

TD AMERITRADE HOLDING CORP

Form DEF 14A

January 30, 2006

OMB APPROVAL

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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    
Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to §240.14a-12

**TD Ameritrade Holding Corporation**

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(Name of Registrant as Specified In Its Charter)

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(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

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**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS**

**March 9, 2006**

The Annual Meeting of Stockholders of TD Ameritrade Holding Corporation (the Company) will be held at the Joslyn Art Museum, 2200 Dodge Street in Omaha, Nebraska on Thursday, March 9, 2006, 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 independent auditors for the Company for the fiscal year ending September 29, 2006;
- 3) To consider and vote upon a proposal to amend and restate the Company's 1996 Long-Term Incentive Plan;
- 4) 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 January 26, 2006 will be entitled to notice of and to vote at the meeting.

Stockholders, whether or not they expect to be present at the meeting, are requested to sign and date the enclosed proxy, which is solicited on behalf of the Board of Directors, and return it promptly in the envelope enclosed for that purpose. If you elected to receive the Annual Report and Proxy Statement electronically over the Internet, you will not receive a paper proxy card, unless you request one, and we encourage you to vote online. If you did not elect to receive the materials through the Internet, you may still vote your shares electronically over the Internet or telephonically by following the procedures described in the Proxy Statement. **Your vote is very important.** Whether or not you plan to attend the Annual Meeting, please submit your proxy promptly by telephone or via the Internet in accordance with the instructions on the enclosed proxy card or by completing, dating and returning your proxy card in the enclosed envelope. Returning the proxy card or otherwise submitting your proxy does not deprive you of your right to attend the Annual Meeting and vote in person.

By Order of the Board of Directors

Ellen L.S. Koplou, *Secretary*

Omaha, Nebraska  
January 30, 2006

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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 2006 Annual Meeting of Stockholders of TD Ameritrade Holding Corporation (the Company). The 2006 Annual Meeting will be held on Thursday, March 9, 2006 at 10:30 a.m., Central Standard Time, at the Joslyn Art Museum, 2200 Dodge Street in Omaha, Nebraska. This Proxy Statement and the accompanying proxy card are first being sent to stockholders on or about February 3, 2006.

**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 January 26, 2006 (the Record Date) will be entitled to vote at the Annual Meeting. As of the Record Date, there were 603,496,440 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 Board of Directors of the Company in accordance with the directions given therein. 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. At this time, we are unaware of any matters, other than set forth above, 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 directors expect 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 percent of the Common Stock outstanding as of the Record Date.

The accompanying proxy is solicited from the holders of the Common Stock on behalf of the Board of Directors of the Company and 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 there are broker non-votes, will be considered present at the Annual Meeting for purposes of determining a quorum.

**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 enclosed proxy card, and follow the instructions. If you would like to receive future stockholder materials electronically, please enroll at **www.investordelivery.com**. Please have the proxy card you received in hand when

accessing the site.

Please refer to the proxy card enclosed herewith or to the e-mail announcement that you may have received for voting instructions. If you choose not to vote electronically, please complete and return the paper proxy card in the pre-addressed, postage-paid envelope provided herewith.

If you elected to receive this Proxy Statement electronically over the Internet and would now like to receive a paper copy of this Proxy Statement so that you may submit a paper proxy in lieu of an electronic proxy, please notify the Secretary of the Company of this request in writing at the address set forth at the top of this page.

### **Broker Non-Votes**

Broker non-votes are shares held by brokers or nominees as to which voting instructions have not been received from the beneficial owners or the persons entitled to vote those shares and the broker or nominee does not have discretionary voting power under rules applicable to broker-dealers. Under these rules, the proposal to approve the amendment and restatement of the Company's 1996 Long-Term Incentive Plan is not an item on which brokerage firms may vote in their discretion on behalf of their clients if such clients have not furnished voting instructions within ten days of the Annual Meeting. Any broker non-votes submitted by brokers or nominees in connection with the Annual Meeting will not be counted for purposes of determining the number of votes cast on the proposal related to the amendment and restatement of the Company's 1996 Long-Term Incentive Plan, but will be treated as present for quorum purposes. The proposal to approve the amendment and restatement of the Company's 1996 Long-Term Incentive Plan is required to be approved by the holders of a majority of the shares of Company Common Stock present or represented by proxy and voting on the applicable matter and therefore abstentions and broker non-votes will have no effect on this proposal.

