upon receipt of written notice to the other parties. In particular, if LPL and Advisor Representative are no longer associated with each other, LPL may terminate this Agreement immediately with notice to Client. This Agreement will also be deemed terminated upon LPL receiving notice from the applicable recordkeeper that Client has delinked LPL or Advisor Representative from the Plan's account at the recordkeeper. Client will be entitled to a prorated refund of unearned fees, if any, based on the time and effort completed prior to the termination date. If the termination date extends beyond the last day of the billing term in which the notice is given and for which LPL and Advisor Representative have not been previously paid, Client shall pay a pro rata portion of its fee for such additional period. Any such additional fee and any other unpaid fees (whether fees to cover Services paid for in arrears, or otherwise) shall be paid pursuant to Section 3 below.

Client acknowledges that, upon termination of this Agreement, neither LPL nor Advisor Representative shall have any continuing duty to provide the Services. In addition, the parties acknowledge the circumstances pursuant to which LPL and Advisor Representative provided the Services will change upon termination of this Agreement. As a result, Client agrees that, upon the termination of this Agreement, LPL and Advisor Representative will cease to have any responsibility with respect to the ongoing investment of Plan assets regardless of whether the Plan continues to be operated consistent with the Services previously provided pursuant to this Agreement.

### 3. COMPENSATION

LPL and Advisor Representative shall receive compensation for their provision of the Services pursuant to the terms and conditions set forth in Schedule A. If compensation is not paid on a timely basis, LPL and Advisor Representative may suspend the performance of the Services until it has been paid in full. For Plans that are subject to ERISA or are otherwise subject to



# [ATTACHMENT B]

## RPCP CONSULTING AGREEMENT

Section 4975 of the Code, in the event that LPL is identified on the Plan's recordkeeping system as broker-dealer of record for the Plan, and receives commissions or trail payments with respect to the Plan, such compensation will be used to offset the fee for Services under this Agreement.

Compensation is negotiated between Client and the Advisor Representative and may be based on a percentage of the assets held in the Plan or on an hourly or flat rate basis. LPL and Advisor Representative may lower their fee without notice. Compensation will be payable to LPL either in advance or in arrears and on the frequency agreed upon between Advisor Representative and Client and indicated in Schedule A. Client understands that LPL typically retains 5% of the compensation and shares the remainder with Advisor Representative. Advisor Representative may pay a portion of that amount to his or her LPL branch manager or another LPL representative for supervision or other support.

Client further understands that if a fee is charged for investment advisory services this may cost more than if the Plan engaged in a brokerage arrangement. In a brokerage arrangement, the recordkeeper facilitates payment of compensation to LPL and Advisor Representative based on sales commissions and ongoing trail payments it collects from the sponsors of investment products purchased and held by the Plan, rather than the Plan being charged a fee for our services directly. LPL generally shares 90% of the compensation received under a brokerage arrangement with the Advisor Representative, in comparison to 95% he or she receives under the RPCP program.

Client should be aware that this creates a conflict of interest since the Advisor Representative retains a higher portion of compensation received by LPL when recommending the RPCP program. LPL and Advisor Representative attempt to mitigate this conflict by evaluating and recommending that clients use LPL's programs and services based on the benefits that such provide to clients, and negotiating our fees based on the services provided, rather than the portion received based on the type of program.

Client understands and agrees that LPL may waive any fee it charges in its sole discretion in whole or in part.

#### 4. REPRESENTATIONS, WARRANTIES AND DISCLOSURES OF CLIENT

- a. Client acknowledges and agrees that all decisions regarding the assets of the Plan, the interpretation of its provisions, compliance with applicable legal requirements and operation of the Plan are the sole responsibility of Client.
- b. Client acknowledges that: (i) investments fluctuate in value and the value of the investments when sold may be greater or lesser than the original cost; (ii) past investment performance does not necessarily guarantee any level of future investment performance; (iii) neither LPL nor Advisor Representative warrant or guarantee any level of performance by any of the investments held by or offered under the Plan or that any investment will be profitable over time; and (iv) the Plan and its participants are assuming the market risk involved in the investment of Plan assets.
- c. Notwithstanding any other provision of this Agreement, it is agreed that neither LPL nor Advisor Representative shall have any duty to provide Client with any advice or recommendation regarding the advisability of including any of Client's capital stock as an investment or investment option under the Plan, or of offering participants a self-directed brokerage account, mutual fund window, or other similar arrangement. In addition, if participants in the Plan may invest the assets in their accounts through such arrangements, or may obtain participant loans, neither LPL nor Advisor Representative will provide any individualized advice or recommendations to the participants regarding these decisions.
- d. Certain retirement platform providers may offer investment lineup options that are pre-determined by the provider and that may not be substituted or removed pursuant to their contractual arrangement with a plan. In such instances, Client acknowledges and agrees that the Services provided by Advisor Representative shall expressly exclude any investment advice relative to investments so designated within a retirement plan lineup, and that Client shall assume full responsibility for the selection of such investments on behalf of the Plan.
- e. Client has the power and authority to enter into and perform this Agreement, and there are no authorizations, permits, certifications, licenses, filings, registrations, approvals or consents that must be obtained by it from any third party, including any governmental authority, in connection with this Agreement.
- f. This Agreement has been duly authorized and executed and constitutes the legal, valid, and binding agreement of Client, enforceable in accordance with its terms.



# [ATTACHMENT B]

## RPCP CONSULTING AGREEMENT

- g. All information provided or to be provided to LPL or Advisor Representative hereunder to enable them to perform the Services is and shall be true, correct and complete in all material respects. Client acknowledges LPL and Advisor Representative shall be entitled to rely upon all information provided by Client, whether financial or otherwise. Client agrees to promptly notify Advisor Representative in writing of any material change in the financial and other information provided to Advisor Representative and to promptly provide any such additional information as may be requested.
- h. In connection with receiving Services under this Agreement, client may receive information that is proprietary to LPL, including investment research, tools and copyrights ("Proprietary Information"). Client agrees to keep such Proprietary Information confidential, use it only in the context of the relationship under this Agreement, and not permit other use of Proprietary Information by any other person without the prior written consent of LPL.
- i. Client acknowledges that neither LPL nor Advisor Representative can or will provide legal or tax advice to Client or the Plan. Client agrees to seek the advice of its legal advisor for any legal questions it may have relating to the operations and administration of the Plan.
- j. Client authorizes LPL and Advisor Representative to utilize outside vendors or professional resources in order to provide services under this Agreement. Client further authorizes LPL and Advisor Representative to release its information to those professional resources as necessary to fulfill the terms of this Agreement, pursuant to LPL's Privacy Policy.
- k. Client represents that, should any payment be made from the assets of a Plan governed by ERISA, Client has made a determination that such a payment is not a settlor expense and can be made from Plan assets.
- l. Client acknowledges it has made an independent determination that the fees payable pursuant to this Agreement are reasonable.
- m. Client acknowledges that LPL and Advisor Representative are not fiduciaries with respect to Client's decision to enter into this Agreement and represents that it has made such decision independently from LPL and the Advisor Representative.

### 5. REPRESENTATIONS, WARRANTIES AND DISCLOSURES OF LPL AND ADVISOR REPRESENTATIVE

- a. LPL is registered under the Advisers Act and shall maintain such registration through the term of this Agreement. Advisor Representative shall be appropriately licensed as required by law.
- b. LPL and Advisor Representative have the power and authority to enter into and perform this Agreement, and there are no authorizations, permits, certifications, licenses, filings, registrations, approvals or consents which must be obtained by them from any third party, including any governmental authority, in connection with this Agreement.
- c. This Agreement has been duly authorized and executed and constitutes the legal, valid and binding Agreement of LPL and Advisor Representative, enforceable in accordance with its terms.
- d. To the extent applicable to a Plan subject to ERISA, LPL shall provide the Services in accordance with ERISA, including Rule 408(b)(2) under ERISA.
- e. LPL and Advisor Representative shall treat information regarding the Plan provided to LPL in connection with the Services as confidential in accordance with applicable law, and shall not use such information for any purpose other than required for the performance of the Services under this Agreement. Additionally, with respect to personally identifiable information, LPL and Advisor Representative may receive relating to participants of the Plan ("Personal Information"), we will comply with applicable privacy and cybersecurity laws and have implemented physical, administrative and technical safeguards to protect Personal Information. LPL and Advisor Representative will not disclose any Personal Information received in connection with this Agreement to any other person, except (i) to the extent required to carry out the Services set forth in this Agreement; (ii) as otherwise required or permitted by law or regulation; or (iii) as requested by any regulatory body or governmental agency or body having jurisdiction over the disclosing party, including, but not limited to any subpoena, summons, order or other judicial process.

### 6. LIMITS ON LIABILITY

- a. Client agrees the only responsibilities of LPL and Advisor Representative hereunder are to render the Services. Neither LPL, Advisor Representative nor any "person associated with" (as such term is defined in Section 202(a)(17) of the Advisers Act) LPL or Advisor Representative shall have the authority to take custody, control or possession of any assets of the Plan.
- b. In the absence of negligence or intentional misconduct on their part, and to the fullest extent permitted under applicable law, LPL, Advisor Representative, and their employees and agents shall have no liability for any act, omission, or error in



# [ATTACHMENT B]

## RPCP CONSULTING AGREEMENT

judgment made by them in the performance of their duties hereunder. For purposes of clarification, LPL, Advisor Representative and their employees and agents shall be liable for a breach of a fiduciary duty to the extent such (i) is attributable to their negligence or intentional misconduct and (ii) occurs while acting in a fiduciary capacity as applicable based on the particular Service(s) designed under Schedule A to this Agreement. Provided, however, that no party or its employees and agents shall be liable for any exemplary or consequential damages arising pursuant to this Agreement. Moreover, nothing in this Agreement shall in any way restrict or waive any remedies or rights of action Client would otherwise have pursuant to applicable federal and state laws and/or regulations.

- c. LPL shall not be liable for any loss or loss of profits caused, directly or indirectly, by government restrictions, exchange or market rulings, suspension of trading, lack of access to or latency of trading systems, rioting, mayhem, acts of terrorism, war, outbreak of sickness or disease, strikes, fire, flood, cyber attack, sabotage, network failure, system outage, computer viruses, or other conditions beyond LPL's control.

### 7. FIDUCIARY STATUS

LPL and Advisor Representative acknowledge that, to the extent the Services to a Plan subject to ERISA constitute "investment advice" to the Plan for compensation, they will be deemed a "fiduciary" as such term is defined under Section 3(21)(A)(ii) of ERISA. Client understands that only certain Services that may be selected by Client in Schedule A – those provided under or as part of the ongoing investment monitoring and ongoing investment recommendation services – would constitute "investment advice" under 3(21)(A)(ii). The parties acknowledge and agree that, in providing the Services under this Agreement, neither LPL nor Advisor Representative:

- a. will exercise any discretion or control over the operations or assets of the Plan, including but not limited to any discretionary trading authorization over investment managers and/or investments. They further will have no responsibility to and will not:
  - (i) exercise any discretionary authority or discretionary control respecting management of the Plan; (ii) exercise any authority or control respecting management or disposition of assets of the Plan; (iii) provide trade execution with respect to Plan assets; or (iv) have any discretionary authority or discretionary responsibility in the administration of the Plan or interpretation of the Plan documents, the determination of participant eligibility, benefits, or vesting, or the approval of distributions to be made by the Plan;
- b. is an "investment manager" of the Plan, as that term is defined in Section 3(38) of ERISA, and do not have the power to manage, acquire or dispose of any Plan assets;
- c. is a "fiduciary" under ERISA with respect to any particular participant's Plan assets; and
- d. is the "Administrator" of the Plan as defined in ERISA.

Client represents its engagement of LPL and Advisor Representative, as well as any instructions it provides to LPL and/or Advisor Representative with regard to the Plan, are consistent with applicable Plan and trust documents. Client agrees to furnish Advisor Representative with copies of such governing documents upon request. Client also acknowledges the Services provided under this Agreement may only relate to a part of the Plan's assets, and that Advisor Representative is not responsible for overall compliance of the investments within the requirements of ERISA or any other governing law or documents.

The parties acknowledge that from time to time LPL and/or Advisor Representative may make Client or Plan participants aware of and may offer services available from LPL and/or Advisor Representative that are separate and apart from the Services provided under this Agreement. Such other services may be services to the Plan, to Client with respect to Client's responsibilities to the Plan and/or to one or more Plan participants. The parties acknowledge and agree that, in offering any such services, neither LPL nor Advisor Representative is providing the Services under this Agreement. If any such separate services are offered to Client, Client will make an independent assessment of such services without reliance on the advice or judgment of LPL or Advisor Representative.

The parties acknowledge that the Advisor Representative may be affiliated with the third party administrator ("TPA") that is also servicing the Plan. Client acknowledges that if the decision was made to utilize a TPA affiliated with the Advisor Representative, it was made after a fiduciary independent of the Advisor Representative performed an analysis that concluded that 1) utilizing the named TPA is in the best interest of the Plan, the plan participants and their beneficiaries; 2) the fees paid for the services rendered by the TPA are reasonable; and 3) the TPA's relationship with the Advisor Representative was fully understood and accepted during the selection process of each as Service Providers to the Plan.



# [ATTACHMENT B] RPCP CONSULTING AGREEMENT

## 8. PROXIES

The parties understand and agree it shall be the duty of Client or other Plan officers to vote any proxies that are solicited for securities owned by the Plan. LPL and Advisor Representative are hereby expressly precluded from voting proxies for securities owned by the Plan and will not be required to take any action or render any advice with respect to the voting of proxies.

## 9. NON-EXCLUSIVE SERVICES; RELATIONSHIP OF PARTIES

Client understands that LPL, Advisor Representative, and their affiliates may perform, among other things, brokerage, investment advisory, or consulting services for other clients. Client recognizes that LPL, Advisor Representative, or any of their affiliates may give advice and take action in the performance of their duties for such other clients (including those who may have similar retirement plan arrangements as Client) that may differ from the Services provided, or in the timing and nature of action taken, with respect to Client. Nothing in this Agreement shall be deemed to impose on LPL, Advisor Representative, or any of their affiliates any obligation to provide the Services in the same manner as they may provide services to any of their other clients.

