

**CONTACT** Claire McHenry, Deputy Director – Securities Bureau

**PHONE** 402-471-3445

**EMAIL** [claire.mchenry@nebraska.gov](mailto:claire.mchenry@nebraska.gov)

---

## LPL Financial to pay \$499,000 to Nebraska for Securities Violations

April 30, 2019 (Lincoln, Nebraska) – The Nebraska Department of Banking and Finance (NDBF) announced today that LPL Financial has paid the State of Nebraska \$499,000 as part of a nationwide settlement of claims that it sold unregistered securities.

“This settlement sends a strong message that states hold firms accountable and continue to serve a vital role in protecting investors,” Deputy Director Claire McHenry said.

The settlement stems from a multi-state investigation led by Alabama and Massachusetts. State securities regulators concluded that LPL offered and sold unregistered, non-exempt securities and failed to reasonably supervise the flow of information to ensure full and proper compliance with state securities registration requirements.

The settlement also found that LPL violated state securities laws by failing to maintain books and records, failing to effectively supervise its agents and staff, and that it was negligent in cancelling certain third-party services critical for compliance with state securities requirements.

In total, LPL will pay \$26 million in civil penalties among the states. Additionally, LPL will offer to repurchase from investors’ securities held in LPL accounts determined to have been unregistered, non-exempt equity or fixed-income securities sold since October 1, 2006, plus 3% interest.

The settlement amount includes a \$60,000 fine, \$80,000 in costs to the Department, and \$359,000 to be paid to the Department of Banking and Finance Settlement Cash Fund. The settlement funds will primarily be utilized to further financial literacy programs for K-12 Nebraska students.

A copy of the Consent Order is available on the Department’s website

[http://www.nebraska.gov/ndbf/searches/Orders/20190410\\_LPLFinancialLLC\\_ConsentOrder.pdf](http://www.nebraska.gov/ndbf/searches/Orders/20190410_LPLFinancialLLC_ConsentOrder.pdf)

More information about the laws governing the financial industries in Nebraska can be found on the Department’s website at [ndbf.nebraska.gov](http://ndbf.nebraska.gov). If you have questions about any investment matters, call the Department’s Consumer Hotline toll free at (877) 471-3445 in Nebraska, or (402) 471-3445 if you are out of state.

####