## **PROPOSAL 1**

### **ELECTION OF DIRECTORS**

#### **Board of Directors**

The Company's restated 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 Chairman and Founder, certain members of his family and trusts established for their benefit (collectively, the Ricketts holders) owned approximately 18 percent of our Common Stock as of the Record Date. The Toronto-Dominion Bank, a Canadian chartered bank (TD) owned approximately 32.5 percent of our Common Stock as of the Record Date. In connection with the acquisition of TD Waterhouse, the Ricketts holders and TD 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 are designated by TD, three of whom are designated by the Ricketts holders, one of whom is the chief executive officer of TD Ameritrade, and three of whom are outside independent directors, who are designated by the existing outside independent directors of TD Ameritrade, subject to the consent of 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 TD Ameritrade Common Stock as set forth in the Stockholders Agreement. Because TD and the Ricketts holders collectively own more than 50 percent of the voting power of the outstanding Common Stock of the Company, the Company qualifies as a controlled company for purposes of NASD Rule 4350(c) and, as such, 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 2006 Annual Meeting: W. Edmund Clark, Michael D. Fleisher, Joseph H. Moglia and Thomas S. Ricketts as Class I directors to serve terms ending at the 2009 Annual Meeting and Glenn H. Hutchins, who is presently a Class I director, as a Class II director to serve a term ending at the 2007 Annual Meeting. Mr. Clark is a designee of TD, Messrs. Fleisher and Hutchins are outside independent directors, Mr. Moglia is the chief executive officer of the Company, and Mr. Thomas Ricketts is a designee of the Ricketts holders.



J. Peter Ricketts, Marshall A. Cohen and Daniel A. Marinangeli are Class II directors serving terms ending at the 2007 Annual Meeting. J. Joe Ricketts, Dan W. Cook III, Wilbur J. Prezzano and Fredric J. Tomczyk are Class III directors serving terms ending at the 2008 Annual Meeting. The Board of Directors has determined that Messrs. Cohen, Cook, Fleisher, Hutchins and Prezzano are independent as defined in NASD 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 II director to be elected by them and the other matters described herein. The Board of Directors knows of no reason any of Messrs. Clark, Fleisher, Hutchins, Moglia and Thomas Ricketts might be unavailable to serve as directors, and each has expressed an intention to serve, if elected. If any of Messrs. Clark, Fleisher, Hutchins, Moglia and Thomas Ricketts 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, there are no arrangements or understandings between any of the persons nominated to be a Class I or a Class II 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 that a quorum of at least a majority of the outstanding shares of Common Stock are 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. Proxies submitted pursuant to this solicitation will be voted for the election of each of Messrs. Clark, Fleisher, Moglia and Thomas Ricketts as Class I directors and Mr. Hutchins as a Class II director, unless specified otherwise.

THE BOARD OF DIRECTORS RECOMMENDS THAT STOCKHOLDERS VOTE **FOR** THE ELECTION OF W. EDMUND CLARK, MICHAEL D. FLEISHER, JOSEPH H. MOGLIA AND THOMAS S. RICKETTS AS CLASS I DIRECTORS AND FOR THE ELECTION OF GLENN H. HUTCHINS AS A CLASS II 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     | 58  | President and Chief Executive Officer, TD Bank Financial Group; Vice Chairman of the Company | 2006           | Class I<br>2009                      |
| Michael D. Fleisher | 41  | Executive Vice President and Chief Financial Officer, Warner Music Group, Inc.               | 2002           | Class I<br>2009                      |
| Glenn H. Hutchins   | 50  | Managing Director, Silver Lake Partners  | 2002           | Class II<br>2007                     |
| Joseph H. Moglia    | 56  | Chief Executive Officer of the Company   | 2006           | Class I<br>2009                      |
| Thomas S. Ricketts  | 40  | Chairman and Chief Executive Officer, Incapital LLC  | 2002           | Class I<br>2009                      |

*W. Edmund Clark* is currently President and Chief Executive Officer of TD Bank Financial Group. Mr. Clark has served in such 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. Mr. Clark is a director of The Toronto-Dominion Bank, TD Banknorth, Inc. and TD Banknorth, N.A.