## 10. GENERAL PROVISIONS

- a. *Entire Agreement.* This Agreement, including Schedule A to this Agreement, constitutes the entire understanding between the parties with respect to the matters set forth herein, and each party acknowledges and agrees that no representations, warranties, inducements, promises or agreements other than those set forth herein have been made by any party to the other. From time to time, LPL may update this Agreement and will provide Client notice of such amendment. To access the most current version of this Agreement, please visit [lpl.com/disclosures.html](http://lpl.com/disclosures.html).
- b. *Amendments.* This Agreement may be amended (i) by LPL upon thirty days' notice to Client, or (ii) in a written amendment signed by all parties.
- c. *Governing Law.* This Agreement shall be governed by and construed according to the laws of the Commonwealth of Massachusetts, except to the extent federal law preempts state law.
- d. *Nonassignability; Binding Effect.* This Agreement may not be assigned or transferred in any manner by any party without the written consent of all parties receiving or rendering services hereunder; provided that LPL or Advisor Representative may assign this Agreement upon consent of Client in accordance with the Advisers Act. In addition, LPL may add or replace the Advisor Representative to service the Account under certain circumstances without Client consent, including but not limited to, in the event of death, retirement, termination or disbarment of an Advisor Representative; provided, however, that LPL will provide notice to Client of such assignment of Advisor Representative and Client may terminate this Agreement immediately upon written notice to LPL. This Agreement shall be binding upon and inure to the benefit of the parties and their permitted successors and assigns.
- e. *Advice of Counsel.* Each party represents and warrants that in executing this Agreement it has had the opportunity to obtain independent accounting, financial, investment, legal, tax, and other appropriate advice and that it has carefully read and fully understands the terms and consequences of this Agreement. Each party represents and warrants that its execution of this Agreement is free and voluntary.
- f. *Interpretation.* This Agreement shall be construed in accordance with its fair meaning as if prepared by all parties hereto and shall not be interpreted against either party on the basis that it was prepared by one party or the other. The captions, headings, and subheadings used in this Agreement are for convenience only and do not in any way affect, limit, amplify or modify the terms and provisions thereof. Words used herein in the singular shall include the plural, and words used in the plural shall include the singular, wherever the context so reasonably requires.

## 11. ARBITRATION

Client agrees to direct any complaints regarding the Services to Advisor Representative and the LPL Legal Department in writing.

This Agreement contains a predispute arbitration clause. By signing an arbitration agreement the parties agree as follows:

- All parties to this Agreement are giving up the right to sue each other in court, including the right to a trial by jury, except as provided by the rules of the arbitration forum in which a claim is filed.



# [ATTACHMENT B]

## RPCP CONSULTING AGREEMENT

- Arbitration awards are generally final and binding; a party's ability to have a court reverse or modify an arbitration award is very limited.
- The ability of the parties to obtain documents, witness statements and other discovery is generally more limited in arbitration than in court proceedings.
- The arbitrators do not have to explain the reason(s) for their award, unless, in an eligible case, a joint request for an explained decision has been submitted by all parties to the panel at least 20 days prior to the first hearing date.
- The Panel of Arbitrators will typically include a minority of arbitrators who were or are affiliated with the securities industry.
- The rules of some arbitration forums may impose time limits for bringing a claim in arbitration. In some cases, a claim that is ineligible for arbitration may be brought in court.
- The rules of the arbitration forum in which the claim is filed, and any amendments thereto, shall be incorporated into this Agreement.

You agree that any controversy or claim arising between you and LPL and/or Advisor Representative, parents, subsidiaries, affiliates, officers, directors, employees, agents, and Third-Party Services Providers (as defined below) (whether or not a FINRA (as defined below) member or associated person), arising out of or relating, in whole or in part, to this Agreement, transactions with or for you, this Agreement or any other agreement you have entered into with LPL, or the construction, performance, or breach of this Agreement or any other agreement you have entered into with LPL, whether entered into prior, on or subsequent to the date hereof, shall be settled by arbitration to be filed at and to be conducted in accordance with the rules, then in effect, of the Financial Industry Regulatory Authority (FINRA). If the controversy or claim is not arbitrable before FINRA, then arbitration will be conducted by, and in accordance with the rules and procedures of Judicial Arbitration and Mediation Services, Inc. (JAMS). If arbitration before JAMS is unavailable or impossible for any reason, then you agree to arbitrate in another forum to which the parties otherwise agree. This agreement does not prohibit or restrict you from requesting arbitration of a dispute in the FINRA arbitration forum as specified in FINRA rules. Notwithstanding any provision of JAMS Rules (or other applicable arbitration forum rules), any such arbitration shall occur on an individual basis only, and not on a class or collective basis, and you waive the right to initiate, participate in, or recover through, any class or collective action in any claims that are not arbitrable before FINRA. To the extent any claim on a class or collective or representative basis is nonarbitrable under the law, then such claims shall be filed and adjudicated in a court of competent jurisdiction, and not in arbitration. A court of competent jurisdiction (and not an arbitrator) shall resolve any dispute about the formation, validity, or enforceability of any provision of this Agreement. Any arbitration award hereunder shall be final, and judgment upon the award rendered may be entered in any court, state or federal, having jurisdiction. Nothing in this Agreement requires arbitration of any claim that under the law cannot be made subject to a pre-dispute agreement to arbitrate claims, including any dispute or controversy nonarbitrable under federal law.

This arbitration agreement will be binding upon and inure to the benefit of the parties hereto and their respective representatives, attorneys-in-fact, heirs, successors, assigns, and any other persons having or claiming to have a legal or beneficial interest in any account you maintain at LPL, including court-appointed trustees and receivers. This arbitration agreement will also inure to the benefit of third-party service providers that assist or enable LPL to provide services hereunder including investment and investment product manufacturers and insurance and annuity carriers ("Third-Party Service Providers"), and such Third-Party Service Providers are deemed to be third-party beneficiaries of this arbitration agreement.

No person shall bring a putative or certified class action to arbitration, nor seek to enforce any pre-dispute arbitration agreement against any person who has initiated in court a putative class action; or who is a member of a putative class who has not opted out of the class with respect to any claims encompassed by the putative class action until: (i) the class certification is denied; or (ii) the class is decertified; or (iii) the customer is excluded from the class by the court. Such forbearance to enforce an agreement to arbitrate shall not constitute a waiver of any rights under this agreement except to the extent stated herein.

## 12. NOTICES AND COMMUNICATIONS

To the extent permitted by applicable law, notices and communications may be sent to Client through mail, overnight express delivery, or electronically, at LPL's or the Advisor Representative's discretion. Notices and communications will be sent to the postal or electronic address, which includes a telephone number ("E-Address"), shown on the Schedule A to this Agreement or



# [ATTACHMENT B]

## RPCP CONSULTING AGREEMENT

at such other postal or E-Address as Client may hereafter provide to LPL in accordance with procedures LPL may establish from time to time. The E-Address may be an e-mail address, other Internet address, fax number, telephone number or other electronic access address. To the extent permitted by applicable law, notices and communications will be deemed delivered when sent, unless LPL has notice of non-delivery. Notices and communications posted to an online location by LPL will be deemed to be delivered to, and received by, Client at the time that LPL sends notice to Client in accordance with this Agreement that the notice or communication is posted online and available for review.

LPL may, at its option, send notices and communications to Client electronically either:

- to Client's E-Address, or
- by posting the information online and sending Client a notice to Client's postal address or E-Address telling Client that the information has been posted and providing instructions on how to view it.

Communications may include text (SMS) messages, which may be informational, transactional or commercial (marketing) in nature and which may be sent using an automatic telephone dialing system, from or on behalf of LPL or the Advisor Representative. By completing the Account Application and providing a telephone number to LPL and/or the Advisor Representative, Client provides consent for LPL and/or Advisor to send communications by text (SMS) message. Client may be charged by its wireless service provider in connection with receipt of such messages. Client may stop the receipt of text (SMS) messages by contacting their Advisor Representative.

Client agrees that Client will notify LPL and Advisor Representative promptly in the event of a change to Client's postal address or E-Address. All notices and communications to LPL or Advisor Representative must be provided in writing at LPL's or Advisor Representative's postal address, as applicable, and as such address may be updated by notice to the other parties from time to time. Any notice Client sends LPL or Advisor Representative will not be effective until actually received. Client assumes the risk of loss in the mail or otherwise in transit.

### 13. RECEIPT OF DISCLOSURE DOCUMENTS

Client hereby acknowledges delivery and receipt of LPL's Relationship Summary, Retirement Plan Consulting Program Disclosure Brochure and the Brochure Supplement of the Advisor Representative. This Agreement, the Schedule A and the RPCP Program Form Brochure constitute disclosure required to be provided to an ERISA Plan under Rule 408(b)(2) under ERISA.

The person(s) signing on Schedule A on behalf of Client represents and warrants: (i) he or she has the authority to act on behalf of Client and Plan; (ii) he or she has the power and authority to enter into a relationship with LPL and Advisor Representative, as well as the power to authorize LPL and Advisor Representative to provide the Services to the Plan; (iii) he or she will inform LPL and Advisor Representative, in writing, of any amendments to the Plan or any other event which could alter the representations and warranties stated herein; and (iv) that all of the information stated in the attached Schedule A is true, correct, and complete in all respects. By signing the Schedule A, each of LPL, Advisor Representative and Client agrees to the terms and conditions of this Agreement.

### 14. INDEPENDENT "DOING BUSINESS AS" FIRM; OUTSIDE BUSINESS ACTIVITIES

If indicated under "Representative Information" in Schedule A, it is important to note that Advisor Representative may do business using a name other than LPL – also referred to as a "DBA" – through which he or she may market a range of different services, including those described in this Agreement which occur exclusively through LPL. Certain DBAs may also offer services unrelated to those provided through LPL that are referred to as "outside business activities." As a result, you will see LPL referenced in this Agreement and other materials you receive in connection with services your Advisor Representative provides through LPL, whereas only the DBA name will appear on materials relating to outside business activities it separately provides on its own. It is important to note that all outside business activities conducted by a DBA occur outside the scope of your relationship with LPL and that LPL does not monitor or assume any responsibility for those activities.



# [ATTACHMENT B] RETIREMENT PLAN PROGRAMS BROCHURE

LPL Financial LLC  
1055 LPL Way, Fort Mill, SC 29715  
[www.lpl.com](http://www.lpl.com) (704) 733-3482

October 3, 2022

This brochure provides information about the qualifications and business practices of LPL Financial. If you have any questions about the contents of this brochure, please contact your LPL Financial representative or LPL Financial at [lplfinancial.adv@lpl.com](mailto:lplfinancial.adv@lpl.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

Additional information about LPL Financial also is available on the SEC's website at <https://adviserinfo.sec.gov/>.

## ITEM 1 COVER PAGE

## ITEM 2 MATERIAL CHANGES

The following is a summary of certain changes made to this Brochure from the time of the annual update of the Brochure dated March 31, 2022. Item 9 was updated to provide information regarding disciplinary events, involving (i) FINRA sanctions in connection with LPL's failure to calculate and maintain its required customer reserve, and (ii) a consent order with the Texas State Securities board for failure to supervise a broker-dealer agent/investment adviser agent's sales of structured products.

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## ITEM 4 ADVISORY BUSINESS

### Introduction

LPL Financial LLC ("LPL") is an investment advisor registered with the SEC pursuant to the Investment Advisers Act of 1940 (the "Advisers Act"). LPL has provided advisory services as a registered investment advisor since 1975. Note that registration as an investment advisor with the SEC does not imply a certain level of skill or training. As of December 31, 2021, LPL managed approximately \$403,462,600,000 of client assets on a discretionary basis and approximately \$713,600,000 of client assets on a non-discretionary basis. LPL is owned 100% by LPL Holdings, Inc., which is owned 100% by LPL Financial Holdings Inc., a publicly held company.



# [ATTACHMENT B] RETIREMENT PLAN PROGRAMS BROCHURE

## Types of Advisory Services

LPL offers various types of advisory services and programs, including wrap programs, mutual fund asset allocation programs, advisory programs offered by third party investment advisor firms, financial planning services, retirement plan investment and consulting services, investment research, an advisor-enhanced digital advice program, and other customized advisory services. This Brochure sets out information about the retirement plan advisory and consulting services that LPL and its investment adviser representatives ("IARs") provide through the Retirement Plan Consulting Program ("RPCP") and the Strategic Market Solution Program ("SMS") (each, a "Program" and, together, the "Programs"). LPL's advisory services are made available to clients primarily through individuals associated with LPL as IARs. For more information about the IAR providing advisory services, client should refer to the Brochure Supplement for the IAR. The Brochure Supplement is a separate document that is provided by the IAR along with this Brochure before or at the time client engages the IAR. If client did not receive a Brochure Supplement for the IAR, the client should contact the IAR or LPL at [lplfinancial.adv@lpl.com](mailto:lplfinancial.adv@lpl.com). IARs are required by applicable rules and policies to obtain licenses and complete certain training in order to recommend certain investment products and services. You should be aware that your IAR, depending on the licenses or training obtained, may or may not be able to recommend certain investments, models, programs or services. In addition, your IAR may be located at a financial institution that does not offer certain products, investments, models, programs or services. Please ask your IAR whether any limitations apply.

Clients in SMS (and in RPCP under limited circumstances) may select a third party investment advisor firm ("Advisor") associated with an LPL registered representative, in lieu of an IAR, to provide the advisory and consulting services described in this Brochure. For more information about the third party investment advisor firm providing advisory services, please contact Advisor for a copy of a similar brochure.

LPL provides information in separate disclosure brochures for its other advisory services and advisory programs, including the Strategic Asset Management, Strategic Asset Management II, Manager Select, Manager Access Select, Personal Wealth Portfolios, Optimum Market Portfolios, Model Wealth Portfolios and Guided Wealth Portfolios programs. If clients would like more information on such services and programs, clients should contact the IAR or Advisor for a copy of the disclosure brochure that describes such service or program or go to <https://adviserinfo.sec.gov/>. LPL is also a broker-dealer registered with the Financial Industry Regulatory Authority ("FINRA") and provides brokerage services to clients. All recommendations by LPL in the Programs will be in an advisory capacity.

From time to time LPL and/or IAR may make the Plan or Plan participants aware of and may offer services available from LPL and/or IAR that are separate and apart from the services provided under the Programs. Such other services may be services to the Plan, to a client with respect to client's responsibilities to the Plan and/or to one or more Plan participants. In offering any such services, neither LPL nor IAR is providing the services under the Programs. If any such separate services are offered to a client, the client will make an independent assessment of such services without reliance on the advice or judgment of LPL or the IAR.

