

ACCOUNT PACKET

STRATEGIC ASSET MANAGEMENT (SAM) ACCOUNT AGREEMENT

This Account Agreement ("Agreement") is entered into by and among LPL Financial LLC ("LPL"), a registered investment advisor and broker/dealer, the LPL Investment Advisor Representative indicated in Section V of the Account Application attached hereto ("IAR"), and the client indicated in Section I of the Account Application ("Client"), pursuant to which Client will open an account ("Account") with LPL and IAR for the purpose of participating in the Strategic Asset Management Program ("Program") through which IAR and LPL as an investment advisor will purchase and manage specified assets of the Client. A description of the services to be provided and the parties providing the services are set forth below.

1. LPL STRATEGIC ASSET MANAGEMENT PROGRAM

The Account will be opened through which Client will authorize IAR on a discretionary basis to purchase and sell No-Load and Load-Waived Mutual Funds (including unit investment trusts ("UITs"), closed-end funds and exchange-traded funds) pursuant to investment objectives chosen by the Client, to liquidate previously purchased Load Mutual Funds, and to purchase and sell separate accounts within Variable Annuities. Transactions in other securities approved by LPL for investment in the Account, including Equities, Fixed Income, Certificates of Deposit, Hedge Funds, Managed Futures, Structured Products and Options, may be effected in the Account at the Client's direction.

IAR will obtain the necessary financial data from Client, assist Client in determining the suitability of the Program and assist Client in setting appropriate investment objectives. IAR will initiate the steps necessary to open the Account. Client understands that the investment objective selected for the Account in the Account Application is an overall objective for the entire Account and may be inconsistent with a particular holding and the Account's performance at any time. Client understands that achievement of the stated investment objective is a long-term goal for the Account.

The minimum account size is \$25,000. Client may make cash additions to the Account at any time in a minimum amount of \$1,000 and may withdraw account assets on notice to IAR, subject to Section 8 below. In the event Client withdrawals cause the Account asset value to fall below the required minimum, Client understands this Agreement may be subject to immediate termination under the provisions of Section 8. Client understands that the Program is designed as a long term investment vehicle and that asset withdrawals may impair the achievement of Client's investment objectives.

Client understands that cash awaiting investment or reinvestment will be treated as follows: If the Account is a nonretirement (and otherwise eligible) account, the Account's cash balance will be automatically invested in an interest-bearing Federal Deposit Insurance Corporation ("FDIC") –insured cash account (an "ICA") as described in the Insured Cash Account Program Disclosure Booklet, which is available from IAR. FDIC insurance is subject to FDIC limits. LPL receives a fee equal to a percentage of the average daily deposit balance in the ICA. If Client does not want to have the cash balance automatically invested in an ICA, Client may speak to IAR to have the cash balance automatically invested in a tax exempt money market fund if the Account meets the account minimum, or purchase a money market fund as an investment and not automatically as a sweep investment.

Activity with respect to the ICA will appear on account statements. For each statement period, account statements will reflect deposits to and withdrawals from the ICA, the closing balance of the ICA at each bank at which funds are held, and the interest earned on ICA balances. For additional information on the ICA, see the ICA Disclosure Booklet available from IAR.

If the Account is a retirement (or non-retirement but ineligible) account, the cash balance will be invested in a money market fund. The money market fund utilized in the Program may pay 12b-1 fees higher than other money market funds. LPL may receive compensation based on the amount of the assets invested in a money market fund in connection with LPL's marketing support programs. The IAR does not receive any portion of this payment.

LPL reserves the right to accept, reject or renew this Agreement in its sole discretion and for any reason.

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2. TRADING AUTHORIZATION

Client hereby grants LPL and IAR complete and unlimited discretionary trading authorization with respect to the purchase and sale of No-Load and Load-Waived Mutual Funds (including UITs, closed-end funds and exchange-traded funds), the sale of previously purchased Load Mutual Funds, and the purchase and sale ("Transfer") of separate accounts within Variable Annuities, in the Account. Client hereby appoints IAR as agent and attorney-in-fact with respect to this trading authorization. Client also authorizes IAR, acting at Client's direction, to effect transactions in other securities approved by LPL for investment in the Account. Client acknowledges that option transactions in the Account are limited to covered calls and protective puts. Other than as described in Section 16 and 17, LPL and IAR are not authorized to withdraw or transfer any money, securities or property either in the name of Client or otherwise.

Client understands that IAR is prohibited from taking personal possession of Client securities, stock powers, monies or any other personal or real property in which Client may have an interest. In addition, Client understands that IAR may not lend to or borrow from Client any monies or securities. Client further agrees not to enter into any other business relationship with IAR including, but not limited to, helping to capitalize or finance any business of IAR.

Client retains the right to Transfer separate accounts within Variable Annuities by contacting the Variable Annuity sponsor directly if desired. It is the Client's responsibility to notify IAR promptly if this right is exercised so as to avoid potential adverse consequences to the Account.

Client understands that LPL, IAR and their affiliates may perform advisory and/or brokerage services for various other clients, and that IAR may give advice or take actions for those clients that differ from the advice given or the timing or the nature of any action taken for the Account. In addition, LPL and IAR may, but are not obligated to, purchase or sell or recommend for purchase or sale any security which LPL or IAR or any of their affiliates may purchase or sell for their own accounts or the account of any other client.

In no event will LPL or IAR be obligated to effect any transaction for Client which it believes would violate any applicable state or federal law, rule or regulation, or the rules or regulations of any regulatory or self-regulatory body. This trading authorization is a continuing one and shall remain in full force and effect and be relied upon until LPL and IAR have received a copy of a written termination notice, which writing will be deemed to terminate this Agreement effective upon receipt.

3. PROXIES

Client understands and agrees that Client retains the right to vote all proxies which are solicited for securities held in the Account. LPL and IAR are hereby expressly precluded from voting proxies for securities held in the Account and will not be required to take any action or render any advice with respect to the voting of proxies.

LPL and IAR shall not be obligated to render any advice or take any action on behalf of Client with respect to any legal proceedings, including bankruptcies, involving securities or other investments held in the Account, or the issuers thereof. Client hereby retains the right and obligation to take action with respect to legal proceedings relating to securities held in the Account.

4. CLIENT AUTHORITY

If this Agreement is entered into by a trustee or other fiduciary, including but not limited to someone meeting the definition of fiduciary under the Employee Retirement Income Security Act of 1974 ("ERISA") of an employee benefit plan subject to ERISA (an "ERISA Plan"), such trustee or other fiduciary represents and warrants that Client's participation in the Program is permitted by the relevant governing instrument of such plan, and that Client is duly authorized to enter into this Agreement. Client agrees to furnish

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IAR and LPL with such document as they shall reasonably request with respect to the foregoing. Client further agrees to advise LPL and IAR of any event which might affect this authority or the validity of the Agreement. If Client is an ERISA Plan, Client additionally represents and warrants that the person executing and delivering this Agreement on behalf of Client is a “named fiduciary” (as defined under ERISA) who has power under the ERISA Plan to appoint LPL and IAR to provide the services under this Agreement. If Client is an ERISA Plan, Client shall obtain and maintain during the term of this Agreement any bond required by ERISA or other applicable law with respect to fiduciaries and shall include LPL within the coverage of such bond. If Client is a corporation, the party executing this Agreement on behalf of Client represents that execution of this Agreement has been duly authorized by appropriate corporate action.

5. CUSTODY AND REPORTING

LPL maintains custody of client funds and securities in the Account. During any month that there is activity in the Account, Client will receive a monthly account statement showing account activity as well as positions held in the Account at month end. Additionally, the Client will receive a confirmation of each transaction that occurs within the Account unless the transaction is the result of a systematic purchase, systematic redemption, or systematic exchange. The Client will also receive from LPL detailed quarterly performance reports describing account performance, positions and activity. An additional year-end report will be provided for accounts not established on a calendar quarter basis. To the extent permissible by state and federal law, LPL may elect to deliver account information electronically.

Although most securities available to be purchased in the Account are held at LPL, there are certain securities that may be managed as part of the Account that are held at third parties, and not LPL. For example, Variable Annuity, Hedge Fund and Managed Future positions are often held directly with the investment sponsor. For those outside positions, Client will receive confirmations and statements directly from the investment sponsor.

LPL may receive information from the investment sponsor regarding the positions (e.g., number of shares held and market value) and display that information on statements and reports prepared by LPL. Such information also may be used to calculate performance in performance reports prepared by LPL. Although LPL believes that the information it receives from the investment sponsors is reliable, Client should refer to the statements and reports Client receives directly from the investment sponsor and compare them with the information provided in any statements or reports from LPL. The statements and reports Client receives from LPL with respect to outside positions should not replace the statements and reports received directly from the investment sponsor.

If Client has purchased a Variable Annuity that is part of the Account, Client acknowledges that Client has received the prospectus and is relying solely on the disclosure contained in the prospectus with respect to the terms and conditions of the Variable Annuity. Client understands that certain riders purchased with a Variable Annuity may limit the investment options and the ability to manage the subaccount.

6. CONFLICTS OF INTEREST

As a participant in the Program, Client understands that the Account will be charged an ongoing fee for investment management services and that the ongoing fee may cost more than if the assets were held in a traditional brokerage account. In a traditional brokerage account, a client is charged a commission for each transaction, and the representative has no duty to provide ongoing advice and monitoring with respect to the account. If Client plans to follow a buy and hold strategy for the assets in the Account or does not wish to purchase ongoing management services, Client should consider instead a brokerage account.

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LPL is appointed by Client as the sole and exclusive broker/dealer with respect to processing securities transactions for the Account. LPL and IAR will make every attempt to obtain the best execution possible. LPL may aggregate transactions for Client with other clients to improve the quality of execution. The Account Fee described in Schedule A represents compensation for the asset management and quarterly reporting services provided. The Transaction Charges set forth in Schedule B represent the brokerage component of compensation paid by Client for the Account and may be higher or lower than commissions otherwise payable in the absence of the Account Fee.

Although Client will not be charged a commission for transactions in Mutual Funds, Client should be aware that certain Mutual Funds charge fees such as 12b-1 fees, a portion of which may be received by LPL and IAR. The amount of a Mutual Fund's 12b-1 fees is described in the Mutual Fund's prospectus under fund expenses and are also reflected on the Fund's financial statements.

Client should be aware that Hedge Funds and Managed Futures products share a portion of the investment management fee charged by the Hedge Fund and Managed Futures with LPL. A portion of this compensation may be retained by LPL and a portion of this compensation may be paid to IAR. The amount of the investment management fee is described in the prospectus for the Hedge Fund or Managed Futures.

In addition, Client should be aware that Managed Futures may share a portion of the investor servicing fee charged by the Managed Futures product with LPL. This compensation is retained by LPL to help defray trading costs. The amount of the investor servicing fee is described in the Managed Futures prospectus.

The IAR, LPL and LPL employees may receive additional non-cash compensation from advisory product sponsors. Such compensation may not be tied to the sales of any products. 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 or marketing or advertising initiatives. Advisory product sponsors may also pay for education or training events that may be attended by LPL employees and IARs.

LPL serves as a sub-services agent with respect to the Optimum Funds, which are available in the Account. As such, LPL will provide all sub-accounting and shareholder recordkeeping with respect to Optimum Fund shares, and will provide the following administrative services among others: 1) establishing and maintaining sub-account records reflecting the issuance, transfer or redemption of shares, 2) assisting shareholders in designating and changing account designations and addresses, and 3) responding to inquiries for shareholders with respect to the status of sub-accounts, fund performance, sub-account histories and making adjustments to sub-accounts to correct sub-account files. As compensation for these services, LPL receives administrative servicing fees from the service agent of the Optimum Funds.

