TD AMERITRADE HOLDING CORP
Form DEF 14A
January 06, 2009

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a)
of the Securities Exchange Act of 1934

Filed by the Registrant þ
Filed by a Party other than the Registrant o
Check the appropriate box:

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þ Definitive Proxy Statement

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TD AMERITRADE Holding Corporation
(Name of Registrant as Specified in its Charter)
(Name of Person(s) Filing Proxy Statement if other than Registrant)

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NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

February 18, 2009

The Annual Meeting of Stockholders of TD AMERITRADE Holding Corporation (the Company) will be held at the Hilton Omaha, 1001 Cass Street in Omaha, Nebraska on Wednesday, February 18, 2009, at 10:30 a.m., Central Standard Time, for the following purposes:

1) To elect five directors to the board of directors;

2) To ratify the appointment of Ernst & Young LLP as the Company s independent registered public accounting firm for the fiscal year ending September 30, 2009; and

3) To transact such other business as may properly come before the meeting or any postponement or adjournment thereof.

Only stockholders of record at the close of business on December 22, 2008 will be entitled to notice of and to vote at the meeting.

We have elected to adopt the new U.S. Securities and Exchange Commission rule that allows companies to furnish their proxy materials over the Internet. As a result, we are mailing a Notice of Internet Availability of Proxy Materials (the Internet Availability Notice) to most of our stockholders instead of a paper copy of this proxy statement and our 2008 Annual Report. The Internet Availability Notice contains instructions on how to access and review those documents over the Internet. We believe that this new process will allow us to provide our stockholders with the information they need in a more timely manner, while reducing the environmental impact and lowering the costs of printing and distributing our proxy materials. If you received an Internet Availability Notice by mail and would like to receive a printed copy of our proxy materials, you should follow the instructions for requesting such materials included in the Internet Availability Notice.

Your vote is very important. Whether or not you plan to attend the Annual Meeting, please complete and return your proxy card or vote by telephone or via the Internet by following the instructions on your Internet Availability Notice. Returning a proxy card or otherwise submitting your proxy does not deprive you of your right to attend the Annual Meeting and vote in person. Proxies are being solicited on behalf of the board of directors.

By Order of the Board of Directors

Ellen L.S. Koplow, Secretary

Omaha, Nebraska
January 6, 2009

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TD AMERITRADE Holding Corporation
4211 South 102nd Street
Omaha, Nebraska 68127

PROXY STATEMENT
for
ANNUAL MEETING OF STOCKHOLDERS

This Proxy Statement is furnished in connection with the solicitation of proxies to be voted at the 2009 Annual Meeting of Stockholders of TD AMERITRADE Holding Corporation (the Company). The 2009 Annual Meeting will be held on Wednesday, February 18, 2009 at 10:30 a.m., Central Standard Time, at the Hilton Omaha, 1001 Cass Street in Omaha, Nebraska. This Proxy Statement and the accompanying proxy card are first being sent to stockholders on or about January 8, 2009.

GENERAL INFORMATION ABOUT THE MEETING

Quorum and Voting Requirements

The Company has one class of common stock. Each share of common stock is entitled to one vote upon each matter to be voted on at the Annual Meeting. Stockholders do not have the right to cumulate votes in the election of directors. Only stockholders of record at the close of business on December 22, 2008 (the Record Date) will be entitled to vote at the Annual Meeting. As of the Record Date, there were 590,507,104 shares of common stock issued and outstanding.

All shares of the Company s common stock represented by properly executed and unrevoked proxies will be voted by the persons named as proxies in accordance with the directions given. Where no instructions are indicated, properly executed proxies will be voted FOR the proposals set forth in this Proxy Statement for consideration at the Annual Meeting. The directors expect that shares of the common stock held by executive officers and directors of the Company will be voted FOR such proposals. Such shares represent approximately 16% of the common stock outstanding as of the Record Date. At this time, we are unaware of any matters, other than described above in the Notice of Annual Meeting of Stockholders, that may properly come before the Annual Meeting. If any other matters properly come before the Annual Meeting, the persons named as proxies will vote in accordance with their judgment with respect to such matters.

The accompanying proxy is solicited from the holders of the Company s common stock on behalf of the board of directors of the Company. A proxy is revocable at any time by giving written notice of revocation to the secretary of the Company prior to the Annual Meeting or by executing and delivering a later-dated proxy via the Internet, telephone or mail prior to the Annual Meeting. Furthermore, the stockholders who are present at the Annual Meeting may revoke their proxies and vote in person.

A quorum consisting of at least a majority of shares of common stock issued and outstanding must be present at the meeting for any business to be conducted. Shares of common stock entitled to vote and represented by properly executed, returned and unrevoked proxies, including shares with respect to which votes are withheld, abstentions are cast or shares that are broker non-votes, will be considered present at the Annual Meeting for purposes of determining a quorum. Broker non-votes are shares held by brokers or nominees for which voting instructions have not been received from the beneficial owners or the persons entitled to vote those shares and for which the broker or nominee does not have discretionary voting power under rules applicable to broker-dealers.

Voting Electronically

In order to vote online or via telephone, go to the **www.ProxyVote.com** Web site or call the toll-free number on the proxy card or Internet Availability Notice and follow the instructions. If you choose not to vote by telephone or electronically, please complete and return the proxy card in the pre-addressed, postage-paid envelope provided.

If you received an Internet Availability Notice by mail and would like to receive a printed copy of our proxy materials, you should follow the instructions for requesting such materials included in the Internet Availability

Notice. If you would like to receive future stockholder materials electronically, please enroll at **www.investordelivery.com**. Please have the proxy card you received available when accessing the site.

PROPOSAL NO. 1

ELECTION OF DIRECTORS

Board of Directors

The Company s certificate of incorporation divides the Company s board of directors into three classes, with four directors per class and with each class being elected to a staggered three-year term. J. Joe Ricketts, the Company s founder, certain members of his family and trusts established for their benefit (collectively, the Ricketts holders) owned approximately 22% of our common stock as of the Record Date. The Toronto-Dominion Bank, a Canadian chartered bank (TD), owned approximately 40% of our common stock as of the Record Date. In connection with the Company s acquisition of TD Waterhouse Group, Inc. (TD Waterhouse), the Ricketts holders, TD and the Company entered into a stockholders agreement (the Stockholders Agreement) effective June 22, 2005. Under the Stockholders Agreement, the Company s board of directors consists of twelve members, five of whom may be designated by TD, three of whom may be designated by the Ricketts holders, one of whom is the chief executive officer of the Company, and three of whom are outside independent directors who are nominated by the Outside Independent Directors Committee and then approved by TD and the Ricketts holders. The right of each of TD and the Ricketts holders to designate directors is subject to their maintenance of specified ownership thresholds of Company common stock, as set forth in the Stockholders Agreement. In connection with the election of Joseph H. Moglia as chairman of our board of directors and Fredric J. Tomczyk as our chief executive officer, effective October 1, 2008, TD waived its right to designate one of its directors so long as Mr. Moglia serves as chairman of the board. Because TD and the Ricketts holders collectively own more than 50% of the voting power of the outstanding common stock of the Company, the Company qualifies as a controlled company for purposes of Nasdaq Rule 4350(c) and therefore is exempt from specified director independence requirements of The Nasdaq Stock Market.

The board of directors has nominated the following persons as directors to be voted upon at the 2009 Annual Meeting: W. Edmund Clark, Mark L. Mitchell, Thomas S. Ricketts and Fredric J. Tomczyk, as Class I directors to serve terms ending at the 2012 Annual Meeting and Joseph H. Moglia, who was previously a Class I director, as a Class III director to serve a term ending at the 2011 Annual Meeting. Mr. Clark is a designee of TD, Mr. Mitchell is an outside independent director, Mr. Thomas S. Ricketts is a designee of the Ricketts holders, Mr. Tomczyk is the chief executive officer of the Company and Mr. Moglia is the chairman of the Company s board of directors.

Marshall A. Cohen, William H. Hatanaka, J. Peter Ricketts and Allan R. Tessler are Class II directors serving terms ending at the 2010 Annual Meeting. J. Joe Ricketts, Dan W. Cook III and Wilbur J. Prezzano are Class III directors serving terms ending at the 2011 Annual Meeting. The board of directors has determined that Messrs. Cohen, Cook, Mitchell, Prezzano, and Tessler are independent as defined in Nasdaq Rule 4200.

This Proxy Statement relates only to the solicitation of proxies from the stockholders with respect to the election of four Class I directors and one Class III director and ratification of the appointment of the Company s independent registered public accounting firm. The board of directors knows of no reason why any of Messrs. Clark, Mitchell, Moglia, Thomas S. Ricketts and Tomczyk might be unavailable to serve as directors, and each has expressed an intention to serve if elected. If any of Messrs. Clark, Mitchell, Moglia, Thomas S. Ricketts and Tomczyk is unable to serve, the shares represented by all valid proxies will be voted for the election of such substitute nominee as the board of directors may recommend. With the exception of the Stockholders Agreement (including the waiver of TD described above), there are no arrangements or understandings between any of the persons nominated to be a Class I or Class III director and any other person pursuant to which any of such nominees was selected.

The election of a director requires the affirmative vote of a plurality of the shares of common stock present in person or represented by proxy at the meeting and entitled to vote, provided a quorum of at least a majority of the outstanding shares of common stock is represented at the meeting. Shares of common stock held by stockholders electing to abstain from voting and broker non-votes will be counted towards the presence of a quorum but will not be considered present and voting. Therefore, abstentions and broker non-votes will have no impact on the election of directors apart from being counted as present for quorum purposes. Proxies submitted pursuant to this solicitation will be voted FOR the election of each of Messrs. Clark, Mitchell, Thomas S. Ricketts and Tomczyk as Class I directors and Mr. Moglia as a Class III director, unless specified otherwise.

THE BOARD OF DIRECTORS RECOMMENDS THAT STOCKHOLDERS VOTE **FOR** THE ELECTION OF W. EDMUND CLARK, MARK L. MITCHELL, THOMAS S. RICKETTS AND FREDRIC J. TOMCZYK AS CLASS I DIRECTORS AND JOSEPH H. MOGLIA AS A CLASS III DIRECTOR.

The tables below set forth certain information regarding the directors of the Company.

Nominees to Board of Directors

Name	**Age**	**Principal Occupation**	**Director Since**	**Class and Year in Which Term Expires**
W. Edmund Clark	61	President and Chief Executive Officer, TD Bank Financial Group; Vice Chairman of the Company	2006	Class I 2012
Mark L. Mitchell	48	Principal, CNH Partners, LLC	1996 *	Class I 2012
Joseph H. Moglia	59	Chairman of the Company	2006	Class III 2011
Thomas S. Ricketts	43	Chairman and Chief Executive Officer, Incapital LLC	2002	Class I 2012
Fredric J. Tomczyk	53	President and Chief Executive Officer of the Company	2008	Class I 2012

* Mr. Mitchell previously served on the Company s board of directors from December 1996 to January 2006 and was reelected in November 2006.

Mr. Tomczyk previously served on the Company s board of directors from January 2006 to June 2007 and was reelected in October 2008 when he became the chief executive officer of the Company.

W. Edmund Clark is president and chief executive officer of TD Bank Financial Group. Mr. Clark has served in this position since December 2002. From July 2000 until his current appointment, Mr. Clark served as president and chief operating officer of TD Bank Financial Group. Prior to joining TD, Mr. Clark was president and chief executive officer of Canada Trust Financial Services. Mr. Clark is a director of The Toronto-Dominion Bank, TD Banknorth, Inc. and TD Banknorth, N.A. Mr. Clark graduated from the University of Toronto with a Bachelor of Arts degree. He earned his Master s degree and Doctorate in Economics from Harvard University.

Mark L. Mitchell served as a director of the Company from December 1996 until January 2006 and served as a member of the Company s board of advisors in 1993. He was reelected as a director in November 2006. Mr. Mitchell is a principal at CNH Partners, LLC, an investment management firm, which he co-founded in 2001. He was a finance professor at Harvard University from 1999 to 2003 and was a finance professor at the University of Chicago from 1990 to 1999. Mr. Mitchell was a senior financial economist for the Securities and Exchange Commission from 1987 to 1990. He was a member of the Nasdaq quality of markets committee from 2003 to 2005. He was a member of the economic advisory board of NASD from 1995 to 1998. Mr. Mitchell received a Ph.D. in Applied Economics and an M.A. in Economics from Clemson University and received a B.B.A. (summa cum laude) in Economics from the University of Louisiana at Monroe.