If a retirement plan (a "Plan") makes available publicly traded employer stock ("company stock") as an investment option under the Plan, neither LPL nor IARs provide investment advice regarding company stock and are not responsible for the decision to offer company stock as an investment option. Also, neither LPL nor IARs provide advice regarding the offering to participants of individual self-directed brokerage accounts, mutual fund windows, or other similar arrangements and are not responsible for the decision to offer such arrangements. In addition, if participants in the Plan may invest the assets in their accounts through such arrangements, or may obtain participant loans, LPL and IARs do not provide any individualized advice or recommendations to the participants regarding these decisions. Any investment advice provided under the Programs is provided to the Plan Sponsor. LPL and IARs do not provide individualized investment advice to Plan participants regarding their Plan assets under the Programs.

## Retirement Plan Consulting Program

Under the RPCP program, IARs assist clients that are trustees or other fiduciaries to Plans by providing fee-based consulting and/or advisory services. Such Plans may or may not be subject to Employee Retirement Income Security Act of 1974 ("ERISA"). IARs perform one or more of the following services summarized below, as selected by the client in the client agreement.



# [ATTACHMENT B]

## RETIREMENT PLAN PROGRAMS BROCHURE

### Investment Advisory Services

- Assist the Plan in the preparation or review of an IPS for the Plan.
- Recommend or select specific investments to be held by the Plan or, in the case of a participant-directed defined contribution plan to be made, available as investment options under the Plan.
- Perform ongoing monitoring of investments options available in the Plan.
- Assistance in identifying an investment product or model portfolio in connection with the definition of a "Qualified Default Investment Alternative" ("QDIA") under ERISA.
- Develop asset allocation target-date or risk-based model portfolios for the Plan to make available to Plan participants, based on funds from the line-up of investment options chosen by the client, and to periodically review these with the client during Plan reviews at such frequency as is mutually agreed upon.
- Prepare reports reviewing the performance of Plan investments options.

### Plan Consulting Services

- Assist the Plan by acting as a liaison between the Plan and service providers, product sponsors and/or vendors.
- Provide education, training, and/or guidance for the members of the Plan Committee with regard to plan features, retirement readiness matters, or service on the Committee.
- Assist the client in enrolling Plan participants in the Plan, including providing participants with information about the Plan.
- Assist with participant education, which may include preparation of education materials and/or conducting investment education seminars and meetings for Plan participants.
- Assist with the preparation, distribution and evaluation of Request for Proposals, finalist interviews, and conversion support.
- Provide the client with comparisons of Plan data (e.g., regarding fees and services and participant enrollment and contributions).
- Assist client in identifying the fees and other costs borne by the Plan.

LPL provides advisory services under RPCP as an investment advisor under the Advisers Act, and is a fiduciary under the Advisers Act with respect to such services. If client elects to engage LPL and IAR to perform ongoing investment monitoring and ongoing investment recommendation services to a Plan subject to ERISA in the RPCP agreement, such services will constitute "investment advice" under Section 3(21)(A)(ii) of ERISA. Depending upon the scope of services offered by the IAR, clients may also have the option of engaging LPL and IAR to provide certain of the above Investment Advisory Services on a discretionary basis as an "investment manager" under Section 3(38) of ERISA. Therefore, LPL and IAR will be deemed a "fiduciary" as such term is defined under ERISA when providing either non-discretionary investment advice or discretionary investment manager services, as designated in the client account agreement. Clients should understand that to the extent LPL and IAR are engaged to perform services other than ongoing investment monitoring and recommendations (for example, investment education and general financial information), those services are not "investment advice" under ERISA and therefore, LPL and IAR will not be a "fiduciary" under ERISA with respect to those other services.

### Strategic Market Solution

Under SMS, LPL Research (a team of investment professionals within LPL) creates and maintains a series of different investment menus ("Investment Menus") consisting of a mix of different asset classes and investment vehicles ("Investment Options") for clients that sponsor and maintain participant-directed defined contribution plans ("Plan Sponsors"). The Plan Sponsor is responsible for selecting the Investment Menu that it believes is appropriate based on the demographics and other characteristics of the Plan and its participants. LPL Research is responsible for the selection and monitoring of the investment options made available through Investment Menus ("Fiduciary Selection Services"). The investment options that are offered through SMS are limited to the specific investments available through the record keeper that the Plan Sponsor selects. The Plan Sponsor may only select an Investment Menu in its entirety and does not have the option to remove or substitute an investment option.

If the Plan is subject to ERISA, LPL will be a "fiduciary" and serve as "investment manager" (as that term is defined in Section 3(38) of ERISA) in connection with the Fiduciary Selection Services. None of the services offered under SMS other than the



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Fiduciary Selection Services will constitute "investment advice" under 3(21)(A)(ii) of ERISA, or otherwise cause LPL or IAR or Advisor, as applicable, to be deemed a fiduciary.

In addition to the Fiduciary Selection Services, Plan Sponsor may also select from a number of non-fiduciary consulting services available under SMS that are provided by the IAR or Advisor, as applicable. These consulting services may include, but are not limited to: general education, and support regarding the Plan and the investment options selected by Plan Sponsor; assistance regarding the selection of, and ongoing relationship management for, record keepers and other third-party vendors; Plan participant enrollment support; and participant-level education regarding investment in the Plan. These consulting services do not include any individualized investment advice to the Plan Sponsor or Plan participants with respect to Plan assets, and LPL and the IAR or Advisor, as applicable, do not act as fiduciaries under ERISA in providing such consulting services.

### ITEM 5 FEES AND COMPENSATION

Under RPCP, clients pay LPL a fee (the "RPCP Fee") for advisory and/or consulting services. LPL shares up to 100% of the RPCP Fee (typically 95%) with the IAR based on the agreement between LPL and the IAR. A portion of the fee to the IAR may be paid by the IAR to his or her LPL branch manager or another LPL representative for supervision or administrative support. There is a conflict of interest when a branch manager receives a portion of the Account Fee for supervision because the fee affects his or her ability to provide objective supervision of the IAR. The RPCP Fee may be based on a percentage of the assets held in the Plan (up to 1.25% annually), on an hourly basis (up to \$400 per hour), or on a flat rate basis, as negotiated between the Plan and the IAR. The RPCP Fee will be payable to LPL in advance or in arrears on the frequency (e.g., quarterly, monthly, etc.) agreed upon among the client, the IAR, and LPL. If asset based fees are negotiated, the RPCP Fee payment generally will be based on the value of the Plan assets as of the close of business on the last business day of the period as valued by the custodian of the assets. However, if the RPCP Fee is paid by the Plan or the client through a third party service provider, such fee will be calculated as determined by the provider. If the RPCP Fee is paid prior to the services being provided, the Plan will be entitled to a prorated refund of any prepaid fees for services not received upon termination of the client agreement among the client, LPL and the IAR.

Under SMS, clients pay LPL a fee (the "SMS Fee") for the advisory services of LPL Research and the services provided by the IAR or Advisor, as applicable, up to an annual maximum of 0.85%. The SMS Fee paid by the client is inclusive of an LPL program fee for the investment advisory services provided by LPL Research, and an advisor fee for the services provided by the IAR or Advisor, as applicable. The LPL program fee is 0.10%, based on an annualized percentage of assets held in the Plan, subject to a minimum program fee of \$250. LPL may offer program fee discounts based upon the amount of assets held in the Plan or other criteria. The advisor fee is negotiable at the discretion of each IAR or Advisor, as applicable, up to a maximum of 0.75%. LPL shares up to 100% of the advisor fee (typically 90%) with the IAR or Advisor, as applicable, based on the agreement between LPL and the IAR or Advisor. The SMS Fee will be payable to LPL in arrears on the frequency agreed upon between Client and IAR or Advisor, as applicable.

The Plan or Plan Sponsor incurs fees and charges imposed by third parties other than LPL and IAR or Advisor, as applicable, in connection with RPCP and SMS services. These third party fees can include fund or annuity subaccount management fees, 12b-1 fees and administrative servicing fees, plan recordkeeping and other service provider fees. Further information regarding charges and fees assessed by a fund or annuity are available in the appropriate prospectus.

If a client engages LPL and IAR or Advisor, as applicable, to provide ongoing investment recommendations to the Plan or Plan Sponsor regarding the investment options (e.g., mutual funds, collective investment funds) to be made available to Plan participants, clients should understand that there generally will be two layers of fees with respect to such assets. The Plan will pay an advisory fee to the fund manager and other expenses as a shareholder of the fund. The client also will pay LPL and IAR or Advisor, as applicable, the RPCP Fee or SMS Fee, as applicable, for the investment recommendation services. Therefore, clients could generally avoid the second layer of fees by not using the advisory services of LPL and IAR or Advisor, as applicable, and by making their own decisions regarding the investment.

If a Plan or Plan Sponsor makes available a variable annuity as an investment option, there are mortality, expense and administrative charges, fees for additional riders on the contract and charges for excessive transfers within a calendar year



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imposed by the variable annuity sponsor. If a Plan or Plan Sponsor makes available a pooled guaranteed investment contract (GIC) fund, there are investment management and administrative fees associated with the pooled GIC fund.

As part of the RPCP services, the IAR may recommend a mutual fund that pays asset based sales charges or service fees (e.g., 12b-1 fees) to LPL and the IAR as broker-dealer to the Plan. The receipt of 12b-1 fees presents a conflict of interest because it gives LPL and its IARs an incentive to recommend mutual funds based on the compensation received rather than on a client's needs. LPL addresses this conflict by using 12b-1 fees paid by product sponsors to LPL and IAR as broker-dealer to the Plan to offset the RPCP Fee.

Clients should understand that the RPCP Fee or SMS Fee, as applicable, that client negotiates with IAR or Advisor, as applicable, may be higher than the fees charged by other investment advisors or consultants for similar services. This is the case, in particular, if the fee is at or near the maximum fees set out above. The IAR or Advisor, as applicable, is responsible for determining the fee to charge each client based on factors such as total amount of assets involved in the relationship, the complexity of the services, and the number and range of supplementary advisory and client-related services to be provided. Clients should consider the level and complexity of the consulting and/or advisory services to be provided when negotiating the fee with IAR or Advisor, as applicable.

Clients pay the RPCP Fee or SMS Fee, as applicable, by check made payable to LPL Financial LLC. In the alternative, clients also may instruct a Plan's service provider or custodian to calculate and debit the fee from the Plan's account at the custodian and pay such fee to LPL.

### ITEM 6 PERFORMANCE BASED FEES AND SIDE-BY-SIDE MANAGEMENT

This Item is not applicable. LPL and its IARs do not accept performance-based fees for RPCP or SMS.

### ITEM 7 TYPES OF CLIENTS

RPCP is available to clients that are trustees or other fiduciaries to Plans, including 401(k), 457(b), 403(b) and 401(a) plans. Plans include participant directed defined contribution plans and defined benefit plans. Plans may or may not be subject to ERISA. LPL does not require a minimum asset amount for retirement plan consulting services.

SMS is available to clients that sponsor and maintain participant-directed defined contribution plans that are subject to ERISA. LPL does not require a minimum asset amount for SMS investment advisory or consulting services.

The investment advisory services provided by LPL and its IARs or Advisor, as applicable, are services that are provided only to the Plan Sponsor or the Plan, and not to any particular Plan participant.

### ITEM 8 METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

LPL or IARs, as applicable under either RPCP or SMS, may conduct analysis of securities using a technical/quantitative and/or fundamental/qualitative approach. The sources of information that LPL (or an IAR, in the case of RPCP) may use to provide advice to Plans or Plan Sponsors include the following: research conducted by LPL (or the IAR in the case of RPCP), research materials prepared by LPL or third parties, statistical and/or analytical industry databases, financial newspapers and magazines, and vendor or company press releases.

When providing investment advisory services in RPCP, IARs may recommend asset allocation strategies. LPL makes available to IARs providing investment and asset allocation recommendations in RPCP an investment analysis scorecard (the "Scorecard"). The Scorecard system is intended to identify suitable investments using a consistent process and monitor the investments on a periodic basis. The system takes into account historical data and uses a 12 point scoring system based on quantitative factors (e.g., style drift, performance, risk and risk-adjusted returns) and qualitative factors (e.g., operating expenses, manager tenure).

It is important to note that although LPL makes available research materials and a scoring system to IARs in connection with services provided under RPCP, an IAR may take into consideration these materials to a limited extent or not at all. Clients are encouraged to speak to their IAR directly to discuss the IAR's particular approach and strategy for providing consulting services to the Plan. It is important to note that no methodology or investment strategy is guaranteed to be successful or profitable.



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Under SMS, LPL Research is responsible for the selection of investment options to be made available to participants in a Plan. The applicable Plan Sponsor adopts an Investment Policy Statement that it believes is consistent with the investment needs of the participants in its Plan, and LPL Research selects investment options consistent with such Investment Policy Statement. As part of its evaluation of investment options for a Plan, LPL Research relies on a defined process to select and monitor the investments, including: external and internal database reviews; quantitative analysis of absolute, relative and risk adjusted returns, style analysis and historical allocations; qualitative analysis of the investment sponsor's organization, professionals and investment processes and procedures; and internal management and committee review meetings.

LPL Research will regularly monitor a Plan's investment options and investment categories for compliance with its investment objectives and to assess whether a particular investment option continues to be appropriate for the Plan. While frequent change is neither expected nor desirable, the process of monitoring investment performance relative to specified guidelines is an ongoing process. Recognizing that short-term fluctuations may cause variations in performance, when monitoring investments under a Plan, LPL Research will evaluate investment performance from a long-term perspective. Monitoring utilizes the same criteria that were the basis of the investment selection decision.

Under RPCP, fiduciaries of a Plan may choose to select a number of different types of securities and insurance products to make available to Plan participants, including mutual funds, group annuity contracts, collective investment funds, GICs, ETFs, stable value funds, annuity subaccounts or other securities. Under SMS, the Investment Menus include mutual funds and stable value funds. Each different type of security or product carries with it risks that are inherent in that specific type of security. Mutual funds, collective investment funds, ETFs and annuity subaccounts may also invest in varying types of securities which carry these risks. Investing in securities involves the risk of loss that clients should be prepared to bear. Described below are some particular risks and features associated with investing in general and with some types of investments that may be purchased by a Plan.