LPL provides investment consulting services to the adviser to the Optimum Funds including, but not limited to: 1) assist the adviser in determining whether to employ, maintain or terminate sub-advisers for the Optimum Funds, 2) provide quarterly fact sheets describing the performance of the Optimum Funds, 3) provide quarterly analysis consisting of statistical information and analysis regarding the Optimum Funds and sub-adviser performance, 4) meet with sub-advisers selected by the adviser to the Optimum Funds to discuss their performance and prepare reports regarding their evaluations, and 5) help the adviser make recommendations on sub-advisers to the Board of Trustees by providing the adviser to the Optimum Funds with potential sub-adviser options. As compensation for these services, LPL receives investment consulting compensation from the adviser to the Optimum Funds.

No agency cross transaction (as such term is defined in Rule 206(3)-2(b) under the Investment Advisers Act of 1940 (the "Advisers Act") for the Account shall be effected by LPL.

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LPL receives compensation for directing orders in equity securities to particular broker/dealers or market centers for execution. The source and nature of compensation, if any, received in conjunction with trades for the Account will be furnished on written request to LPL.

LPL credits to the Account funds belonging to Client such as dividends, interest, redemptions, and proceeds of corporate reorganizations on the day such funds are received by LPL. These funds come to LPL from issuers and various intermediaries in which LPL is a participant, such as the Depository Trust Company ("DTC"). Information regarding when LPL credits the Account with funds due the Account, when those funds are available to Account, and/or when Client begins earning interest on the funds is available from LPL.

Securities held in the Account which are in "street name" or are being held by a securities depository are commingled with the same securities being held for other client's of LPL. Client ownership of these securities is reflected in LPL's records. Client has the right at any time to require delivery of any such securities which are fully paid for. The terms of many bonds allow the issuer to partially redeem or "call" the issue prior to the maturity date. Certain preferred stocks are also subject to being called by the issuer. Whenever any such security being held by LPL is partially "called", LPL will determine, through a random selection lottery process as prescribed by DTC, the ownership of the securities to be submitted for redemption without regard to unsettled sales. In the event that such securities owned by Client are selected and redeemed, the Account will be credited with the proceeds. Should Client wish not to be subject to this random selection process, Client must instruct LPL to register and deliver the securities to Client. Delivery will be effected provided that Client's securities are unencumbered or have not already been called prior to the receipt of Client's instructions. If Client takes delivery of the securities, they are still subject to call by the issuer and they will no longer be considered assets in the account for management purposes. The probability of one of Client's securities being called is the same whether they are held by Client or by LPL for Client.

Consistent with the overriding principle of best execution, LPL directs orders in equity securities to exchanges and market makers based on an analysis of their ability to provide rapid and quality executions. In an effort to obtain best execution, LPL may consider several factors, including price improvement opportunities (executions at prices superior to the then prevailing inside market on OTC or national best bid or offer for listed securities), whether it will receive cash or non-cash payments for routing order flow and reciprocal business arrangements.

7. LIMITATION OF LIABILITY

Neither LPL, IAR nor any of their officers, directors, employees, or affiliates shall be liable for any loss incurred with respect to the Account, except where such loss directly results from such party's negligence or misconduct.

Client acknowledges that neither LPL, IAR nor their employees are agents of each other or of any of their affiliates, and that no party shall be liable for any act or omission of another party or their agents or employees. Nothing in this Agreement shall in any way constitute a waiver or limitation of any rights which Client may have under federal or state securities laws (or ERISA, if Client is a qualified plan under ERISA).

Client further understands that there is no guarantee that Client's investment objectives will be achieved. Neither LPL nor IAR shall have any liability for Client's failure to inform IAR in a timely manner of any material change in Client's financial circumstances which might affect the manner in which Client's assets are allocated, or to provide IAR with any information as to Client's financial status as IAR may reasonably request.

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LPL is a member of the Securities Investor Protection Corporation ("SIPC"). SIPC provides protection for the Account for up to \$500,000, including \$100,000 for claims for cash. The Account protection applies when a SIPC member firm fails financially and is unable to meet obligations to securities customers, but it does not protect against losses from the rise and fall in the market value of investments. More information on SIPC, including obtaining a SIPC Brochure, may be obtained by calling SIPC directly at (202) 371-8300 or by visiting www.sipc.org.

TO CONNECTICUT, MARYLAND AND NEBRASKA RESIDENTS:

Because the standard of conduct imposed on investment advisers under the Connecticut, Maryland and Nebraska securities laws may differ from the standard imposed under other state securities laws, Connecticut, Maryland and Nebraska residents may be provided additional rights of action in circumstances other than those described in this Section.

8. ASSIGNMENT/TERMINATION

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 IAR may assign this Agreement upon consent of the Client in accordance with the Advisers Act.

This Agreement may be terminated by any party effective upon receipt of written notice to the other parties ("Termination Date"). LPL will deliver securities and funds held in the Account as instructed by Client unless Client requests that the Account be liquidated. LPL will initiate instructions to deliver funds and/or securities within two weeks of Client's written request. If the Account is liquidated as a result of a termination notice, LPL will have a period of 72 hours to begin liquidations unless special circumstances apply. Proceeds will be payable to Client upon settlement of all transactions in the Account. The Client will be entitled to a prorated refund of any pre-paid quarterly Account Fee based upon the number of days remaining in the quarter after the Termination Date. Client understands and agrees that after the Termination Date, the Account may be converted to a brokerage account at LPL. In a brokerage account, Client is charged a commission for each transaction and LPL and the IAR have no responsibility to provide ongoing investment advice.

If the Account is closed within the first six months by Client or as a result of withdrawals which bring the account value below the required minimum, LPL reserves the right to retain the pre-paid quarterly Account Fee for the current quarter or cancel and rebill all transactions in the Account at normal and customary brokerage commission rates, in order to cover the administrative cost of establishing the Account which may include costs to transfer positions into and out of the Account, data entry costs to open the Account, costs associated with reconciling of positions in order to issue quarterly performance reports, and the cost of re-registering positions.

Client understands and agrees that, in the event of Client's death or incapacity during the term of this Agreement, the authority of LPL and IAR under this Agreement shall remain in full force and effect until such time as LPL and IAR have been notified otherwise in writing by the authorized representative of Client or Client's estate.

Termination of the Agreement will not affect the liabilities or obligations of the parties from transactions initiated prior to termination.

9. CONFIDENTIALITY

LPL and IAR will keep Client information confidential and will not use or disclose it to others without Client's prior consent except as described in LPL's privacy policy below.

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Client acknowledges, understands and agrees that for our mutual protection, LPL may electronically record telephone conversations. Client agrees not to record any telephone conversation without express written authorization of LPL and the individual(s) engaged in the conversation.

10. SEVERABILITY

If any provision of this Agreement shall be held or made nonenforceable by a statute, rule, regulation, decision of a tribunal or otherwise, such provision shall be automatically reformed and construed so as to be valid, operative and enforceable to the maximum extent permitted by law or equity while most nearly preserving its original intent. The invalidity of any part of this Agreement shall not render invalid the remainder of this Agreement and, to that extent, the provision of this Agreement shall be deemed to be severable.

11. VALUATION

In computing the market value of any security or other investment in the Account, each security listed on a national securities exchange shall be valued, as of the valuation date, at the closing price on the principal exchange on which it is traded. Any other security or investment in the Account shall be valued in a manner determined in good faith by LPL to reflect fair market value.

For any assets purchased within the Account, the cost basis is the actual purchase price including transaction charges. For any assets transferred into the Account, original purchase price is used as the cost basis to the extent such information was submitted to LPL by Client or a former service provider. It is Client's responsibility to advise LPL immediately if the cost basis information is portrayed inaccurately. Statement calculations and figures should not be relied upon for tax purposes.

12. GOVERNING LAW

This Agreement shall be construed under the laws of The Commonwealth of Massachusetts in a manner consistent with the Advisers Act and the rules and regulations of the Securities and Exchange Commission thereunder.

13. RECEIPT OF LPL'S SAM ASSET MANAGEMENT PROGRAM FORM

Client acknowledges receipt of LPL's SAM Asset Management Program form as required by Rule 204-3 under the Advisers Act. Unless Client received such Program form at least forty-eight (48) hours prior to execution of this Agreement, Client may cancel this Agreement within five (5) days of execution by giving written notice of such cancellation to IAR. In such case, Client shall be responsible for any transactions executed prior to receipt of written notice of cancellation. Client understands the investment approach, related risk factors, and the fees associated with investing in the Account. This Agreement will not take effect until at least forty-eight (48) hours after Client has received LPL's SAM Asset Management Program form and LPL has accepted the Account. The Program Form, including any amendments or information related to the Form, may be sent to Client at Client's postal or electronic mail address of record. Client agrees to receive such information electronically, including through web access.

14. ENTIRE AGREEMENT/AMENDMENT

This Agreement represents the entire agreement between the parties with respect to the subject matter contained herein. This Agreement may be amended by LPL upon thirty (30) days notice to all parties.

15. ACCOUNT APPLICATION

The Account Application, incorporated herein by reference and made a part of this Agreement, must be completed in full by Client and the accuracy of its contents is hereby acknowledged by Client. By signing the Account Application, Client agrees to the terms and conditions of this Agreement. LPL may accept the Account electronically. **Client further acknowledges that it is Client's**

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responsibility to provide LPL and IAR with updated information as necessary and that LPL and IAR have the right to rely on this information. Important information about procedures for opening this Account. To help the government fight the funding of terrorism and money laundering activities, federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account. Client is required to provide the following information, among other items, on the Account Application: name, address, date of birth and other information that will allow LPL to confirm Client's identity. In addition, IAR may also ask to see a valid driver's license or other identifying documents.

16. AUTHORIZATION TO PURCHASE A VARIABLE ANNUITY

Upon execution of a Variable Annuity application, which is hereby incorporated by reference, client hereby authorizes the purchase of a Variable Annuity, in the amount specified on the Variable Annuity application. If a separate check made payable to the Variable Annuity sponsor is not attached, Client hereby authorizes and instructs IAR and LPL to withdraw funds from the Account in the form of a check made payable to the Variable Annuity sponsor.

17. AUTHORIZATION TO DEBIT ACCOUNT

Client hereby authorizes LPL to debit all Account Fees payable pursuant to Section 18 directly from the Account and, with respect to an Account of an individual retirement account ("IRA"), the Account Fees related to another IRA or individual retirement annuity of the same beneficial owner. It is agreed by Client and LPL that the Account Fee will be payable, first, from free credit balances, if any, in the Account, second, from the liquidation or withdrawal (which the Client hereby authorizes) by LPL of the Client's shares of any money market fund or balances in the ICA, as applicable. LPL reserves the right to liquidate at any time a portion of the other assets in the Account to cover the Account Fee or other charges. The Account Fee will not be withdrawn or deducted by LPL from any Variable Annuity that is part of the Account. The Account may establish procedures to pay the Account Fee directly rather than through a debit to the Account. Any different method of billing Account Fees may result in the imposition of additional charges to cover the administrative costs of billing.

18. FEES AND CHARGES

As a participant in the Program, Client will pay an annualized fee (Account Fee). The maximum Account Fees is set forth in Schedule A attached hereto. The Account Fee is negotiable, is based on the value of the Account assets, including cash holdings, and is payable quarterly in advance. For purposes of calculating Account Fees and providing quarterly performance reports as described in Section 1, the account quarter will begin on the first day of the month in which the Account is accepted by LPL unless Client chooses a different quarterly cycle. The Account Fee will be as stated on the Account Application.

