



Frequently Asked Questions Regarding Notification of Material Change to Form ADV

Thank you for reaching out and requesting additional information about the notification you received from Cambridge Investment Research Advisors, Inc. (Cambridge). Due to the ongoing litigation, Cambridge has instructed me not to comment further, however, they have provided some answers to potential questions below.

- 1) Why did Cambridge send me a notification?
When the Securities and Exchange Commission (“SEC”) files a litigation against a Registered Investment Advisor such as Cambridge, the Registered Investment Advisor is obligated to inform all clients of this action and update their Form ADV to reflect the updated information.
- 2) Where can I find more information about the litigation?
The information about the complaint is located at:
<https://www.sec.gov/litigation/litreleases/2022/lr25340.htm>.
- 3) What is Cambridge’s response to the allegations?
Cambridge denies the SEC’s allegations and believes they are without merit. Cambridge believes it properly disclosed to clients the material conflicts of interest and other practices in accordance with industry standards. Cambridge is among several firms that are either litigating or have settled with the SEC over similar issues. Cambridge has and continues to maintain robust compliance systems and a conflicts committee that continually reviews and updates its disclosures and business practices based on regulatory and legal guidance.
- 4) Did Cambridge improperly take client funds or securities?
No, the SEC is not alleging that any money was taken or misappropriated. Cambridge offers investment management services to clients through independent financial professionals who utilize Cambridge’s systems, technology and resources. Cambridge maintains relationships with large national firms that maintain custody of client accounts and assets. The SEC alleges that Cambridge did not properly disclose that it receives revenue in connection with providing certain services or that receipt of this revenue gives rise to potential conflicts. Your financial professional appreciates the freedom and independence to assist you on your financial journey as they deem is best for you. Cambridge’s business practices are consistent with other firms.
- 5) Is my financial professional named in the litigation?
No, this litigation was filed against the firm and does not name any financial professionals.

- 6) How will I know when the litigation has been resolved?
Cambridge will send an updated notification once the litigation has reached a resolution on this case.

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