Joseph H. Moglia was elected chairman of the Company s board of directors effective October 1, 2008. From March 2001 through September 2008 he served as the Company s chief executive officer. Mr. Moglia joined the Company from Merrill Lynch, where he served as senior vice president and head of the investment performance and product group for Merrill s private client division. He oversaw all investment products, as well as the firm s insurance and 401(k) businesses. Mr. Moglia joined Merrill Lynch in 1984 and, by 1988, was the company s top institutional sales person. In 1992 he became head of global fixed income institutional sales and in 1995 ran the firm s municipal division before moving to its private client division in 1997. Prior to entering the financial services industry, Mr. Moglia was the defensive coordinator for Dartmouth College s football team. He coached various teams for 16 years, authored a book on football and wrote 11 articles that were published in national coaching journals. Mr. Moglia serves on the boards of directors of AXA Financial, Inc. and of its subsidiaries, The Equitable Life Assurance Society of the U.S, MONY Life Insurance Company and MONY Life Insurance Company of America. Mr. Moglia also serves on the board of trustees of STRATCOM Consultation Committee and is a director for Creighton University and for the National Italian American Foundation. Mr. Moglia received an M.S. in Economics from the University of Delaware and a B.A. in Economics from Fordham University.

Thomas S. Ricketts is the chairman and chief executive officer of Incapital LLC, a company he co-founded in 1999. Incapital is a technologically-oriented investment bank focused exclusively on the underwriting and distribution of fixed income products to individual investors. Incapital underwrites for several major U.S. corporations through its InterNotesSM product platform. From 1996 to 1999, Mr. Ricketts was a vice president and an investment banker for the brokerage division of ABN AMRO. From 1995 to 1996, he was a vice president at Mesirow Financial. From 1988 to 1994, Mr. Ricketts was a market maker on the Chicago Board Options Exchange. Mr. Ricketts holds an M.B.A. and a B.A. from the University of Chicago. Thomas S. Ricketts is the son of J. Joe Ricketts and the brother of J. Peter Ricketts, each of whom serves as a director of the Company.

Fredric J. Tomczyk is president and chief executive officer of the Company. Mr. Tomczyk has served in this position since October 2008. From July 2007 until his current appointment, he served as the Company s chief operating officer and was responsible for all operations, technology, retail sales functions and the registered investment advisor channel. He served on the Company s board of directors from January 2006 until June 2007. From May 2002 until joining the Company, he served as the vice chair of corporate operations for TD Bank Financial Group. From March 2001 until May 2002, Mr. Tomczyk served as executive vice president of retail distribution for TD Canada Trust and from September 2000 until March 2001 served as executive vice president and later as president and chief executive officer of wealth management for TD Canada Trust. Prior to joining TD Canada Trust, he was president and chief executive officer of London Life. Mr. Tomczyk serves on Cornell University s undergraduate business program advisory council. Mr. Tomczyk graduated from Cornell University with a Bachelor of Science, Applied Economics & Business Management. He subsequently obtained his Chartered Accountant designation. In 2006, he was elected as a Fellow of the Institute of Chartered Accountants of Ontario.

Directors Not Standing For Election

Name	**Age**	**Principal Occupation**	**Director Since**	**Class and Year in Which Term Expires**
J. Joe Ricketts	67	Founder of the Company	1981	Class III 2011
Marshall A. Cohen	73	Counsel, Cassels Brock & Blackwell LLP	2006	Class II 2010
Dan W. Cook III	73	Senior Advisor, MHT Partners, L.P.	2005	Class III 2011
William H. Hatanaka	54	Chairman and Chief Executive Officer of TD Waterhouse Canada, Inc.	2006	Class II 2010
Wilbur J. Prezzano	68	Director, The Toronto-Dominion Bank	2006	

				Class III 2011
J. Peter Ricketts	44	Founder of Drakon LLC	2007	Class II 2010
Allan R. Tessler	72	Chairman and Chief Executive Officer of International Financial Group, Inc.	2006	Class II 2010

Mr. J. Peter Ricketts previously served on the Company s board of directors from October 1999 to May 2006 and was reelected in October 2007.

J. Joe Ricketts served as chairman of the Company s board of directors until September 2008. He also held the position of chief executive officer from 1981 through February 2001, except for the period from March 1999 to May 2000, during which he was co-chief executive officer, and the period from May 2000 to August 2000, during which he did not hold the position of chief executive officer. In 1975, Mr. Ricketts became associated with the Company and began serving as a director and officer. By 1981, he acquired majority control of the Company. Prior to 1975, Mr. Ricketts was a registered representative with a national brokerage firm, an investment advisor with Ricketts & Co. and a branch manager with The Dun & Bradstreet Corporation, a financial information firm. Mr. Ricketts is a former director of Securities Industry Association (SIA). He served as a member of the district committee for District 4 of the NASD from 1996 to 1999. Mr. Ricketts serves on the board of directors of the American Enterprise Institute. Mr. Ricketts received a B.A. in Economics from Creighton University. Mr. Ricketts is the father of J. Peter Ricketts and Thomas S. Ricketts, each of whom serves as a director of the Company.

Marshall A. Cohen is counsel to Cassels Brock & Blackwell LLP, a law firm based in Toronto, Canada, which he joined in 1996. Prior to joining that firm, Mr. Cohen served as president and chief executive officer of The Molson Companies Limited from 1988 to 1996. Mr. Cohen is a director of Barrick Gold Corporation and TriMas Corporation. He also serves as chair of the board of governors of York University. Mr. Cohen holds a Bachelors degree from the University of Toronto, a law degree from Osgoode Hall Law School and a Masters Degree in Law from York University.

Dan W. Cook III has been a senior advisor to MHT Partners, L.P., an investment banking firm, since 2001. Mr. Cook is a retired partner of Goldman Sachs & Co., a leading global investment banking firm. Mr. Cook was a general partner with Goldman Sachs from 1977 to 1992 and served as a senior director from 1992 to 2000. He serves on the executive board of the Edwin L. Cox School of Business at Southern Methodist University. Mr. Cook also serves as trustee or director of several charitable organizations. Mr. Cook received an M.B.A. from Harvard Business School and a B.A. from Stanford University.

William H. Hatanaka is chairman and chief executive officer of TD Waterhouse Canada, Inc. and group head, wealth management for TD Bank Financial Group. He has over 29 years experience in the financial services industry. Prior to joining TD in 2003, Mr. Hatanaka was a senior executive of the wealth management arm of the Royal Bank of Canada from 1996 to 2001, most recently serving as chief operating officer. He has also held senior executive positions at brokerage firms RBC Dominion Securities, Richardson Greenshields Ltd. and Midland Walwyn Capital. Prior to his career in the financial services industry, Mr. Hatanaka played professional football in the Canadian Football League and was a member of the 1976 Ottawa Rough Riders Grey Cup Championship team. Mr. Hatanaka is the former chairman of the board for the Investment Industry Association of Canada and is a member of the board of directors for the York University Foundation, currently co-chairing the University Capital Campaign. He is also chairman of the diversity leadership council for TD Bank Financial Group. He holds a B.A. with Honours in Sociology and Economics from York University and has completed the Advanced Management Program at the Harvard Business School.

Wilbur J. Prezzano was employed with Eastman Kodak Company for over 30 years and served in various positions during that time, including as vice chairman of Eastman Kodak Company and chairman and president of Kodak s greater China region, the positions that he held at the time of his retirement in 1996. Mr. Prezzano received a Bachelor s degree and Masters in Business Administration from the University of Pennsylvania. Mr. Prezzano serves as a director of The Toronto-Dominion Bank, EnPro Industries, Inc., Lance, Inc. and Roper Industries, Inc.

J. Peter Ricketts is the founder of Drakon, LLC, an asset management company in Omaha, Nebraska. Mr. Ricketts previously served as a director of the Company from October 1999 to May 2006 before he resigned to campaign for election to the United States Senate for the State of Nebraska. From 1993 to 2005, Mr. Ricketts served in various leadership positions with the Company, including executive vice president and chief operating officer, corporate secretary, president of the private client division, senior vice president of strategy and business development, senior vice president of product development and senior vice president of marketing. Mr. Ricketts is the chairman of the Omaha board of Children s Scholarship Fund. He is also a director and president of the Platte Institute for Economic Research, Inc. and an advisory board member for the Alumni Capital Network, a private equity firm based in New York. He serves on the global advisory board for the University of Chicago Graduate School of Business and as a member of the board of trustees for the American Enterprise Institute. Mr. Ricketts received an M.B.A. in marketing and finance and a B.A. in biology from the University of Chicago. J. Peter Ricketts is the son of J. Joe Ricketts and the brother of Thomas S. Ricketts, each of whom serves as a director of the Company.

Allan R. Tessler has been chairman of the board and chief executive officer of International Financial Group, Inc., an international merchant banking firm, since 1987. He is also chairman of the board of Epoch Investment Partners, Inc., formerly J Net Enterprises. He has previously served as chief executive officer of J Net Enterprises, co-chief executive officer of Data Broadcasting Corporation, now known as Interactive Data Corporation, chairman of Enhance Financial Services Group, Inc. and chairman and principal shareholder of Great Dane Holdings. Mr. Tessler is the lead director and chair of the finance committee of Limited Brands, Inc. Mr. Tessler also serves as a director of EnerCrest. He serves as chairman of the board of trustees of the Hudson Institute and is a member of the board of governors of the Boys & Girls Clubs of America. Mr. Tessler holds a B.A. from Cornell University and a L.L.B. from Cornell University Law School.

Executive Officers

The Company s executive officers are as follows:

Name	**Age**	**Position**
Joseph H. Moglia	59	Chairman
Fredric J. Tomczyk	53	President and Chief Executive Officer
Michael D. Chochon	40	Managing Director of Finance, Treasurer
Laurine M. Garrity	47	Senior Vice President, Chief Marketing Officer
William J. Gerber	50	Executive Vice President, Chief Financial Officer
David M. Kelley	48	Executive Vice President, Chief Operating Officer
Ellen L.S. Koplow	49	Executive Vice President, General Counsel and Secretary

See Nominees to the Board of Directors for information regarding the business experience of Joseph H. Moglia and Fredric J. Tomczyk.

Michael D. Chochon has served as our managing director of finance since October 2006 and treasurer since November 2005. He is responsible for treasury, strategic sourcing and procurement, financial systems and corporate risk as well as external banking and rating agency relations for the Company. Mr. Chochon served as assistant treasurer upon joining the Company in 2003 until his appointment as treasurer. He has 18 years experience in treasury, tax and accounting, including nine years in the financial services industry. From 1999 until joining the Company, he worked in the treasury department and served as division chief financial officer for E*Trade Group. Mr. Chochon also served in corporate tax and treasury positions at Ernst & Young, Oracle Corporation and Iomega. He graduated from the University of Nebraska-Lincoln with a B.B.A. in Accounting.

Laurine M. Garrity was appointed chief marketing officer in December 2005. In this role, she oversees the Company s marketing strategy including television, print and online advertising, brand management, client marketing and database management and acquisition. Previously, Ms. Garrity led the Company s marketing program development group. Ms. Garrity has over 23 years of marketing experience, including 16 years in the financial services industry. Ms. Garrity served as executive vice president in the marketing division of the Dreyfus Corporation in New York from 2002 until joining the Company, senior vice president and director of marketing at Founders Asset Management LLC in Denver from 1995 through 2001 and as a marketing manager with INVESCO Funds Group in Denver. Prior to entering the financial services industry, she held media planning and account management positions at leading advertising agencies in Denver and New York. Ms. Garrity is a graduate of Barnard College, Columbia University in

New York.

