

LPLPAC

2019

ANNUAL  
REPORT

 LPL Financial

# A NOTE FROM PEGGY HO

Thanks to all of your support and dedication, the LPL Political Action Committee (LPL PAC) continues to grow in both contributions and membership. We now have over 800 members made up of eligible advisors, employees, and LPL board members. Our strong LPL PAC enables us to speak with one voice, leveraging our size, scale, and experience to make an impact on policy issues that matter most.

In 2019, our Government Relations group turned five years old and doubled in size. We welcomed Nana Nyanin, assistant vice president of Government Relations, who joined LPL as our second lobbyist in Washington, DC. Nana has strong ties with key Democratic members, has built meaningful relationships with groups such as the Congressional Black Caucus and the Congressional Hispanic Caucus, and is passionate about privacy and cybersecurity issues. As federal rulemaking and legislation has slowed down, we've seen a huge surge in policy making on the state level. John Cronin, vice president of Government Relations, has rejoined our team to lead our state efforts. To round out our team, Devon Goodall, an associate in Government Relations, joined to support both our federal and state efforts.

We saw some big changes this year to the regulatory and legislative landscape, with the enactment of the SEC's Regulation Best Interest and the passage of the SECURE Act, a landmark bipartisan retirement security package. Notably, LPL started a coalition with seven other industry firms and associations. This coalition will work collaboratively to ask Congress for legislation to fix the Section 199A pass-through deduction so that all independent contractor financial advisors, financial planners, and investment advisers, regardless of income level, will be allowed to take advantage of the 20 percent qualified business deduction.

We are looking forward to a very active 2020, especially with a presidential election in November. As a bipartisan political action committee, we remain steadfast in giving to those lawmakers who support our interests in Washington, DC, and in the 50 states.

Each year we outline our advocacy agenda. In 2020, our key advocacy priorities include:

- Advocating for thoughtful policies to promote senior investor protection
- Preserving and enhancing incentives for retirement savings
- Advocating for tax policies that support our independent contractor model
- Promoting thoughtful data security and privacy legislation
- Ensuring the success of a harmonized best interest standard of care that ensures affordable access to financial guidance and advice
- Promoting increased opportunities for diversity and inclusion among financial professionals and institutions

Thank you for your continued support of the LPL PAC and I look forward to what we can accomplish in 2020.

Sincerely,



Peggy L. Ho  
Executive Vice President, Government Relations  
Chair, LPL PAC





# OUR MISSION

is to support our financial advisors, our employees, and our firm by developing and advocating positions on issues affecting the delivery of objective financial guidance and advice.

# WHAT IS A PAC?

PAC stands for political action committee. A PAC is a government-regulated organization that anyone can form to raise money for political campaign donations. PACs are formed by individuals, nonprofits, and most major corporations.

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## THE IMPORTANCE TO LPL FINANCIAL

The LPL PAC is an important tool for supporting the business goals and objectives of LPL Financial. Federal regulations prohibit companies like LPL Financial from making campaign contributions directly to federal candidates. However, through a PAC, companies may donate to legislators running for office.

These contributions help LPL Financial foster relationships with those in Washington who can help shape our industry. LPL Financial is permitted to fund the administrative costs associated with operating the LPL PAC, ensuring that every dollar contributed to the LPL PAC goes directly to candidates running for office.

## WHY THE LPL PAC IS IMPORTANT TO YOU

The LPL PAC is supported by LPL Financial employees and advisors who make voluntary personal contributions for the purpose of supporting candidates for federal office.

Through the PAC, we can speak with one LPL Financial voice, so elected officials clearly hear our position on policies that affect independent financial advisors. A strong LPL PAC allows us to help tell the LPL Financial story and shape the future of our industry, instead of having other interests do it for us.

# LPLPAC

The LPL PAC was established in June 2010 and has seen steady growth year over year.

**In 2019, the LPL PAC received \$424,708 in contributions, an 18% increase over 2018.**

## RECEIPTS



“In the first year of the 2019-2020 election cycle, the LPL PAC disbursed a total of \$437,700...”