If IAR has earned commissions on the assets (cash or securities) within the past two years, Client may be entitled to a credit for a portion of the Account Fee by indicating in the Account Application.

The initial Account Fee is due at the beginning of the quarter following execution of this Agreement and will include the prorated fee for the initial quarter in addition to the standard quarterly fee for the upcoming quarter. Subsequent Account Fee payments are due and will be assessed at the beginning of each quarter based on the value of the Account assets under management as of the close of business on the last business day of the preceding quarter as valued by an independent pricing service, where available, or otherwise in good faith as reflected on Client's quarterly portfolio evaluation report. Additional deposits and withdrawals will be added or subtracted from portfolio assets, as the case may be, which may lead to an adjustment of the Account Fee. This includes deposits of No-Load and Load-Waived Mutual Funds, Equities, Fixed Income, CDs, Load Mutual Funds, Hedge Funds, Managed Futures, Structured Products, Options and any other securities approved by LPL for investment in the Account. All Account Fees will be deducted from the account pursuant to the authorization granted under Section 17.

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In addition to the Account Fee described in Schedule A, the Account will be assessed a transaction charge ("Transaction Charge") as stated in Schedule B to help defray the cost associated with trade execution. Although the Transaction Charge may be identified under the commission column on the confirmations, it represents a reimbursement of transaction costs and not commissions. IAR will not receive any portion of the Transaction Charge.

Client authorizes LPL to deduct all Account Fees and Transaction Charges from the Account unless other arrangements have been made for the Account pursuant to Section 17. All such fees and charges will be noted on Client's statements or confirmations.

Client may also incur certain charges imposed by LPL or third parties other than IAR in connection with investments made through the Account, including among others, the following types of charges: mutual fund 12b-1, sub-transfer agent, networking and omnibus processing fees, mutual fund management fees and administrative servicing fees, mutual fund transaction fees, certain deferred sales charges on previously purchased mutual funds, Annuity expenses, other transaction charges and service fees, IRA and qualified retirement plan fees, administrative servicing fees for trust accounts, creation and development fees or similar fees imposed by UIT sponsors, hedge fund investment management fees, managed futures investor servicing fees, participation fees from Auction Rate Preferred fixed income securities, and other charges required by law. In addition, in the case of a Variable Annuity in the Account, there may be mortality, expense and administrative charges, fees for additional riders on the contract and charges imposed for excessive Transfers within a calendar year. LPL and IAR may receive a portion of these third party fees. Further information regarding charges and fees assessed by a mutual fund or an Annuity are available in the appropriate prospectus.

Client understands that LPL and IAR, in connection with the performance of their respective services, shall be entitled to and will share in the Account Fees payable hereunder. LPL shall not be compensated on the basis of a share of capital gains upon or capital appreciation of the funds or any portion of the funds of the Client. Client acknowledges and agrees that the Fee Schedule and Transaction Charges set forth in Schedules A and B or as otherwise provided to Client by LPL and in effect for the Account shall continue until thirty (30) days after LPL has notified the Client in writing of any change in the amount of the fees or charges applicable to the Account, at which time the new fees or charges will become effective unless the Client notifies LPL in writing that the Account is to be closed.

19. NOTICES

All written notices to any party under this Agreement shall be sent to such party by first class mail or facsimile transmission at the address set forth in the Account Application or such other address as such party may designate in writing to the other.

20. MARGIN

Operation of the Account on Margin

The terms of this Section 20 apply if you indicate on the Account Application that you wish to establish a margin account for the Account. Your signature on the Account Application confirms that you agree to abide by the terms and conditions outlined in this Section 20. Purchase of securities on credit, commonly known as margin purchases, enables Client to increase the buying power of Client's equity and thus increase the potential for profit - or loss. This presents an additional element of risk for the Account. A portion of the purchase price is deposited when buying securities on margin and LPL extends credit for the remainder. This loan appears as a debit balance on your monthly account statement. LPL charges interest on the debit balance and requires margin clients to maintain securities, cash, or other property to secure repayment of funds advanced and interest due. For performance

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illustration purposes, the margin interest charge will be treated as a withdrawal and will, therefore, not negatively impact the performance figures reflected on your quarterly performance reports.

Interest will be charged for any credit extended to you for the purpose of buying, trading or carrying any securities, for any cash withdrawals made against the collateral of securities, or for any other extension of credit. This interest charge is in addition to the Account Fee charged in connection with the Account. The Account Fee will not be charged on any margin debit balance, rather only on the net equity of the Account. When funds are paid in advance of settlement on the sale of securities, interest will be charged on such amount from the date of payment until settlement date. In the event that any other charge is made to the Account for any reason, interest may be charged on the resulting debit balances.

Deposit of Collateral, Lien on Accounts and Liquidation

In the event that additional collateral is requested, you may deposit cash or acceptable securities into your margin account. If satisfactory collateral is not promptly deposited after a request is made, LPL may, at its discretion, liquidate securities held in any of your accounts at LPL, including the Account. In this connection, pursuant to this Agreement, LPL retains a security interest in all securities and other property held in its accounts, including securities held for safekeeping, so long as any credit extended remains outstanding. Notwithstanding any other provision in this Agreement to the contrary, any lien or security interest arising out of fees, charges or other obligations owed to LPL by an account of an IRA or other plan subject to the prohibited transaction provisions of section 4975(c) of the Internal Revenue Code ("Plan") shall be limited to and enforceable against only the assets of such Plan account and any lien or security interest arising out of fees, charges or other obligations owed to LPL by a non-Plan account shall not extend to or be enforceable against the assets of any Plan account.

Liquidation

If, in LPL's discretion, LPL considers it necessary for its protection to require additional collateral or in the event that a petition in bankruptcy, or for appointment of a receiver is filed by or against you, or an attachment is levied against your accounts, or in the event of your death, LPL shall have the right to sell any or all securities, commodities, and other property in your accounts with LPL, whether carried individually or jointly with others, to buy any or all securities, commodities, and other property which may be short in such accounts, to cancel any open orders and to close any or all outstanding contracts, all without demand for margin or additional margin, notice of sale or purchase or other notice or advertisement. Any such sales or purchases may be made at LPL's discretion on any exchange or other market where such business is usually transacted, or at public auction or private sale. It is understood that a prior demand, or call, or prior notice of the time and place of such a sale shall not be considered waiver of LPL's right to sell or buy without demand or notice. The liquidation of securities in the Account to cover a margin debit balance may be disadvantageous to the long term management of the Account.

Payment of Indebtedness upon Demand and Liability for Costs of Collection

You shall at all times be liable for the payment upon demand of any debit balance or other obligations owing in any of your LPL accounts and you shall be liable to LPL for any deficiency remaining in any such accounts in the event of the liquidation thereof, in whole or in part, by LPL or by you; and, you shall make payments of such obligation and indebtedness upon demand. The reasonable costs and expense of collection of the debit balance, recovery of securities, and any unpaid deficiency in the Client's accounts with LPL, including, but not limited to, attorneys' fees, incurred and payable or paid by LPL shall be payable to LPL by you.

**STRATEGIC ASSET MANAGEMENT
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Pledge of Securities

Securities purchased on a cash or margin basis may be hypothecated under circumstances which will permit the co-mingling thereof with securities carried for other customers, but such securities, if hypothecated, will be withdrawn from hypothecation as soon as practicable upon receipt of payment therefor.

On May 28, 2003, the tax rate on qualified dividends was reduced to 15% for most taxpayers and 5% for those taxpayers in the lowest income bracket. Substitute payments, or payments in lieu of dividends, do not qualify for the reduced rate.

Pursuant to industry standards, in signing this Agreement, you are agreeing to allow LPL to borrow your stock from your margin account. If your stock pays a dividend or other distribution and is loaned out over the record date for that payment, you may receive a substitute payment or payment in lieu of dividends instead of a qualifying dividend. Substitute payments are subject to a higher tax rate and would be reported to you on an IRS Form 1099-MISC instead of an IRS Form 1099-DIV.

Since you may be subject to a higher tax rate on these payment types, you should consult with your tax advisor to discuss the possible implications of this exception from the reduced tax rates. By signing this Agreement, you further certify that no tax advice has been given to you by LPL, unless IAR is employed, as an outside activity, as a duly qualified tax advisor for which separate and distinct consideration may have been paid and is unrelated in any way to LPL. By entering into this Agreement, you expressly assume responsibility for tax implications and adverse consequences, which may arise from entering into this Agreement.

Margin Requirements and Credit Charges

You will at all times maintain such securities, commodities, and other property in your accounts for margin purposes as LPL shall require from time to time and the monthly debit balances or adjusted balances in your accounts shall be charged, in accordance with LPL's practice, with interest at a rate permitted by the laws of the Commonwealth of Massachusetts. It is understood that the interest charge made to your account at the close of a charge period will be added to the opening balance for the next charge period unless paid.

Interest Rates

Interest charged on any debit balances in cash accounts or credit extended in margin accounts may be up to 3.00 percentage points above the LPL Base Lending Rate. The LPL Base Lending Rate will be set with reference to commercially recognized interest rates, industry conditions relating to the extension of credit, and general market conditions. The LPL Base Lending Rate will change without prior notice. When the LPL Base Lending Rate changes during an interest period, interest will be calculated according to the number of days each rate is in effect during that period. If the rate of interest charged to you is changed for any other reason, you will be notified at least 30 days in advance. LPL retains a portion of any interest charged on margin debit balances.

Interest Period

Interest charges for the period shown on monthly statements reflect the second to last business day of the previous month through the third to last business day of the current month. Accordingly, the interest charges for the period shown on your monthly statement are based only on the daily net debit and credit balances for the interest period.

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STRATEGIC ASSET MANAGEMENT ACCOUNT AGREEMENT

Method of Interest Computation

At the close of each Interest Period during which credit was extended to you, an interest charge is computed by multiplying the average daily debit balance by the applicable schedule rate and by the number of days during which a debit balance was outstanding and then dividing by 360. If there has been a change in the LPL Base Lending Rate, separate computations will be made with respect to each rate of charge for the appropriate number of days at each rate during the Interest Period. The interest charge for credit extended to your account at the close of the Interest Period is added to the opening debit balance for the next Interest Period unless paid.

With the exception of credit balances in your short account, all other credit and debit balances in each portion of your account will be combined daily and interest will be charged on the resulting average daily net debit balances for the interest period. If there is a debit in the cash account (type 1) and there is a margin account (type 2), interest will be calculated on the combined debit balance and charged to the margin account. Any credit balance in the short account is disregarded because such credit collateralizes the stock borrowed for delivery against the short sale. Such credit is disregarded even if you should be long the same position in your margin account (i.e., short against the box).

If the security that you sold short (or sold against the box) appreciates in market price over the selling price, interest will be charged on the appreciation in value. Correspondingly, if the security that you sold short depreciates in market price, the interest charged will be reduced since your average debit balance will decline. This practice is known as "marking to market." The daily closing price is used to determine any appreciation or depreciation of the security sold short.

If your account is short shares of stock on the record date of a dividend or other distribution, however such short position occurs, your account will be charged the amount of dividend or other distribution on the following Business Day.