William J. Gerber was appointed chief financial officer in October 2006. In this role, he oversees investor relations, finance and treasury operations, including accounting, business planning and forecasting, external and internal reporting, tax, procurement and risk management. He also oversees business development and corporate communications. From March 2000 until October 2006, he served as the Company s managing director of finance, during which time he played a major role in evaluating merger and acquisition opportunities for the Company, including TD Waterhouse, Datek and NDB. Prior to joining the Company, he served as vice president of Acceptance Insurance Companies, Inc., where he was responsible for all aspects of mergers and acquisitions, investment banking activity, banking relationships, investor communications and portfolio management. Prior to joining Acceptance, Mr. Gerber spent eight years with Coopers & Lybrand, now known as PricewaterhouseCoopers, serving as an audit manager primarily focusing on public company clients. Mr. Gerber holds a B.B.A. in Accounting from the University of Michigan.

David M. Kelley was appointed chief operating officer effective October 1, 2008. In this role, he oversees all operations, technology and strategic project management initiatives, including back-office support for the Company s retail client service, institutional and clearing business units. From October 2007 until his current appointment, he served as the Company s chief information officer. Mr. Kelley joined the Company in June 2006 as senior vice president of the retail investor group. From January 2005 to June 2006, Mr. Kelley was an executive consultant. Prior to January 2005, Mr. Kelley spent 19 years at Merrill Lynch, serving in a number of senior executive positions of increasing responsibility in finance and technology, most recently as chief technology officer, corporate divisions from July 2002 to January 2005. Mr. Kelley received his M.B.A. from Rider University, where he also received his B.S. in Commerce. Mr. Kelley is also a CPA in the State of New Jersey.

Ellen L.S. Koplow has served as general counsel since June 2001 and was named secretary in November 2005. She manages the Company s legal and compliance departments and administers corporate audit. She joined the Company in May 1999 as deputy general counsel and was named acting general counsel in November 2000. Prior to joining the Company, Ms. Koplow was managing principal of the Columbia, Maryland office of Miles & Stockbridge P.C. Ms. Koplow graduated cum laude from the University of Baltimore Law School in 1983 where she was a member of the Heuisler Honor Society, a Scribes Award winner and a Comments Editor for the Law Review. Ms. Koplow also holds a B.A. in Government and Politics from the University of Maryland.

Board Meetings and Committees

The board of directors conducts its business through meetings of the board, actions taken by written consent in lieu of meetings and by the actions of its committees. During the fiscal year ended September 30, 2008, the board of directors held 10 meetings. During fiscal year 2008, each director attended at least 75% of the aggregate number of meetings of the board of directors and meetings of the committees of the board of directors on which he served. Although the Company does not have a formal policy regarding director attendance at our Annual Meeting of Stockholders, we encourage directors to attend. Eleven of the 12 directors attended the 2008 Annual Meeting of Stockholders.

The board of directors has established six standing committees: Audit, H.R. and Compensation, Corporate Governance, Outside Independent Directors, Non-TD Directors and Mergers & Acquisitions.

Audit Committee. The functions performed by the Audit Committee are described in the Audit Committee charter and include (i) overseeing the Company s internal accounting and operational controls, including assessment of strategic, financial, operational and compliance risk management, (ii) selecting the Company s independent registered public accounting firm and Managing Director of Corporate Audit and assessing their performance on an ongoing basis, (iii) reviewing the Company s financial statements and audit findings and overseeing the financial and regulatory reporting processes, (iv) performing other oversight functions as requested by the board of directors and (v) reporting activities performed to the board of directors. The Audit Committee charter was adopted by unanimous written consent of the board of directors on September 5, 2002 and subsequently was adopted by the Audit Committee at the October 3, 2002 Audit Committee meeting. A revision to the charter was approved by the Audit Committee on May 14, 2008 and subsequently was approved by the board of directors on May 14, 2008. The charter has been reviewed and reaffirmed by the Audit Committee annually, with the most recent review and approval at the November 14, 2008 Audit Committee meeting. The Audit Committee charter is available on the Company s Web site at www.amtd.com under the governance section and is attached to this proxy statement as Appendix A. The Audit Committee is currently composed of Messrs. Cohen, Prezzano and Tessler. Mr. Cohen serves as the Audit Committee s chairman. All current Audit Committee members are independent as defined in the applicable listing standards of The Nasdaq Stock Market. The board of directors has determined that each Audit Committee member has sufficient knowledge in financial and auditing matters to serve on the committee. The board of directors has designated Mr. Tessler as an audit committee financial expert as defined by the Securities Exchange Commission (SEC). The Company s Audit Committee met 14 times during fiscal year 2008. The Report of the Audit Committee for the fiscal year ended September 30, 2008 appears under PROPOSAL NO. 2 RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM.

H.R. and Compensation Committee. The H.R. and Compensation Committee (referred to in this proxy statement as the compensation committee) reviews and approves broad compensation philosophy and policy and executive salary levels, bonus payments and equity awards pursuant to the Company s management incentive plans. The compensation committee also reviews the Compensation Discussion and Analysis, discusses it with management and makes a recommendation as to whether it should be included in each proxy statement. The compensation committee is currently composed of Messrs. Clark, Cook and Mitchell. Mr. Clark serves as the compensation committee s chairman. The compensation committee charter is available on the Company s Web site at www.amtd.com under the governance section. The compensation committee met nine times during fiscal year 2008. The Compensation Committee Report appears under EXECUTIVE COMPENSATION AND RELATED INFORMATION.

Corporate Governance Committee. The purpose of the Corporate Governance Committee is to ensure that the Company has and follows appropriate governance standards. To carry out this purpose, the committee develops and recommends to the board of directors corporate governance principles and leads and oversees the annual evaluation of the board of directors and its committees. The Corporate Governance Committee is currently composed of Messrs. Clark, Cohen, Cook, J. Joe Ricketts and Tessler. Mr. Tessler serves as the Corporate Governance Committee s chairman. The Company s Corporate Governance Committee met four times during fiscal year 2008. The Corporate Governance Committee charter is available on the Company s Web site at www.amtd.com under the governance section.

Outside Independent Directors (OID) Committee. The OID Committee s purpose is to assist the board of directors in fulfilling the board s oversight responsibilities by (i) identifying individuals qualified to serve on the board, (ii) reviewing the qualifications of the members of the board and recommending nominees to fill board vacancies and (iii) recommending a slate of nominees for election or reelection as directors by the Company s stockholders at the Annual Meeting to fill the seats of outside independent directors whose terms are expiring. The OID Committee reviews and approves (or ratifies) any related person transaction that is required to be disclosed by the Company. The OID Committee is also responsible for approving transfers of voting securities by TD and the Ricketts holders not otherwise permitted by the Stockholders Agreement, approving qualifying transactions (as defined in the Stockholders Agreement) and determining the fair market value (or selecting an independent investment banking firm to determine the fair market value) of certain property in connection with the stock purchase and transfer rights of TD and the Ricketts holders set forth in the Stockholders Agreement. The members of the OID Committee are Messrs. Cook, Mitchell and Tessler. Mr. Cook serves as the OID Committee s chairman. All current OID Committee members are independent as defined in the applicable listing standards of The Nasdaq Stock Market. In accordance with the Stockholders Agreement, the OID Committee will not include any director designated by TD or the Ricketts holders. The Company s OID Committee met four times during fiscal year 2008.

Written communications submitted by stockholders pursuant to the Company s Stockholder Communications Policy recommending the nomination of a person to be a member of the Company s board of directors will be forwarded to the chair of the OID Committee for consideration. The OID Committee will consider director candidates who have been identified by other directors or the Company s stockholders, but it has no obligation to recommend such candidates for nomination, except as may be required by contractual obligation of the Company. Stockholders who submit director recommendations must include the following: (i) a detailed resume outlining the candidate s knowledge, skills and experience, (ii) a one-page summary of the candidate s attributes, including a statement as to why the candidate is an excellent choice for the board, (iii) a detailed resume of the stockholder submitting the director recommendation and (iv) the number of shares held by the stockholder, including the dates such shares were acquired.

The OID Committee charter establishes the following guidelines for identifying and evaluating candidates for selection to the board of directors:

1. Decisions for recommending candidates for nomination are based on merit, qualifications, performance, character and integrity and the Company s business needs and will comply with the Company s anti-discrimination policies and federal, state and local laws.

2. The composition of the entire board will be taken into account when evaluating individual directors, including: the diversity, depth and breadth of knowledge, skills, experience and background represented on the board; the need for financial, business, financial industry, public company and other experience and expertise on the board and its committees; and the need to have directors work cooperatively to further the interests of the Company and its stockholders.

3. Candidates will be free of conflicts of interest that would interfere with their ability to discharge their duties as a director.

4. Candidates will be willing and able to devote the time necessary to discharge their duties as a director and shall have the desire and purpose to represent and advance the interests of the Company and stockholders as a whole.

5. Any other criteria as the OID Committee may determine.

Notwithstanding any provision to the contrary in the OID Committee charter, when the Company is legally required by contractual obligation to provide third parties with the ability to nominate directors (including pursuant to the Stockholders Agreement discussed below under the heading Stockholders Agreement) the selection and nomination of such directors is not subject to the committee s review and recommendation process. The OID Committee charter is available on the Company s Web site at www.amtd.com under the governance section.

Non-TD Directors Committee. The Non-TD Directors Committee is composed of all of the directors not designated by TD. The purpose of this committee is to make determinations relating to any acquisition by the Company of a competing business held by TD. The Non-TD Directors Committee is currently composed of Messrs. Cook, Mitchell, Moglia, J. Joe Ricketts, J. Peter Ricketts, Thomas S. Ricketts, Tessler and Tomczyk. The Non-TD Directors Committee did not meet during fiscal year 2008.

Mergers & Acquisitions Committee. The Mergers & Acquisitions Committee s purpose is to investigate, evaluate, analyze, discuss and make reports and recommendations to the board of directors regarding acquisitions, mergers and strategic investments. The Mergers & Acquisitions Committee is composed of the outside independent directors, who currently are Messrs. Cook, Mitchell and Tessler. Mr. Mitchell serves as the Mergers & Acquisitions Committee s chairman. The Mergers & Acquisitions Committee met 19 times during fiscal year 2008.

Code of Ethics

The Company has a code of business conduct and ethics that applies to all employees and the board of directors. A copy of this code is publicly available as Exhibit 14 of the Company s quarterly report on Form 10-Q filed with the SEC on May 6, 2004.

Stockholder Communications Policy

Stockholders may communicate with any member of the board of directors, including the chairperson of any committee, an entire committee or the independent directors or all directors as a group, by sending written communications to:

Corporate Secretary
TD AMERITRADE Holding Corporation
6940 Columbia Gateway Drive
Columbia, Maryland 21046

A stockholder must include his, her or its name and address in any such written communication and indicate whether he, she or it is a Company stockholder.

The corporate secretary will compile all communications, summarize lengthy, repetitive or duplicative communications and forward them to the appropriate director or directors. Complaints regarding accounting, internal controls or auditing will be forwarded to the chair of the Audit Committee. The corporate secretary will not forward non-substantive communications or communications that pertain to personal grievances to directors, but will instead forward them to the appropriate department within the Company for resolution. The corporate secretary will retain a copy of such communications for review by any director upon his or her request.

Communications from a Company employee or agent will be considered stockholder communications under this policy if made solely in his or her capacity as a stockholder. No communications from a Company director or officer will be considered stockholder communications under this policy. In addition, proposals submitted by stockholders for inclusion in the Company s annual proxy statement, and proposals submitted by stockholders for presentation at the Company s annual stockholders meeting, will not be considered stockholder communications under this policy. Written communications submitted by stockholders recommending the nomination of a person to be a member of the Company s board of directors will be forwarded to the chair of the OID Committee.

Section 16(a) Beneficial Ownership Reporting Compliance

Based solely upon the Company s review of forms filed by directors, officers and certain beneficial owners of the Company s common stock (the Section 16(a) Reporting Persons) pursuant to Section 16 of the Securities Exchange Act of 1934 (the 1934 Act), the Company has not identified any late filings by the Section 16(a) Reporting Persons.