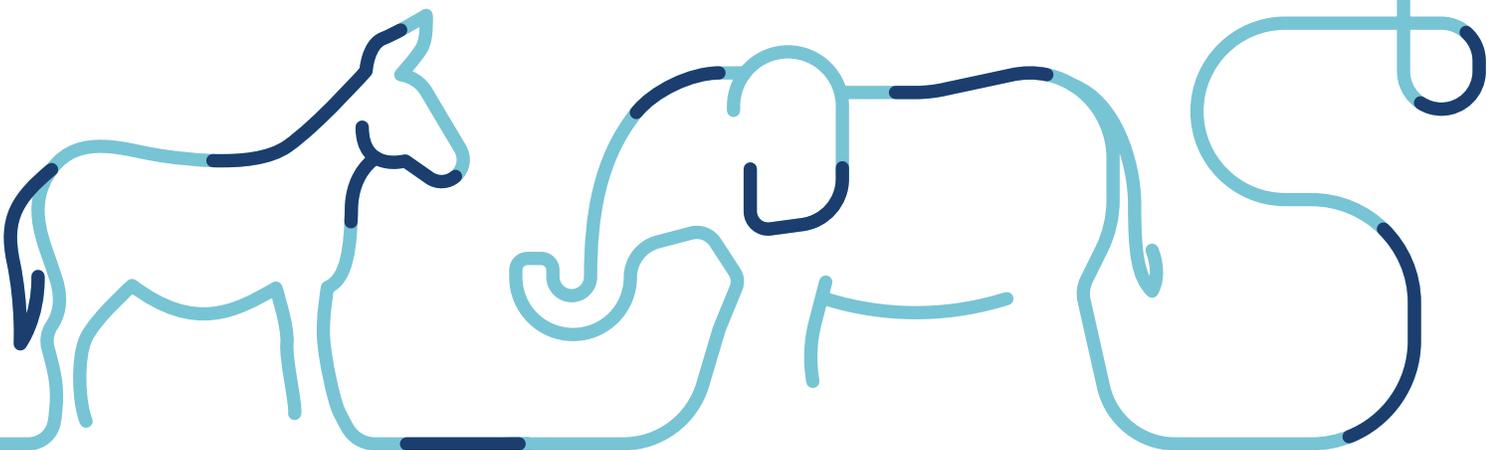
As the LPL PAC grows, we're able to amplify our collective voice in Washington, DC. In the first year of the 2019-2020 election cycle, the LPL PAC disbursed a total of \$437,700 to congressional campaigns, industry trade association political action committees, and congressional leadership political action committees.

In 2019, our team had nearly 380 direct engagements with approximately 250 members of Congress.

#### HOW DOES LPL PAC SELECT CANDIDATES TO RECEIVE ITS CONTRIBUTIONS?

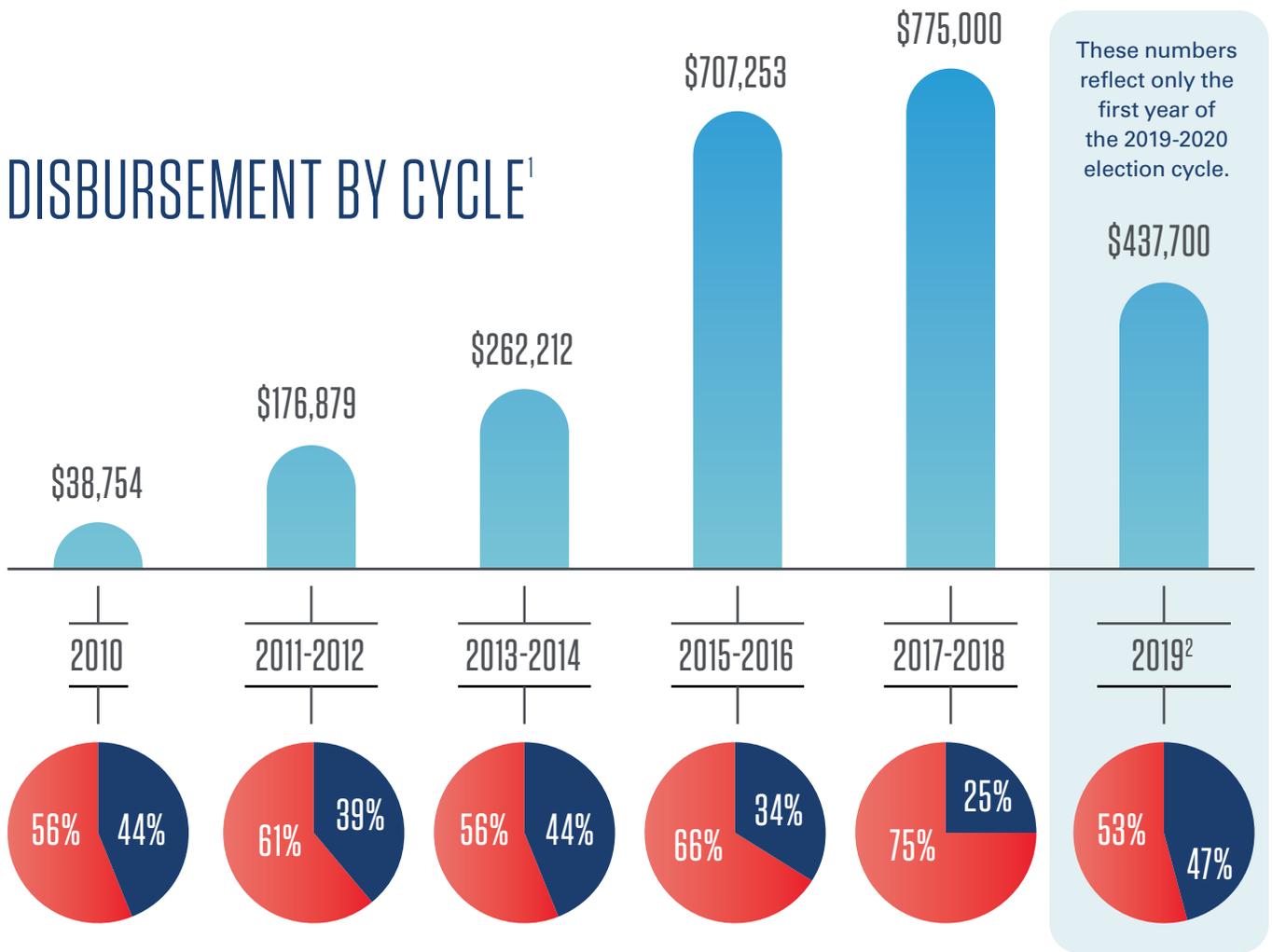
Using information provided by senior management, coalitions, industry groups, and PAC members, candidates are assessed using the following criteria:

- Candidate's electability
- Candidate's position on key committees and working groups where legislation of importance to LPL Financial is considered and/or the candidate's demonstrated leadership, or potential for leadership, within Congress on pertinent issues
- Candidate's position or voting record on issues of direct concern to LPL Financial, our employees, and financial advisors
- Geographic location of the area the candidate or elected official represents as it relates to where LPL Financial has or may have operations
- Knowledge of the financial services industry
- Background and experience



“The LPL PAC is a bipartisan political action committee and our disbursements reflect the current makeup of Congress.”

## DISBURSEMENT BY CYCLE<sup>1</sup>



## DISBURSEMENT BY PARTY

● Republican  
● Democrat

<sup>1</sup>Includes all disbursements made during election cycle.

<sup>2</sup>These numbers reflect only the first year of the 2019-2020 election cycle.



# LPL PAC DISBURSEMENT RECIPIENTS

From January 1, 2019, through December 31, 2019, the LPL PAC disbursed \$417,700 to congressional campaigns and committees. Of that total, \$306,200 was disbursed to members of the U.S. House of Representatives, \$76,500 to members of the U.S. Senate, and \$35,000 to caucus PACs. In addition, in this first year of the 2019-2020 election cycle, the LPL PAC disbursed \$20,000 to industry trade association political action committees as described below.

## U.S. HOUSE OF REPRESENTATIVES COMMITTEES SUPPORTED BY THE LPL PAC

**House Financial Services Committee:** This committee has jurisdiction over the Securities and Exchange Commission, self-regulatory organizations such as FINRA, and our nation's banking and financial systems.

**House Ways and Means Committee:** This committee is the chief tax writing committee of the House and has jurisdiction over all taxation, tariffs, and other revenue-raising measures.

**House Education and Labor Committee:** This committee has jurisdiction over the Department of Labor and pension/retirement issues.

## U.S. SENATE COMMITTEES SUPPORTED BY THE LPL PAC

**Senate Committee on Health, Education, Labor and Pensions:** This committee has jurisdiction over the Department of Labor and pension/retirement issues.

**Senate Committee on Finance:** This committee has jurisdiction over taxation and revenue measures, as well as retirement issues.

**Senate Committee on Banking:** This committee has jurisdiction over banking, insurance, financial markets, and securities issues.