General Margin Policies

The amount of credit that may be extended by LPL and the terms of such extension are governed by rules of the Federal Reserve Board and FINRA. Within the guidelines of these rules and subject to adjustment required by changes in such rules and our business judgment, LPL establishes certain policies with respect to margin accounts. If the market value of securities in a margin account declines, LPL may require the deposit of additional collateral. Margin equity is the current market value of securities and cash deposited as security less the amount owed LPL for credit extended at its discretion. It is LPL's general policy to require margin account holders to maintain equity in its margin accounts of the greater of 30% of the current market value or \$3.00 per share for common stock purchased on margin. LPL applies other standards for other types of securities. For example, securities may be ineligible for margin credit from time to time. For information with respect to general margin maintenance policy as to municipal bonds, corporate bonds, listed United States Treasury notes and bonds, mutual funds, and other securities, as well as information about the eligibility of particular securities for margin credit, please contact your LPL representative. Notwithstanding the above general policies, LPL reserves the right, at its discretion, to require the deposit of additional collateral and to set required margin at a higher or lower amount with respect to particular accounts or classes of accounts as it deems necessary. In making these determinations, LPL may take into account various factors including the size of the account, liquidity of a position, unusual concentrations of securities in an account, or a decline of credit worthiness. If you fail to meet a margin call in a timely manner, some or all of your positions may be liquidated.

STRATEGIC ASSET MANAGEMENT ACCOUNT AGREEMENT

Credit Investigation

LPL may exchange credit information about you with others. LPL may request a credit report on you and upon request, LPL will state the name and address of the consumer reporting agency that furnished it. If LPL extends, updates, or renews your credit, LPL may request a new credit report without notifying you.

21. ARBITRATION

Client agrees to direct any complaints regarding the handling of Client's account to IAR 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.
- 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.
- 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.

In consideration of opening one or more accounts for you, you agree that any controversy between you and LPL and/or your IAR arising out of or relating to Account, transactions with or for you, or the construction, performance, or breach of this agreement whether entered into prior, on or subsequent to the date hereof, shall be settled by arbitration in accordance with the rules, then in effect, of the Financial Industry Regulatory Authority. Any arbitration award hereunder shall be final, and judgement upon the award rendered may be entered in any court, state or federal, having jurisdiction. You understand that you cannot be required to arbitrate any dispute or controversy nonarbitrable under federal law.

No person shall bring a putative or certified class action to arbitration, nor seek to enforce any predispute 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.

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LPL PRIVACY NOTICE

FACTS	WHAT DOES LPL FINANCIAL DO WITH YOUR PERSONAL INFORMATION
Why?	Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.
What?	The types of personal information we collect can include: <ul style="list-style-type: none">• Social Security Number• Income• Assets• Investment experience• Account transactions• Retirement assets When you are <i>no longer</i> our customer, we will continue to hold your information and share it as described in this notice.
How?	All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information; the reasons LPL Financial chooses to share; and whether you can limit this sharing.

STRATEGIC ASSET MANAGEMENT ACCOUNT AGREEMENT

Reasons we can share your personal information	Does LPL Financial share?	Can you limit this sharing?
<p>For our everyday business purposes – Such as to process and service your transactions, report on transactions, maintain your account(s), respond to court orders, regulatory and legal investigations, or report to credit bureaus.</p>	Yes	No
<p>For our marketing purposes – We do not share information with our affiliates or other non-affiliated third parties to offer you products and services without your consent.</p>	No	No
<p>For joint marketing with other financial companies – Federal and certain state laws give us the right to share your information with banks, credit unions, retirement plans and other financial institution programs with which you are a customer and where a formal agreement exists between us and them to provide or market financial products or services to you. However, we will not share your information with these financial companies for marketing purposes if your financial advisor is not affiliated with them without your consent, but we may share information with these financial companies where necessary to service your accounts.</p>	Yes	No
<p>For Clients of financial institutions and LPL Financial – If you are a customer of a bank, credit union, or other financial institution program with which we have a joint marketing agreement (such as under a bank or credit union investment services program) and your financial advisor with whom you work pursuant to that program terminates his or her relationship with us, we will permit your financial advisor to take your personal information with them or retain copies unless your bank, credit union, or other financial institution program does not approve of such transfer. For these types of programs, the Protocol described on the next page not apply. The Protocol is also not applicable to Uvest Financial Services Group, Inc. or its advisors or customers.</p> <p>Please do not send in the Privacy Choices Notice form as it is not applicable to your account relationship with us.</p>	No	No
<p>For clients of independent advisors and LPL Financial – If your financial advisor terminates his or her relationship with us and moves to another brokerage or investment advisory firm ("New Firm"), we or your financial advisor may disclose your personal information to the New Firm, unless you instruct us not to. If you do not want us or your financial advisor to disclose your personal information to</p>	Yes	Yes

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**STRATEGIC ASSET MANAGEMENT
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Reasons we can share your personal information	Does LPL Financial share?	Can you limit this sharing?
<p>the New Firm, and if you do not want your financial advisor to retain copies of your personal information when your financial advisor terminates his or her relationship with us, you may request that we and/or your financial advisor limit the information that is shared with the New Firm by filling out the Privacy Choices Notice which is attached to this Privacy Notice and mailing it to: Privacy Management; c/o Compliance Department, LPL Financial, 9785 Towne Centre Drive, San Diego, CA 92121-1968. You can withdraw your opt-out choice at any time by contacting us in writing at the address provided above.</p> <p>If your primary address is in a state that requires your affirmative consent to share your personal information with the New Firm (such as California, Massachusetts, Maine, Alaska, North Dakota, or Vermont), then you must give your written consent before we will allow your financial advisor to take any of your personal information to that New Firm.</p> <p>Please be aware that LPL Financial has entered into the Protocol for Broker Recruiting (Protocol) on September 4, 2008 with certain other brokerage firms, and if LPL Financial remains a signatory to the Protocol as of the effective date of your advisor's termination from LPL Financial, then LPL Financial will permit your financial advisor to take your name, address, phone number, e-mail address, and the account title of the accounts serviced (or additional information as permitted if the Protocol is amended) while your financial advisor was associated with LPL Financial if your advisor joins one of these Protocol brokerage firms.</p> <p>If you want to follow your financial advisor to their New Firm when your financial advisor terminates his or her relationship with us, please do not send in the Privacy Choices Notice form.</p>		

Questions	Go to www.lpl.com
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Who is providing this notice?
<p>LPL Financial LLC and its Affiliates (collectively LPL Financial). Our affiliates include the following entities:</p> <ul style="list-style-type: none"> • <i>LPL Independent Advisor Services Group, LLC</i> • <i>Independent Advisors Group Corporation</i> • <i>LPL Insurance Associates, Inc.</i> • <i>PTC Holdings, Inc.</i> • <i>The Private Trust Company, N.A.</i> • <i>UVEST Financial Services Group, Inc.</i> <p>We do not share information among our affiliates for marketing purposes.</p>

**STRATEGIC ASSET MANAGEMENT
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What we do	
<p>How does LPL Financial protect my personal information?</p>	<p>To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.</p> <p>We train our employees in the proper handling of personal information. We require companies that help provide our services to you to protect the confidentiality of personal information they receive.</p>
<p>How does LPL Financial collect my personal information?</p>	<p>We collect your personal information, for example, when you</p> <ul style="list-style-type: none"> • Open an account • Apply for insurance • Seek advice about your investments • Enter into an investment advisory account • Tell us about your investment or retirement portfolio <p>We also collect your personal information from others such as credit bureaus, Affiliates, or other companies.</p>

Other important information
<p>Information for Vermont and California Customers</p> <p>In response to a Vermont regulation, if we disclose personal information about you to nonaffiliated third parties with whom we have joint marketing agreements, we will only disclose your name, address, other contact information, and information about our transactions or experiences with you.</p> <p>In response to a California law, we automatically treat accounts with California billing addresses as if you do not want to disclose personal information about you to nonaffiliated third parties except as permitted by the applicable California law. We will also limit the sharing of personal information about you with our affiliates to comply with all California privacy laws that apply to us.</p>

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**STRATEGIC ASSET MANAGEMENT
ACCOUNT AGREEMENT**

Mail in Form

Privacy Choices Notice

(Applicable only to clients of independent advisors)

If you would like to limit the personal information that your financial advisor discloses or takes with him or her to another brokerage or investment advisory firm upon the termination of his or her relationship with LPL Financial, please complete and mail the following form to:

Privacy Management
c/o Compliance Department
LPL Financial
9785 Towne Center Drive
San Diego, CA 92121-1968

____ Limit the personal information about me that my financial advisor discloses or takes with him or her to another brokerage or investment advisory firm upon terminating his or her relationship with LPL Financial. I understand that you may disclose my name, address, telephone number, email, and the account title of the accounts serviced by my advisor to such brokerage or investment advisory firm.

If you want to follow your advisor to their New Firm when he or she terminates their relationship with us, please do not send in this Privacy Choices Notice form.

Customers of banks, credit unions, or other financial institutions with whom we have a joint marketing agreement to provide investment services to you should not send in this form to us.

In order for your opt-out election to be effective you must complete all of the following information including name, address, account or social security number and the signature and date lines.

Customer 1:

Name (Please print clearly) _____

Address _____

City _____ State/Zip _____

LPL Account Number or SSN _____

Signature: _____

Date: _____

Customer 2:

Name (Please print clearly) _____

Address _____

City _____ State/Zip _____

LPL Account Number or SSN _____

Signature: _____

Date: _____

**STRATEGIC ASSET MANAGEMENT
ACCOUNT AGREEMENT**

SAM Schedule A - Fees

\$ VALUE OF ASSETS UNDER MANAGEMENT	MAXIMUM FEE (ANNUALLY)
\$25,000 +	3.00%

For Retirement Accounts, 12b-1 fees paid to LPL by mutual funds held in the Account will be credited to the Account. Such credits will be reflected in monthly account statements and quarterly performance reports. No portion of the 12b-1 fees for Retirement Accounts may be utilized for the benefit of LPL or the IAR. For purposes of this Schedule A, a Retirement Account is an account of a Client that is an ERISA Plan or a plan otherwise subject to Section 4975 of the Internal Revenue Code.

Accounts with assets valued at less than \$100,000 at the end of the quarter will be assessed an additional \$10.00.

Accounts with hedge funds and managed futures will be assessed an annual Alternative Investment Administrative Fee of \$35.00 per position, subject to a maximum of \$100.00 per account per year.

SAM Schedule B - Transaction Charges

MUTUAL FUNDS

PURCHASE OR LIQUIDATION	
FULL PARTICIPATING FUND*	\$0.00
PARTIAL PARTICIPATING FUND*	\$4.50
NON-PARTICIPATING FUND	\$26.50
SYSTEMATIC PURCHASES AND REDEMPTIONS (ONLY CERTAIN FUNDS ARE ELIGIBLE)	NO CHARGE TO CLIENT
EXCHANGES (ONLY CERTAIN FUNDS ARE ELIGIBLE)	NO CHARGE TO CLIENT
WIRE PURCHASE AND REDEMPTION FEES (IF APPLICABLE)	VARIES

* A Full Participating Fund is one that pays 12b-1 fees and/or subtransfer agent fees which are retained by LPL in amounts sufficient to cover the majority of LPL trading costs. A Partial Participating Fund is one that pays either 12b-1 fees or subtransfer agent fees which are used to reduce LPL trading costs.

FIXED INCOME

PURCHASE OR LIQUIDATION	\$50.00
UIT PURCHASE OR LIQUIDATION	\$35.00

EQUITIES (including closed-end and exchange-traded funds)

PURCHASE OR LIQUIDATION	\$15.00
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OPTIONS

PURCHASE OR LIQUIDATION	\$25.00
PURCHASE OR LIQUIDATION	\$25.00

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STRATEGIC ASSET MANAGEMENT (SAM) PROGRAM FORM BROCHURE

LPL Financial LLC
One Beacon Street, 22nd Floor, Boston, MA 02108-3106
www.lpl.com (617) 423-3644

March 31, 2011

This program brochure provides information about the qualifications and business practices of LPL Financial (“LPL”). If you have any questions about the contents of this brochure, please contact your LPL financial advisor or LPL at 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 also is available on the SEC’s website at www.adviserinfo.sec.gov.