Stock Ownership of Certain Beneficial Owners and Management

As of the Record Date, there were 590,507,104 shares of common stock issued and outstanding. The following table sets forth, as of the Record Date, the beneficial ownership of the Company s common stock by each of the current executive officers named in the Summary Compensation Table, by directors and nominees, by each person believed by the Company to beneficially own more than 5% of the Company s common stock, by all current executive officers and directors of the Company as a group and by certain other Company stockholders. Shares of common stock subject to options that are exercisable within 60 days of the Record Date are deemed beneficially owned by the person holding such options and are treated as outstanding for the purpose of computing the percentage of ownership of such person, but are not treated as outstanding for the purpose of computing the percentage of any other person. Restricted stock units held by our directors and officers do not have voting rights until the units vest and the underlying shares are distributed. Deferred stock units held by our directors do not have voting rights until the underlying shares are distributed to the holder pursuant to his or her deferral election. The business address of each of the Company s directors and executive officers is: TD AMERITRADE Holding Corporation, 4211 South 102nd Street, Omaha, Nebraska 68127.

Name	Number of Shares of Common Stock	Percent of Shares of Common Stock
Directors and Executive Officers		
J. Joe Ricketts,(1) Founder, Director	96,309,896	16.2%
Joseph H. Moglia,(2) Chairman	8,821,893	1.5%
Fredric J. Tomczyk,(3) President and Chief Executive Officer, Director	636,043	*
William J. Gerber,(4) Executive Vice President, Chief Financial Officer	202,712	*
David M. Kelley,(5) Executive Vice President, Chief Operating Officer	152,135	*
W. Edmund Clark, Director	6,000	*
Marshall A. Cohen,(6) Director	35,609	*
Dan W. Cook III,(7) Director	32,270	*
William H. Hatanaka, Director		*
Mark L. Mitchell,(8) Director	31,710	*
Wilbur J. Prezzano,(9) Director	30,877	*
J. Peter Ricketts,(10) Director	2,092,980	*
Thomas S. Ricketts,(11) Director	1,863,977	*
Allan R. Tessler,(12) Director	30,457	*
All Directors and Executive Officers as a group(13) (17 persons)	109,240,606	18.1%
Other Stockholders		
The Toronto-Dominion Bank(14) Toronto-Dominion Centre P.O. Box 1 Toronto, Ontario, Canada M5K 1A2	237,719,287	40.3%
Ricketts Grandchildren Trust(15)	19,008,000	3.2%
Marlene M. Ricketts 1994 Dynasty Trust(16)	8,186,112	1.4%
J. Joe Ricketts 1996 Dynasty Trust(16)	8,186,688	1.4%

* Less than 1% of the issued and outstanding shares.

(1) Shares of common stock beneficially owned by Mr. J. Joe Ricketts consist of 27,402,606 shares held by him individually; 30,500,000 shares held by him individually and pledged as collateral; 35,161,524 shares held by Marlene M. Ricketts, his spouse, individually; 332,352 shares held in the J. Joe Ricketts IRA; 332,352 shares held in the Marlene M. Ricketts IRA; 7,720 shares held in Mr. J. Joe Ricketts 401(k) account; 2,442,385 shares issuable upon the exercise of options exercisable within 60 days; and 130,957 restricted stock units.

(2) Consists of 6,683 shares held in Mr. Moglia s 401(k) account; 8,527,000 shares issuable upon the exercise of options exercisable within 60 days; and 288,210 restricted stock units.

(3) Consists of 56,200 shares held by Mr. Tomczyk individually; 268,385 restricted stock units; and 311,458 performance restricted stock units for which the performance criteria has been fully met.

(4) Consists of 501 shares held by Mr. Gerber individually; 16,453 shares held in Mr. Gerber s 401(k) account; 142,939 shares issuable upon the exercise of options exercisable within 60 days; and 42,819 restricted stock units.

(5) Consists of 152,135 restricted stock units for Mr. Kelley.

(6) Consists of 12,136 restricted stock units and 23,473 stock units held in a deferred compensation account for Mr. Cohen.

(7) Consists of 2,485 shares held by Mr. Cook individually; 11,460 restricted stock units; 12,971 shares issuable upon the exercise of options exercisable within 60 days; and 5,354 stock units held in a deferred compensation account for Mr. Cook.

(8) Consists of 22,330 shares held by Mr. Mitchell individually and 9,380 restricted stock units.

(9) Consists of 12,136 restricted stock units and 18,741 stock units held in a deferred compensation account for Mr. Prezzano.

(10) Consists of 103,602 shares held by Mr. J. Peter Ricketts individually; 300,000 shares held by Mr. Ricketts jointly with his spouse; 19,950 shares held in trusts for the benefit of Mr. Ricketts children; 28,900 shares in the Ricketts/Shore 2003 Gift Trust; 70,065 shares held by Mr. Ricketts individually in an IRA account; 4,851 restricted stock units; 240,788 shares held in annuity trusts for the benefit of Mr. Ricketts; and 1,324,824 shares in the Marlene M. Ricketts 2004-2 Qualified Annuity Trust, for which Mr. Ricketts is co-trustee and his mother is a grantor and a beneficiary.

(11) Consists of 453,264 shares held by Mr. Thomas S. Ricketts jointly with his spouse; 21,887 stock units held in a deferred compensation account for Mr. Ricketts; 25,942 shares issuable upon the exercise of options exercisable within 60 days; 11,460 restricted stock units; 26,600 shares held in trusts for the benefit of Mr. Ricketts children; and 1,324,824 shares in the Marlene M. Ricketts 2004-2 Qualified Annuity Trust, for which Mr. Ricketts is co-trustee and his mother is a grantor and a beneficiary.

(12) Consists of 11,077 shares held by Mr. Tessler individually; 9,380 restricted stock units; and 10,000 shares held by International Financial Group, Inc. Mr. Tessler is chairman, chief executive officer and sole shareholder of International Financial Group, Inc.

(13) Includes 11,376,162 shares issuable upon the exercise of options exercisable within 60 days.

(14) Based on a Form 4 filed on June 18, 2007 by The Toronto-Dominion Bank. The reported shares are owned directly by TD s wholly-owned subsidiaries, TD Discount Brokerage Holdings LLC (193,300,000 shares) and TD Discount Brokerage Acquisition LLC (44,419,287 shares). Pursuant to the stockholders agreement entered into in connection with the Company s acquisition of TD Waterhouse, TD is not permitted to own more than 39.9% of the voting securities of the Company. Therefore, TD s voting power is limited to 235,612,334 shares as of the Record Date.

(15) The trustee of the Ricketts Grandchildren Trust is David Larson, Esq., 155 E. Pearl St., Suite 200, P.O. Box 4099, Jackson, Wyoming, 83001.

(16) The trustees of the Marlene M. Ricketts 1994 Dynasty Trust and the J. Joe Ricketts 1996 Dynasty Trust are the children of J. Joe Ricketts and Marlene M. Ricketts.

Stockholders Agreement

Concurrently with entering into the share purchase agreement related to the Company s acquisition of TD Waterhouse, the Company, the Ricketts holders and TD entered into the Stockholders Agreement. The Stockholders Agreement contains certain governance arrangements and various provisions relating to board composition, stock ownership, transfers by TD and the Ricketts holders, voting and other matters.

Governance of TD AMERITRADE. The Stockholders Agreement provides that the board of directors of the Company consists of twelve members, five of whom may be designated by TD, three of whom may be designated by the Ricketts holders, one of whom is the chief executive officer of the Company and three of whom are outside independent directors. In connection with the election of Joseph H. Moglia as chairman of the board of directors and

Fredric J. Tomczyk as chief executive officer, effective October 1, 2008, TD waived its right to designate one of its directors so long as Mr. Moglia serves as chairman of the board. The outside independent directors are nominated by the OID Committee and subject to the consent of TD and the Ricketts holders. The number of directors designated by TD and the Ricketts holders depends on their maintenance of specified ownership thresholds of common stock and may increase or decrease from time to time based on those ownership thresholds, but will never exceed five (in the case of TD) or three (in the case of the Ricketts holders). The Company s board of directors is classified into three classes, with each class serving staggered three-year terms. Subject to applicable laws and certain conditions and exceptions, the Company has caused and will continue to cause each committee of its board of directors to consist of two of the directors designated by TD, one of the directors designated by the Ricketts holders and two of the outside independent directors. These levels of committee representation are subject to adjustment from time to time based on TD s and the Ricketts holders maintenance of specified ownership thresholds. The parties to the Stockholders Agreement each agreed to vote their shares of common stock in favor of, and the Company agreed that it would solicit votes in favor of, each director nominated for election in the manner provided for in the Stockholders Agreement.

Share Ownership. The Stockholders Agreement provides that TD may acquire shares of Company common stock only up to an aggregate beneficial ownership interest of 39.9% of the outstanding voting securities of the Company for the three-year period ending January 24, 2009, and thereafter up to an aggregate beneficial ownership of 45% for the remaining term of the Stockholders Agreement. The Stockholders Agreement also provides that TD will not, subject to certain exceptions, solicit proxies with respect to common stock. Notwithstanding the limitations on TD s ownership described above, the Stockholders Agreement permits TD to make a non-public proposal to the board of directors to acquire additional shares pursuant to a tender offer or merger for 100% of the outstanding voting securities of the Company and to complete such a transaction, subject to the approval of independent directors and holders of a majority of the outstanding shares of common stock not affiliated with TD. Under the Stockholders Agreement, the Ricketts holders may acquire additional shares of common stock only up to an aggregate ownership interest of 29% of the outstanding common stock.

Right to Purchase Securities. TD and the Ricketts holders have the right to purchase up to their respective proportionate share of future issuances of common stock, other than in connection with the Company stock issued as consideration in an acquisition by the Company. If the Company proposes to issue shares as consideration in an acquisition, the Company will discuss in good faith with TD and the Ricketts holders alternative structures in which a portion of such shares would be sold to TD or the Ricketts holders, with the proceeds of such sale used to fund the acquisition.

The Stockholders Agreement further provides that if the Company engages in discussions with a third party that could result in the acquisition by such party of 25% of the voting securities or consolidated assets of the Company, the Company must offer TD the opportunity to participate in parallel discussions with the Company regarding a comparable transaction.

Transfer Restrictions. The Stockholders Agreement generally prohibits TD and the Ricketts holders from transferring shares of common stock, absent approval of the independent directors, to any holder of 5% or more of the outstanding shares of the Company, subject to certain exceptions. As long as TD and the Company constitute the same audit client, TD may not engage the auditor of the Company, and the Company will not engage the auditors of TD, to provide any non-audit services.

Information Rights. Subject to confidentiality and nondisclosure obligations and as long as it owns at least 15% of the outstanding shares of common stock, TD is entitled to access to information regarding the Company s business, operations and plans as it may reasonably require to appropriately manage and evaluate its investment in the Company and to comply with its obligations under U.S. and Canadian laws.

Obligation to Repurchase Shares. If the Company issues shares of its common stock pursuant to any compensation or similar program or arrangement, then the Company will, subject to certain exceptions, use its reasonable efforts to repurchase a corresponding number of shares of its common stock in the open market within 120 days after any such issuance.

Non-Competition Covenants. Subject to specified exceptions, the Stockholders Agreement generally provides that neither TD nor J. Joe Ricketts (so long as he is a director of the Company) or their respective affiliates may participate in or own any portion of a business engaged in the business of providing securities brokerage services in the U.S. (or, solely in the case of Mr. Ricketts and his affiliates, in Canada) to retail traders, individual investors and registered investment advisors. If TD acquires indirectly a competing business as a result of its acquisition of a non-competing business, TD must offer to sell the competing business to the Company at its appraised fair value determined in accordance with the terms of the Stockholders Agreement. If the Company decides not to purchase the competing business, TD must use commercially reasonable efforts to divest the competing business within two years.

Mr. Ricketts, TD and their affiliates are permitted under the terms of the Stockholders Agreement to own a passive investment representing less than 2% of a class of equity securities of a competing business so long as the class of equity securities is traded on a national securities exchange in the U.S. or the Toronto Stock Exchange. TD also is permitted to engage in certain activities in the ordinary course of its banking and securities businesses. In addition, the Company has agreed that it will not hold or acquire control of a bank or similar depository institution except (i) incidentally in connection with the acquisition of an entity not more than 75% of whose revenues are generated by commercial banks or (ii) in the event that TD does not hold control of any bank or similar depository institution that is able to offer money market deposit accounts to clients of the Company as a designated sweep vehicle, or TD has indicated that it is not willing to offer such accounts to clients of the Company through a bank or similar depository institution it controls.