# MEMBERS OF THE HOUSE (BY LAST NAME)

Congressman Jodey Arrington	R-TX	\$1,000	Congressman Sean Patrick Maloney	D-NY	\$3,500
Congressman Andy Barr	R-KY	\$10,000	Congressman Ben McAdams	D-UT	\$1,500
Congresswoman Joyce Beatty	D-OH	\$3,500	Congressman Kevin McCarthy	R-CA	\$15,000
Congressman Kevin Brady	R-TX	\$1,500	Congressman Donald McEachin	D-VA	\$2,000
Congressman Ted Budd	R-NC	\$2,000	Congressman Gregory Meeks	D-NY	\$1,000
Congresswoman Cheri Bustos	D-IL	\$2,500	Congresswoman Grace Meng	D-NY	\$3,500
Congressman Salud Carbajal	D-CA	\$2,500	Congressman Daniel Meuser	R-PA	\$2,500
Congressman Tony Cardenas	D-CA	\$1,000	Congressman Alex Mooney	R-WV	\$2,000
Congresswoman Liz Cheney	R-WY	\$1,000	Congresswoman Gwen Moore	D-WI	\$3,000
Congresswoman Judy Chu	D-CA	\$1,000	Congressman Joe Morelle	D-NY	\$2,000
Congresswoman Katherine Clark	D-MA	\$2,700	Congresswoman Stephanie Murphy	D-FL	\$5,000
Congresswoman Yvette Clarke	D-NY	\$2,500	Congressman Richie Neal	D-MA	\$2,500
Congressman Emanuel Cleaver	D-MO	\$7,000	Congressman Ralph Norman	R-SC	\$2,000
Congressman James Clyburn	D-SC	\$10,000	Congressman Jimmy Panetta	D-CA	\$1,000
Congressman Warren Davidson	R-OH	\$2,500	Congressman Scott Peters	D-CA	\$1,000
Congressman Rodney Davis	R-IL	\$2,000	Congressman Tom Reed	R-NY	\$5,000
Congressman Tom Emmer	R-MN	\$6,500	Congressman Tom Rice	R-SC	\$5,000
Congressman Dwight Evans	D-PA	\$2,500	Congressman Denver Riggleman	R-VA	\$4,000
Congressman Brian Fitzpatrick	R-PA	\$2,500	Congresswoman Jacklyn Rosen	D-NV	\$1,000
Congressman Jimmy Gomez	D-CA	\$2,500	Congressman Brad Schneider	D-IL	\$4,500
Congressman Anthony Gonzalez	R-OH	\$9,500	Congressman Bobby Scott	D-VA	\$1,000
Congressman Lance Gooden	R-TX	\$2,000	Congressman Brad Sherman	D-CA	\$1,000
Congressman Josh Gottheimer	D-NJ	\$1,000	Congresswoman Mikie Sherrill	D-NJ	\$2,500
Congressman Brett Guthrie	R-KY	\$2,500	Congressman Jason Smith	R-MO	\$5,000
Congressman Denny Heck	D-WA	\$5,000	Congressman Adrian Smith	R-NE	\$2,500
Congressman Brian Higgins	D-NY	\$4,000	Congressman Darren Soto	D-FL	\$5,000
Congressman French Hill	R-AR	\$7,000	Congressman Bryan Steil	R-WI	\$5,000
Congressman Trey Hollingsworth	R-IN	\$5,500	Congresswoman Haley Stevens	D-MI	\$1,000
Congresswoman Chrissy Houlahan	D-PA	\$5,000	Congressman Steve Stivers	R-OH	\$7,000
Congressman Steny Hoyer	D-MD	\$10,000	Congressman Tom Suozzi	D-NY	\$4,500
Congressman Bill Huizenga	R-MI	\$3,500	Congressman Mike Thompson	D-CA	\$6,000
Congressman Hakeem Jeffries	D-NY	\$6,500	Congressman Scott Tipton	R-CO	\$2,500
Congressman John Katko	R-NY	\$3,500	Congresswoman Norma Torres	D-CA	\$2,500
Congressman Joe Kennedy	D-MA	\$1,500	Congressman Juan Vargas	D-CA	\$2,500
Congressman Dan Kildee	D-MI	\$2,000	Congressman Marc Veasey	D-TX	\$7,000
Congressman David Kustoff	R-TN	\$2,500	Congresswoman Ann Wagner	R-MO	\$7,500
Congressman Darin LaHood	R-IL	\$5,500	Congressman Roger Williams	R-TX	\$5,000
Congressman Barry Loudermilk	R-GA	\$1,000	Congressman Steve Womack	R-AR	\$3,500
Congressman Blaine Luetkemeyer	R-MO	\$12,000	Congressman Lee Zeldin	R-NY	\$12,000

