



Advocate, Engage, Empower

Government Relations advances
LPL's interests in Washington, DC,
through advocacy and education

LPL IS NOT unique among financial services companies in establishing a government relations group, but the support of top executives and the talent of the team have helped our group very quickly establish a broad footprint and positive reputation among legislators and regulators across the country.

Under the leadership of Peggy Ho, executive vice president, LPL's Government Relations team partners with advisors on a mission to preserve and enhance access to objective financial advice.

Putting Advocacy into Practice

Advocacy is all about building strong relationships and then leveraging those relationships to help policymakers understand our business and our perspectives. The Government Relations team represents over 16,000 advisors and millions of investors before our legislators and regulators in Washington, DC, and in the 50 states. To be effective, they spend a great deal of time in Washington, DC, building strong ties

with our legislators and regulators.

They want to be in a position to serve as a helpful resource to members of Congress so that LPL can provide critical input on issues that matter to us. The team focuses its efforts on members who sit on committees that have jurisdiction over issues that affect our business. LPL's influence in Washington has grown tremendously over the past few years, something that Peggy is very proud of. "Congress knows who we are and they are very familiar with the important work our advisors do to help their clients achieve financial security," she says. "They come to us with questions on specific issues and we are able to engage with them directly when it matters."

Each year, the team hosts several in-district meetings, bringing advisors in specific states together to meet with their members of Congress. They're also able to bring members of Congress to meet with employees in our Home Offices. These events help bring LPL advisors and employees face-to-face with those in a position to craft policies affecting our

business, and these moments are critical opportunities to convey our unique perspective when it matters most.

The Government Relations team also partners with other members of our Compliance, Legal & Risk department—specifically, John Cronin, vice president, and Gina Gombar, vice president—on state-level advocacy activity. It can be very hard to cover all 50 states—and these days, states are becoming more

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aggressive in certain policy spaces. "John and Gina are both former state regulators who have great relationships across the country," Peggy says. "And we are privileged to be able to work with them on issues such as the fiduciary/best interest standard and privacy and data security."

Often, these relationships may be leveraged when the team has concerns with legislation or a regulation that is being proposed. As an example, with respect to

the fiduciary rule, many congressional offices have reached out to the team at LPL to ask their perspectives regarding the rule and our implementation plans. The team has responded through formal and informal means to requests for comment by regulators such as the Department of Labor, FINRA, and the Securities and Exchange Commission (SEC).

Everyone on the Government Relations team is committed to working closely with our

financial advisors and subject-matter experts across the firm to ensure that our views are being communicated clearly and effectively.

Ken Van Leeuwen of Van Leeuwen & Company and Judy VanArsdale of Lakeview Wealth Management are two advisors passionate about their involvement. "I never thought that becoming involved would really make a difference, until it did," Judy says. "When I was asked to testify in front of the House Ways and Means Committee,



Advocacy Tools

The LPL Political Action Committee (LPL PAC) is an important tool for supporting the business goals and objectives of LPL. The contributions made by the LPL PAC help LPL foster relationships with those members of Congress who can help shape our industry. The LPL PAC is supported by eligible LPL employees and advisors, who make voluntary personal contributions for the purpose of making donations to candidates for federal office.

In fall 2018, we launched the LPL 50-State Network, made up of LPL advisors and employees across the country. This grassroots network provides a local connection with policymakers in Washington, DC, as well as the states.

it changed my mind forever. I actually had members listening to what I was saying about my clients. And in the long run I believe it did help to change the plan.”

Ken says, “I believe we have made a tremendous difference. It’s not only an advisor speaking, but in many cases, a business owner as well. We provide members with firsthand knowledge of how our position impacts not only our clients and advisors but the business community we operate in.”

A 50-State Network

One of the most exciting things this group has done in the past few months is to formalize and launch the LPL 50-State Network. LPL advisors are the power behind all advocacy efforts—we have advisors in all 50 states, and nearly every congressional district. Together with our advisors, we’re in a position to use our industry leadership to contribute to critical policy discussions that impact independent advisors and investors.

In a very short period of time, advisors have met with officials at the U.S. Treasury, testified before the Maryland legislature, and signed on to letters to Nevada regulators. And it’s only the beginning. With the

support and input from our national network of over 16,000 financial advisors, Peggy is convinced that her team can help policymakers better understand the value of independent advice and the guidance our advisors provide to their clients.