Termination of the Stockholders Agreement. The Stockholders Agreement will terminate (i) with respect to the Ricketts holders, when their aggregate ownership of common stock falls below approximately 4%, and (ii) upon the earliest to occur of (a) the consummation of a merger or tender offer where TD acquires 100% of the common stock, (b) the tenth anniversary of the consummation of the acquisition of TD Waterhouse, (c) the date on which TD s ownership of common stock falls below approximately 4% of the outstanding voting securities of the Company, (d) the commencement by a third party of a tender offer or exchange offer for not less than 25% of common stock, unless the board recommends against the offer and continues to take steps to oppose the offer, (e) the approval by the board of a business combination that would result in another party owning more than 25% of the voting securities or consolidated assets of the Company or which would otherwise result in a change of control of the Company, or (f) the acquisition of more than 20% of the voting securities of the Company by a third party. For a period of up to one year following a termination under (ii)(d), (ii)(e) or (ii)(f) above, TD and the Ricketts holders will be prohibited from acquiring shares of common stock that would cause, in the case of TD, its aggregate ownership to exceed 45% (39.9% in the first three years following the completion of the acquisition of TD Waterhouse) or, in the case of the Ricketts holders, 29%, except pursuant to a tender offer or merger for 100% of the outstanding shares of common stock approved by the holders of a majority of the Company s outstanding shares of common stock (other than the Ricketts holders and TD). In addition, during that one-year period, the provisions of the Stockholders Agreement relating to the designation of directors and certain other provisions will remain in effect.

EXECUTIVE COMPENSATION AND RELATED INFORMATION

Compensation Discussion and Analysis

Introduction and Overview

The compensation arrangements with our senior executives are designed to implement the Company s pay-for-performance philosophy by making a significant portion of total compensation based on the performance of the Company.

Changes in Management

Effective October 1, 2008, upon the conclusion of the employment term specified in his employment agreement, J. Joe Ricketts retired as chairman of the board of directors. The Company s board of directors elected Joseph H. Moglia as chairman and Fredric J. Tomczyk as president and chief executive officer, effective as of October 1, 2008. On September 4, 2008, David M. Kelley was appointed executive vice president and chief operating officer, effective October 1, 2008.

The Summary Compensation Table and related tables below refer to the principal positions held by Messrs. J. Joe Ricketts, Moglia, Tomczyk and Kelley as of September 30, 2008. Although both T. Christian Armstrong and Bryce B. Engel no longer serve as executive officers of the Company, each of them appear in the Summary Compensation Table and related tables below.

Mr. Armstrong, former executive vice president, client group, announced his retirement from the Company on April 24, 2008, effective March 1, 2009, and he entered into an amendment to his employment agreement at such time. The terms of this amendment, which are taken into account in his data included in the Summary Compensation Table and other tables below, provide for continuation of his base salary until March 1, 2009, payment in cash of his annual incentive compensation for fiscal year 2008, payment in cash of his annual incentive compensation for fiscal year 2009, pro-rated to March 1, 2009 (calculated based on a target of $1.6 million) and continued vesting of his restricted stock units, or RSUs, and his performance restricted stock units, or PRSUs, based on the actual performance of the Company.

On September 4, 2008, Mr. Engel resigned from the position of senior vice president, chief brokerage operations officer and entered into an amendment to his employment agreement and agreed on the terms of a separation and release of claims agreement. This amendment and separation agreement, which are taken into account in his data included in the Summary Compensation Table and other tables below, provided for a total lump sum cash payment of $1,004,167 (which represents $450,000 for 18 months of base salary, $525,000 for 1.5 times the fiscal year 2008 target cash annual incentive and $29,167 for the pro-rata portion of the fiscal 2009 annual cash incentive), continued vesting of 54,823 PRSUs granted in calendar year 2006 based on actual performance and continued vesting of 7,169 RSUs granted in calendar year 2007.

Changes of Employment Terms

All of Mr. Moglia s compensation for fiscal years 2008 and 2009 will be paid in cash, rather than a combination of cash and equity as originally provided in his employment agreement. This change was made in consideration of Mr. Moglia s transition from chief executive officer to chairman of the board.

For fiscal 2009, Mr. Gerber s annual base salary was increased from $300,000 to $350,000 and his annual incentive target increased from $700,000 to $950,000, comprised of 50% cash and 50% equity. He does not have an employment agreement. These changes were made in consideration of Mr. Gerber s increased responsibilities and an external competitive comparison to the Company s peer group.

This discussion and the executive compensation tables below are based on the employment agreements of Messrs. Moglia, J. Joe Ricketts, Tomczyk, Armstrong and Engel, as well as the terms of our management incentive plan and long-term incentive plan. We refer you to those agreements and plan documents for the complete terms.

Where you can find more information

Name	Description	SEC Filing
Joseph H. Moglia	Employment Agreement	Quarterly Report on Form 10-Q filed on August 8, 2008, Exhibit 10.1
	Amendment to Employment Agreement	Annual Report on Form 10-K filed on November 26, 2008, Exhibit 10.3
J. Joe Ricketts	Employment Agreement	Quarterly Report on Form 10-Q filed on August 12, 2002, Exhibit 10.1
	Amendment to Employment Agreement	Annual Report on Form 10-K filed on December 9, 2004, Exhibit 10.11
Fredric J. Tomczyk	Employment Agreement	Quarterly Report on Form 10-Q filed on August 8, 2008, Exhibit 10.2
T. Christian Armstrong	Employment Agreement	Current Report on Form 8-K filed on May 25, 2006, Exhibit 10.4
	Amendment to Employment Agreement	Quarterly Report on Form 10-Q filed on August 8, 2008, Exhibit 10.4
Bryce B. Engel	Employment Agreement	Quarterly Report on Form 10-Q filed on February 8, 2008, Exhibit 10.1
	Amendment to Employment Agreement	Annual Report on Form 10-K filed on November 26, 2008, Exhibit 10.13
	Separation and Release of Claims Agreement	Annual Report on Form 10-K filed on November 26, 2008, Exhibit 10.14
All Executive Officers	1996 Long-Term Incentive Plan	Appendix B to the Company s Proxy Statement filed on January 30, 2006
	Management Incentive Plan	Appendix B to the Company s Proxy Statement filed on January 24, 2007

We have organized this report as follows:

1. First, we provide information regarding our compensation committee and its role in setting executive compensation.

2. Next, we discuss the guiding principles underlying senior executive compensation policies and decisions.

3. We then describe the objectives we seek to achieve with the compensation arrangements of our senior executives.

4. We discuss the elements of each compensation arrangement, how we determined the amount of each element and how each element fits into the Company s compensation objectives.

5. We describe stock ownership guidelines.

6. We discuss severance and change of control benefits.

7. We discuss certain tax treatment of senior executive compensation.

8. We conclude by describing compensation-related actions since the end of fiscal year 2008.

1. The Compensation Committee

The compensation committee establishes and administers the Company s executive compensation programs. The compensation committee evaluates the performance of the chief executive officer and our chairman and determines their compensation in light of pre-established goals and objectives. The chief executive officer and the compensation committee together assess the performance of the other named executive officers and determine their compensation based on initial recommendations from the chief executive officer. In October 2005, the compensation committee retained Mercer Human Resources Consulting to advise the compensation committee on all executive compensation matters, including the principal financial terms of new employment agreements and the design, level and mix of cash and equity compensation. Mercer and its affiliates also provide consulting services to the Company on its health and welfare plans and provided certain research to the Company in connection with director compensation.

The compensation committee is composed of three non-employee directors of the board. No member of the compensation committee during fiscal year 2008 was an employee of the Company or any of its subsidiaries at the time of his service on the compensation committee. Each member of the compensation committee during fiscal year 2008 qualified as a non-employee director under rule 16b-3 under the 1934 Act and as an outside director under section 162(m) of the Internal Revenue Code of 1986, as amended (the Code).

The compensation committee has delegated to the chief executive officer the authority to increase the compensation of, and grant equity awards to, any employee whose compensation is less than the tenth highest paid employee participating in the management incentive plan, or MIP, subject in each case to any increase or grant being (i) within the budget previously approved by the compensation committee and (ii) in accordance with the terms of the applicable compensation plan.

The compensation committee delegated to the chief executive officer the authority to grant restricted stock units, or RSUs, following fiscal year 2008 within ranges approved by the compensation committee as described in the preceding paragraph. The RSUs vest on the third anniversary of grant date. Mr. Kelley, who received an award with a value of $500,000, was the only named executive officer to receive an award of discretionary RSUs.

2. Guiding Principles

The following guiding principles are used by the Company and the compensation committee when evaluating executive compensation policies and decisions:

- total compensation available to any executive officer should reflect the level of responsibilities and experience and should be informed by comparative market analysis;

- compensation arrangements should emphasize and reward corporate and individual performance;

incentive pay based on achieving performance goals with specific targets and clear measures should comprise a substantial portion of total compensation;

equity grants should form a large percentage of incentive pay to aid in retention and align short- and long-term executive interests with those of stockholders;

equity grants should be awarded based on the achievement of annual performance targets and then be subject to time-based vesting;

the ability of the compensation committee to exercise negative discretion on a case-by-case basis should always be available to ensure that compensation can be adjusted downward when appropriate;

stock ownership guidelines should be promoted to align executive interests with the interests of stockholders over the medium- and long-term; and

compensation of all named executive officers is reviewed and established by the compensation committee, comprised solely of non-employee directors, with the assistance of an independent compensation consultant that is retained by and reports directly to the compensation committee.

3. Objectives

The Company and the compensation committee have strived to design the compensation package of each senior executive to:

compensate senior executives for success in achieving corporate and individual performance goals;

incentivize senior executives through performance-based compensation, which accounts for a substantial portion of total compensation;

promote collegiality and avoid competition among the management team and

align corporate and individual performance goals.

4. Elements of Compensation

Targeted Overall Compensation

The Company operates in the highly competitive financial services sector, with a leadership position in retail securities brokerage services. The overall compensation program is designed to be competitive in terms of retention value as compared with the compensation practices of our major competitors and to align the interests of executives with those of stockholders.

A targeted overall compensation level, including salary and incentive compensation with incentive compensation being composed of annual cash and equity was established for each executive position and was designed to be payable when annual and long-term performance goals are fully met. These targeted levels were established with assistance from Mercer, based on comparisons to a primary peer group consisting of A.G. Edwards, Inc., The Charles Schwab Corporation, E*TRADE Financial Corporation, Jeffries Group, Inc., Piper Jaffray & Co., and Raymond James Financial, Inc. In establishing the targeted compensation for the CEO, the compensation committee also considered, as a secondary peer group, the compensation levels for the leaders of the brokerage businesses at Merrill Lynch & Co., Inc., Dean Witter and Smith Barney.

Each named executive officer had a base salary and target annual incentive award for fiscal year 2008 as follows:

Name	Base Salary ($)	Target Annual Cash Incentive ($)	Target Equity Incentive ($)	Total Target Annual Incentive ($)	Targeted Overall Compensation ($)
Joseph H. Moglia	1,000,000	9,000,000		9,000,000	10,000,000

William J. Gerber	300,000	420,000	280,000	700,000	1,000,000
J. Joe Ricketts	650,000	321,750	653,250	975,000	1,625,000
Fredric J. Tomczyk	500,000	1,100,000	2,000,000	3,100,000	3,600,000
David M. Kelley	300,000	400,000	400,000	800,000	1,100,000
T. Christian Armstrong	400,000	1,600,000		1,600,000	2,000,000
Bryce B. Engel	300,000	500,000		500,000	800,000

Consistent with the Company s overall principles, a large percentage of the total compensation package is paid only after satisfying performance objectives. Within the targeted overall compensation package, the amount of total compensation subject to performance-based objectives for fiscal 2008 was:

Name	**Performance-Based**
Joseph H. Moglia	90%
William J. Gerber	70%
J. Joe Ricketts	60%
Fredric J. Tomczyk	86%
David M. Kelley	73%
T. Christian Armstrong	80%
Bryce B. Engel	63%

For fiscal 2008, the targeted overall compensation package for Mr. Moglia of $10 million was set in the upper quartile in the primary peer group and below the compensation levels in the secondary peer group, reflecting his long and successful tenure with the Company, his experience in the industry and his expected contributions to the ultimate growth of the Company.