# MEMBERS OF THE SENATE (BY LAST NAME)

Senator Mike Braun	R-IN	\$1,000	Senator David Perdue	R-GA	\$7,500
Senator Bob Casey	D-PA	\$2,500	Senator Gary Peters	D-MI	\$1,500
Senator Tom Cotton	R-AR	\$5,000	Senator Mike Rounds	R-SD	\$11,000
Senator Mike Crapo	R-ID	\$1,500	Senator Ben Sasse	R-NE	\$2,500
Senator Steve Daines	R-MT	\$2,500	Senator Richard Shelby	R-AL	\$2,500
Senator Cory Gardner	R-CO	\$4,500	Senator Kyrsten Sinema	D-AZ	\$5,000
Senator Lindsey Graham	R-SC	\$2,500	Senator Jon Tester	D-MT	\$1,500
Senator Doug Jones	D-AL	\$10,000	Senator John Thune	R-SD	\$5,000
Senator Mitch McConnell	R-KY	\$2,500	Senator Pat Toomey	R-PA	\$1,000
Senator Martha McSally	R-AZ	\$3,500	Senator Mark Warner	D-VA	\$2,500
Senator Jerry Moran	R-KS	\$1,000			

# OTHER DISBURSEMENTS

## CAUCUS PACs

ASPIRE PAC	\$5,000
Blue Dog PAC	\$5,000
CHC Bold PAC	\$5,000
Congressional Black Caucus PAC	\$5,000
Future Forum PAC	\$5,000
Moderate Democrats PAC	\$5,000
New Democrat Coalition PAC	\$5,000

## TRADE ASSOCIATION PACS

American Securities Association PAC (ASA PAC)	\$5,000
Institute for Portfolio Alternatives PAC (IPA PAC)	\$5,000
Insured Retirement Institute PAC (IRI PAC)	\$5,000
Securities Industry and Financial Markets Association PAC (SIFMA)	\$5,000



# WHO GOVERNS THE LPL PAC?

The LPL PAC is governed by a board of directors composed of LPL Financial employees across a number of business units. It's also advised by an advisory board of directors composed of top LPL Financial advisors from across the country.

## 2019 LPL PAC BOARD OF DIRECTORS

**Peggy Ho, Chair**

**Kathy Bakke, Treasurer**

**Marc Ehlers, Assistant Treasurer**

**Gina Ciampolillo**

**Jason Crawford**

**Gina Gombar**

**Steve LaChance**

**Peter Schaffer**

Executive Vice President, Government Relations

Executive Vice President, Human Capital

Executive Vice President, Trading

Vice President, Business Consulting

Senior Vice President, Regional Consulting

Vice President, Legal

Senior Vice President, Regional Consulting

Senior Vice President, Compliance, Legal & Risk

## 2019 LPL PAC ADVISORY BOARD<sup>3</sup>

**Judy VanArsdale, Chair**

**Ken Van Leeuwen, Chairman Emeritus**

**Michael Brady**

**Steven Budin**

**James Christy<sup>4</sup>**

**Jamie Cox**

**Ward Keever**

**Larry Leitch**

**Lena Mandelis**

**Bruce Miller**

**John Olerio**

**Jim Parks**

**Dryden Pence**

**Mark Shepherd**

**Kevin Supka<sup>4</sup>**

**Tom Tye**

**Lisa VanArsdale**

**Joan Valenti**

**Cary Wong**

Deer Park, IL

Princeton, NJ

Broomall, PA

Las Vegas, NV

Hemdon, VA

Richmond, VA

Wilmington, DE

Towson, MD

Lexington, MA

Charlotte, NC

Southington, CT

Ridgewood, NJ

Newport Beach, CA

Winchester, MA

Jenkintown, PA

Danville, KY

Deer Park, IL

Farmington, CT

Spokane Valley, WA

<sup>3</sup>Beginning in 2020, the LPL PAC Advisory Board will be called the Government Relations Advisor Council.

<sup>4</sup>Rolled off in 2019.



THANK YOU!  
to those who served  
on our 2019 PAC Board  
and PAC Advisory Board.

## FOR MORE INFORMATION:

Visit <https://lplgovernmentrelations.com> or contact us at [lplgovernmentrelations@lpl.com](mailto:lplgovernmentrelations@lpl.com)

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