ITEM 1 COVER PAGE

ITEM 2 MATERIAL CHANGES

This Brochure is a new disclosure document required to be delivered to clients by investment advisors. When LPL amends this Brochure in the future, this Item will provide a summary of the material changes.

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ITEM 4 SERVICES, FEES AND COMPENSATION

Services

LPL offers various types of advisory services and programs, including wrap fee programs, mutual fund asset allocation programs, advisory programs offered by third party investment advisor firms, financial planning services, and retirement plan consulting services. This Brochure provides a description of the advisory services offered under LPL's Strategic Asset Management ("SAM") program. For more information about LPL's advisory services and programs other than SAM, please contact your IAR for a copy of a similar brochure that describes such service or program or go to www.adviserinfo.sec.gov.

In the SAM program, LPL, through its investment advisor representatives ("IARs"), provides ongoing investment advice and management on assets in the client's account. IARs provide advice on the purchase and sale of various types of investments, such as mutual funds, exchange-traded funds ("ETFs"), variable annuity subaccounts, equities, and fixed income securities. IARs provide advice that is tailored to the individual needs of the client based on the investment objective chosen by the client. Clients may impose restrictions on investing in certain securities or groups of securities by indicating in the Account Application.

LPL also acts as custodian to accounts, provides brokerage and execution services as the broker-dealer on transactions, and performs administrative services, such as quarterly performance reporting to clients.

Fee Schedule

In the SAM program, clients pay LPL and its IARs an annual account fee ("Account Fee") for advisory services. The Account Fee is negotiable between the client and the IAR and is set out in the Account Application. The Account Fee is typically a straight percentage based on the value of all assets in the account, including cash holdings. The Account Fee also may be

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STRATEGIC ASSET MANAGEMENT PROGRAM FORM BROCHURE

structured on a tiered basis, with a reduced percentage rate based on reaching certain thresholds. The maximum Account Fee is 3.00%. The Account Fee may be higher than the fee charged by other investment advisors for similar services. The Account Fee is paid to LPL and is shared between LPL and the IAR.

How the Account Fee is Charged

LPL deducts the Account Fee and other fees and charges associated with a SAM account from the account. LPL calculates and deducts the Account Fee in the method described in the Account Agreement, unless other arrangements are made in writing. If a client wishes to be billed for the Account Fee, rather than a deduction directly from the account, the client needs to make a request to LPL through the IAR.

Payment in Advance and Refund of Pre-Paid Fees

LPL deducts the Account Fee quarterly in advance. If the Account Agreement is terminated before the end of the quarterly period, LPL will pay the client a pro rated refund of any pre-paid quarterly Account Fee based on the number of days remaining in the quarter after the termination date. However, if the account is closed within the first six months by the client or as a result of withdrawals that bring the account value below the required minimum, LPL reserves the right to retain the pre-paid quarterly Account Fee for the current quarter in order to cover the administrative costs of establishing the account (for example, the costs related to transferring positions in and out of the account, data entry in opening the account, reconciliation of positions in order to issue quarterly performance reports, and re-registration of positions). After the termination date, LPL may convert the account to a brokerage account. In a brokerage account, client is charged a commission for each transaction, and LPL and the IAR have no responsibility to provide ongoing investment advice.

Other Types of Fees and Expenses of LPL

LPL charges fees related to a SAM account in addition to the Account Fee.

- In SAM, clients do not pay LPL brokerage commissions for execution of transactions in the account; however, the client pays a transaction charge for the purchase and sale of certain securities in the account. The transaction charges are set out in SAM Account Agreement and vary depending on the type of security being purchased or sold. The transaction charges are paid to LPL to defray costs associated with trade execution and are not shared with IARs. In the case of mutual funds, the transaction charges vary depending on whether LPL receives and retains compensation from the mutual fund for services it provides to the fund, such as recordkeeping fees and asset-based service fees or sales charges. LPL uses that compensation from mutual funds to reduce its trading costs, and therefore, assesses a lower transaction charge to clients. Mutual fund transaction charges range from \$0 to \$26.50. For more information regarding LPL's brokerage practices, see the section of this Brochure titled "Additional Information - Brokerage Practices."
- LPL charges accounts with assets valued at less than \$100,000 an additional \$10 quarterly fee at the end of the quarter.
- Clients that hold hedge funds and managed futures pay an annual alternative investment administrative fee of \$35 per position, subject to a maximum of \$100 per account per year.
- If an account is approved for trading on margin and the client has entered into a margin agreement with LPL, the client will be charged margin interest on any credit extended to or maintained by the client. LPL will retain a portion

**STRATEGIC ASSET MANAGEMENT
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of any interest charged. This interest charge is in addition to the Account Fee. The Account Fee is not charged on any margin debit balance, rather only on the net equity of the account. Clients also pay LPL other miscellaneous administrative or custodial-related fees and charges that relate to a SAM account. LPL notifies clients of these charges at account opening and makes available a list of these charges on its website at www.lpl.com.

Fees Charged by Third Parties

There are other fees and charges that are imposed by third parties other than LPL that apply to investments in SAM accounts. Some of these fees and charges are described below. If a client's assets are invested in mutual funds or other pooled investment products, clients should be aware that there will be two layers of advisory fees and expenses for those assets. Client will pay an advisory fee to the fund manager and other expenses as a shareholder of the fund. Client will also pay LPL and IAR the Account Fee with respect to those assets. Most of the mutual funds available in the program may be purchased directly. Therefore, clients could generally avoid the second layer of fees by not using the advisory services of LPL and IAR and by making their own decisions regarding the investment.

If client transfers into a SAM account a previously purchased mutual fund, and there is an applicable contingent deferred sales charge on the fund, client will pay that charge when the mutual fund is sold. If the account is invested in a mutual fund that charges a fee if a redemption is made within a specific time period after the investment, client will be charged a redemption fee. If a mutual fund has a frequent trading policy, the policy can limit a client's transactions in shares of the fund (e.g., for rebalancing, liquidations, deposits or tax harvesting).

Although LPL makes available to be purchased in SAM accounts only no-load and load-waived mutual funds, LPL receives asset based sales charges or service fees (e.g., 12b-1 fees) from certain mutual funds with respect to accounts that are not retirement accounts. A retirement account for purposes of this Brochure is an account held by an ERISA plan or an account otherwise subject to Section 4975 of the Internal Revenue Code (e.g., an individual retirement account or IRA). Some mutual funds make available share classes that do not pay 12b-1 fees (e.g., institutional share classes) only if a client's holding meets a certain asset minimum. LPL shares a portion of the 12b-1 fees with IARs.

The receipt of 12b-1 fees presents a conflict of interest because it gives LPL and its IARs an incentive to recommend mutual funds for non-retirement accounts based on the compensation received rather than on a client's needs. LPL addresses this conflict for non-retirement accounts in SAM by using the fees it receives from mutual funds to reduce its trading costs, and therefore, assesses a lower transaction charge to clients. Because of the reduced transaction charges on funds that pay 12b-1 fees, depending on the historic and/or expected number of mutual fund trades in the account, a mutual fund that pays a 12b-1 fee can be more cost effective for the client than one that does not pay a 12b-1 fee. For retirement accounts, 12b-1 fees paid to LPL by mutual funds held in the account are credited to the account.

If client holds a variable annuity as part of an account, there are mortality, expense and administrative charges, fees for additional riders on the contract and charges for excessive transfers within a calendar year imposed by the variable annuity sponsor.

If client holds a UIT in the SAM account, UIT sponsors charge creation and development fees or similar fees. Further information regarding fees assessed by a mutual fund, variable annuity or UIT is available in the appropriate prospectus, which is available upon request from the IAR or from the product sponsor directly.

**STRATEGIC ASSET MANAGEMENT
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Important Things to Consider About Fees on a SAM Account

- The Account Fee is an ongoing fee for investment advisory services and other administrative and custodial services. Clients do not pay commissions on transactions but do pay transaction charges. The Account Fee may cost the client more than purchasing the program services separately, for example, paying an advisory fee plus commissions for each transaction in the account. Factors that bear upon the cost of the account in relation to the cost of the same services purchased separately include the:
 - type and size of the account
 - historical and or expected size or number of trades for the account,
 - transaction charges for the securities purchased and sold in the account, and
 - number and range of supplementary advisory and client-related services provided to the client.
- The Account Fee also may cost the client more than if assets were held in a traditional brokerage account. In a brokerage account, a client is charged a commission for each transaction, and the representative has no duty to provide ongoing advice with respect to the account. If the client plans to follow a buy and hold strategy for the account or does not wish to purchase ongoing investment advice or management services, the client should consider opening a brokerage account rather than a SAM account.
- The Account Fee may be higher than the fees charged by other investment advisors for similar services. This is the case in particular if the Account Fee is at or near the maximum Account Fee set out above. The IAR is responsible for determining the Account Fee to charge each client based on factors such as total amount of assets involved in the relationship, type of securities to be held in the account (e.g., mutual funds vs. individual securities), the complexity and mix of the portfolio, and the number and range of supplementary advisory and client-related services to be provided to the account. Clients should consider the level and complexity of the advisory services to be provided when negotiating the Account Fee with IAR.
- The IAR recommending the program to the client receives compensation as a result of the client's participation in the program. This compensation includes a portion of the Account Fee and also may include other compensation, such as bonuses, awards or other things of value offered by LPL to the IAR. In particular, LPL pays its IARs bonuses in different ways, for example, payments based on production, awards of stock options to purchase shares of LPL's parent company, LPL Investment Holdings Inc., reimbursement of fees that IARs pay to LPL for items such as administrative services, and other things of value such as free or reduced-cost marketing materials, payments in connection with the transition of my association from another broker-dealer or investment advisor firm to LPL, or attendance at LPL's national conference or top producer forums and events. LPL pays IARs this compensation based on the IAR's overall business production and/or on the amount of assets serviced in LPL advisory programs. Therefore, the amount of this compensation may be more than what the IAR 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. Therefore, the IAR may have a financial incentive to recommend a program account over other programs and services.

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- The investment products available to be purchased in the program can be purchased by clients outside of a SAM account, through broker-dealers or other investment firms not affiliated LPL.

ITEM 5 ACCOUNT REQUIREMENTS AND TYPES OF CLIENTS

A minimum account value of \$25,000 is generally required for the program. In certain instances, LPL will permit a lower minimum account size. The program is available for individuals, IRAs, banks and thrift institutions, pension and profit sharing plans, including plans subject to Employee Retirement Income Security Act of 1974 ("ERISA"), trusts, estates, charitable organizations, state and municipal government entities, corporations and other business entities.

ITEM 6 PORTFOLIO MANAGER SELECTION AND EVALUATION

In SAM, LPL does not select, review or recommend other investment advisors or portfolio managers. LPL through its IARs is responsible for the investment advice and management offered to clients, and the client selects the IAR who manages the account. LPL generally requires that individuals involved in determining or giving investment advice have at least two years financial planning, advisory or brokerage-related experience. Each IAR is also generally required to possess a FINRA Series 6, 7, 65, or 66 license. For more information about the IAR managing the account, client should refer to the Brochure Supplement for the IAR, which client should have received along with this Brochure at the time client opened the account.

LPL does not calculate the performance record of IARs, however, LPL does calculate performance for each program account. LPL provides clients with individual quarterly performance reports, which provides performance information on a time weighted basis. LPL performance reports are intended to inform clients as to how their investments have performed for a period, both on an absolute basis and compared to leading investment indices.