For fiscal 2008, the targeted overall compensation package for Mr. Gerber was set at $1 million, reflecting his overall responsibility, expected contribution and his experience. The increase in his total targeted compensation to $1.3 million for fiscal 2009 was based on his increased responsibilities and an external competitive market review of Mr. Gerber s total compensation package.

For fiscal year 2008, when he served as COO, the targeted overall compensation package for Mr. Tomczyk was set slightly above the median for similar positions in the primary peer group. The actual targeted compensation level of $3.6 million reflected his extensive experience in the financial services sector, particularly in wealth management, operations management and retail distribution. For fiscal year 2009, when he serves as CEO, the targeted overall compensation package for Mr. Tomczyk of $5.5 million was set at the median target of our primary peer group, reflecting his recent promotion, his experience in the industry and his expected contributions to the ultimate growth of the Company.

For fiscal 2008, the targeted overall compensation package for Mr. Kelley of $1.1 million was set slightly below the approximate average of the median market compensation for similar positions in the primary peer group. For fiscal 2009, Mr. Kelley s annual base salary is $400,000, and his annual incentive target is $1.2 million, comprised of 50% cash and 50% equity. The increase of Mr. Kelley s actual targeted compensation level to $1.6 million reflects his recent promotion, his extensive experience in the financial services sector and similar positions in the primary peer group. Mr. Kelley does not have an employment agreement.

Annual Incentive Award

The board of directors and the compensation committee believe that the Company s annual diluted earnings per share, or EPS, is an important measure of the Company s success. In fiscal year 2008, awards under the annual incentive plan for executive officers were tied solely to the achievement of an annual EPS goal established by the compensation committee in order to align the short-term interests of executives with those of stockholders. For fiscal year 2009, the annual incentive award will continue to be based on annual EPS, but the following factors will also be considered:

attainment of quantitative and qualitative goals established by the CEO and approved by the compensation committee, which we refer to as the CEO goals, and

attainment of individual quantitative and qualitative performance goals.

This design change was made to support our pay-for-performance philosophy and more closely align each executive to the long-term growth of the Company and the business strategy for which each executive is most responsible. The change also provides for an assessment of senior management performance using measures in addition to EPS, and may result in a reduction to the annual incentive awards made to our executive officers.

The Company uses the 1996 Long-Term Incentive Plan, or the LTIP, to motivate, reward and retain key executives and to align their interests to those of stockholders by linking the performance of the Company to equity awards made to executives. The equity component of the annual incentive, which is discussed below, vests on the third anniversary of the grant date if the executive is then employed by the Company in order to align the long-term interests of executives with those of stockholders.

These clear measures and specific targets ensure a strong, team-oriented pay-for-performance philosophy and allow the full incentive payments to executive officers to qualify as performance-based compensation under section 162(m) of the Code.

Fiscal Year 2008

For fiscal year 2008, the compensation committee established an EPS target for the annual incentive of $1.16, with the following range:

Fiscal 2008 EPS ($)	**Fiscal 2008 Annual Incentive (% of Target)**
1.36	200%
1.33	185%
1.20	120%
1.16	100%
1.08	80%
0.92	40%

In fiscal year 2008, the Company achieved EPS of $1.33. Consistent with the terms of the annual incentive program for fiscal year 2008, the compensation committee approved annual incentive awards equal to 185% of the target annual incentive. Management was rewarded in fiscal year 2008 for successfully executing on a business strategy that resulted in record EPS performance, excellent traction in asset gathering, a strong balance sheet and liquidity and healthy cash flows. The success and strength of the Company in these extraordinarily difficult conditions will make it possible for the Company to further its growth by taking advantage of opportunities that arise in the current environment.

Like the fiscal year 2007 awards, the 2008 annual incentive awards consisted of a cash component and an equity component in the form of restricted stock units, or annual RSUs, that vest on the third anniversary of the grant date. In fiscal year 2006, the annual incentive award included performance restricted stock units, or PRSUs, that vested over three years based on EPS in each of fiscal 2007, 2008 and 2009 and also required the executive to be employed by the Company at the end of the three-year vesting period. In fiscal year 2007, the compensation committee approved the use of time-based RSUs in place of the PRSUs because it believed that adding an additional layer of performance criteria, beyond the attainment of the annual EPS target, was not customary within the peer groups and was not providing the desired incentive and retention objectives of the compensation committee and the Company.

In connection with Mr. Tomczyk s employment as chief operating officer during the fourth quarter of fiscal 2007, he received a special equity award in the form of PRSUs. The compensation committee established a separate fiscal 2008 EPS goal for him with a target EPS of $1.27, the midpoint of the EPS forecast in the Company s October 23, 2007 Outlook Statement. Based on the Company s achievement of EPS of $1.33 in fiscal year 2008, Mr. Tomczyk was awarded 311,458 PRSUs, representing 115% of target. These PRSUs vest on July 9, 2010 if Mr. Tomczyk continues to be employed by the Company at that time.

Fiscal Year 2009

For fiscal year 2009, the compensation committee established the following EPS range for annual incentive compensation:

Fiscal 2009 EPS ($)	Fiscal 2009 Annual Incentive (% of Target)
1.44	200%
1.20	140%
1.12	120%
1.04	100%
0.96	80%
0.80	40%

For each $0.01 increase in EPS above the 100% range, the maximum payout is increased 2.5%, and for each $0.01 decrease in EPS below the 100% range, the maximum payout is decreased 2.5%. As shown above, EPS of $1.04 would result in a 100% maximum payout.

The Company s achievement of EPS of $1.04 in fiscal year 2009 does not assure that an executive officer will receive a full 100% payout because the compensation committee has reserved the right to reduce the final payouts by up to 20% for failure to attain CEO goals and by up to an additional 20% for failure to attain individual performance goals; thereby putting up to 40% of the payout at risk. In addition, the compensation committee maintains the ability to exercise further negative discretion to reduce incentive payments to executives.

The CEO goals consist of key corporate performance goals, such as market share, asset growth and delivering superior stockholder return. The individual performance goals consist of contribution to CEO goals, qualitative performance and relative performance to peers. In fiscal year 2009, incentive compensation for the CEO will be comprised of 30% cash and 70% RSUs. For other executive officers with total target annual compensation of at least $1 million, incentive compensation will be comprised of equal amounts cash and RSUs.

This strategic design supports our pay-for-performance philosophy, allows for each executive s contribution to the Company s achievement of key performance goals to be assessed individually and as a management team. The design also intentionally provides opportunity for the exercise of judgment and discretion by the compensation committee in assessing management s performance against the Company s strategy in determining overall compensation.

5. ***Stock Ownership Guidelines***

The compensation committee and the board strongly believe that senior executives should own a significant amount of Company common stock. This provides a direct and continuing alignment of financial interests between executives and stockholders.

The stock ownership guidelines are as follows:

- ten times base salary for Messrs. Moglia and Tomczyk and

- five times base salary for Messrs. Gerber and Kelley.

None of these executive officers are permitted to sell any equity interest in the Company until the stock ownership requirements have been met, after which the chief executive officer must obtain approval from the compensation committee and all senior executives must obtain approval from the chief executive officer. The Company considers any stock held without restrictions, vested and unvested stock units, vested but unexercised in-the-money stock options, deferred compensation that will settle in common stock and common stock held under the Company s 401(k) plan in determining whether the stock ownership requirements have been met.

6. Change in Control Benefits and Severance

Our senior executive team has been instrumental in successfully building the Company, and we believe it is important to provide certain benefits to them in the event of a change in control. We believe that the interests of stockholders are best served if the interests of senior management are aligned with them, and providing change in control benefits should minimize any reluctance of senior management to pursue change in control transactions that may be in the best interest of stockholders. Equity awards under the MIP continue to vest in accordance with their terms in the event of termination for any reason, other than for cause, within 24 months after a change in control. Neither Messrs. Moglia nor Tomczyk will be entitled to any other benefits unless there is a change of control of the Company and his employment is terminated without cause or he resigns with good reason. We utilize this dual-trigger change of control provision because we believe that triggering payments simply upon a change of control is not in the Company s or stockholders best interests.

7. Tax Treatment

The compensation committee designs certain components of executive compensation to preserve income tax deductibility under section 162(m) of the Code. Section 162(m) generally disallows a tax deduction to public corporations for non-performance-based compensation over $1 million paid for any fiscal year to each of the individuals who were, at the end of the fiscal year, the corporation s chief executive officer and the four other most highly compensated executive officers.

The Company believes that the cash bonuses paid and stock-based awards granted to executive officers under the MIP are and will be fully deductible under section 162(m). In addition, the Company has adopted a general policy that all stock-based awards granted to its executive officers should generally only be made pursuant to plans that the Company believes satisfy the requirements of section 162(m). The compensation committee retains discretion and flexibility in developing appropriate compensation programs and establishing compensation levels and, in some instances, may approve compensation that is not fully deductible.

8. Actions Since End of Fiscal Year 2008

The table below summarizes RSUs granted to our named executive officers for service during fiscal year 2008 as part of the annual equity incentive and discretionary RSUs. Because these grants were made in fiscal year 2009, they are not included in the Grants of Plan-based Awards and Outstanding Equity Awards at Fiscal Year-End tables later in this section.

	Fiscal 2008 Annual Equity Incentive		Discretionary	
Name	**$**	**# of RSUs**	**$**	**# of RSUs**
Joseph H. Moglia				
William J. Gerber	398,000	27,950		
J. Joe Ricketts	1,101,313	77,340		
Fredric J. Tomczyk	3,402,750	238,958		
David M. Kelley	740,000	51,967	500,000	35,113
T. Christian Armstrong				
Bryce B. Engel				

The number of RSUs granted was determined by dividing the dollar amount earned by $14.24, the average of the high and low price of the Company s common stock for the 20 trading days ended October 27, 2008. These awards vest on the third anniversary of the grant date if the executive is then employed by the Company.

Compensation Committee Report

This report is not deemed to be soliciting material or to be filed with the SEC or subject to the SEC s proxy rules or to the liabilities of Section 18 of the 1934 Act and the report shall not be deemed to be incorporated by reference into any prior or subsequent filing by the Company under the Securities Act of 1933 or the 1934 Act.

The H.R. and Compensation Committee has reviewed and discussed the Compensation Discussion and Analysis of this Proxy Statement with TD AMERITRADE s management. Based on that review and those discussions, the H.R. and Compensation Committee recommended to the board of directors that the Compensation Discussion and Analysis section be included in this Proxy Statement and incorporated by reference into TD AMERITRADE s Annual Report on Form 10-K for its 2008 fiscal year.

W. Edmund Clark, Chairman
Dan W. Cook III
Mark L. Mitchell

Compensation Committee Interlocks and Insider Participation

Messrs. Clark, Cook and Mitchell served as members of the compensation committee during fiscal 2008. During fiscal 2008, there were no compensation committee interlocks and no insider participation in compensation committee decisions that were required to be reported under the rules and regulations of the 1934 Act.

Summary Compensation Table

The following table provides information about compensation earned during fiscal 2008 and 2007 by Mr. Moglia, who served as our chief executive officer, Mr. Gerber, our chief financial officer, our other three most highly compensated executive officers who were serving as executive officers as of September 30, 2008 and two additional individuals who would have been among the other three most highly compensated executive officers except that they were not serving as executive officers as of September 30, 2008. We refer to these individuals as our named executive officers. Messrs. Tomczyk and Kelley became named executive officers during fiscal 2008. In accordance with SEC rules, the compensation described in this table does not include medical or group life insurance received by the named executive officers that is available generally to all salaried employees of the Company and certain perquisites and other personal benefits received by the named executive officers that in the aggregate do not exceed $10,000.