- *Market Risk.* This is the risk that the value of securities owned by an investor may go up or down, sometimes rapidly or unpredictably, due to factors affecting securities markets generally or particular industries.
- *Interest Rate Risk.* This is the risk that fixed income securities will decline in value because of an increase in interest rates; a bond or a fixed income fund with a longer duration will be more sensitive to changes in interest rates than a bond or bond fund with a shorter duration.
- *Credit Risk.* This is the risk that an investor could lose money if the issuer or guarantor of a fixed income security is unable or unwilling to meet its financial obligations.
- *Group Annuities.* If client purchases a group annuity contract for the Plan, client should read and understand the group annuity contract and all other offering material prepared by the issuing insurance company prior to making an investment decision. In considering whether to purchase a particular group annuity for the Plan, client should be aware that:
  - A group annuity is a contract between the plan sponsor or the plan trustee and the issuing insurance company that cover the participants in the plan.
  - A group variable annuity consists of separate accounts that typically invest in underlying investment portfolios the value of which fluctuates with the market value of the securities in the portfolio.
  - Although a group annuity is issued by an insurance company, the annuity's investment returns are not "insured" or guaranteed and risk of loss of principal does exist; however, the product may offer participants an option to purchase an annuity with a guaranteed component instead of a cash payout. Any such guarantee for an individual annuity is subject to the claims-paying ability of the insurance company.
  - A group annuity held in a tax-qualified retirement plan does not provide any additional tax deferred treatment of earnings for the plan or participants beyond the treatment provided by the plan itself.
  - A group annuity contract generally is not a registered security and separate account is generally not a registered separate account. Therefore, the contract and separate account are not subject to registration or regulation by the SEC under the Securities Act of 1933, the Securities Exchange Act of 1934 or the Investment Company Act of 1940.
  - Unlike mutual funds and registered variable annuities, which are SEC-registered products, a group annuity generally is not required to prepare or deliver a prospectus.



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- A group annuity contract typically includes various fees and expenses, including administrative fees for certain services of the insurance company, such as recordkeeping, customer services and enrollment. These fees and expenses are in addition to the fees and expenses of the underlying investment options, which a participant will indirectly bear by investing in those investment options through the group annuity.
- *Investment Company Risk.* Investments in investment companies are subject to the risks of the investment companies' investments, as well as to the investment companies' expenses.
- *Stable Value Funds.* If you are considering a stable value product to make available as an investment option for a Plan, you should review the contract for the product and understand and consider the following:
  - A stable value fund is a fixed income investment fund with a "wrap" contract issued by a bank or insurance company. These wrap contracts seek to allow participants to transact at their book value (which generally speaking is their invested balance plus any accrued interest).
  - The objective of stable value funds, in general, is to preserve capital while providing a relatively stable rate of return that seeks to exceed returns provided by money market funds. Although designed as a low-risk investment, participants can lose money by investing in a stable value fund.
  - Stable value funds can be viewed as an alternative to money market funds; however, there are important differences, and stable value products can be complicated. Unlike money market funds, stable value funds are typically not registered with the SEC. In addition, they are not guaranteed by the U.S. government, LPL or the Plan. The structure of, or investments within, stable value may vary, and it is important to consider these differences in selecting a stable value fund.
  - Although a contract may provide for book value (even if fair market value is less) for participant-initiated events, the contract typically will not provide for book value for certain employer-initiated events (e.g., plan terminations, layoffs, sale of a division, employer bankruptcies, or change in recordkeepers). In the case of employer-initiated events, the contract typically will provide for a fair market value adjustment, which will not allow the Plan or participants to immediately receive book value if fair market value is less. It is important that plan sponsors understand these terms of the contract, in particular, as it will be a consideration in a future decision as to whether to terminate the stable value product provider.
  - As the stable value product wrap provider guarantees the receipt of book value to participants, it is important to consider the financial stability of the provider. It also is important to understand the underlying assets of the stable value product, as the type and quality of the assets will bear on the risk vs. reward characteristics that result in a variance between book value and fair market value.
  - There are fees and costs associated with stable value products.

### ITEM 9 DISCIPLINARY INFORMATION

Item 9 requires the disclosure of material legal or disciplinary events relating to LPL's advisory and brokerage business. However, none of the disclosure items below relate to the services that LPL and its IARs provide in connection with retirement plan advisory and consulting programs.

LPL entered into a settlement with the SEC in connection with LPL's failure to comply with its Customer Identification Program procedures. The SEC found that LPL willfully violated Section 17(a) of the Exchange Act and Rule 17a-8 thereunder and was a cause of a third party's violations of Sections 17(a)(2) and (3) of the Securities Act and Section 206(2) of the Advisers Act. The SEC ordered LPL to cease and desist from committing or causing any further violations of these laws and regulations, censured LPL for its conduct, and ordered the payment of disgorgement and prejudgment interest totaling \$141,202 (deemed satisfied based on LPL's voluntary remedial payment of \$4,118,876 to the impacted client), and the payment of a civil money penalty of \$750,000.

As part of a voluntary self-reporting initiative in 2019, LPL entered into a settlement with the SEC in which the SEC found that LPL willfully violated Section 206(2) and 207 of the Investment Advisers Act of 1940 (the "Advisers Act") in connection with inadequate disclosure to clients of its and its associated persons' conflicts of interest related to its receipt of 12b-1 fees and/or its selection of mutual fund share classes that pay such fees. The SEC ordered LPL to cease and desist from committing or causing any violations of Sections 206(2) and 207 of the Advisers Act, censured it for its conduct, and ordered the payment of disgorgement and prejudgment interest to affected investors totaling \$9,333,516.



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LPL, as a broker-dealer, is a member of FINRA and has found to be in violation of FINRA's rules related to its brokerage activities. In particular, LPL consented to sanctions related to the following matters:

- LPL's failure to accurately calculate its customer reserve requirement, failure to maintain a sufficient customer reserve, failure to maintain policies and procedures reasonably designed to achieve compliance with the Securities and Exchange Act and FINRA rules, and failure to maintain accurate books and records, resulting in a censure and a fine of \$300,000 (2022).
- LPL's self-reporting of potential issues related to certain C-share purchase suitability reviews and its supervisory systems and procedures relating to waivers of front-end sales charges for rollovers of 529 savings plan investments from one state plan to another, resulting in a censure and payment of restitution to impacted customers (2021).
- LPL's supervisory systems and procedures relating to record retention, fingerprinting and screening of certain associated persons, and supervision of consolidated reports, resulting in a censure, a fine of \$6,500,000 and an undertaking to review and enhance related policies, systems and procedures (2020).
- LPL's supervisory systems and procedures relating to changes in the authority of custodians of accounts established under the Uniform Gifts to Minors Act and/or the Uniform Transfers to Minors Act, resulting in a censure, a fine of \$300,000, and an undertaking to review and enhance its policies, systems, and procedures related to supervision of such accounts (2019).
- The effectiveness of LPL's anti-money laundering program, LPL's failure to amend certain Forms U4 and U5, and LPL's systems and supervisory procedures relating to Forms U4 and U5 reporting requirements, resulting in a censure and a fine of \$2,750,000 and an undertaking to review the process used to disclose customer complaints on Forms U4 and U5 (2018).
- LPL's brokerage supervisory and disclosure procedures related to the sale of certain brokered certificates of deposit in brokerage accounts, resulting in a censure and a fine of \$375,000 (2018).
- LPL's systems and supervisory procedures relating to the creation and distribution of certain required account notices, resulting in a censure, a fine of \$900,000, and an undertaking to review affected processes (2016).
- LPL's systems and supervisory procedures relating to the format in which certain electronic records were retained, resulting in a censure and a fine of \$750,000 (2016).
- LPL's various brokerage supervisory procedures, including those related to the sale of complex non-traditional ETFs, variable annuity ("VA") contracts, real estate investment trusts ("REITs") and other products in brokerage accounts, as well as LPL's failure to monitor and report trades and deliver trade confirmations, resulting in a censure and a fine of \$10,000,000, and restitution of \$1,664,592 (2015).
- LPL's processing and supervision of the sale of alternative investments, including non-traded REITs, resulting in a censure and a fine of \$950,000 (2014).
- LPL's systems and procedures related to the review and retention of email, resulting in a censure, a fine of \$7.5 million, and establishment of a fund of \$1.5 million to cover payments to eligible former brokerage customer claimants who may not have received all emails in connection with their claim (2013).
- LPL's supervisory systems to monitor and ensure the timely delivery of mutual fund prospectuses, resulting in a censure and a fine of \$400,000 (2012).

LPL, as a broker-dealer, is regulated by each of the 50 states and has been the subject of orders related to the violation of state laws and regulations in connection with its brokerage activities. In particular, LPL entered into consent orders related to the following matters:

- LPL's supervision of an LPL broker-dealer/investment adviser agent's sales of structured products, resulting in a censure, an offer of restitution to impacted clients, and a fine of \$125,000 (Texas, 2022).
- LPL's supervision of two LPL broker-dealer and/or investment adviser agents who pled guilty to charges of fraudulent practices with LPL customers, resulting in a cease and desist order, a fine of \$350,000 and a \$150,000 contribution for financial literacy and investor education initiatives, training and related materials (Connecticut, 2021).
- LPL's supervision of an LPL representative under a heightened supervision plan, resulting in a cease and desist order; a fine of \$275,000; payments of restitution, disgorgement and investigative costs; and offers of payment of surrender charges in connection with variable annuity contracts for impacted customers (New Hampshire or "NH", 2020).



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- LPL's failure to timely register (or maintain the registration of) certain agents in Massachusetts ("MA") and failure to amend Forms U4 and U5 for certain agents registered in MA, resulting in a censure, a fine of \$1,100,000, and an undertaking to review and enhance its policies and procedures related to registering its agents in MA and filing reportable events (MA, 2019).
- LPL's brokerage supervisory procedures relating to email review and annual branch office examinations, resulting in a civil penalty of \$450,000 and an undertaking for third-party review of related processes (Indiana, 2018).
- The sale of unregistered, non-exempt securities in violation of state registration requirements, resulting (upon entry of the individual consent order) in payment to each participating state or jurisdiction of a civil penalty of \$499,000, reimbursement of certain investigative expenses, remediation through repurchase of certain securities and payment of losses to certain affected customers, and certain additional undertakings (Settlement with up to 53 members of the North American Securities Administrators Association (NASAA), 2018).
- The sale of non-traded alternative investments in excess of prospectus standards or LPL's internal guidelines and the maintenance of related books and records, resulting in a censure, a fine of \$950,000, a \$25,000 contribution to an investor education fund and remediation of losses to impacted customers (New Jersey, 2017).
- LPL's supervisory practices for LPL representatives located on the premises of a credit union, resulting in a censure, a fine of \$1,000,000, and an undertaking to avoid investor confusion specific to the name under which the credit union does business and review LPL's related policies and procedures (MA, 2017).
- LPL's oversight of certain VA transactions, resulting in a censure, a fine of \$975,000, restitution to clients and former clients of an LPL representative, disgorgement of commissions retained by LPL in connection with such representative's VA sales, and an undertaking to review such representative's brokerage and advisory activities and LPL's related policies and procedures (MA, 2017).
- The sale in brokerage accounts of non-traded REITs in excess of prospectus standards, state concentration limits or LPL's internal guidelines, resulting in an aggregate civil penalty of \$1,425,000, reimbursement of certain investigative expenses and remediation of losses to impacted customers (Global settlement with certain members of NASAA, 2015).
- The sale of non-traded REITs in excess of prospectus standards, state concentration limits or LPL's internal guidelines, resulting in an administrative fine of \$250,000, reimbursement of investigative costs of \$250,000, a \$250,000 contribution to an investor education fund and remediation of losses to impacted customers (NH, 2015).
- The sale of leveraged and inverse leveraged ETFs ("Leveraged ETFs"), resulting in an administrative fine of \$50,000 (Delaware), a penalty of \$200,000 (MA), restitution to Delaware customers in an amount up to \$150,000, restitution to MA customers in an amount up to \$1,600,000, and an agreement to make certain changes in its supervisory system with respect to Leveraged ETFs (2015).
- Failure to implement procedures related to the use of senior-specific titles by LPL representatives as required under MA law, resulting in a censure and a fine of \$250,000 (2015).
- Failure to detect improper and fraudulent conduct by an LPL representative, resulting in a censure, a fine of \$500,000, and restitution to impacted customers; and failure to adequately enforce supervisory procedures and maintain certain books and records required under Illinois law in connection with certain VA exchange transactions, resulting in a censure, a fine of \$2,000,000, and restitution to impacted customers (2014).
- The sale of non-traded REITs to MA residents in excess of MA concentration limits, resulting in a censure, a fine of \$500,000, and restitution to impacted customers (2013).

For more information about those state events and other disciplinary and legal events involving LPL and its IARs, client should refer to Investment Advisor Public Disclosure at <https://adviserinfo.sec.gov/> or FINRA BrokerCheck at <https://brokercheck.finra.org>.

### ITEM 10 OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

LPL is a broker-dealer registered with FINRA and the SEC. As a broker-dealer, LPL transacts business in various types of securities, including mutual funds, stocks, bonds, commodities, options, private and public partnerships, variable annuities, real estate investment trusts and other investment products. LPL is registered to operate in all 50 states and has primarily an independent-contractor sales force of registered representatives and IARs dispersed throughout the United States. LPL has a dedicated team of employee IARs in its home office who service certain accounts, and also a small subset of IARs who operate



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their own offices or are located on the premises of certain financial institutions and are employees of LPL Employee Services, LLC, an LPL-affiliated company. IARs may also be licensed registered representatives of LPL and may provide brokerage services on behalf of LPL. If required for their positions with a registered broker-dealer, LPL's principal executive officers are securities licensed as registered representatives of LPL. LPL is also registered as an introducing broker with the Commodity Futures Trading Commission. In addition, LPL is qualified to sell insurance products in all 50 states.

With respect to SMS services provided by an Advisor (rather than one of LPL's IARs), associated persons of Advisor may also be broker-dealer registered representatives of LPL or another broker-dealer. If an associated person of Advisor is a broker-dealer registered representative of LPL, that person is providing advisory services to a Program account on behalf of Advisor. That person is not acting in a broker-dealer capacity or on behalf of LPL with respect to services under a Program.