LPL sponsors other types of advisory programs. The Strategic Asset Management II ("SAM II") program is similar to SAM, in that LPL through its IARs provides the investment advice and management to client accounts, except that in SAM II, the client does not pay transaction charges in addition to the Account Fee. Instead, in SAM II, the client pays a single Account Fee for advisory services and execution of transactions, and the IAR pays LPL the transaction charges. In LPL's separately managed account wrap program, Manager Select, a third party portfolio manager provides discretionary advisory services. In LPL's mutual fund asset allocation programs, such as Optimum Market Portfolios and Model Wealth Portfolios, LPL (and not its IARs) is responsible for the discretionary advisory services. LPL and its IARs do not accept performance-based fees under any LPL advisory programs.

Investment Discretion

In SAM, the IAR provides advisory services on a discretionary basis for the purchase and sale of mutual funds, UITs, closed-end funds, ETFs, and variable annuity subaccounts. The IAR provides advisory services on a non-discretionary basis for all other types of securities approved by LPL for investment in the account. In some cases, the client may provide discretionary authorization to the IAR for equities, fixed income securities and options. Alternatively, the client may elect that the IAR manage the account on a non-discretionary basis, so that the client directs the purchase and sale of securities in the account. The client authorizes the IAR to have discretion by executing the Account Agreement and Application.

Methods of Analysis and Investment Strategies

Each IAR managing a SAM account chooses his/her own research methods, investment strategy and management philosophy. It is important to note that no methodology or investment strategy is guaranteed to be successful or profitable.

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The IAR has access to various research reports, including those provided by LPL's Research Department, to which he/she may refer in determining which securities to purchase or sell.

LPL's Research Department makes recommendations regarding asset allocation, mutual funds and ETFs. IARs may or may not follow these recommendations in managing program accounts. LPL Research also constructs asset allocation model portfolios and provides recommendations on the funds to populate the model portfolios. In constructing these models, LPL Research uses the following investment strategies: Diversified, Diversified Plus, and Alternative Strategy. Although these descriptions are written in terms of individual equities and/or bonds, they include mutual funds or ETFs whose portfolios consist of the type of equities or bonds referenced.

- **Diversified.** The Diversified investment strategy seeks to promote capital appreciation while taking a reasonable amount of risk to achieve that goal. The strategy is subject to minimal constraints, which allows for a relatively pure implementation of LPL Research's investment advice. In general, Diversified portfolios should be considered by investors seeking investments in primarily stocks and bonds, along with the occasional non-traditional asset class to take advantage of potential market opportunities. Diversified portfolios will hold primarily traditional asset classes. Secondly, if a non-traditional asset class represents the investment that provides the best means of taking advantage of a market opportunity, it will be included in the recommendation. The non-traditional investments included in Diversified portfolios are more standard, such as conservative balanced strategies. Diversified portfolios tend to be steady in their number of positions. These portfolios tend to remain consistently diversified.
- **Diversified Plus.** The Diversified Plus investment strategy seeks to promote capital appreciation by seeking an appropriate balance of return potential and risk control. Diversified Plus portfolios are more suited to those investors who seek investment opportunities, regardless of asset class, and are comfortable holding esoteric investments. Diversified Plus portfolios include any asset class — including alternative strategy asset classes that may incorporate strategies such as Absolute Return or Managed Futures. Diversified Plus portfolios look both at traditional and non-traditional asset classes and may hold more esoteric investments, if that is considered the most appropriate opportunity. If many opportunities exist in the market, Diversified Plus portfolios can be constructed using a wider array of asset classes and may include a larger number of targeted investments to gain desired exposures. Alternatively, if there are fewer opportunities, Diversified Plus portfolios will be more concentrated in fewer holdings.
- **Alternative Strategy.** The Alternative Strategy investment strategy seeks to promote capital appreciation while taking a reasonable amount of risk to achieve that goal. Unlike the other two strategies that may have an allocation to alternative strategy or non-traditional assets classes, this portfolio typically has an allocation to non-traditional asset classes. This strategy extends the diversification beyond the core style box asset classes into strategies with lower correlation to stocks and bonds in order to lower risk, as defined by standard deviation and maximum drawdown (peak to trough loss), while attempting to maintain long-term performance similar to other portfolios in the same investment objective.

For each of the above investment strategies, LPL Research recommends a strategic or tactical version.

- **Strategic.** Strategic portfolios typically have a three- to five-year time horizon. The allocations within these portfolios are intended to help take advantage of market opportunities LPL Research believes will occur or persist

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throughout that time frame. Although LPL Research recommends investments through a three- to five-year lens, LPL Research may recommend that these portfolios be traded for fine tuning throughout the year. For clients who take a longer term view or are more tax sensitive, a strategic implementation may be more appropriate.

- **Tactical.** Tactical portfolios are more flexible and are designed to help take advantage of short-, mid-, and long-term opportunities the markets present. LPL Research recommends that these portfolios invest in opportunities for as short as one week and as long as five years. Due to the tactical nature, the trading is notably more frequent than strategic portfolios. Tactically managed portfolios should be considered by clients who wish to take advantage of shorter-term market opportunities that may arise and are not opposed to the prospect of more frequent trading.

It is important to note that although LPL Research makes available its recommendations and investment strategies, an IAR may take into consideration these recommendations and strategies to a limited extent or not at all. Clients should contact the IAR managing his/her accounts for additional information on the IAR's particular investment strategy. It is also important to note that an IAR may use a combination of investment strategies.

Types of Investments and Risks

In SAM, IARs can recommend many different types of securities, including mutual funds, unit investment trusts ("UITs"), closed end funds, ETFs, variable annuity subaccounts, equities, fixed income securities, options, hedge funds, managed futures, and structured products. LPL determines the types of investments that are eligible to be purchased in program accounts. **Investing in securities involves the risk of loss that clients should be prepared to bear.** Described below are some particular risks associated with some types of investments available in the program.

- **Alternative Strategy Mutual Funds.** Certain mutual funds available in the program invest primarily in alternative investments and/or strategies. Investing in alternative investments and/or strategies may not be suitable for all investors and involves special risks, such as risks associated with commodities, real estate, leverage, selling securities short, the use of derivatives, potential adverse market forces, regulatory changes and potential illiquidity. There are special risks associated with mutual funds that invest principally in real estate securities, such as sensitivity to changes in real estate values and interest rates and price volatility because of the fund's concentration in the real estate industry.
- **Closed-End Funds.** Client should be aware that closed-end funds available within the program are not readily marketable. In an effort to provide investor liquidity, the funds may offer to repurchase a certain percentage of shares at net asset value on a periodic basis. Thus, clients may be unable to liquidate all or a portion of their shares in these types of funds.
- **Exchange-Traded Funds (ETFs).** ETFs are typically investment companies that are legally classified as open end mutual funds or UITs. However, they differ from traditional mutual funds, in particular, in that ETF shares are listed on a securities exchange. Shares can be bought and sold throughout the trading day like shares of other publicly-traded companies. ETF shares may trade at a discount or premium to their net asset value. This difference between the bid price and the ask price is often referred to as the "spread." The spread varies over time based on the ETF's trading volume and market liquidity, and is generally lower if the ETF has a lot of trading volume and market liquidity and higher if the ETF has little trading volume and market liquidity. Although many ETFs are registered as an

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investment company under the Investment Company Act of 1940 like traditional mutual funds, some ETFs, in particular those that invest in commodities, are not registered as an investment company.

- **Exchange-Traded Notes (ETNs).** An ETN is a senior unsecured debt obligation designed to track the total return of an underlying market index or other benchmark. ETNs may be linked to a variety of assets, for example, commodity futures, foreign currency and equities. ETNs are similar to ETFs in that they are listed on an exchange and can typically be bought or sold throughout the trading day. However, an ETN is not a mutual fund and does not have a net asset value; the ETN trades at the prevailing market price. Some of the more common risks of an ETN are as follows. The repayment of the principal, interest (if any), and the payment of any returns at maturity or upon redemption are dependent upon the ETN issuer's ability to pay. In addition, the trading price of the ETN in the secondary market may be adversely impacted if the issuer's credit rating is downgraded. The index or asset class for performance replication in an ETN may or may not be concentrated in a specific sector, asset class or country and may therefore carry specific risks.
- **Leveraged and Inverse ETFs, ETNs and Mutual Funds.** Leveraged ETFs, ETNs and mutual funds, sometimes labeled "ultra" or "2x" for example, are designed to provide a multiple of the underlying index's return, typically on a daily basis. Inverse products are designed to provide the opposite of the return of the underlying index, typically on a daily basis. These products are different from and can be riskier than traditional ETFs, ETNs and mutual funds. Although these products are designed to provide returns that generally correspond to the underlying index, they may not be able to exactly replicate the performance of the index because of fund expenses and other factors. This is referred to as tracking error. Continual re-setting of returns within the product may add to the underlying costs and increase the tracking error. As a result, this may prevent these products from achieving their investment objective. In addition, compounding of the returns can produce a divergence from the underlying index over time, in particular for leveraged products. In highly volatile markets with large positive and negative swings, return distortions are magnified over time. Because of these distortions, these products should be actively monitored, as frequently as daily, and are generally not appropriate as an intermediate or long-term holding. To accomplish their objectives, these products use a range of strategies, including swaps, futures contracts and other derivatives. These products may not be diversified and can be based on commodities or currencies. These products may have higher expense ratios and be less tax-efficient than more traditional ETFs, ETNs and mutual funds.
- **Options.** Certain types of option trading are permitted in order to generate income or hedge a security held in the program account; namely, the selling (writing) of covered call options or the purchasing of put options on a security held in the program account. Client should be aware that the use of options involves additional risks. The risks of covered call writing include the potential for the market to rise sharply. In such case, the security may be called away and the program account will no longer hold the security. The risk of buying long puts is limited to the loss of the premium paid for the purchase of the put if the option is not exercised or otherwise sold by the program account.
- **Structured Products.** Structured products are securities derived from another asset, such as a security or a basket of securities, an index, a commodity, a debt issuance, or a foreign currency. Structured products frequently limit the upside participation in the reference asset. Structured products are senior unsecured debt of the issuing bank and

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subject to the credit risk associated with that issuer. This credit risk exists whether or not the investment held in the account offers principal protection. The creditworthiness of the issuer does not affect or enhance the likely performance of the investment other than the ability of the issuer to meet its obligations. Any payments due at maturity are dependent on the issuer's ability to pay. In addition, the trading price of the security in the secondary market, if there is one, may be adversely impacted if the issuer's credit rating is downgraded. Some structured products offer full protection of the principal invested, others offer only partial or no protection. Investors may be sacrificing a higher yield to obtain the principal guarantee. In addition, the principal guarantee relates to nominal principal and does not offer inflation protection. An investor in a structured product never has a claim on the underlying investment, whether a security, zero coupon bond, or option. There may be little or no secondary market for the securities and information regarding independent market pricing for the securities may be limited. This is true even if the product has a ticker symbol or has been approved for listing on an exchange. Tax treatment of structured products may be different from other investments held in the account (e.g., income may be taxed as ordinary income even though payment is not received until maturity). Structured CDs that are insured by the FDIC are subject to applicable FDIC limits.

