Notice to Customer (NCL) and Positive Consent (PCL) FAQs

Updated: February 15, 2022
This FAQ includes sections for Notice to Customer Letter, Opt-Out Process and Positive Consent Process

Notice to Customer (NCL) Letter

When will the NCL packets be mailed?
NCL packets will be mailed to members by March 1, 2022.

How many versions of the NCL are there?
There are 12 different versions of the Notice to Customer letter, which is not just a letter, but a packet that includes all enclosures, each specific to a required account type.
   1. Direct Business (only registered products, not fixed/indexed annuities or insurance)
   2. Brokerage Custodied IRA
   3. Brokerage Custodied Non-IRA
   4. Advisory FSP to Model Wealth Portfolios (MWP) IRA
   5. Advisory FSP to Model Wealth Portfolios (MWP) Non-IRA
   6. Advisory FSP to Manager Select (MS) IRA
   7. Advisory FSP to Manager Select (MS) Non-IRA
   8. Advisory GPP to Strategic Asset Management (SAM) IRA
   9. Advisory GPP to Strategic Asset Management (SAM) Non-IRA
   10. Advisory Terminating to Brokerage IRA
   11. Advisory Terminating to Brokerage Non-IRA
   12. TAMP Assetmark, Orion (FTJ) and Members Trust Company (MTC)

Can I see examples of the Notice to Customer letters?
Yes. NCL letters samples are available to view on the Notice to Customer page on Advisor Workspace.

What is included in the NCL packet?
The NCL packet will be in a bound booklet format and will include a cover letter describing how that account will transition to LPL. All applicable enclosures are also included. Please be aware that some versions of the NCL packet can be upward of 100 pages.

Why did my member receive multiple packets?
By securities regulations, CBSI is obligated to send a NCL and required enclosures (NCL packet) for each applicable account. Members with multiple accounts may receive multiple packets.

What happens if I open an account after the NCL packets are mailed?
Any new account opened starting February 14 will need a positive consent form signed by the member in order to transfer the account electronically.
**Why is the advisory NCL process a multi-step process?**
There are regulatory requirements for advisory accounts that require a reminder mailing to go out to all advisory accounts that received an NCL.

**What action do I need to take for accounts that didn’t receive an NCL?**
Members that did not receive an NCL have accounts that cannot be transferred to LPL using the negative consent process. These accounts will require additional advisor action after the conversion date to transfer the account(s). Your LPL Consultant will provide you with more details in the weeks leading up to the conversion date.

**When can I see my new account and/or account changes in the Negative/Positive Consent Tracker Tool?**
Please allow a minimum of 3 days to see any changes or processing to the tracker tool.

**Opt-Out Process**

**What does it mean if a member opts-out?**
If a member chooses not to want to work with LPL and/or their current Credit Union/Advisor, they can opt-out. To opt-out means that the member’s account(s) won’t move to LPL. The account(s) will be considered abandoned, and they will no longer be associated with a broker/dealer.

**Is any action required by the member?**
Members are encouraged to read the materials to understand differences between CBSI and LPL and how their account will transition. No action is required from the member unless they plan to opt-out of the transfer process. In that case, they must contact CBSI with their decision via phone or letter.

**What do members need to do to opt-out?**
Members can opt-out by:

1. **Contacting CBSI by phone at 877.690.1001**
   CBSI will verify the SSN/Tax ID associated with the accounts they wish to opt-out.

2. **Notifying CBSI by mail**
   Members should send a letter to CBSI noting their name, NCL reference number, phone number, and a statement with their decision to opt-out of the transfer process.

   Letters must be sent to the following address:
   CUNA Brokerage Services, Inc.
   Attn: Opt-out
   2000 Heritage Way
   Waverly, Iowa 50677

**What is the deadline for members to opt-out?**
Members have until April 25, 2022, to review the NCL materials and opt-out of the transfer process.

**My member opted-out. What will happen to that member’s accounts?**
Member accounts that do not transition will no longer be affiliated with CBSI as their broker/dealer and will be deemed as abandoned. The member will need to work with Pershing (brokerage/advisory accounts) or the fund company/product sponsor for service and to discuss their options. Members will be required to move their investment accounts to a new broker/dealer or liquidate their holdings and re-invest at another institution. In addition, you will no longer be able to act as an advisor to accounts that do not move to LPL.

Do I need to take any action for members that have chosen to opt-out?
While no action is needed, we do recommend that advisors contact their members that have opted-out to confirm that they are aware of the outcome of the decision. Advisors are encouraged to review the Negative/Positive Consent Tracker frequently to determine if they would like to follow up with any members who have opted out.

Can I opt-out on behalf of my client?
No. Advisors cannot pass along member instructions to opt-out. Members will need to contact CBSI by phone or mail with their opt-out instructions.

Will I be able to see which members have opted out?
Yes. A Negative/Positive Consent Tracker tool is in development and will be available in mid-February. This tracker will allow advisors to check the status of the NCL, PCL, and opt-out for their accounts. More details on the tracker will be shared as we get close to its launch.

Can my member choose to opt-out of the transfer for only 1 of their accounts?
No. If a member opts-out, all accounts that are associated with their SSN/Tax ID will be included in the opt-out process. Members cannot select some accounts to stay with CBSI and have others move to LPL.

What if the member opts-out in error or changes their mind?
If a member opts-out in error or changes their mind, they can reverse the decision if it’s before the April 25 deadline. Members must contact CBSI by phone or mail with their change in decision.