LPL and The Private Trust Company, N.A. ("PTC"), a federally chartered non-depository bank licensed to provide trust services in all 50 states, are related persons. PTC serves as IRA custodian for client accounts set up as IRAs and receives an annual maintenance fee for this service. PTC also provides personal trustee services to clients for a variety of administrative fiduciary services, which services may relate to an advisory account. Because LPL and PTC are affiliated companies and share in revenues, there is a financial benefit to the companies if a client uses PTC as a custodian or for personal trustee services, or if a PTC client uses LPL as an investment advisor. PTC's IRA custodian and trustee services and related fees are established under a separate engagement between the client and PTC.

Fiduciary Trust Company of New Hampshire ("FTC"), a non-depository trust company, is a related person of LPL. FTC provides custodial and various other recordkeeping and services to IRAs and certain employer-sponsored plans maintained through non-Retirement Partners Program accounts. Because LPL and FTC are affiliated companies and share in revenues, there is a financial benefit to the companies if a client is referred to or otherwise elects to engage with FTC for services under another LPL program, and uses LPL as the investment advisor or broker-dealer. FTC's custodial and recordkeeping services and related fees are established under a separate engagement between the client and FTC.

Fortigent, LLC ("Fortigent"), is a registered investment advisor and related person of LPL. From time to time, LPL registered representatives may enter into agreements with Fortigent for research and reporting services.

LPL IARs are permitted to engage in certain LPL-approved business activities other than the provision of brokerage and advisory services through LPL, and in certain cases, an IAR could receive greater compensation through the outside business than through LPL. An IAR could also be an accountant, real estate agent, tax preparer, lawyer or refer customers to other service providers and receive referral fees, for example. As other examples, an IAR could provide advisory or financial planning services through an independent unaffiliated investment advisory firm, sell insurance through a separate business, or provide third-party administration to retirement plans through a separate firm. If an IAR provides investment services to a retirement plan as a representative of LPL and also provides administration services to the plan through a separate firm, this typically means the IAR is compensated from the plan for the two services. If you engage with an IAR for services separate from LPL, you may wish to discuss with him or her any questions you have about the compensation he or she receives from the engagement.

### **ITEM 11 CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

#### **Code of Ethics and Personal Trading**

LPL has adopted a code of ethics that includes guidelines regarding personal securities transactions of its employees and IARs. The code of ethics permits LPL employees and IARs to invest for their own personal accounts in the same securities that LPL and IARs purchase for clients in program accounts. This presents a conflict of interest because trading by an employee or IAR in a personal securities account in the same security on or about the same time as trading by a client can disadvantage the client. LPL addresses this conflict of interest by requiring in its code of ethics that LPL employees and IARs report certain personal securities transactions and holdings to LPL. LPL has procedures to review personal trading accounts for front-running. In addition, employees in LPL's Research Department are required to obtain pre-clearance prior to purchasing certain securities for a personal account. Employees and IARs are also required to obtain pre-approval for investments in private placements and initial



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public offerings. A copy of the code of ethics is available to clients or prospective clients upon request and is available at [lpl.com/disclosures.html](http://lpl.com/disclosures.html).

With respect to SMS services provided by an Advisor (rather than one of LPL's IARs), clients should refer to Advisor's Form ADV brochure for more information about the Advisor's code of ethics and personal trading policies.

### Participation or Interest in Client Transactions

LPL's parent company, LPL Financial Holdings Inc., is a publicly traded company. LPL does not permit its IARs to recommend or purchase LPL Financial Holdings Inc. stock. With respect to SMS services provided by an Advisor (rather than one of LPL's IARs), clients should refer to Advisor's Form ADV brochure for more information about conflicts of interest.

IAR may be affiliated with the third party administrator ("TPA") that is also servicing a Plan. Prior to utilizing a TPA affiliated with IAR, clients must obtain an analysis from a fiduciary independent of the IAR concluding that 1) utilizing the named TPA is in the best interest of the Plan, the plan participants and their beneficiaries; 2) the fees paid for the services rendered by the TPA are reasonable; and 3) the TPA's relationship with the IAR was fully understood and accepted during the selection process of each as service providers to the Plan.

As part of the services selected by the client, for example, vendor analysis services, an IAR may provide recommendations as to investment products or services. To the extent that IAR recommends that client invest in products and services that will result in compensation being paid to LPL and the IAR, this presents a conflict of interest. The compensation to IAR and LPL may be more or less depending on the product or service that the IAR recommends. Therefore, the IAR has a financial incentive to recommend that a recommendation be implemented using a certain product or service over another product or service. The client is under no obligation to purchase securities or services through LPL and the IAR.

It is important to note that clients are under no obligation to implement a recommendation through LPL. Clients should understand that the investment products, securities and services that an IAR may recommend as part of RPCP are available to be purchased through broker-dealers, investment advisors or other investment firms not affiliated with LPL.

Client should understand that LPL, IAR and Advisor perform advisory and/or brokerage services for various other clients, and that LPL, IAR and Advisor may give advice or take actions for those other clients that differ from the advice given to the client. The timing or nature of any action taken for a client may also be different.

### ITEM 12 BROKERAGE PRACTICES

In connection with the services offered under RPCP and SMS, LPL or an IAR may recommend to a client that a Plan use a certain retirement plan platform or service provider (such as a recordkeeper or administrator). In the case of RPCP, LPL and IAR may serve as broker-dealer in connection with the sale of securities or insurance products to the Plan. As noted above, for Plans that are subject to ERISA or are otherwise subject to Section 4975 of the Code, 12b-1 fees paid by product sponsors to LPL and IAR as broker-dealer of record to the Plan are used to offset the RPCP Fee.

### ITEM 13 REVIEW OF ACCOUNTS

IARs review accounts and meet with clients, on a regular basis or as requested by the client, and such meetings may include review of accounts statements, performance information, and other information or data related to the client's account and investment objectives.

To the extent services offered under RPCP or SMS to the Plan or Plan Sponsor include performance monitoring or reporting, LPL or the IAR or Advisor, as applicable, will review performance or provide reports of investment manager(s) or investments selected by the Plan on a frequency as agreed with the Plan or Plan Sponsor. If elected by the Plan, IAR or Advisor, as applicable, will provide reports evaluating the performance of Plan investment manager(s) or investments.



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## ITEM 14 CLIENT REFERRALS AND OTHER COMPENSATION

### Other Compensation

IAR, LPL and LPL employees receive additional compensation, business entertainment and gifts from product sponsors. Compensation may include such items as gifts valued at less than \$100 annually, an occasional dinner or ticket to a sporting event, or reimbursement in connection with educational meetings, customer appreciation events, or marketing or advertising initiatives. Product sponsors also pay for, or reimburse LPL for the costs associated with, education or training events that are attended by LPL employees, IARs and Advisors and for LPL-sponsored conferences and events, including services for identifying prospective clients. For example, LPL receives marketing and educational support payments of up to \$260,000, depending on the anticipated nature and scope of the events, from retirement plan product sponsors to assist training and educating financial advisors across LPL's brokerage and advisory platforms, including RPCP. Any such support payments are not tied to the sales of any products or client assets in the products. IARs do not receive any portion of these payments. LPL, LPL employees and IARs also receive reimbursement from product sponsors for technology-related costs, such as those to build systems, tools and new features to aid in serving customers. For a current and complete list of the product sponsors that pay such marketing and educational support payments, please see [lpl.com/disclosures.html](http://lpl.com/disclosures.html) or ask your IAR. With respect to SMS services provided by an Advisor (rather than one of LPL's IARs), clients should refer to the Advisor's Form ADV brochure for more information about conflicts of interest.

LPL employees provide sales support resources to IARs and Advisors that use LPL advisory programs. The compensation that LPL pays to these employees varies based on the assets in LPL's different advisory programs. These employees have an incentive to promote certain advisory programs to IARs and Advisors over other advisory programs. These employees also earn more compensation when IARs and Advisors transition client assets from brokerage accounts to advisory accounts, and have a financial incentive to encourage IARs and Advisors to transition brokerage accounts to advisory.

### LPL Compensation to IAR

An IAR recommending an advisory service receives compensation from LPL. LPL typically compensates IARs pursuant to an independent contractor agreement, and not as an employee. This compensation includes a portion of the RPCP Fee or SMS Fee, as applicable, and, such portion received by IAR may be more than what IAR would receive at another investment advisor firm. Such compensation may include other types of compensation, such as bonuses, awards or other things of value offered by LPL to the IAR. In particular, LPL pays its IARs in different ways, for example:

- payments based on production
- equity awards from LPL's parent company, LPL Financial Holdings Inc., consisting of awards of either restricted stock units (a promise to deliver stock in the future) or stock options to purchase stock, in each case subject to satisfaction of vesting and other conditions
- reimbursement or credits of fees that IARs pay to LPL for items such as administrative services, or technology fees
- free or reduced-cost marketing materials
- payments in connection with the transition of association from another broker-dealer or investment advisor firm to LPL
- advances of advisory fees
- payments in the form of repayable or forgivable loans
- attendance at LPL conferences and events.

Some of these forms of compensation, particularly equity awards of LPL Financial Holdings Inc., give IARs a financial interest in the success of LPL. IARs who have a financial interest in the success of LPL have an incentive to recommend investments that are more profitable for LPL, regardless of whether the IARs share in that compensation directly.

Note that LPL has a dedicated team of employee IARs in its home office who service certain accounts, and also a small subset of IARs who operate their own offices or are located on the premises of certain financial institutions and are employees of LPL Employee Services, LLC, an LPL-affiliated company. In such cases, the IARs are compensated as employees, and such compensation can include a salary, bonus and other things of value as set out above.



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LPL pays IARs this compensation based on the IAR's overall business production and/or on the amount of assets serviced in LPL advisory relationships. The amount of this compensation may be more or less than what the IAR would receive if the client participated in other LPL programs or in services or programs of other investment advisors or consultants. Therefore, the IAR may have a financial incentive to recommend the Programs over other programs and services.

### Ownership Interest in Doing-Business-As ("DBA") Entities

Some IARs operate through independent practices with a separate Doing-Business-As (or "DBA") designation. In some cases, LPL may partially or wholly own such practices, and have a financial interest in the business success of the DBA as a whole, or in a particular element of the DBA via specific ownership interests in its brokerage, advisory, insurance, or other financial services business (or any combination thereof). Clients should ask their IAR about the extent to which LPL has a financial interest in their practice.

### LPL Compensation to Advisor

LPL pays compensation to Advisor, which includes a portion of the SMS Fee and also may include other compensation, such as bonuses, awards or other things of value offered by LPL to the Advisor and/or its representatives. For example, LPL may pay additional compensation to Advisor or its representatives by providing equity awards from LPL's parent company, LPL Financial Holdings Inc., consisting of awards of either restricted stock units (a promise to deliver stock in the future) or stock options to purchase stock, in each case subject to satisfaction of vesting and other conditions, payments in the form of repayable or forgivable loans, reimbursement of administrative servicing fees or technology fees that Advisor and/or its representatives pays to LPL, free or reduced-cost marketing materials, payments in connection with the transition of Advisor's business from another firm to LPL, or attendance at LPL's conferences or events.

Individuals of Advisor also may be associated with LPL as broker-dealer registered representatives and/or investment advisor representatives.

### LPL Interests in Investment Advisers

As part of its business initiatives, LPL acquires or may take a financial interest in third-party investment advisers ("RIA Firms") that utilize LPL as their custodian. These RIA firms offer LPL's investment advisory programs to their clients, and LPL earns compensation as a result of their use of its programs. When LPL acquires an RIA Firm and integrates that RIA Firm into LPL's investment adviser, it registers the IARs with LPL and they (and any other staff retained or engaged by LPL) become subject to LPL's code of ethics and have new and different conflicts of interest when recommending investment advisory products to clients. The IARs may brand their financial services practice under the RIA Firm's prior name (Doing-Business-As or "DBA" name), but they will be offering all advisory services through LPL. Alternatively, LPL may acquire the RIA Firm and continue operating it as a going concern. There, the IARs remain IARs of the RIA Firm, and LPL amends its regulatory records to reflect the RIA Firm as an affiliate. In the event LPL takes a limited financial interest in an RIA Firm, the terms of the ownership interest will dictate LPL's share of the RIA Firm's advisory revenue and other sources of income. In all cases, LPL has a financial interest in the success of the RIA Firm. IARs of LPL have access to different products and services than LPL makes available to the financial professionals of third-party RIA Firms. Clients should ask their financial professional about the extent to which LPL has a financial interest in their practice.

### Transition Assistance

LPL also provides various benefits and/or payments to IARs or Advisors with broker-dealer registered representatives that are newly associated with LPL to assist the IAR or Advisor with the costs (including foregone revenues during account transition) associated with transitioning his or her business to LPL (collectively referred to as "Transition Assistance"). The proceeds of such Transition Assistance payments are intended to be used for a variety of purposes, including but not necessarily limited to, providing working capital to assist in funding the IAR's or Advisor's business, satisfying any outstanding debt owed to the IAR's or Advisor's prior firm, offsetting account transfer fees (ACATs) as a result of the IAR's or Advisor's clients transitioning to LPL's custodial platform, technology set-up fees, marketing and mailing costs, stationary and licensure transfer fees, moving expenses, office space expenses, staffing support and termination fees associated with moving accounts.



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The amount of the Transition Assistance payments are often significant in relation to the overall revenue earned or compensation received by the IAR or Advisor at his or her prior firm. Such payments are generally based on the size of the IAR's or Advisor's business established at his or her prior firm, for example, a percentage of the revenue earned or assets serviced by the IAR or Advisor, as applicable, at the prior firm. These payments are generally in the form of payments or loans to the IAR or Advisor with favorable interest rate terms as compared to other lenders, which are paid by LPL or forgiven by LPL based on years of service with LPL (e.g., if the IAR or Advisor remains with LPL for 5 years) and/or the scope of business engaged in with LPL. LPL does not verify that any payments made are actually used for such transition costs.

LPL also makes payments to IARs or such firms in connection with the transition of certain advisory business to LPL from his or her prior firm that is not approved on LPL's platform. These payments are tied to the amount of client assets that are transitioned from an unapproved platform at the prior firm to LPL's advisory programs. In addition, IARs are also eligible to receive compensation from LPL in order to assist with offsetting time and expense in coordinating transfers of client accounts from third party investment platforms to LPL's platform ("Operational Assistance"). This compensation is payable as a flat-dollar amount per transferred account with a maximum of up to \$350 per account.