- **High-Yield Debt.** High-yield debt is issued by companies or municipalities that do not qualify for "investment grade" ratings by one or more rating agencies. The below investment grade designation is based on the rating agency's opinion of an issuer that it has a greater risk to repay both principal and interest and a greater risk of default than those issuers rated investment grade. High yield debt carries greater risk than investment grade debt. There is the risk that the potential deterioration of an issuer's financial health and subsequent downgrade in its rating will result in a decline in market value or default. Because of the potential inability of an issuer to make interest and principal payments, an investor may receive back less than originally invested. There is also the risk that the bond's market value will decline as interest rates rise and that an investor will not be able to liquidate a bond before maturity.
- **Hedge Funds and Managed Futures.** Hedge and managed futures funds are available for purchase in the program by clients meeting certain qualification standards. Investing in these funds involves additional risks including, but not limited to, the risk of investment loss due to the use of leveraging and other speculative investment practices and the lack of liquidity and performance volatility. In addition, these funds are not required to provide periodic pricing or valuation information to investors and may involve complex tax structures and delays in distributing important tax information. Client should be aware that these funds are not liquid as there is no secondary trading market available. At the absolute discretion of the issuer of the fund, there may be certain repurchase offers made from time to time. However, there is no guarantee that client will be able to redeem the fund during the repurchase offer.
- **Variable Annuities.** If client purchases a variable annuity that is part of the program, client will receive a prospectus and should rely solely on the disclosure contained in the prospectus with respect to the terms and conditions of the variable annuity. Client should also be aware that certain riders purchased with a variable annuity may limit the investment options and the ability to manage the subaccounts.

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- **Margin Accounts.** Client should be aware that margin borrowing involves additional risks. Margin borrowing will result in increased gain if the value of the securities in the account go up, but will result in increased losses if the value of the securities in the account goes down. LPL, acting as the client's creditor, will have the authority to liquidate all or part of the account to repay any portion of the margin loan, even if the timing would be disadvantageous to the client. For performance illustration purposes, the margin interest charge will be treated as a withdrawal and will, therefore, not negatively impact the performance figures reflected on the quarterly advisory reports.

Voting Client Securities

In SAM, LPL and IARs do not accept authority to vote client securities. Clients retain the right to vote all proxies that are solicited for securities held in the account. Clients will receive proxies or other solicitations from LPL. If clients have questions regarding the solicitation, they should contact the contact person that the issuer identifies in the proxy materials or their IAR. In addition, LPL and IARs do not accept authority to take action with respect to legal proceedings relating to securities held in the account.

ITEM 7 CLIENT INFORMATION PROVIDED TO PORTFOLIO MANAGERS

The IAR obtains the necessary financial data from the client and assists the client in setting an appropriate investment objective for the account. The IAR obtains this information by having the client complete an Account Application which is a part of the Account Agreement. In quarterly communications, LPL asks clients to contact the IAR if there have been any changes in the client's financial situation or investment objectives or if they wish to impose any reasonable restrictions on the management of the account or reasonably modify existing restrictions. Client should be aware that the investment objective selected for the program in the Account Application is an overall objective for the entire account and may be inconsistent with a particular holding and the account's performance at any time. Client should further be aware that achievement of the stated investment objective is a long-term goal for the account.

ITEM 8 CLIENT CONTACT WITH PORTFOLIO MANAGERS

LPL does not place any restrictions on a clients' ability to contact and consult with IARs.

ITEM 9 ADDITIONAL INFORMATION

Disciplinary Information

As an investment advisor and broker-dealer regulated by the SEC, LPL has been subject to the following SEC orders:

- The SEC found that LPL willfully violated Rule 30(a) of Regulation S-P, which requires broker-dealers and registered investment advisors to have written policies and procedures that are reasonably designed to safeguard customer records and information. The SEC ordered LPL to cease and desist from committing future violations of Rule 30(a), censured it for its conduct, and ordered it to pay the \$275,000 penalty (2008).
- The SEC found that LPL willfully violated Section 17(a)(2) of the Securities Act of 1933 and Rule 10b-10 under the Securities Exchange Act of 1934 in connection with the SEC's finding that LPL sold mutual fund shares as a broker-dealer without providing certain customers with breakpoint discounts. In connection with the SEC's order, LPL agreed to pay a fine of \$1,116,402 (2004).

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

- LPL's procedures regarding its review of e-mail communications, resulting in a censure and fine of \$100,000 (2011).
- LPL's procedures on transmittals of cash and securities from customer accounts to third party accounts, resulting in a censure and fine of \$100,000 (2011).
- Allegations that LPL failed to ascertain the best inter-dealer market and buy or sell in such market so that the resulting price to customers was as favorable as possible under prevailing market conditions, resulting in a censure and fine of \$20,000 (2011).
- LPL's procedures on supervision of variable annuity exchanges, resulting in a censure and fine of \$175,000 (2010).
- Allegations that LPL failed to reasonably supervise a registered representative regarding his use of strategies and recommendations involving UITs, resulting in a censure and fine of \$125,000 (2008).
- LPL's procedures on supervision of variable annuity exchanges, resulting in a censure and fine of \$300,000 (2006).
- LPL's procedures regarding mutual fund Class B and Class C shares, resulting in a censure and fine of \$2,400,000 (2005).
- LPL's procedures on supervision activities of its registered representative in connection with wire transfers, resulting in a censure and fine of \$75,000 (2005).
- Allegations that LPL maintained revenue sharing programs in which mutual fund complexes paid a fee for preferential treatment, resulting in a censure and fine of \$3,602,398 (2005).
- Allegations regarding late filings to FINRA reporting obligations, resulting in a censure and fine of \$450,000 (2004).
- Allegations regarding failure to provide customers mutual fund breakpoint discounts, resulting in a censure and fine of \$2,232,805 (2004).

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

- From the state of Illinois regarding allegations that LPL failed to reasonably supervise a registered representative in connection with the sale of oil and gas limited partnerships, resulting in a fine of \$167,796 (2010).
- From the state of Missouri regarding allegations that LPL failed to supervise a registered representative in the sale of a variable annuity, resulting in a fine of \$37,540 (2010).
- From the state of Montana regarding allegations that LPL failed to supervise a registered representative to ensure compliance with the Montana Securities Act, resulting in a fine of \$150,000 (2009).
- From the state of Pennsylvania regarding allegations that LPL failed to maintain and enforce procedures for supervision of one of its registered representatives, resulting in a fine of \$230,000 (2007).

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For more information about disciplinary and legal events involving LPL and its IARs, client should refer to Investment Advisor Public Disclosure at www.adviserinfo.sec.gov or FINRA BrokerCheck at www.finra.org.

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 an independent-contractor sales force of registered representatives and IARs dispersed throughout the United States. IARs are registered representatives 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 a transfer agent with the SEC and as a futures commission merchant with the Commodity Futures Trading Commission. In addition, LPL is qualified to sell insurance products in all 50 states.

LPL has an arrangement with Independent Advisers Group ("IAG"), a registered investment advisor and related person of LPL. LPL has been retained by IAG to provide research and model portfolio management services for certain accounts offered through IAG.

LPL and The Private Trust Company ("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 program 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 a program account. PTC's IRA custodian and trustee services and related fees are established under a separate engagement between the client and PTC.

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 public offerings. A copy of the code of ethics is available to clients or prospective clients upon request and is available on LPL's website www.lpl.com.

Participation or Interest in Client Transactions

LPL does not engage in principal transactions with its clients in SAM accounts. LPL's parent company, LPL Investment Holdings Inc., is a publicly traded company. LPL does not permit its IARs to recommend or solicit orders of LPL Investment Holdings Inc. stock in SAM accounts.

LPL provides investment consulting services to the investment advisor of the Optimum Funds mutual fund family. These services include assisting the investment advisor in determining whether to engage, maintain or terminate sub-advisors for the Optimum Funds. As compensation for these services, LPL receives an investment consulting fee of up to 0.285% of

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fund assets from the investment advisor to the Optimum Funds. In addition, the Chief Financial Officer of LPL serves as a Trustee of the Optimum Funds. The Optimum Funds are available to be purchased and sold in program accounts. The receipt of this investment consulting compensation by LPL presents a conflict of interest, because LPL has a financial benefit if an Optimum Fund is purchased in an account. However, the investment consulting compensation is retained by LPL and is not shared with its IARs. Therefore, there is no financial incentive for an IAR to recommend an Optimum Fund for purchase in a program account.

LPL performs recordkeeping and administrative services on behalf of mutual funds and receives compensation for the services based on positions held by SAM clients. These services include establishing and maintaining sub-account records reflecting the issuance, exchange or redemption of shares by each program account. The compensation LPL receives for these services may be paid based on SAM client assets in the fund (up to 0.25%) or number of positions held by SAM clients in the fund (up to \$20 per position). However, LPL uses the recordkeeping fees it receives to reduce its trading costs, and therefore, assesses a lower transaction charge to clients for mutual funds. LPL does not share this compensation with its IARs.

If the account is a retirement (or non-retirement but ineligible) account, cash balances are automatically invested in a money market fund. The sweep money market funds available in the program pay 12b-1 fees higher than other money market funds. In addition, LPL receives compensation of up to 0.35% of assets for recordkeeping services it provides for the funds. LPL also receives up to 0.15% of the assets invested in the sweep money market funds in connection with marketing support services LPL provides to the money market fund sponsor.

If a client has a non-retirement (and otherwise eligible) account, cash balances will be automatically invested in an interest-bearing Federal Deposit Insurance Corporation ("FDIC") –insured cash account (an "ICA"). LPL receives a fee equal to a percentage of the average daily deposit balance in the ICA. The fee paid to LPL may be at an annual rate of up to an average of 200 basis points as applied across all deposit accounts taken in the aggregate; therefore, on some accounts, fees to LPL may be higher or lower than this amount. The compensation LPL receives on an ICA may be higher than if a client invests in other sweep investment options. For additional information on the ICA, please see the ICA disclosure booklet available from IAR.

This compensation that LPL receives related to the ICA and the sweep money market funds is in addition to the Account Fee that LPL and IAR receive with respect to the assets in the sweep investment. This compensation related to the ICA and sweep money market funds presents a conflict of interest to LPL because LPL has a financial benefit if cash is invested in the ICA or funds. However, this compensation is retained by LPL and is not shared with its IARs and therefore does not cause an IAR to have a financial incentive to recommend that cash be held in the account instead of holding securities.

Client should understand that LPL and IAR may perform advisory and/or brokerage services for various other clients, and that LPL and IAR 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 the account may also be different.

Review of Accounts

LPL reviews program accounts using a risk based exception reporting system that flags accounts on a quarterly basis for criteria such as performance, trading activity, and concentration. The Advisory Chief Compliance Officer of LPL oversees the process for reviewing flagged accounts. IARs are required to meet and document reviews with clients on an annual basis.

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Such meetings may include review of accounts statements, quarterly performance reports, and other information or data related to the client's account and investment objectives.

LPL provides clients with regular written reports regarding their accounts. LPL provides detailed quarterly performance reports describing account performance and positions. LPL also provides an additional year-end report for accounts not established on a calendar quarter basis. In addition, LPL sends to clients trade confirmations and account statements showing transactions, positions, and deposits and withdrawals of principal and income. LPL does not send trade confirmations for systematic purchases, systematic redemptions and systematic exchanges.

Other Compensation

The IAR, LPL and LPL employees may receive additional non-cash compensation from advisory product sponsors. However, such compensation may not be tied to the sales of any products. 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 or marketing or advertising initiatives. Advisory product sponsors may also pay for education or training events that may be attended by LPL employees and IARs.

LPL as broker-dealer may receive compensation for directing orders in securities (such as options) to particular broker-dealers or market centers for execution. The source and nature of compensation received in connection with trades for client accounts is available at www.lpl.com and can also be furnished upon written request.