Challenges to Overcome

One of the biggest challenges facing our business right now is the debate over a fiduciary or best interest standard. LPL has long supported regulations requiring that investment advice be in the investor’s best interest; we have consistently voiced our support for standards that will protect investors by helping to ensure that they receive investment advice and recommendations that are fair and appropriate for their particular investment, savings, and financial needs. We also believe it’s important that financial institutions and professionals provide clear disclosures regarding the nature of their services, their fees and compensation, and material conflicts of interest so that investors can make

informed choices about investment services and products.

At the same time, through the Government Relations team, we have urged that such standards and requirements be adopted in a way that preserves investor choice and access to a wide range of investment and financial services. Harmonized standards will reduce investor confusion and costs, facilitate compliance, and promote holistic investment services, advice, and planning. This will result in better savings and investment outcomes for all Americans, regardless of whether they are saving through a tax-qualified retirement account or a taxable account, and regardless of whether they receive advice from a broker/dealer or an investment advisor.

We are very supportive of the SEC’s efforts, and we urge the SEC to move forward expeditiously with its Regulation Best Interest rule so that consumers and the industry may have certainty as soon as possible. Having the SEC act quickly will help address the need for a single standard of

conduct; it is untenable for financial advice to be subject to conflicting standards from the SEC and the 50 states. Peggy says this is why we need a clear, harmonized best interest standard. “This is why we are working so hard—in concert with our advisors—to try to convince state legislatures to wait until the SEC does its work. It simply does not make sense to have a patchwork of inconsistent rules across our country,” she explains.

Anyone Can Get Involved

Judy and Ken both encourage other advisors to become involved and share the pride they feel about having a voice and participating. “As small-business owners we have access to so many people of all walks of life,” Judy says. “There are so many changes within our industry and in Washington, DC. Having representation all across the country is unique and we can make a difference. The more advisors that participate, the more we can do on behalf of our industry, and, most importantly, our clients.” [▶](#)

The LPL Government Relations team is on a roll and there’s no slowing down. To learn more about this group and the work they’re doing for advisors, their clients, and the industry, please email LPLGovernmentRelations@lpl.com or visit LPLGovernmentRelations.com.



LEADERSHIP

A Proud Advocate

Q&A with **Peggy Ho**, LPL Executive Vice President, Government Relations

LPL: How is LPL's focus on advocacy helping financial advisors?

PH: Preserving and enhancing access to objective financial advice is the mission of Government Relations. Our focus is to build strong relationships with regulators and legislators so we're in the best position to serve as trusted resources when

Congress or regulatory agencies consider policies affecting the delivery of objective financial advice. It is critical for us to be at the table so that we can provide policymakers with the perspective of our financial advisors, who serve millions of investors every day. As the saying goes, "If you're not at the table, you're on the menu!"

I'm the daughter of immigrant parents who came to this country from Taiwan. One reason my parents left their home is because Taiwan was at that time ruled by a dictatorial regime and citizens were not free to express their views or speak out to inspire change. My parents have always instilled in me a great appreciation for the freedoms we have in America and the accompanying obligation that we all have to participate in our government. I am very honored to have the opportunity at LPL to advocate not only

on behalf of all of our financial advisors, but more importantly, on behalf of the investors that our advisors serve.


When you reflect on the changes you've seen, what are you most proud of?

I've been most proud of the issues that we've taken on proactively to try to make things better for American investors. The Senior Safe Act is a great example of this. Financial fraud is a serious problem, and it's estimated that one-in-five Americans over 65 have been victimized by financial fraud, resulting in millions of dollars stolen each year.

This is why I'm so proud of our work to push for passage of the Senior Safe Act, finally signed into law in mid-2018. This legislation provides support to regulators, financial institutions, and legal organizations to educate their employees about how to identify and prevent financial exploitation of older Americans. We worked

closely with the bill's sponsors in Congress to raise awareness of this important issue and maintain the momentum to get it passed. We were involved in crafting this bill and were so excited to have contributed ideas to strengthen the final legislation.

So many LPL advisors are supporting your team's efforts. Please share your thoughts on their involvement.

Our advisors are amazing, and if I start listing them all, I'll get in trouble because I know I'll miss someone! All of them have taken time out of their very busy days to testify or meet with members of Congress or regulators, all to help make rules and regulations better for the clients they serve. Our advisors and employees can be proud that they have a team that is actively advocating on their behalf, and I hope that makes them all feel great about their association with LPL. 

Van Leeuwen & Company, Lakeview Wealth Management, and LPL Financial are separate entities.

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