The receipt of Transition Assistance and Operational Assistance creates a conflict of interest in that an IAR or Advisor has a financial incentive to recommend that a client open and maintain an account with the IAR or Advisor and LPL for advisory, brokerage and/or custody services, and to recommend switching investment products or services where a client's current investment options are not available through LPL, in order to receive the Transition Assistance and Operational Assistance benefit or payment. LPL and its IARs attempt to mitigate these conflicts of interest by evaluating and recommending that clients use LPL's services based on the benefits that such services provide to clients, rather than the Transition Assistance and Operational Assistance earned by any particular IAR. However, clients should be aware of this conflict and take it into consideration in making a decision whether to establish or maintain a relationship with LPL. With respect to SMS services provided by an Advisor (rather than one of LPL's IARs), clients should refer to the Advisor's Form ADV brochure for more information about conflicts of interest. If LPL makes a loan to a new or existing IAR, there is also a conflict of interest because LPL's interest in collecting on the loan affects its ability to objectively supervise the IAR.

To the extent permitted by applicable law, including ERISA, LPL has entered into referral agreements with independent third party investment advisers, pursuant to which LPL and IARs receive referral fees from the third party investment advisers in return for referral of clients. Any such referral agreements are separate from the services provided under the Programs. Because LPL is engaged by and paid by the third party investment advisor for the referral, any recommendation regarding a third party investment advisor as part of a referral presents a conflict of interest. LPL addresses this conflict by providing the client with a disclosure statement explaining the role of LPL and IAR and the referral fee received by LPL and IAR.

In addition, LPL may enter into other agreements with the third party investment advisers to whom LPL refers certain clients, pursuant to which LPL may provide (i) marketing services on behalf of the third party investment advisers to LPL representatives; or (ii) data technology services to integrate third party investment adviser account data on LPL's technology systems. To the extent permitted by applicable law, including ERISA, LPL receives fees for these services and such fees are typically based on the amount of assets (up to 10 basis points) referred by LPL to the third party investment adviser. Please refer to [lpl.com/disclosures.html](http://lpl.com/disclosures.html) for current information about any third party investment adviser that pays this compensation. Any agreements related to referrals are separate from the services provided under the Programs. The IAR does not share in these fees. In some cases, the third party investment advisers pay additional marketing payments to LPL, its employees and/or IARs to cover fees to attend conferences or reimbursement of expenses for workshops, seminars presented to IARs clients or advertising, marketing or practice management.

LPL has entered into agreements with certain service providers, pursuant to which LPL and IAR receive compensation related to a Plan participant who receives a distribution from the Plan and rolls the distribution to a retail investment product of the service provider.



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### Client Referrals

From time to time, LPL and/or its IARs may enter into arrangements with third parties or other financial intermediaries, for lead generation, client referrals, or solicitation for program accounts (collectively, "solicitation arrangements"). These solicitation arrangements range from largely impersonal referrals to specific client introductions to LPL and its IARs. Under solicitation arrangements, all third parties and financial intermediaries are independent contractors. In most cases, the third parties are not advisory clients of LPL and do not refer clients based on their experience as investors. The compensation paid under the solicitation arrangement is structured in various ways, including one-time fee, a flat fee per lead or referral, and sharing a portion of the RPCP Fee or SMS Fee. Clients who are introduced to LPL and its IARs through a solicitation arrangement receive a specific description of the terms of that arrangement and the compensation paid to the solicitor at the time of the introduction. Depending on the solicitor's arrangement with LPL, a solicitor may not be compensated for referring a client who opens a brokerage account rather than an advisory account. Solicitation arrangements give rise to conflicts of interest because the referring party has a financial incentive to introduce new investment advisory clients to LPL and its IARs. LPL's participation in these referral arrangements does not diminish its fiduciary obligations to its clients.

### Unaffiliated Financial Institutions

LPL and certain of its IARs offer advisory services on the premises of unaffiliated financial institutions, like banks or credit unions. When services are offered in a bank or credit union, the advisory services are offered by LPL and not the financial institution. Any securities recommended as part of the investment advice are not guaranteed by the financial institution, or insured by the Federal Deposit Insurance Corporation or any other federal or state deposit guarantee fund relating to financial institutions.

LPL has entered into agreements with the financial institutions pursuant to which LPL typically shares compensation, including a portion of the RPCP Fee or SMS Fee, as applicable, with the financial institution for the use of the financial institution's facilities and for client referrals. Instead of paying the IAR or Advisor, as applicable, the portion of the RPCP Fee or SMS Fee, as applicable, as described above, LPL shares the RPCP or SMS Fee, as applicable, with the financial institution, and the financial institution pays part of that amount to IAR or Advisor, as applicable. The financial institution establishes the compensation plan for the IAR, which is subject to approval by LPL. The compensation plan determines how the IAR's compensation is structured. An IAR will have a financial incentive to recommend a particular service or product if under the compensation plan the recommended product will result in more compensation to the IAR than another product or service, including advisory versus brokerage services. If an IAR is recommending an advisory program or service, he or she must believe that the program or service is suitable and in the best interests of the client in accordance with the applicable standards under the Advisers Act. In a few situations, LPL has agreements to provide similar services at financial institutions in which compensation is not shared with the financial institution.

If IAR is an employee of the financial institution where it provides services to program accounts, LPL typically shares with the financial institution between 75% to 100% of the RPCP Fee, or SMS Fee, as applicable, after LPL retains its portion of the RPCP Fee or SMS Fee, as applicable, for its administrative services. IAR (an employee of the financial institution) will be compensated (e.g. in the form of salary, bonus, commissions, etc.) by the financial institution based on the specific agreement and/or compensation plan between the financial institution and the IAR. If IAR is not an employee of the financial institution where it provides services to program accounts, LPL typically shares directly with IAR after deduction of LPL's portion, between 25% to 100% of the RPCP Fee or SMS Fee, as applicable, and with the financial institution between 0% to 75%. All compensation paid to IAR or the financial institution will be the sole responsibility of LPL, and will not result in any increase in the RPCP Fee or SMS Fee, as applicable, you pay to LPL.

Some of these financial institutions may be affiliated with investment product sponsors (such as mutual fund sponsors) or offer certificates of deposit. An IAR located on the premises of a financial institution has a potential conflict of interest when IAR encourages clients to invest in that financial institution's certificates of deposit or proprietary investment products, such as mutual funds and structured products. When an affiliated investment product is selected for an account, the financial institution receives a portion of the account fee paid by the client pursuant to the agreement between LPL and the financial institution and its affiliate receives fees from the affiliated investment product. Because affiliates of the financial institution earn fees and other



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benefits from the affiliated product, the financial institution has an incentive to select its affiliated products based on the compensation and benefits its affiliates receive rather than on a client's needs. In addition, because mutual funds benefit from scale, the financial institution and its affiliated companies have an interest in the mutual funds gaining greater assets. Certain financial institutions provide credits for affiliated investment products. We update this information from time to time on [lpl.com/disclosures.html](http://lpl.com/disclosures.html). For more information, click on "Account Disclosures, Agreements, Fee Schedules & Conflicts of Interest," and then "Third Party Compensation and Related Conflicts of Interest."

Note that the IAR does not receive additional compensation from the financial institution for selecting affiliated products and the IAR may only recommend an investment product that he or she believes is appropriate for clients. LPL reviews and selects investment products for its programs and LPL may elect to remove or replace an investment product. There is a conflict of interest because the business relationship between LPL and the financial institution could affect LPL's ability to objectively select and determine whether to continue to maintain these investment products in a program. However, LPL only approves investment products that it determines are suitable and in the best interests of clients using the program, depending on clients' investment objective and risk tolerance.

LPL also provides other forms of compensation to financial institutions, such as bonuses, awards or other things of value offered by LPL to the institution. For example, LPL pays financial institutions based on production, in the form of repayable or forgivable notes, reimbursement of fees that LPL charges for items such as administrative services, and other things of value such as free or reduced-cost marketing materials, transition assistance for changing association from another broker-dealer or investment advisor firm to LPL, advances of advisory fees, and/or attendance at LPL's national conference or top producer forums and events. LPL pays this compensation based on overall business production and/or on the amount of assets serviced in LPL advisory programs. Financial institutions are also eligible to receive compensation from LPL in order to assist with offsetting time and expense in coordinating transfers of client accounts from third party investment platforms to LPL's platform. The compensation is payable to the institution as a flat-dollar amount per transferred account with a maximum of up to \$350 per account. The amount of this compensation may be more than what the financial institution would receive if the client participated in other LPL programs, programs of other investment advisors or paid separately for investment advice, brokerage and other client services. As a result, the financial institution and IAR or Advisor, as applicable, have a financial incentive for an IAR or Advisor, as applicable, to recommend the program account and services that will result in the greatest compensation to the financial institution and IAR. If LPL makes a loan to a new or existing financial institution there is also a conflict of interest because LPL's interest in collecting on the loan affects its ability to objectively supervise an IAR at that financial institution.

In addition, financial institution employees who are not associated with LPL often refer prospective customers to IARs working in the financial institutions. Those employees frequently receive a nominal referral fee from the financial institution (typically up to \$25) as compensation for each referral.

Employees of trust departments at certain financial institutions are authorized under the terms of applicable trust arrangements to delegate investment management responsibility to LPL and to receive a portion of the compensation earned in connection with investment advisory services provided to these accounts through LPL. These amounts are negotiated and vary but often amount to a significant portion of the total fees paid for investment advisory services.

### ITEM 15 CUSTODY

LPL, IAR and Advisor will not serve as a custodian for Plan assets in connection with the advisory or consulting services offered through the Programs. The client is responsible for selecting the custodian and investment sponsor for Plan assets. In order to service the Plan or Plan Sponsor through the Programs, the IAR, Advisor, or LPL may be listed as the contact for the Plan account held at an investment sponsor. The trustees or other fiduciaries for the Plan will complete account paperwork with the outside custodian that will provide the name and address of the custodian. The custodian for Plan assets is responsible for providing the Plan with periodic confirmations and statements. LPL recommends that Plan sponsors review the statements and reports received directly from the custodian or investment sponsor.



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## ITEM 16 INVESTMENT DISCRETION

Under RPCP, LPL and the IAR typically provide investment advisory and consulting services primarily on a non-discretionary basis, so that the client makes the decisions regarding the purchase and sale of securities and the investment options to be made available in the Plan. If investment advisory services are to be provided on a discretionary basis, clients will provide that authorization pursuant to the terms of the account agreement.

Under SMS, LPL has investment discretion to select, monitor, and replace the investment options made available through the Investment Menu, Plan Sponsor determines which Investment Menu to offer to its Plan participants, and each Plan participant determines which investment options within that Investment Menu to purchase or sell. Client will provide authorization for LPL's discretionary authority in writing to LPL.

LPL, IAR and Advisor do not exercise authority over the administration of the Plan under either Program. RPCP and SMS services do not include advice regarding the interpretation of the Plan documents, the determination of participant eligibility, benefits, or vesting, and the approval of distributions to be made by the Plan.

## ITEM 17 VOTING CLIENT SECURITIES

LPL does not accept authority to vote client securities in connection with its services under the Programs.

## ITEM 18 FINANCIAL INFORMATION

LPL is not required to include a balance sheet for its most recent financial fiscal year, and is not subject to any financial condition under which its ability to meet contractual commitments to clients is or may be impaired.

### Brochure Supplements

Accompanying this Brochure are Brochure Supplements for individual employees or officers of LPL. Note that although these individuals are responsible for investment advice provided by LPL, they are not responsible for the ongoing individualized investment advice provided to a particular client. With respect to SMS services provided by an Advisor (rather than one of LPL's IARs), clients should refer to the Advisor's Form ADV brochure or contact the Advisor for more information.



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## BROCHURE SUPPLEMENTS

October 3, 2022

Marc Andrew Zabicki  
Louis James Carpenetti  
Benjamin Lawrence Hargett  
Jason Hoody

Jeffrey Roach  
Lawrence Dean Gillum  
Quincy Krosby  
Richard Scott Brown

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These Brochure Supplements provide information about certain LPL employees or officers that supplements the LPL Financial Brochure that is attached to these Brochure Supplements. Please contact LPL Financial at the number above if you did not receive the LPL Financial Brochure or if you have any questions about the contents of these Brochure Supplements. You may also contact your LPL investment advisor representative with questions.

Additional information about these LPL employees or officers is available on the SEC's website at <https://adviserinfo.sec.gov/>.

Note that although these LPL employees or officers included in these Brochure Supplements are responsible for investment advice provided by LPL they are not the IARs responsible for the ongoing individualized investment advice provided to a particular client. For more information about the IAR managing the account, client should refer to the Brochure Supplement for the IAR, which should have been provided by the IAR along with the LPL Financial Brochure and these Brochure Supplements at the time client opened the account. If client did not receive a Brochure Supplement for the IAR, the client should contact the IAR or LPL at [lpfinancial.adv@lpl.com](mailto:lpfinancial.adv@lpl.com).

### Marc Andrew Zabicki

#### **Educational Background and Business Experience**

Marc Zabicki was born in 1966. He has a BS in Economics from Florida State University and he is a Chartered Financial Analyst (CFA). He is a Senior Vice President and Director of Research for LPL Research and has been with the firm since 2020. Prior to joining LPL, he was Chief Investment Officer at Bower Hill Capital Management.

#### **Disciplinary Information**

None.

#### **Other Business Activities**

Mr. Zabicki is a registered representative of LPL. However, he does not engage in the sale of securities or receive commissions or other compensation based on the sale of securities or other investment products.

#### **Additional Compensation**

Mr. Zabicki receives a regular salary and a discretionary bonus. Since the bonus for LPL Research personnel is based on the performance of certain portfolios managed by LPL Research, it presents a conflict of interest because it could incentivize the LPL Research team to focus on short-term performance, take undue risk, or favor certain portfolios over others. LPL mitigates this conflict by basing the bonus calculation on short and long-term performance, capping the

amount of compensation paid regardless of the return, and tying a portion of the compensation to the outperformance of all LPL managed portfolios.

#### **Supervision**

Mr. Zabicki is responsible for the advice provided by the LPL Research Department through LPL's advisory programs, and he reports to Rob Pettman, Executive Vice President. The advice provided by Mr. Zabicki is subject to LPL's policies and procedures and to any guidelines established for the applicable advisory program. The Chief Compliance Officer ("CCO"), Advisory Compliance is responsible for administering LPL's policies and procedures for investment advisory activities. The Advisory Compliance Department can be reached at (800) 877-7210.