*Michael D. Fleisher* is currently Warner Music Group's (WMG) Executive Vice President and Chief Financial Officer. Mr. Fleisher is responsible for WMG's worldwide financial operations. Mr. Fleisher previously served as the Chairman and CEO of Gartner, Inc., a leading technology research company. Mr. Fleisher joined Gartner, Inc. in 1993, leading the company's initial public offering, as well as the company's move to the New York Stock Exchange. At Gartner, Mr. Fleisher completed more than 30 acquisitions and investments. As head of the Gartner Events organization, Mr. Fleisher developed Gartner Symposium/ITxpo into a premier IT strategic planning event. Mr. Fleisher was appointed Chief Financial Officer in 1998, became Chief Executive Officer in 1999, and was elected Chairman of the Board in 2001. Mr. Fleisher's previous business experience includes working from 1990 to

1993 as an associate at Bain Capital, a venture capital and buy-out firm. He was a consultant at Bain & Company, a strategy-consulting firm, from 1987 to 1990. Mr. Fleisher holds a bachelors degree in economics from the Wharton School of Business.

*Glenn H. Hutchins* is a Managing Director of Silver Lake Partners, a private equity firm he co-founded in January 1999. From 1994 to 1999, Mr. Hutchins was a Senior Managing Director of The Blackstone Group, where he focused on private equity investing. Mr. Hutchins is a director of The Nasdaq Stock Market, Inc. and Seagate Technology. He is also a director of several private companies and non-profit organizations. Mr. Hutchins holds an A.B. from Harvard University, an M.B.A from Harvard Business School and a J.D. from Harvard Law School.

*Joseph H. Moglia* joined the Company as Chief Executive Officer in March 2001. 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 subsidiary, The Equitable Life Assurance Society of the U.S. 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 InterNotes<sup>SM</sup> 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.

### Directors Not Standing For Election

| Name                  | Age | Principal Occupation   | Director Since | Class and Year in Which Term Expires |
|-----------------------|-----|--|----------------|--------------------------------------|
| J. Joe Ricketts       | 64  | Chairman and Founder of the Company  | 1981           | Class III<br>2008                    |
| Marshall A. Cohen     | 70  | Counsel, Cassels Brock & Blackwell LLP                                     | 2006           | Class II<br>2007                     |
| Dan W. Cook III       | 71  | Senior Advisor, MHT Partners, L.P.   | 2005           | Class III<br>2008                    |
| Daniel A. Marinangeli | 55  | Executive Vice President of Corporate Development, TD Bank Financial Group | 2006           | Class II<br>2007                     |
| Wilbur J. Prezzano    | 65  | Director, The Toronto-Dominion Bank  | 2006           | Class III<br>2008                    |

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|--------------------|----|--|------|-------------------|
| J. Peter Ricketts  | 41 | Candidate for U.S. Senate representing the State of Nebraska | 1999 | Class II<br>2007  |
| Fredric J. Tomczyk | 50 | Vice Chair of Corporate Operations, TD Bank Financial Group  | 2006 | Class III<br>2008 |

*J. Joe Ricketts* is currently Chairman of the Company's Board of Directors. 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 served

as a director and officer. By 1981, Mr. Ricketts 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 director of Securities Industry Association (SIA). Mr. Ricketts 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.

*Marshall A. Cohen* is Counsel at Cassels Brock & Blackwell LLP, a law firm based in Toronto, Canada. Prior to joining that firm in 1996, from 1988 to 1996, Mr. Cohen served as President and Chief Executive Officer of The Molson Companies Limited. Mr. Cohen is a director of Barrick Gold Corporation, American International Group, Inc., Lafarge North America Inc. (retiring April 24, 2006), The Toronto-Dominion Bank (retiring March 30, 2006), Metaldyne Corp., Collins & Aikman Corporation and The Goldfarb Corporation (retiring March 9, 2006).

*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. Mr. Cook serves on the board of directors of Centex Corporation. He also serves on the Executive Board of the Edwin L. Cox School of Business at Southern Methodist University. Mr. Cook received an M.B.A. from Harvard Business School and a B.A. from Stanford University.

*Daniel A. Marinangeli* was Executive Vice President and Chief Financial Officer of TD Bank Financial Group from June 1999 until October 2005. Since November 1, 2005, Mr. Marinangeli has served as Executive Vice President of Corporate Development for TD Bank Financial Group. Mr. Marinangeli serves as a director of Truscan Properties Limited and Truscan Property Corporation.

*Wilbur J. Prezzano* was employed with Eastman Kodak Company for over 30 years and served in various positions with such company during that time, including as Vice Chairman of Eastman Kodak Company and Chairman and President of Kodak's Greater China Region, the positions which 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, Lance, Inc., Roper Industries, Inc., TD Banknorth Inc. and Banknorth, N.A.