What if the member misses the opt-out deadline?
After the April 25 deadline, the member’s account(s) will transfer to LPL and the member will need to transfer the funds to a new broker/dealer.

How will returned mail be managed through the opt-out process?
Any NCL packets that are returned/non-deliverable will default to an opt-out status. Advisors can find these accounts in the Negative/Positive Consent Tracker on Advisory Workspace. If a positive consent form is signed by the member by April 29, the account will be able to transfer electronically to LPL.

Where can members find FAQs on the opt-out process?
Mid-February, a list of member-facing FAQs will be posted at https://www.cbsinvestorconnection.com/Accounts. This website was shared with members in the NCL letter.

Who should members contact with questions on the opt-out process?
Members should work directly with their advisor for any questions related to NCL and opt-out process.

Who do advisors contact for questions about the opt-out process?
Contact the Help Rep Desk at 888-435-7737 (HELP REP).
Positive Consent Process

Why do we need positive consent for new accounts?
Accounts opened starting Feb. 14 will not have received the NCL packet with an option to opt-out of the transfer. As such, members will need to provide us with consent to move their account(s) to LPL.

Is the Positive Consent process standard practice for a conversion?
No. Normally, beginning on the date of the name pull for the NCL (in our case, Feb. 14), any account opened would need to be repapered at the new B/D. Due to our Alliance with LPL, we have partnered to build a process that allows accounts opened from Feb. 14 – April 29th to be included in the electronic transfer of assets.

What is included in the PCL packet?
The packet will include the PCL form itself that gets signed by the member and all applicable enclosures.

Will the positive consent form be included as part of the account opening?
No. Advisors will need to get the required form from the Forms Library and complete it separate from the account opening materials. Advisors may choose to complete this form with the account opening paperwork or at a later date. Positive consent forms need to be received at CBSI by April 29, 2022.

How many positive consent forms are there?
There are 4 versions of the PCL, each form corresponding to specific account types, including:
1. Brokerage and Fund Direct
2. TAMP (Assetmark, Orion (FTJ) and Members Trust Company (MTC))
3. Advisory Manager Select (MS)
4. Advisory Model Wealth Portfolios (MWP)

How do I know which positive consent letter to use for managed accounts on the StrategicPortfolios platform?
There are 2 positive consent letters available to use and the model chosen will determine which option to use. Below is a breakdown of models for each option.
- **Packet 3 – Advisory Manager Select (MS)**
  - Fidelity, Horizon, Madison Tax Sensitive, Members Trust and Northern Trust
- **Packet 4 – Model Wealth Portfolios (MWP)**
  - American Funds, Blackrock, JP Morgan, Madison, Morningstar, PIMCO, Russell and Vanguard

See the Positive Consent Selection Tool for additional information on choosing the proper PCL.

What if I wish to open an advisory account on the StrategicPortfolios platform that is not covered by one of the positive consent packets?
Due to the complexity of managing different versions, we do not have a positive consent packet for Guided Portfolios or Advisor Portfolios. In order to avoid confusion, we will be turning off access to these programs on Feb 14th. If you have a unique circumstance or situation, please reach out to Anna Dunlap and she can discuss options with you.

Where can I find the positive consent forms?
As of February 14, PCL forms are available in the Forms Library under the DocuSign tab and under the Brokerage tab, with the names PCL 1, PCL 2, etc.

**When does the positive consent process start?**
Any account opened starting February 14, 2022, needs a signed Positive Consent Letter (PCL) to have the account electronically transferred to LPL.

**What is the deadline for positive consent?**
PCL forms must be received at CBSI by the end of business on April 29, 2022.

**How do I handle new accounts after the positive consent deadline?**
After April 29, new accounts can be opened. However, the account will not move electronically and will require new LPL account opening and transfer paperwork to move the funds to LPL after the conversion.

**Why the cutoff of April 29th for the PCL? I want to open accounts right up to the transition date.**
Beginning on Monday, May 2nd, files begin the transition process to LPL. We need to accurately identify all accounts eligible to transition electronically at that time. You may continue to open all account types, with the exception of on platform advisory, up to the transition, however, they will need to be fully repapered (new account app and ACAT) to move the account.

**What products do not need a PCL?**
Any annuity or insurance product that does not have a prospectus will not require a PCL. Also, any Brokerage accounts that are being used for the sole purpose of opening a Subscribe Order do not require a PCL. All of these account types were also excluded from the NCL mailing. You can reference the NCL/PCL Tracker Tool to see if the account requires a PCL. This information may take 3 business days or more after account opening to be visible in the tool.

**Can I submit a positive consent form to transfer accounts if the NCL was returned mail?**
Yes. Account packets that were returned by mail can use a positive consent form to move the account electronically. The signed PCL must be received at CBSI by April 29, 2022.

**Can I use eSignature with the member to sign the PCL?**
Yes. It is encouraged that all PCL forms are signed using DocuSign through the Forms Library DocuSign tab. This process will be the same as the other forms out there today and will automatically send a copy of the signed forms to CBSI.

**Can I print out the PCL and have the member wet sign the forms?**
Yes, but this method is not encouraged due to the size of the PCL packets. However, if the form is manually signed, please fax/upload ONLY the signed form to CBSI and send all enclosures with the member.

**Can I send the 100+ pages attached in an email and then have them wet sign the form?**
No. When wet signing the disclosure document it must be provided in its entirety in paper to the client. It is not allowed by FINRA to deliver the disclosures electronically, since there is no way to validate the document was ever delivered and retrieved by the member. The only way to deliver electronically is for the member to sign using DocuSign.