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## Louis James Carpenetti

### **Educational Background and Business Experience**

Louis James Carpenetti was born in 1971. He has a BS in Management from Palm Beach Atlantic University, an MBA from Georgia College & State University, a CFA Charterholder and has earned the CFP® certification. He is Senior Vice President of Trading at LPL and joined LPL in July 2021. Prior to joining LPL, Mr. Carpenetti was Managing Director for Truist for 22 years serving in a variety of management and trading capacities.

### **Disciplinary Information**

None.

### **Other Business Activities**

Mr. Carpenetti is a registered representative of LPL. However, he does not engage in the sale of securities or receive commissions or other compensation based on the sale of securities or other investment products.

### **Additional Compensation**

Mr. Carpenetti receives a regular salary and a discretionary bonus. Since the bonus for LPL Research personnel is based on the performance of certain portfolios managed by LPL Research, it presents a conflict of interest because it could incentivize the LPL Research team to focus on short-term performance, take undue risk, or favor certain portfolios over others. LPL mitigates this conflict by basing the bonus calculation on short and long-term performance, capping the amount of compensation paid regardless of the return, and tying a portion of the compensation to the outperformance of all LPL managed portfolios.

### **Supervision**

As Senior Vice President, Mr. Carpenetti is responsible for trade execution in LPL's advisory programs, subject to LPL's policies and procedures and to any guidelines established for the applicable advisory program. The CCO, Advisory Compliance is responsible for administering LPL's policies and procedures for investment advisory activities. The Advisory Compliance Department can be reached at (800) 877-7210.

## Benjamin Lawrence Hargett

### **Educational Background and Business Experience**

Benjamin Lawrence Hargett was born in 1974. He has a BS in Finance, Insurance, and Real Estate from the University of North Carolina at Greensboro and an MBA from Wake Forest University. He is Vice President for LPL Research and has been with the firm since 2015. Prior to joining LPL, he held investment analyst and portfolio manager positions at Wells Fargo.

### **Disciplinary Information**

None.

### **Other Business Activities**

Mr. Hargett is a registered representative of LPL. However, he does not engage in the sale of securities or receive commissions or other compensation based on the sale of securities or other investment products.

### **Additional Compensation**

Mr. Hargett receives a regular salary and a discretionary bonus. Since the bonus for LPL Research personnel is based on the performance of certain portfolios managed by LPL Research, it presents a conflict of interest because it could incentivize the LPL Research team to focus on short-term performance, take undue risk, or favor certain portfolios over others. LPL mitigates this conflict by basing the bonus calculation on short and long-term performance, capping the amount of compensation paid regardless of the return, and tying a portion of the compensation to the outperformance of all LPL managed portfolios.

### **Supervision**

Mr. Hargett reports to Mr. Zabicki, the Director of Research of LPL, who is responsible for the advice provided by the LPL Research Department through LPL's advisory programs. The advice provided by Mr. Hargett is subject to LPL's policies and procedures and to any guidelines established for the applicable advisory program. The CCO, Advisory Compliance is responsible for administering LPL's policies and procedures for investment advisory activities. The Advisory Compliance Department can be reached at (800) 877-7210.



# [ATTACHMENT B] RETIREMENT PLAN PROGRAMS BROCHURE

## Jason Hoody

### **Educational Background and Business Experience**

Jason Hoody was born in 1975. He has a BS in Political Science from Clarkson University, an MA in International Affairs from American University, an MS in Finance from Johns Hopkins University, and is a CFA charterholder. He is a Vice President in Research at LPL and joined LPL in 2015. Prior to joining LPL, he was a Vice President at BB&T and an analyst at KPMG.

### **Disciplinary Information**

None.

### **Other Business Activities**

None.

### **Additional Compensation**

Mr. Hoody receives a regular salary and a discretionary bonus. Since the bonus for LPL Research personnel is based on the performance of certain portfolios managed by LPL Research, it presents a conflict of interest because it could incentivize the LPL Research team to focus on short-term performance, take undue risk, or favor certain portfolios over others. LPL mitigates this conflict by basing the bonus calculation on short and long-term performance, capping the amount of compensation paid regardless of the return, and tying a portion of the compensation to the outperformance of all LPL managed portfolios.

### **Supervision**

Mr. Hoody reports to Mr. Zabicki, the Director of Research of LPL, who is responsible for the advice provided by the LPL Research Department through LPL's advisory programs. The advice provided by Mr. Hoody is subject to LPL's policies and procedures and to any guidelines established for the applicable advisory program. The CCO, Advisory Compliance is responsible for administering LPL's policies and procedures for investment advisory activities. The Advisory Compliance Department can be reached at (800) 877-7210.

## Jeffrey Roach

### **Educational Background and Business Experience**

Jeffrey Roach was born in 1973. He has a BS in Mathematics from Bob Jones University and a MA and PhD in Economics from Clemson University. He is Vice President, Research at LPL and joined LPL in 2022. Prior to joining LPL, Dr. Roach was Senior US Economist for Visa Inc, Managing Director, Economist at MacroView Partners and Chief Economist at Horizon Investments.

### **Disciplinary Information**

None.

### **Other Business Activities**

Dr. Roach is a registered representative of LPL. However, he does not engage in the sale of securities or receive commissions or other compensation based on the sale of securities or other investment products.

### **Additional Compensation**

Dr. Roach receives a regular salary and a discretionary bonus. Since the bonus for LPL Research personnel is based on the performance of certain portfolios managed by LPL Research, it presents a conflict of interest because it could incentivize the LPL Research team to focus on short-term performance, take undue risk, or favor certain portfolios over others. LPL mitigates this conflict by basing the bonus calculation on short and long-term performance, capping the amount of compensation paid regardless of the return, and tying a portion of the compensation to the outperformance of all LPL managed portfolios.

### **Supervision**

Mr. Roach reports to Mr. Zabicki, the Director of Research of LPL, who is responsible for the advice provided by the LPL Research Department through LPL's advisory programs. The advice provided by Mr. Roach is subject to LPL's policies and procedures and to any guidelines established for the applicable advisory program. The CCO, Advisory Compliance is responsible for administering LPL's policies and procedures for investment advisory activities. The Advisory Compliance Department can be reached at (800) 877-7210.



# [ATTACHMENT B] RETIREMENT PLAN PROGRAMS BROCHURE

## Lawrence Dean Gillum

### **Educational Background and Business Experience**

Lawrence Gillum was born in 1974. He has a BS from University of Florida and a Master in Business Administration from the University of North Carolina, Keenan Flagler Business School. He is an Assistant Vice President of Research at LPL and joined LPL in 2021. Prior to joining LPL, Mr. Gillum served as a Director at Raymond James where he oversaw fixed income research within the firm's discretionary model platform.

### **Disciplinary Information**

None.

### **Other Business Activities**

Mr. Gillum is a registered representative of LPL. However, he does not engage in the sale of securities or receive commissions or other compensation based on the sale of securities or other investment products.

### **Additional Compensation**

Mr. Gillum receives a regular salary and a discretionary bonus. Since the bonus for LPL Research personnel is based on the performance of certain portfolios managed by LPL Research, it presents a conflict of interest because it could incentivize the LPL Research team to focus on short-term performance, take undue risk, or favor certain portfolios over others. LPL mitigates this conflict by basing the bonus calculation on short and long-term performance, capping the amount of compensation paid regardless of the return, and tying a portion of the compensation to the outperformance of all LPL managed portfolios.

### **Supervision**

Mr. Gillum reports to Mr. Zabicki, the Director of Research of LPL, who is responsible for the advice provided by the LPL Research Department through LPL's advisory programs. The advice provided by Mr. Gillum is subject to LPL's policies and procedures and to any guidelines established for the applicable advisory program. The CCO, Advisory Compliance is responsible for administering LPL's policies and procedures for investment advisory activities. The Advisory Compliance Department can be reached at (800) 877-7210.

## Quincy Krosby

### **Educational Background and Business Experience**

Quincy Krosby was born in 1948. She has an MPhil and PhD from The London School of Economics. She is Chief Equity Strategist at LPL and joined LPL in 2022. Prior to joining LPL, Ms. Krosby worked at Prudential Financial as Chief Market Strategist.

### **Disciplinary Information**

None.

### **Other Business Activities**

Ms. Krosby is a registered representative of LPL. However, she does not engage in the sale of securities or receive commissions or other compensation based on the sale of securities or other investment products.

### **Additional Compensation**

Ms. Krosby receives a regular salary.

### **Supervision**

Ms. Krosby reports to Mr. Zabicki, the Director of Research of LPL, who is responsible for the advice provided by the LPL Research Department through LPL's advisory programs. This is subject to LPL's policies and procedures and to any guidelines established for the applicable advisory program. The CCO, Advisory Compliance is responsible for administering LPL's policies and procedures for investment advisory activities. The Advisory Compliance Department can be reached at (800) 877-7210.



# [ATTACHMENT B] RETIREMENT PLAN PROGRAMS BROCHURE

## Scott Brown

### **Educational Background and Business Experience**

Richard "Scott" Brown was born in 1991. He received a Bachelor of Science in Business Administration and a minor in Economics from Auburn University in 2016 and the Chartered Market Technician designation in 2019. He is a Senior Analyst and the Technical Market Strategist at LPL and joined LPL in 2016. Prior to joining LPL, Mr. Brown was financial advisor with Strauss Financial Group in Birmingham, AL.

### **Disciplinary Information**

None.

### **Other Business Activities**

Mr. Brown is a registered representative of LPL. However, he does not engage in the sale of securities or receive commissions or other compensation based on the sale of securities or other investment products.

### **Additional Compensation**

Mr. Brown receives a regular salary and a discretionary bonus. Since the bonus for LPL Research personnel is based on the performance of certain portfolios managed by LPL Research, it presents a conflict of interest because it could incentivize the LPL Research team to focus on short-term performance, take undue risk, or favor certain portfolios over others. LPL mitigates this conflict by basing the bonus calculation on short and long-term performance, capping the amount of compensation paid regardless of the return, and tying a portion of the compensation to the outperformance of all LPL managed portfolios.

### **Supervision**

Mr. Brown reports to Mr. Zabicki, the Director of Research of LPL, who is responsible for the advice provided by the LPL Research Department through LPL's advisory programs. The advice provided by Mr. Brown is subject to LPL's policies and procedures and to any guidelines established for the applicable advisory program. The CCO, Advisory Compliance is responsible for administering LPL's policies and procedures for investment advisory activities. The Advisory Compliance Department can be reached at (800) 877-7210.

## Jeffrey Alan Buchbinder

### **Educational Background and Business Experience**

Jeffrey Alan Buchbinder was born in 1971. He has a BA in Economics from Northwestern University and an MBA from Duke University. He is a Vice President, Equity Strategist and Portfolio Manager for LPL Financial Research and has been with the firm since 2003. Prior to joining LPL, he served as an Equity Research Associate at Sanford C. Bernstein. Prior to Bernstein, he was an Equity Research Associate at Deutsche Bank.

### **Disciplinary Information**

None.

### **Other Business Activities**

Mr. Buchbinder is a registered representative of LPL. However, he does not engage in the sale of securities or receive commissions or other compensation based on the sale of securities or other investment products.

### **Additional Compensation**

Mr. Buchbinder receives a regular salary and a discretionary bonus. Since the bonus for LPL Research personnel is based on the performance of certain portfolios managed by LPL Research, it presents a conflict of interest because it could incentivize the LPL Research team to focus on short-term performance, take undue risk, or favor certain portfolios over others. LPL mitigates this conflict by basing the bonus calculation on short and long-term performance, capping the amount of compensation paid regardless of the return, and tying a portion of the compensation to the outperformance of all LPL managed portfolios.

### **Supervision**

Mr. Buchbinder reports to Mr. Zabicki, the Director of Research of LPL, who is responsible for the advice provided by the LPL Research Department through LPL's advisory programs. The advice provided by Mr. Buchbinder is subject to LPL's policies and procedures and to any guidelines established for the applicable advisory program. The CCO, Advisory Compliance is responsible for administering LPL's policies and procedures for investment advisory activities. The Advisory Compliance Department can be reached at (800) 877-7210.



# [ATTACHMENT B] RETIREMENT PLAN PROGRAMS BROCHURE

## Barry Seth Gilbert

### **Educational Background and Business Experience**

Barry Seth Gilbert was born in 1967. He has a BA in Philosophy from Haverford College, an MA from the Pennsylvania State University, and a PhD from Boston University. He is a Vice President and Portfolio Manager for LPL Research and has been with the firm since 2013. Prior to joining LPL, he taught at Harvard University.

### **Disciplinary Information**

None.

### **Other Business Activities**

Mr. Gilbert is a registered representative of LPL. However, he does not engage in the sale of securities or receive commissions or other compensation based on the sale of securities or other investment products.

### **Additional Compensation**

Mr. Gilbert receives a regular salary and a discretionary bonus. Since the bonus for LPL Research personnel is based on the performance of certain portfolios managed by LPL Research, it presents a conflict of interest because it could incentivize the LPL Research team to focus on short-term performance, take undue risk, or favor certain portfolios over others. LPL mitigates this conflict by basing the bonus calculation on short and long-term performance, capping the amount of compensation paid regardless of the return, and tying a portion of the compensation to the outperformance of all LPL managed portfolios.

### **Supervision**

Mr. Gilbert reports to Mr. Zabicki the Director of Research of LPL, who is responsible for the advice provided by the LPL Research Department through LPL's advisory programs. The advice provided by Mr. Gilbert is subject to LPL's policies and procedures and to any guidelines established for the applicable advisory program. The CCO, Advisory Compliance is responsible for administering LPL's policies and procedures for investment advisory activities. The Advisory Compliance Department can be reached at (800) 877-7210.

1055 LPL Way, Fort Mill, SC 29715



[ATTACHMENT B]

Account Application
Retirement Plan Consulting Program (RPCP)
Schedule A

RPCP

Account Number [grid]
Rep ID [grid]

Instructions: Please complete all applicable sections of the RPCP Schedule A in full when RPCP Investment Advisor Representative (IAR) is consulting with the Plan in an RPCP capacity only, and LPL Financial LLC ("LPL") is not also broker/dealer of record on the plan. This Schedule is part of the Retirement Plan Consulting Program Agreement (the "Agreement"). If this is a change of RPCP IAR(s), complete the F792.

Please email the completed form to imaging.email@pl.com or fax to (858) 202-8325.

ATTENTION: Any alterations must be initialed by the trustee and/or authorized officer.

