

**FOR IMMEDIATE RELEASE**

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**NH SECURITIES BUREAU FILES ACTION AGAINST  
LPL FINANCIAL OVER UNLAWFUL SALES OF  
ALTERNATIVE INVESTMENTS**

**CONCORD, NH (April 6, 2015)** - The New Hampshire Bureau of Securities Regulation today filed an action against LPL Financial, LLC (“LPL”), a broker-dealer based in Boston, Massachusetts, alleging the unsuitable and unlawful sale of non-traded Real Estate Investment Trusts (“REITs”) to New Hampshire investors and that LPL failed to supervise the agents who sold them. According to the Financial Industry Regulatory Authority (“FINRA”) REITs are highly risky real estate investment products that are not traded on any exchange with a very limited secondary market. Non-traded REITs also have significant front-end fees including high commissions for the selling broker. Due to the heightened risk associated with non-traded REITs, brokers are required to disclose these risks and to conduct a thorough analysis of the suitability of any non-traded REITs sale before any sale occurs.

The Bureau initiated its investigation in this matter based on a complaint from an elderly New Hampshire resident who suffered significant losses after purchasing a non-traded REIT through LPL. During the course of its investigation, the Bureau determined that LPL sold hundreds of non-traded REITs to New Hampshire LPL clients based on clearly erroneous client financial information and often in direct violation of LPL’s own policies regarding the permitted concentration of alternative investments, including REITs, permitted in client accounts. Additionally, the Bureau determined that LPL’s suitability data collection practices were unreliable resulting in numerous instances of inaccurate sales information and contributing to the unsuitable sale of non-traded REITs to New Hampshire investors.

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As part of its petition in this matter, the Bureau is requesting that LPL offer rescission or restitution to all New Hampshire investors that were sold unsuitable or unlawful non-traded REITs, that LPL disgorge all commissions received related to these sales, and that LPL pay an administrative fine and the Bureau's costs of investigation in the amount of up to \$1.2 million.

LPL has 30 days to request a hearing.