Name and Principal Position	Year	Salary ($)	Stock Awards[1][3] ($)	Option Awards[2][3] ($)	Non-Equity Incentive Plan Compensation[4] ($)	All Other Compensation[5] ($)	Total ($)
oseph H. Moglia Chief Executive Officer	2008	1,000,000	4,855,341		15,150,000	17,598	21,022,939
	2007	1,000,000	6,166,672		2,673,000	89,470	9,929,142
William J. Gerber Executive Vice President, Chief Financial Officer	2008	300,000	392,882		597,000	802	1,290,684
	2007	250,000	347,695	24,665	270,000	739	893,099
. Joe Ricketts Chairman and Founder	2008	650,000	635,814	1,021,458	542,438	366,738	3,216,448
	2007	650,000	192,761	1,208,595	289,575	52,409	2,393,340
Fredric J. Tomczyk Executive Vice President, Chief Operating Officer	2008	500,000	3,210,610	903,169	1,832,250	231,406	6,677,435

David M. Kelley Executive Vice President, Chief Information Officer	2008	300,000	752,653		740,000		1,792,653
T. Christian Armstrong Former Executive Vice	2008	400,000	1,006,769		2,960,000	856,086	5,222,855
President, Client Group	2007	400,000	958,204		864,000	946,243	3,168,447
Bryce B. Engel	2008	300,000	586,836		925,000	1,014,663	2,826,499
Former Senior Vice President, Chief Brokerage Operations Officer	2007	300,000	433,019	24,665	315,000	609	1,073,293

(1) The amounts in this column represent the dollar amount of the expense related to RSUs and PRSUs recognized by the Company for financial statement reporting purposes in accordance with Statement of Financial Accounting Standards (SFAS) No. 123 (revised 2004), *Share Based Payment* (No. 123R).

(2) The amounts in this column represent the dollar amount of the expense related to stock option awards recognized by the Company for financial statement reporting purposes in accordance with SFAS No. 123R.

(3) For a discussion of the underlying assumptions used and for further discussion of the Company s accounting for its equity compensation plans, see the following sections of the Company s Form 10-K for the fiscal year ended September 30, 2008:

Part II Item 7 Management s Discussion and Analysis of Financial Condition and Results of Operations Critical Accounting Policies and Estimates.

Part II Item 8 Financial Statements and Supplementary Data Notes to Consolidated Financial Statements

o Note 1. Nature of Operations and Summary of Significant Accounting Policies *Stock-based Compensation*

o Note 14. Stock-based Compensation

(4) The amounts in this column include the cash component of the annual incentive awards earned under the MIP.

(5) The amounts in this column are summarized in the following table:

Name	Year	Income Taxes Reimbursed ($)	Professional Services ($)	Interest[a] ($)	Amerivest[b] ($)	Option Make-whole[c] ($)	Legacy TD Waterhouse RSUs[d] ($)	Other[e] ($)	Total ($)
Joseph H. Moglia	2008	5,603		7,389	4,606				17,598
	2007	36,640	40,147	10,800	1,883				89,470
William J. Gerber	2008							802	802
	2007					739			739
J. Joe Ricketts	2008	94,447	263,966		8,325				366,738
	2007	14,840	32,173		5,396				52,409
Fredric J. Tomczyk	2008	52,016	52,629					126,761	231,406
David M. Kelley	2008								

T. Christian Armstrong	2008	16,231	28,786		811,069		856,086
	2007	6,760	6,988		871,047	61,448	946,243
Bryce B. Engel	2008					1,014,663	1,014,663
	2007	54		555			609

(a) Represents the value of imputed interest on a non-interest bearing loan to Mr. Moglia for Medicare taxes on his deferred compensation arrangement. For further discussion of this loan agreement, dated September 13, 2001, see the Certain Relationships and Related Transactions section below.

(b) Amounts represent fees waived for services rendered by Amerivest, the Company s online investment advisory service.

(c) During fiscal 2007, the Company determined that certain stock options granted during fiscal years 2002 and 2003 were issued with an exercise price less than the fair market value of the underlying common stock on the measurement date for accounting purposes, therefore subjecting the option holders to adverse tax consequences. In February 2007, in order to avoid the negative tax implications, the Company commenced a tender offer in which employees had the right to exchange their existing employee stock options for new stock options with a higher exercise price. The Company compensated employees for the reduced value of the new stock options by making cash payments. The amounts in this column represent cash payments received for the reduced value of new stock options.

(d) Represents cash payments for Restricted Share Units based on the stock of TD related to Mr. Armstrong s previous employment with TD Waterhouse. The Company assumed the obligations under the TD Restricted Share Units upon its acquisition of TD Waterhouse in fiscal 2006.

(e) The fiscal 2008 amount for Mr. Tomczyk includes $34,453 for private aircraft usage and $92,308 for a housing allowance. The fiscal year 2008 amount for Mr. Engel includes payments pursuant to his separation and release agreement consisting of $450,000 for post-termination salary continuation, $525,000 for severance pay, and $39,663 for unused vacation.

Grants of Plan-based Awards

The following table summarizes equity awards granted to our named executive officers in fiscal year 2008 under our LTIP. Equity awards granted in fiscal year 2009 for services rendered in fiscal year 2008 are summarized in the Compensation Discussion and Analysis under the heading Actions Since End of Fiscal Year 2008.

		Estimated Future Payouts Under Equity Incentive Plan Awards			All Other Stock Awards: Number of Shares of Stock or Units	All Other Option Awards: Number of Securities Underlying Options	Exercise or Base Price of Option Awards	Grant Date Fair Value of Stock and Option Awards
Name	**Grant Date (a)**	**Threshold (#) (b)**	**Target (#) (c)**	**Maximum (#) (d)**	**(#) (e)**	**(#) (f)**	**($/Sh) (g)**	**($) (h)**
Joseph H. Moglia	11/14/2007(1)				288,210			5,577,613
William J. Gerber	10/25/2007(1)				9,559			180,261
	10/25/2007(2)				5,310			100,134
J. Joe Ricketts	11/14/2007(1)				31,222			604,227
Fredric J. Tomczyk	10/25/2007(1)				29,427			554,926
	5/15/2008(3)					1,150,000	18.21	10,402,670
David M. Kelley	10/25/2007(1)				11,949			225,331
	10/25/2007(2)				53,106			1,001,457
	10/25/2007(1)				30,589			576,838

T. Christian Armstrong					
Bryce B. Engel	9/4/2008(4)			7,169	148,642
	9/4/2008(5)	6,444	7,732		133,610
	9/4/2008(6)	48,379	58,054		1,003,090

(1) These RSUs represent the equity component of the fiscal year 2007 annual incentive award. The Company measures the fair value of the RSUs based upon the volume-weighted average market price, or VWAP, of the underlying common stock as of the date of the grant. The VWAP on October 25, 2007 and November 14, 2007 was $18.8577 and $19.3526 per share, respectively. The RSUs vest on the third anniversary of the grant date.

(2) These RSUs represent discretionary grants at a fair value of $18.8577 per share (VWAP of the underlying common stock as of the date of the grant). The RSUs vest on the third anniversary of the grant date.

(3) On May 15, 2008, Mr. Tomczyk was granted 1,150,000 nonqualified stock options contingent on him becoming the chief executive officer of the Company as of October 1, 2008. The grant date fair value, in column (h), reflects the per option fair value of $9.0458, as calculated using the Black-Scholes valuation model. The options vest 25% per year over four years from the vesting commencement date of October 1, 2008 and will expire 10 years from the date of the grant.

(4) In connection with Mr. Engel s resignation, the Company entered into a separation and release of claims agreement that provides for the continued vesting of RSUs granted on October 25, 2007 in accordance with the terms of the grant. The RSUs in this row represent the equity component of the fiscal year 2007 annual incentive award as described in note (1) above. The continued post-termination vesting of the RSUs is considered a modification of the original grant. The fair value per RSU was measured based on the VWAP of $20.734 per share on September 4, 2008, the date of modification.

(5) In connection with Mr. Engel s resignation, the Company entered into a separation and release of claims agreement that provides for the continued vesting of PRSUs granted October 25, 2006 based on the Company s actual performance in accordance with the terms of the grant. The PRSUs in this row represent the equity component of the fiscal year 2006 annual incentive award. The PRSUs vest over three years based on the Company s EPS in each of fiscal year 2007, 2008 and 2009. At the end of each fiscal year, actual performance in that year determines the vesting of one-third of the award. Actual performance may result in 0% to 120% of the target units ultimately being earned as reflected in columns (b), (c) and (d). An executive officer is not entitled to any previously vested PRSU unless he is either employed by the Company at the end of the three-year vesting period or otherwise entitled under the severance or change in control provisions of his employment agreement. The continued post-termination vesting of the PRSUs is considered a modification of the original grant. The fair value per PRSU was measured based on the VWAP of $20.734 per share on September 4, 2008, the date of modification. The grant date fair value in column (h) reflects the target number of PRSUs, assuming the performance goals are attained at 100%. The actual number of shares ultimately issued may differ based on actual performance.

(6) In connection with Mr. Engel s resignation, the Company entered into a separation and release of claims agreement that provides for the continued vesting of PRSUs granted on March 10, 2006 based on the Company s actual performance in accordance with the terms of the grant. The PRSUs in this row represent the special award made in fiscal 2006 in connection with the closing of the acquisition of TD Waterhouse. For additional information regarding this special PRSU award, see the Special PRSUs section below. The continued post-termination vesting of the PRSUs is considered a modification of the original grant. The fair value per PRSU was measured based on the VWAP of $20.734 per share on September 4, 2008, the date of modification. The grant date fair value, in column (h), reflects the target number of PRSUs, assuming the performance goals are attained at 100%. The actual number of shares ultimately issued may differ based on actual performance.

Outstanding Equity Awards at Fiscal Year-End

The following table provides information on the current holdings of stock option and stock awards by our named executive officers. This table includes unexercised and unvested option awards, unvested RSUs and PRSUs with performance conditions that have not been satisfied or that have not vested. The vesting schedule is shown for each grant in the footnotes to the table. The market value of the stock awards is based on $16.67, the closing market price of the Company s common stock on September 30, 2008 (the last business day of fiscal 2008). The PRSUs are subject to performance conditions based on diluted earnings per share and operating cost synergies related to the acquisition of the TD Waterhouse, which are further described below.

	Option Awards				Stock Awards			
Name	**Number of Securities Underlying Unexercised Options (#) Exercisable**	**Number of Securities Underlying Unexercised Options (#) Unexercisable**	**Option Exercise Price ($)**	**Option Expiration Date**	**Number of Shares or Units of Stock That Have Not Vested (#)**	**Market Value of Shares or Units of Stock That Have Not Vested ($)**	**Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)**	**Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested ($)**
Joseph H. Moglia	8,569,000		3.90	3/1/13				
							483,792(8)	8,064,813
					163,616(3)	2,727,479	77,913(9)	1,298,810
					288,210(4)	4,804,461		
William J. Gerber	2,334		12.92	11/3/09				
	5,707		7.81	12/11/10				
	3,891		4.25	10/24/11				
	1,297		4.82	10/24/11				
	129,710		3.99	1/22/13				
							33,865(8)	564,530
					3,899(3)	64,996	1,856(9)	30,940
					9,559(4)	159,349		

					5,310(5)	88,518		
J. Joe Ricketts	387,443		12.92	9/30/09(2)				
	977,290		4.25	9/30/09(2)				
	104,827		3.51	9/30/09(2)				
	972,825		8.41	9/30/09(2)				
					21,424(6)	357,138		
					31,222(4)	520,471		
Fredric J. Tomczyk		1,150,000(1)	18.21	5/15/18				
					311,458(7)	5,192,005		
					29,427(4)	490,548		
David M. Kelley							48,880(8)	814,830
					3,364(3)	56,078	1,602(9)	26,705
					11,949(4)	199,190		
					53,106(5)	885,277		
T. Christian Armstrong							96,758(8)	1,612,956
					16,761(3)	279,406	7,982(9)	133,060
					30,589(4)	509,919		
Bryce B. Engel							48,379(8)	806,478
					4,510(3)	75,182	2,148(9)	35,807
					7,169(4)	119,507		

(1) These nonqualified stock options vest in 25% annual increments from October 1, 2009 to October 1, 2012.

