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# Notice To Customer (NCL) Frequently Asked Questions



February 2, 2022

## General

### **Can you explain this letter/packet to me?**

This is a regulatory required notice provided prior to transfer and provides clients with the opportunity to opt out of an automated transfer process. Your credit union is still working with CUNA Brokerage Services, Inc. which is allied with LPL Financial to serve as broker/dealer for its securities business.

### **Why did I receive multiple packets?**

By securities regulation, CBSI is obligated to send a letter and required disclosures for each required account type. If you have different types of accounts, you may have received a separate packet for each.

### **I have multiple accounts with CBSI but didn't receive a packet for all of them. Why?**

Not every account type will receive a packet. In these cases, accounts will follow a separate process to transfer to LPL. Your financial professional can work with you on further details of these accounts.

### **What do I do with this packet I received from CUNA Brokerage Services?**

The packet includes required regulatory information and disclosures. We encourage you to read these materials to understand differences between CBSI and LPL. There is no action required unless you plan to opt out of the account transfer. By not responding to CUNA Brokerage Services, you are giving us your consent to move your account(s) to LPL Financial.

### **What action is needed from the credit union member/account owner?**

No action is necessary. By not responding to CUNA Brokerage Services, you are giving us your consent to move your account(s) to LPL Financial as the Broker/Dealer. In most cases your advisor will remain the same.

### **What happens if I don't want to move my accounts?**

You will be required to move your investment accounts to a new broker/dealer or liquidate your holdings and re-invest at another institution. In addition, your financial professional will no longer be able to act as your advisor if your accounts do not move to LPL.

### **Will my advisor change?**

Most members will continue to work with their current financial advisor. In some cases, your financial advisor will change. You will be notified if your advisor changes.

### **Did you go out of business and/or are you selling the business?**

No, the opposite, actually. We want to grow our investment and wealth management business to continue to deliver on the core financial needs of those we serve.

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### **Who is LPL Financial?**

LPL Financial provides enhanced tools and technology through their state-of-the-art broker-dealer and advisory platform. Our Alliance allows us to leverage the strength of their organization's innovative technology and automation to support us and the clients we serve.

### **Why should I want my accounts at LPL Financial?**

CUNA Mutual Group's strategic alliance with LPL Financial is unique in the industry. It enables credit unions' investment services programs and financial advisors to leverage combined strengths: The credit union expertise, strategic consulting, trust and support of CUNA Brokerage Services, Inc., in conjunction with LPL's enhanced tools and technology through their state-of-the-art broker-dealer and advisory platform.

### **Will my money be protected with LPL Financial?**

Yes. LPL has the same regulatory and protection requirements as CBSI. LPL is a Financial Industry Regulatory Authority (FINRA) member firm, subject to federal securities laws and the rules of industry self-regulatory organizations. LPL is also a member of the Securities Investor Protection Corporation (SIPC).

### **Will I have to sign a new agreement with LPL?**

In the majority of instances, a signed new account agreement will not be required. Once the accounts convert, you will be notified by your financial professional if you need to sign a new agreement or other paperwork, which can be done via electronic signature.

### **Who do I contact with questions?**

Contact your financial professional with any questions.

## **Account Information**

### **When will my account(s) transfer?**

Transfer of accounts and assets is scheduled for May 21, 2022. Effective Monday, May 23, 2022, the assets will be held at LPL. Please note you will be able to continue to conduct all of your business with your financial professional as usual during this entire timeframe.

### **Will my account value change?**

No, the value of your account will not change as a result of this transfer.

### **Are there any fees that I will pay during this transfer?**

No. Credit union members will not incur any additional fees associated with the transfer.

### **Does this change my investments?**

Your fundamental investment strategy and allocations will remain the same, for the most part. In some cases, LPL may have advanced investment options that your advisor can discuss with you.

### **Will my fees change?**

For existing advisory accounts moving to LPL, the overall advisory fee to the client will be the same as the current advisory fee. The Brokerage Fee Schedule was provided in the Notice to Customer packet you received and will apply to all brokerage accounts.

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### **Can I get a comparison of current and future fee structures?**

Yes, the LPL Brokerage Fee Schedule is included in the mailing packet you received. For existing advisory accounts moving to LPL, the client advisory fee will be the same as your current advisory fee.

### **Will my account statement change?**

Yes. For your brokerage account(s), you will receive 2 statements for the month of May, one from Pershing and another from LPL. Starting in June, you will only receive a monthly statement from LPL. You can work with your advisor to receive your statement electronically. There will be no change to your statements for accounts held direct.

### **What is online experience with LPL like?**

You will have access to Account View, a desktop and mobile app to provide access to your accounts. More information on this app will be shared with you closer to the conversion date.

### **If my accounts move, will there be tax implications?**

There should be no tax implications with the movement of accounts. Your account(s) will be transferred to comparable products at LPL. Please consult your tax professional if you have additional questions.

### **For brokerage accounts, is there anything I need to be aware of or prepare for my 2022 tax filing?**

You will receive one Form 1099 from Pershing for the 2022 tax year. Essentially there are no concerns for your 2022 tax season, apart from any contributions you may make in 2022 that apply to tax year 2022. (And you will receive that information from the broker/ dealer depending on whether the contribution was made before or after May 21, 2022.). For the 2022 tax year, you will receive two Form 1099s — one from Pershing and one from LPL. This will represent your participation with both entities.

## **Opt-Out Process**

### **What does it mean if I opt-out?**

If you opt-out, your account(s) will not transfer to LPL as your broker/dealer. Your brokerage accounts will stay with Pershing, and your held direct account(s) will remain at the product sponsor. Both will be serviced by their respective service centers instead of your advisor. You may also select to move your account(s) to an alternate broker/dealer.

### **How do I opt-out of the transfer?**

To opt-out, you must notify CBSI by phone or mail of your intent by April 25, 2022.

Contact CBSI by phone at 877.690.1001

Letters must be sent to the following address:

CUNA Brokerage Services, Inc.

Attn: Opt-out

2000 Heritage Way

Waverly, Iowa 50677

### **What if I do nothing?**

If you take no action, your accounts will automatically transition to LPL on May 21, 2022.

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**Do I need to opt-out of every account?**

All accounts that are associated with a social security number will be included in the opt-out process.

**Can I have some accounts transfer to LPL and opt-out of others?**

No, all accounts will either need to transfer or opt-out. You cannot pick and choose accounts to transfer.

**What if I miss the deadline but still want to opt-out?**

Your accounts will automatically transfer to LPL, and you will need to work with your advisor to move your account to a new broker/dealer. There is a charge (\$125) associated with changes made after the transition.

**What if I opt-out and then change my mind?**

You can reverse your opt-out election provided it's before the April 25, 2022 deadline. Contact CBSI by phone or mail and let us know about your change in decision.

**Where can I find my NCL reference number?**

The reference number can be found on the mailing label.

**Can I instruct my advisor to act on my behalf if I want to opt-out?**

No, your advisor cannot make this change on your behalf. You must contact CBSI by phone or mail to opt-out.