LPL entered into agreements with five variable annuity sponsors identified below (collectively "Funding Partners") pursuant to which the Funding Partners agreed to contribute a pro rata share, up to a fixed amount, for upfront and ongoing technology costs incurred by LPL to develop the operational functionality and technology systems necessary to operate and maintain a fee-based variable annuity platform (the "Platform") in the program. In connection with the Funding Partner agreements, LPL agreed not to make available on the Platform any variable annuities offered by sponsors other than the Funding Partners for a period of 24 months after the launch date of the Platform in January of 2011.

Because LPL benefited from Funding Partners' financial contribution to the technology development, the amount of which is significant to LPL, there was a conflict between LPL's financial interest and its ability to use strictly objective factors to select the variable annuities available on the Platform. In addition, because the Funding Partners agreed to pay for ongoing technology costs to operate and maintain the Platform for as long as the Funding Partner's products are available on the Platform, there is also a conflict between LPL's financial interests and its ability to use strictly objective factors in deciding which variable annuities remain on the Platform. However, LPL did not guarantee that Funding Partners' variable annuities would be available on the Platform or used in any client account. In addition, each variable annuity available on the Platform is required to satisfy the due diligence standards set by LPL.

The following firms are Funding Partners: Allianz Life Insurance Company of North America, AXA Distributors, LLC, Lincoln Financial Distributors, Inc., Prudential Annuities Life Assurance Corporation, and Sun Life Financial Distributors, Inc. LPL and each Funding Partner are not affiliates of one another.

**STRATEGIC ASSET MANAGEMENT
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LPL compensates other persons for client referrals for program accounts. LPL enters into an agreement with such referral agents and pays them a portion of the ongoing Account Fee. The referral agent discloses to the client at the time of the solicitation the arrangement and the compensation to be received by the referral agent.

LPL and its IARs may offer advisory services on the premises of unaffiliated financial institutions, like banks or credit unions. LPL has entered into agreements with the financial institutions pursuant to which LPL shares compensation, including a portion of the Account Fee, with the financial institution for the use of the financial institution's facilities and for client referrals.

Financial Information and Custody

LPL is a qualified custodian as defined in Rule 206(4)-2 and maintains custody of SAM client funds and securities in a separate account for each client under the client's name. LPL as a qualified custodian sends account statements showing all transactions, positions, and all deposits and withdrawals of principal and income. LPL sends account statements monthly when the account has had activity or quarterly if there has been no activity. Clients should carefully review those account statements.

Although most securities available in program accounts are custodied at LPL, there are certain securities managed as part of the account that are held at third parties, and not at LPL. For example, variable annuities, hedge funds and managed futures are often held directly with the investment sponsor. For those outside positions, client will receive confirmations and statements directly from the investment sponsor.

For outside positions not custodied at LPL, LPL may receive information (e.g., number of shares held and market value) from the investment sponsor and display that information on statements and reports prepared by LPL. Such information also may be used to calculate performance in performance reports prepared by LPL. Although LPL believes that the information it receives from the investment sponsors is reliable, LPL recommends that you refer to the statements and reports you receive directly from the investment sponsor and compare them with the information provided in any statements or reports from LPL. The statements and reports you receive from LPL with respect to outside positions should not replace the statements and reports you receive directly from the investment sponsor.

Brokerage Practices

In SAM, LPL requires that clients direct LPL as the sole and exclusive broker-dealer to execute transactions in the account. LPL is not paid a commission for executing transactions. Because LPL is both the investment advisor and broker-dealer on the account, this presents a conflict of interest. Clients should understand that not all advisors require their clients to direct brokerage. By directing brokerage to LPL, clients may be unable to achieve the most favorable execution of client transactions. Therefore, directed brokerage may cost clients more money.

IARs may aggregate transactions in equity and fixed income securities for a client with other clients to improve the quality of execution. When transactions are so aggregated, the actual prices applicable to the aggregated transactions will be averaged, and the client account will be deemed to have purchased or sold its proportionate share of the securities involved at the average price obtained. IARs may determine not to aggregate transactions, for example, based on the size of the trades, the number of client accounts, the timing of the trades, the liquidity of the securities and the discretionary or non-discretionary nature of the trades. If IARs do not aggregate orders, some clients purchasing securities around the same time

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may receive a less favorable price than other clients. This means that this practice of not aggregating may cost clients more money.

ERISA Disclosure

LPL provides services under the program as an investment advisor under the Investment Advisers Act of 1940. In addition, LPL provides advisory services that constitute “investment advice” to plans subject to ERISA and therefore will be deemed a “fiduciary” as such term is defined under Section 3(21) of ERISA.

Brochure Supplements

Accompanying this Brochure are Brochure Supplements for individual employees of LPL. Note that although these individuals are responsible for investment advice provided by LPL and may meet with clients from time to time, 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 this Brochure 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@pl.com.

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Brochure Supplements for Certain LPL Financial Employees:

George Burton White	LPL Financial LLC
Jeffrey Kleintop	One Beacon Street, 22nd Floor, Boston, MA 02108-3106
Gene Goldman	(617) 423-3644
John J. Canally, Jr	www.lpl.com
Anthony Valeri	LPL Financial LLC
	9785 Towne Centre Drive, San Diego, CA 92121
	(800) 558-7567

March 31, 2011

This Brochure Supplement provides information about George Burton White, Jeffrey Kleintop, Anthony Valeri, Gene Goldman and John J. Canally, Jr. that supplements the LPL Financial Brochure that is attached to this Brochure Supplement. 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 this Brochure Supplement. You may also contact your LPL investment advisor representative with questions.

Additional information about George Burton White, Jeffrey Kleintop, Anthony Valeri, Gene Goldman and John J. Canally, Jr. is available on the SEC's website at www.adviserinfo.sec.gov.

Note that although these LPL employees included in this Brochure Supplement are responsible for investment advice provided by LPL and may meet with clients from time to time, 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 this Brochure Supplement 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 lpifinancial.adv@lpl.com.

GEORGE BURTON WHITE

Educational Background and Business Experience

George Burton White was born in 1969. He has a BBA from the College of William and Mary. He is a Managing Director and Chief Investment Officer of LPL, and has served in that position since 2009. He joined LPL in 2007 as a Managing Director and Director of Research. Mr. White is also the Managing Director and Head of Research for UVEST Financial Services Group, Inc. ("UVEST"), a related person of LPL, and has served in that position since 2007. Prior to joining LPL and UVEST, he was Managing Director and Director of Research at Wachovia Securities from 2000 to 2007.

Disciplinary Information

There are no legal or disciplinary events to disclose in response to this item.

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Other Business Activities

Mr. White is a registered representative of LPL and UVEST. LPL and UVEST are registered broker-dealers and members of FINRA. Although Mr. White is a registered representative, 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

As an employee of LPL, Mr. White receives a regular salary and bonus.

Supervision

As Chief Investment Officer of LPL, Mr. White is responsible for the advice provided by the LPL Research Department through LPL's advisory programs. The LPL Investment Policy Committee is responsible for general oversight of LPL's advisory programs, including review of certain services and products offered through the programs. The advice provided by Mr. White also is subject to LPL's policies and procedures and to any guidelines established for the applicable advisory program. The Chief Compliance Officer – Advisory Compliance is responsible for administering LPL's policies and procedures for investment advisory activities. The telephone number for the Advisory Compliance Department is 1-800-877-7210.

JEFFREY NELSON KLEINTOP

Educational Background and Business Experience

Jeffrey Nelson Kleintop was born in 1969. He has a BS in Business Administration from the University of Delaware and an MBA from Pennsylvania State University. He is the Chief Market Strategist of LPL, and has served in that position since 2007. Prior to joining LPL, Mr. Kleintop was the Chief Investment Strategist at PNC Capital Markets.

Disciplinary Information

There are no legal or disciplinary events to disclose in response to this item.

Other Business Activities

Mr. Kleintop is a registered representative of LPL, a registered broker-dealer and member of FINRA. Although Mr. Kleintop is a registered representative, 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. Mr. Kleintop is the author of the book *Market Evolution: How to Profit in Today's Changing Financial Markets*, which was published in 2006.

Additional Compensation

As an employee of LPL, Mr. Kleintop receives a regular salary and bonus.

Supervision

Mr. Kleintop's advisory activities primarily relate to the financial markets in general. He reports to Mr. White, the Chief Investment Officer of LPL. Any advice he provides to clients is subject to LPL's policies and procedures and to any guidelines established for the applicable advisory program. The Chief Compliance Officer – Advisory Compliance is

**STRATEGIC ASSET MANAGEMENT
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responsible for administering LPL's policies and procedures for investment advisory activities. The telephone number for the Advisory Compliance Department is 1-800-877-7210.

ANTHONY GINO VALERI**Educational Background and Business Experience**

Anthony Gino Valeri was born in 1969. He has a BA from the University of California at San Diego. He is Senior Vice President, Market Strategist, at LPL and joined the LPL Research Department in 2002. He has been employed by LPL since 1994.

Disciplinary Information

There are no legal or disciplinary events to disclose in response to this item.

Other Business Activities

Mr. Valeri is a registered representative of LPL, a registered broker-dealer and member of FINRA. Although Mr. Valeri is a registered representative, 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

As an employee of LPL, Mr. Valeri receives a regular salary and bonus.

Supervision

Mr. Valeri reports up to Mr. White, the Chief Investment Officer of LPL. Any advice provided to clients by Mr. Valeri is subject to LPL's policies and procedures and to any guidelines established for the applicable advisory program. The Chief Compliance Officer – Advisory Compliance is responsible for administering LPL's policies and procedures for investment advisory activities. The telephone number for the Advisory Compliance Department is 1-800-877-7210.

JOHN J. CANALLY, JR.**Educational Background and Business Experience**

John J. Canally, Jr. was born in 1964. He has a BA from Villanova University. He is Senior Vice President and Economist at LPL and joined the LPL Research Department in 2007. Prior to joining LPL, he was a Senior Investment Strategist at PNC Wealth Management.

Disciplinary Information

There are no legal or disciplinary events to disclose in response to this item.

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Other Business Activities

Mr. Canally is a registered representative of LPL, a registered broker-dealer and member of FINRA. Although Mr. Canally is a registered representative, 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

As an employee of LPL, Mr. Canally receives a regular salary and bonus.

Supervision

Mr. Canally reports up to Mr. White, the Chief Investment Officer of LPL. Any advice provided to clients by Mr. Canally is subject to LPL's policies and procedures and to any guidelines established for the applicable advisory program. The Chief Compliance Officer – Advisory Compliance is responsible for administering LPL's policies and procedures for investment advisory activities. The telephone number for the Advisory Compliance Department is 1-800-877-7210.

GENE FITZGERALD GOLDMAN

Educational Background and Business Experience

Gene Fitzgerald Goldman was born in 1970. He has an Engineering degree from Worcester Polytechnic Institute and an MBA from Northeastern University. He is Vice President and Market Strategist at LPL and joined LPL in 1996.

Disciplinary Information

There are no legal or disciplinary events to disclose in response to this item.

Other Business Activities

Mr. Goldman is a registered representative of LPL, a registered broker-dealer and member of FINRA. Although Mr. Goldman is a registered representative, 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

As an employee of LPL, Mr. Goldman receives a regular salary and bonus.

Supervision

Mr. Goldman reports up to Mr. White, the Chief Investment Officer of LPL. Any advice provided to clients by Mr. Goldman is subject to LPL's policies and procedures and to any guidelines established for the applicable advisory program. The Chief Compliance Officer – Advisory Compliance is responsible for administering LPL's policies and procedures for investment advisory activities. The telephone number for the Advisory Compliance Department is 1-800-877-7210.

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