(2) Under the retirement provisions of the LTIP, these awards expire one year from the date of Mr. Ricketts retirement.

(3) Represents two-thirds of the equity component from the fiscal 2006 annual incentive award, which consisted of PRSUs. The Company s EPS performance for fiscal years 2007, 2008 and 2009 will each determine one-third of the total number of PRSUs that may ultimately vest. The number of units in this column reflects the actual fiscal 2007 and 2008 EPS performance results of 90% and 120%, respectively. The PRSUs for Mr. Moglia are

scheduled to vest on November 16, 2009. The PRSUs for the other named executive officers vest on October 26, 2009.

(4) Represents the equity component from the fiscal 2007 annual incentive award, which consisted of RSUs. The RSUs for Messrs. Moglia and Ricketts are scheduled to vest on November 14, 2010. The RSUs for the other named executive officers are scheduled to vest on October 25, 2010.

(5) These RSUs represent discretionary grants, which are scheduled to vest on October 25, 2010.

(6) These RSUs vest on December 8, 2009.

(7) In connection with Mr. Tomczyk s employment as chief operating officer during the fourth quarter of fiscal 2007, he received a special equity award with a target of 270,833 PRSUs. The Company s EPS performance for fiscal 2008 determined the total number of PRSUs that may ultimately vest. The number of units in this column reflects the actual fiscal 2008 EPS performance results of 115%. These PRSUs are scheduled to vest on July 9, 2010.

(8) These special PRSUs are subject to performance conditions based on realization of operating cost synergies from the integration of TD Waterhouse. The special PRSUs are further described under Special PRSUs below. The number of units in this column reflects the target number of PRSUs, assuming performance goals are attained at 100%. The special PRSUs for Mr. Kelley are scheduled to vest on July 3, 2009. The special PRSUs for the other named executive officers are scheduled to vest on March 10, 2009.

(9) Represents one-third of the equity component from the fiscal year 2006 annual incentive award, which consisted of PRSUs. The Company s EPS performance for fiscal years 2007, 2008 and 2009 will each determine one-third of the total number of PRSUs that may ultimately vest. The number of units in this column reflects the target number of PRSUs to be determined based on fiscal 2009 EPS, assuming performance goals are attained at 100%. The PRSUs for Mr. Moglia are scheduled to vest on November 16, 2009. The PRSUs for the other named executive officers are scheduled to vest on October 26, 2009.

Special PRSUs

The special PRSU awards were granted in fiscal year 2006 in connection with the closing of the acquisition of TD Waterhouse. One hundred percent of these special PRSUs will vest if the Company achieves $328 million of operating expense reductions between March 2006 and March 2009. This clear measure and specific target are tied directly to the achievement of the synergy savings expected from the acquisition of TD Waterhouse. The compensation committee established a range of payouts from 0% to 120% based on the percentage of fixed costs achieved relative to a target of $328 million of operating expense reductions.

The special PRSU awards made in fiscal year 2006 in connection with the closing of the acquisition of TD Waterhouse were as follows:

	Special PRSU Award	
Named Executive Officer	**$**	**# of PRSUs at Target**
Joseph H. Moglia	10,000,000	483,792
William J. Gerber	700,000	33,865
J. Joe Ricketts		

David M. Kelley	750,000	48,880
T. Christian Armstrong	2,000,000	96,758
Bryce B. Engel	1,000,000	48,379

For each named executive officer except Mr. Kelley, the total value of each special PRSU award (rounded to the nearest thousand dollars) and number of the special PRSUs awarded was determined using target performance and a per-share value of $20.67, the average of the high and low price of the Company s common stock for the 20 trading days ended March 9, 2006. The total value of Mr. Kelley s special PRSU award (rounded to the nearest thousand dollars) and number of the special PRSUs awarded was determined using target performance and a per-share value of $15.34, the average of the high and low price of the Company s common stock for the 20 trading days ended June 30, 2006.

If the performance objective is achieved, each restricted stock unit will provide for the payment of one share of common stock of the Company. We believe that the use of PRSUs provides a direct link to performance over the performance period and is consistent with the objectives to have a significant link in our incentive program to both the annual and long-term interests of stockholders.

Option Exercises and Stock Vested

The following table summarizes stock option exercises for the named executive officers during fiscal 2008. There were no stock awards that vested for the named executive officers during fiscal 2008.

	Option Awards	
Name	**Number of Shares Acquired on Exercise (#)**	**Value Realized on Exercise ($)**
Joseph H. Moglia	431,000	6,928,150
William J. Gerber		
J. Joe Ricketts	1,154,937	19,356,744
Fredric J. Tomczyk		
David M. Kelley		
T. Christian Armstrong		
Bryce B. Engel	143,328	2,315,155

Non-qualified Deferred Compensation

The table below provides information on the non-qualified deferred compensation of our named executive officers in fiscal year 2008.

Name	**Aggregate Earnings in Last FY ($)**	**Aggregate Balance at Last FYE ($)**
Joseph H. Moglia(1)	703,371	17,682,171
William J. Gerber		
J. Joe Ricketts		
Fredric J. Tomczyk		
David M. Kelley		
T. Christian Armstrong		
Bryce B. Engel		

(1) Under Mr. Moglia s initial employment agreement entered into in March 2001, the Company credited Mr. Moglia with $15.6 million of deferred compensation. The deferred compensation vested ratably over a two-year period ended in March 2003. This deferred compensation was previously reported in the summary compensation table in

the amounts of $4.5 million, $7.8 million and $3.3 million for fiscal years 2001, 2002 and 2003, respectively. During fiscal 2008, Mr. Moglia s deferred compensation was deemed to be invested in investment options based on 1-month, 3-month and 1-year London Interbank Offered Rates. The earnings reported for fiscal 2008 are not above-market or preferential and therefore are not reported in the Summary Compensation Table. Mr. Moglia has elected to receive a single lump sum distribution of his deferred compensation, payable as soon as practicable following his termination of employment.

Potential Payments Upon Termination or Change-in-Control

Introduction and Overview

The Company has entered into employment agreements with each of its named executive officers other than Messrs. Gerber and Kelley. The employment agreements and certain compensation plans and award agreements require the Company to provide compensation and benefits to the executives in the event of a termination of employment or a change in control of the Company. Payments are not triggered simply upon the occurrence of a change in control. Rather, our executives will only receive change in control benefits if their employment is terminated following a change in control.

Compensation Plans and Award Agreements

Under the MIP, in the event of death or disability prior to the payment of a scheduled award, compensation will be paid to the executive s estate or other authorized person. Under the PRSU and RSU award agreements the consequences of death, disability, retirement, termination without cause and change in control are:

Triggering Event	Consequence
Death	Award vests and settles as soon as practicable
Disability or retirement	Award continues to vest in accordance with its terms, whether or not the executive is employed on the settlement date
Termination without cause	Award is pro-rated through the date of termination and then vests in accordance with its terms
Change in control	Award continues to vest in accordance with its terms in the event of termination for any reason, other than cause, within 24 months after a change in control

Employment Agreements of Current Named Executive Officers

Chairman (former Chief Executive Officer) Joseph H. Moglia

Effective June 11, 2008, the Company and Mr. Moglia entered into an amended and restated employment agreement in connection with his election as chairman of the board of directors. The agreement was further amended on September 29, 2008. Following is a brief summary of certain terms of his employment agreement, as amended.

Moglia Employment Agreement

Provision	**Summary Description**
Position	Chairman, beginning October 1, 2008 (former Chief Executive Officer)
Term	June 11, 2008 through May 31, 2011, which is divided into the following periods: Initial period June 11, 2008 through September 30, 2008 Remaining original term June 11, 2008 through May 31, 2009, which is intended to reflect the remaining period of the Initial Term as that term was defined in the predecessor agreement dated June 23, 2006 Additional term October 1, 2008 through May 31, 2011
Base Salary	$1,000,000 per year
Annual Cash Incentive	Participation in MIP Annual cash incentive target of $9,000,000 for fiscal year 2008 Annual cash incentive target of $6,000,000 for fiscal year 2009, which reflects the pro-rata period from October 1, 2008 through May 31, 2009 Not eligible to participate after remaining original term
Equity Compensation	Participation in LTIP Special grant of 580,550 PRSUs at maximum (483,792 PRSUs at target) Not eligible to participate after remaining original term
Air Travel	Mr. Moglia is entitled to fly on private aircraft when traveling on Company-related business at the expense of the Company.
Conditions to Receipt of Termination Payments and Benefits	As a condition to receiving severance payments, Mr. Moglia is required to enter into a release of claims and abide by non-competition, non-solicitation and non-disparagement covenants. The non-competition and non-solicitation covenants cover a period of: the lesser of 12 months or the remainder of the term of the agreement, provided that in no event shall the restricted period be less than six months or six months, if the termination occurs at the completion of the entire term of the agreement.

Definitions Under Mr. Moglia s Employment Agreement

Good reason means the occurrence of any of the following without Mr. Moglia s express written consent:

after September 30, 2008, the appointment or nomination by the board of directors of any individual other than Mr. Moglia as chairman of the board;

any failure by the Company to provide Mr. Moglia with a reporting relationship to the board of directors or any material and adverse reduction in such reporting, other than any isolated, insubstantial and inadvertent failure by the Company that is not in bad faith and is cured promptly following the Company receiving notice of such failure;

a material reduction in the kind or level of employee benefits to which Mr. Moglia is entitled immediately prior to such reduction with the result that his overall benefits package is significantly reduced, other than a one-time reduction that also is applied to substantially all other executive officers of the Company and that reduces the level of employee benefits by a percentage reduction of 10% or less;

a reduction (even if permitted under the applicable plan documents, grant or award) in Mr. Moglia s base salary, target annual incentive, special grant or annual award as in effect immediately prior to such reduction, other than a one-time reduction that also is applied (and continues to apply) to substantially all other executive officers of the Company and which one-time reduction reduces any of the base salary, target annual incentive, special grant or annual award by a percentage reduction of 10% or less in the aggregate; or

the failure of the Company to obtain the assumption of Mr. Moglia s employment agreement by a successor.

The failure of the Company s stockholders to elect or reelect Mr. Moglia to the board of directors will not constitute good reason.

Cause means Mr. Moglia s conviction of, or plea of *nolo contendere* to, a criminal offense arising out of a breach of trust, embezzlement or fraud committed against the Company by him in the course of his employment with the Company.

Severance period means, if Mr. Moglia s employment is terminated during the remaining original term of the agreement, the greater of: (i) the period of time commencing on the date of the termination of Mr. Moglia s employment and continuing for the remainder of the remaining original term or (ii) one year. If Mr. Moglia s employment is terminated after the remaining original term, severance period will mean the period of time commencing on the date of the termination of Mr. Moglia s employment and continuing for the remainder of the additional term.

President and Chief Executive Officer (former Chief Operating Officer) Fredric J. Tomczyk

Effective May 16, 2008, the Company and Mr. Tomczyk entered into an amended and restated employment agreement in connection with his election as CEO of the Company. Following is a brief summary of certain terms of his employment agreement.

Tomczyk Employment Agreement

Provision	**Summary**
Position	President, Chief Executive Officer, beginning October 1, 2008 (former Chief Operating Officer)
Term	Agreement commenced on May 16, 2008 with the following periods: COO term May 16, 2008 through September 30, 2008 5-year initial term commencing October 1, 2008 ° Written notice of non-renewal may be provided by either party at least 60 days before expiration of the initial term ° Automatic renewal for 1-year additional term following the initial term if non-renewal notice not provided ° Following additional term, renewal for an additional 1-year term with mutual consent of the parties

Base Salary	$500,000 per year
Annual Incentive	Participation in MIP with annual cash incentive target of $1,100,000 for fiscal year 2008 and a target of $1,500,000 for each fiscal year thereafter
Equity Compensation	Participation in LTIP Special grant of 325,000 PRSUs at maximum (270,833 PRSUs at target) Stock option grant of 1,150,000 shares conditioned upon Mr. Tomczyk becoming the CEO on October 1, 2008