Check here if this is an amendment to an existing RPCP Schedule A and indicate the section(s) updated. [ ]
• Write in the LPL "shell" account number and RepID/SplitID in the upper right corner.
• Complete only the sections being updated/amended, in addition to signatures from client and IAR in Sections VII and VIII.

Representative Information

RPCP Investment Advisor Representative "IAR" [ ]
DBA Name (if applicable) [ ]

Section I: Plan Information

1. Plan Type (choose only one)

401(k) Plan, 403(b) Plan, Defined Benefit Plan, Other (please specify) [ ]
Profit Sharing Plan, 457 Plan, NQDC [ ]

Is the Plan subject to ERISA? Yes No

Is the plan for a Government Entity? Yes No

Is your client considered an "institutional account" based on one or more of the following definitions per FINRA Rule 4512(c): Yes No

- 1. A bank, savings and loan association, insurance company or registered investment company;
2. An investment adviser registered either with the SEC under Section 203 of the Investment Advisers Act or with a state securities commission (or any agency or office performing like functions); or
3. Any other person (whether a natural person, corporation, partnership, trust or otherwise) with total assets of at least \$50 million

How are the investments directed? Participant Employer

2. Plan Information

Plan Name [ ]
Plan Mailing Address [ ]
Plan Tax ID Number [ ]

3. Plan Sponsor / Employer (Client) Information

Plan Sponsor / Employer (Client) [ ]
Business Phone [ ]
Plan Sponsor / Employer (Client) Address (no P.O. boxes) Same as Plan Address [ ]
Fax Number [ ]
Plan Sponsor / Employer (Client) Tax ID Number Same as Plan Tax ID [ ]
Email [ ]



**Section I: Plan Information (continued)**

**4. Country of Legal Establishment (choose one)**

USA  Other

Plan Sponsor / Employer (Client) Country of Legal Establishment

**5. Plan Assets and Participant Count**

Enter the letter that corresponds to the correct range:

Approximate plan assets  Approximate number of participants

I. Less than \$999,999 J. \$1,000,000 - \$4,999,999 K. \$5,000,000 - \$9,999,999 L. \$10,000,000 - \$29,999,999 M. \$30,000,000 and over

**6. Service Provider Information**

Service Provider (Recordkeeping Platform)

Provider Contract Number / Plan Number

Third Party Administrator (if not the same as Service Provider above)

Product Name (if applicable)

**Section II: Authorized Officer / Trustee Information - For ERISA Plans Only**

If necessary, use additional copies of this page for any additional trustees and/or Authorized Plan Officers. Note: This entire section must be completed.

**1. Primary Information**

Authorized Officer (with authority to act on behalf of Plan) / Name of Trustee / Corporate Trustee

If Corporate Trustee, Name of Contact

Address Associated with Authorized Officer / Trustee  Same as Plan Mailing Address

If Corporate Trustee, Tax ID

Business Phone

**2. Secondary Information**

Authorized Officer (with authority to act on behalf of Plan) / Name of Trustee / Corporate Trustee

If Corporate Trustee, Name of Contact

Address Associated with Authorized Officer / Trustee  Same as Plan Mailing Address

If Corporate Trustee, Tax ID

Business Phone

**3. Tertiary Information**

Authorized Officer (with authority to act on behalf of Plan) / Name of Trustee / Corporate Trustee

If Corporate Trustee, Name of Contact

Address Associated with Authorized Officer / Trustee  Same as Plan Mailing Address

If Corporate Trustee, Tax ID

Business Phone

Account Number



**Section III: Trustee / Authorized Officer Information - For Non-ERISA Plans Only**

If necessary, use additional copies of this page of the F321-RPCP form for any additional trustees and/or Authorized Plan Officers. Note: This information helps to meet the Customer Identification Program rules that apply to Non-ERISA Plans. If the plan is held in a group annuity and does not have a trustee, then leave the trustee section blank.

**1. Trustee Information**

Trustee / Corporate Trustee		If Corporate Trustee, Name of Contact		Date of Birth*
<input type="text"/>		<input type="text"/>		<input type="text"/>
Address Associated with Trustee (no P.O. boxes)		Mailing Address		*Required only for Individual trustee
<input type="text"/>		<input type="text"/>		
<input type="text"/>				Social Security Number/Tax ID
<input type="text"/>				<input type="text"/>
ID Type / Corp. ID Type *	ID Number	ID Issuance Date	ID Expiration Date	Country of Citizenship/Establishment
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
* Articles of Inc., Business License, State Certificate of Good Standing		ID Place of Issuance		ID verified? <input type="radio"/> Yes <input type="radio"/> No
<input type="text"/>		<input type="text"/>		
Home Phone	Mobile Phone	Business Phone	Fax Number	
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	

**2. Authorized Officer Information**

Authorized Officer Name (with authority to act on behalf of Plan)	Home Phone
<input type="text"/>	<input type="text"/>
Address Associated with Authorized Officer <input type="checkbox"/> Same as Plan Mailing Address	Business Phone
<input type="text"/>	<input type="text"/>

**3. Authorized Officer Information**

Authorized Officer Name (with authority to act on behalf of Plan)	Home Phone
<input type="text"/>	<input type="text"/>
Address Associated with Authorized Officer <input type="checkbox"/> Same as Plan Mailing Address	Business Phone
<input type="text"/>	<input type="text"/>

**Section IV: Services**

**1. Investment Advisory Services**

\*Fiduciary services under ERISA (to the extent the plan is subject to ERISA)

- Investment Policy Statement. IAR will assist the Plan in the preparation or review of an investment policy statement ("IPS") for the Plan based upon consultation with Client.
- \*Ongoing Investment Recommendations. IAR will recommend, for consideration and selection by Client, specific investments to be held by the Plan or, in the case of a participant-directed defined contribution plan, to be made available as investment options under the Plan. IAR will recommend, for consideration and selection by Client, investment replacements if an existing investment is determined by the Client to no longer be suitable as an investment option.
- \*Ongoing Investment Monitoring. IAR will perform ongoing monitoring of investments options in relation to the criteria provided by the Client to the IAR.
- \*Qualified Default Investment Alternative Assistance. IAR may assist Client with selecting investment products or managed accounts offered by third parties in connection with the definition of a "Qualified Default Investment Alternative" ("QDIA") under ERISA (for plans subject to ERISA).
- \*Non-Discretionary Model Portfolios. IAR will recommend, for consideration and approval by Client, (i) asset allocation target-date or risk-based model portfolios for the Plan to make available to Plan participants, and (ii) funds from the line-up of investment options chosen by the Client to include in such model portfolios.
- Performance Reports. IAR will prepare periodic reports reviewing the performance of all Plan investment options, as well as comparing the performance thereof to benchmarks with Client. The information used to generate the reports will be derived directly from information such as statements provided by Client, investment providers and/or third parties.

Account Number

<input type="text"/>									
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**Section IV: Services (continued)**

**2. Consulting Services**

- Service Provider Liaison. IAR shall assist the Plan by acting as a liaison between the Plan and service providers, product sponsors and/or vendors. In such cases, IAR shall act only in accordance with instructions from the Client on investment or Plan administration matters and shall not exercise judgment or discretion.
- Education Services to Plan Committee. IAR will provide education, training, and/or guidance for the members of the Plan Committee with regard to plan features, retirement readiness matters, or duties and responsibilities of the Committee, including education with respect to fiduciary responsibilities.
- Participant Enrollment. IAR will assist Client in enrolling Plan participants in the Plan, including conducting an agreed upon number of enrollment meetings. As part of such meetings, IAR will provide participants with information about the Plan, which may include information on the benefits of Plan participation, the benefits of increasing Plan contributions, the impact of preretirement withdrawals on retirement income, the terms of the Plan and the operation of the Plan.
- Participant Education. IAR will assist with participant education, which may include preparation of education materials and/or conducting investment education seminars and meetings for Plan participants. Such meetings may be on a group or individual basis, and may include information about the investment options under the Plan (e.g., investment objectives, risk/return characteristics, and historical performance), investment concepts (e.g., diversification, asset classes, and risk and return), and how to determine investment time horizons and assess risk tolerance. Such meeting shall not include specific investment advice about investment options under the Plan as being appropriate for a particular participant, but may include use of educational investment models.
- Plan Search Support/Vendor Analysis. IAR will assist with the preparation, distribution and evaluation of Request for Proposals, finalist interviews, and conversion support.
- Benchmarking Services. IAR will provide Client with comparisons of Plan data (e.g., regarding fees, services, participant enrollment and contributions) to data from the Plan's prior years and/or a benchmark group of similar plans.
- Assistance Identifying Plan Fees. IAR will assist client in identifying the fees and other costs borne by the Plan for, as specified by client, investment management, recordkeeping, participant education, participant communication and/or other services provided with respect to the Plan.

**Section V: Fee Information**

1. This fee arrangement is effective beginning on this date:  (required)

If fees are to be paid out of the plan, the date shall be consistent with the provider's client authorization form signed by the Plan Sponsor.

2. Frequency of compensation of payments:

**3. Compensation**

In consideration of the above agreed upon services rendered by RPCP IAR, fees shall be made payable to LPL under one of the following arrangements as indicated. If fees are to be calculated and deducted from Plan assets, and paid to LPL Financial by a Third Party Payor as indicated, such fees shall be calculated in the method and on the frequency as set out in the Third Party Payor's authorization form signed by the Plan Sponsor and submitted with this agreement. If fees are to be invoiced by LPL/RPCP IAR as indicated below, and such fee is based on the value of Plan assets, LPL Financial shall calculate the fee based on the value of Plan assets at the end of the relevant period.

- A. Annual flat fee of \$ \_\_\_\_\_
- B. Fee for service. Based on percentage of Plan assets: \_\_\_\_\_ basis points (bps) per annum.
- C. Fee for service – tiered. Fee for service based on a percentage of Plan assets. (Attach the tiered fee schedule.)
 

Current Range of Plan assets	Current Fee
\$ _____ to \$ _____	_____ bps *
- D. Hourly Rate of \$ \_\_\_\_\_  
Estimated number of hours annually \_\_\_\_\_
- E. One-time payment of \$ \_\_\_\_\_  
for the above project-specific work
  - Up front
  - Upon Completion
  - \_\_\_\_\_% up front and remainder upon completion.
- F. No compensation will be received for this plan.

First Year Fee of \$ \_\_\_\_\_. In addition to the fees selected, Client will pay an additional fee for the first year after the Plan is implemented or transitioned to a new platform/product provider. The First Year fee is intended to cover the additional services (e.g. fund mapping, assistance with enrollment, additional education to committee members and participants, etc.) that the IAR may provide as a result of the implementation or transition.

\*If fees will be collected out of plan assets, it will be the responsibility of the IAR to manage any adjustments with the Provider. Copies of the provider authorization forms, updated and signed, will need to be emailed to [LPLfinancial.RPCP@lplfinancial.com](mailto:LPLfinancial.RPCP@lplfinancial.com)

Account Number

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**Section VI: Invoice and Payment Procedures**

1. All fees shall be made payable to "LPL Financial - RPCP". Contact [lpfinancial.RPCompensation@lpfinancial.com](mailto:lpfinancial.RPCompensation@lpfinancial.com) for current RPCP payment instructions and invoice procedures.

By default, fee billing is in arrears unless specified differently here:

Fees will be paid:

- A. Fees are automatically collected by the provider from the plan assets and sent to LPL. Client will authorize payor to pay the fees to LPL pursuant to the terms of this agreement.

Note: A copy of the provider authorization is required to be sent to LPL in order for this form to be considered 'In Good Order'.

Payments will be made:

- Out of a plan expense reimbursement account or,
- Deducted across participant accounts or,
- As otherwise set out in the applicable Third Party Payor authorization form client will complete to authorize payment out of Plan assets.

- B. Fees are paid from the plan assets to LPL in a non-automated process pursuant to the terms of this agreement. This option is only available if the provider does not support automated billing (option A above). Client is responsible for verifying advisory fees prior to payment of the fees to LPL Financial. IAR is responsible for initiating any invoice process that may be required each payment cycle.

- C. Fees are paid by the Plan Sponsor to LPL. The IAR will provide an invoice to the plan sponsor. Fees shall be due upon receipt of the invoice, and client is responsible for verifying advisory fees prior to payment of the fees to LPL Financial. IAR is responsible for initiating the invoice process each payment cycle.

**Section VII: Authorized Officer /Trustee Acknowledgment and Execution**

This Schedule A is part of the Agreement and is incorporated by reference in the Agreement. By signing below, Client agrees to the terms and conditions of the Agreement. Client acknowledges receiving reasonably in advance of the date hereof, and has taken time necessary to review and understand, information provided in the Agreement and the Brochure that describe the scope of services and compensation, including alternative plan-level services offered and related conflicts of interest. The account is governed by and I further acknowledge receipt of the predispute arbitration clause that is located in section 11 of the Agreement.

Authorized Officer / Trustee Signature	Authorized Officer / Trustee Name (print)	Title	Date (required)
Authorized Officer / Trustee Signature	Authorized Officer / Trustee Name (print)	Title	Date (required)
Authorized Officer / Trustee Signature	Authorized Officer / Trustee Name (print)	Title	Date (required)

**Section VIII: RPCP IAR Acknowledgment (Branch Use Only)**

I certify I am servicing the Plan solely through the RPCP program and LPL is not the broker/dealer of record on the Plan.

RPCP IAR Signature	RPCP IAR Name (print)	Rep ID	Date (required)
RPCP IAR Signature (if applicable)	RPCP IAR Name (print)	Rep ID	Date (required)
RPCP IAR Signature (if applicable)	RPCP IAR Name (print)	Rep ID	Date (required)

Check below if sharing fees through a solicitors' agreement (either PRN or RPP programs.) I understand that the appropriate Written Disclosure Form is required in order to pay the referral revenue.

- Referral from outside entity/individual PRN ID

(Must be pre-approved through the PRN process. Use F620-PRN Written Disclosure to indicate % to be paid to outside entity/ individual.)

- Referral from other IAR through RPP (LPL Rep ID to receive referral revenue)

(RPP is to be used when advisor referring the plan to RPCP IAR is not individually approved for RPCP.) Use F620-RPCP-RPP Written Disclosure to indicate % to be paid to IAR.)

**Section IX: LPL Acceptance (Home Office Use Only)**

LPL accepts this RPCP Agreement and Schedule A as of the effective date above. LPL may indicate its acceptance of this Agreement electronically.

LPL Home Office Signature	LPL Home Office Name (print)	Date
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Account Number