*J. Peter Ricketts* is currently a candidate for the U.S. Senate representing 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. He has served as a director of the Company since 1999. 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.

*Fredric J. Tomczyk* is currently Vice Chair of Corporate Operations for TD Bank Financial Group, a position he has held since May 2002. From March 2001 until his current appointment, 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. Mr. Tomczyk is a director of Symcor Inc., Meloche Monnex Inc., Primmum Insurance Company, Security National Insurance Company, Truscan Properties Limited, Truscan Property Corporation and Robarts Research Institute.



**Executive Officers**

The Company's executive officers are as follows:

| <b>Name</b>              | <b>Age</b> | <b>Position</b>  |
|--------------------------|------------|--|
| J. Joe Ricketts          | 64         | Chairman and Founder   |
| Joseph H. Moglia         | 56         | Chief Executive Officer  |
| T. Christian Armstrong   | 57         | Executive Vice President, Sales and Marketing  |
| Raymond J. Bartlett, Jr. | 45         | Senior Vice President and Chief Information Officer  |
| Michael D. Chochon       | 37         | Treasurer  |
| Bryce B. Engel           | 34         | Senior Vice President, Chief Brokerage Operations Officer  |
| Phylis M. Esposito       | 54         | Executive Vice President, Chief Strategy Officer   |
| Laurine M. Garrity       | 44         | Senior Vice President, Chief Marketing Officer   |
| Asiff S. Hirji           | 39         | Executive Vice President, Chief Operating Officer  |
| Ellen L.S. Koplow        | 46         | Executive Vice President, General Counsel and Secretary<br>Executive Vice President, Chief Financial Officer and Chief |
| John R. MacDonald        | 50         | Administrative Officer   |
| Lawrence J. Szczech      | 49         | Executive Vice President and Chief Client Officer  |

See [Directors Not Standing For Election](#) for information regarding the business experience of J. Joe Ricketts and [Nominees to Board of Directors](#) for information regarding the business experience of Joseph H. Moglia.

*T. Christian Armstrong* became Executive Vice President, Sales and Marketing upon the closing of the Company's acquisition of TD Waterhouse Group, Inc. on January 24, 2006. He is also one of four members of the executive management team serving in the Office of the Chief Executive. Immediately prior to the closing, he served as Acting President and Chief Executive Officer of TD Waterhouse. Previously he was Vice Chair, Sales and Marketing of TD Waterhouse and Chairman, President and Chief Executive Officer of TD Waterhouse Bank, N.A. Mr. Armstrong joined TD Bank Financial Group in 2000 after more than ten years experience in financial services marketing. Mr. Armstrong received his B.A. degree from University of Virginia and earned an MBA with honors from American University.

*Raymond J. (Jerry) Bartlett, Jr.* has served as Chief Information Officer since September 2005. He oversees all information technology initiatives, including business technology planning, application development, product development, information and physical security as well as IT infrastructure and architecture. Previously, he served as the Vice President of Application and Development. He also served as the Director of Application Development where he oversaw the overall application integration following the Datek merger. He has over 17 years of experience leading application development groups in the financial, insurance and healthcare industries. From 1995 until joining the Company in 1999, he led large applications development and database organizations for St. Paul Company. Prior to that, he managed systems development with the American Red Cross. Recently, he was recognized as one of Computerworld's 2005 Premier 100 IT Leaders based on his leadership in managing risk and execution during the Datek integration. He holds a B.S. in technology and management from the University of Maryland.

*Michael D. Chochon* was appointed Treasurer of the Company in November 2005. He is responsible for capital structure, liquidity, balance sheet management, risk reporting and external banking and rating agency relations for the Company. Previously, Mr. Chochon served as Assistant Treasurer since joining the Company in 2003. He has



15 years experience in treasury, tax and accounting, including six 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 serves on the Securities Industry Association Treasury Steering Committee. He graduated from the University of Nebraska-Lincoln with a bachelor's degree in Accounting.

*Bryce B. Engel* has served as Chief Brokerage Operations Officer since March 2005. He oversees the Company's Client Service and Support as well as Clearing operations. Mr. Engel was previously Vice President and Managing Director of Clearing since February 2003 where he oversaw all clearing operations including order routing, processing and settlement. Mr. Engel has served in a variety of roles during his 10-year tenure at the

Company, including the leadership of call center operations and Ameritrade Clearing. He also played a lead role in the integrations of Datek Online Holdings Corporation and National Discount Brokers Corporation into the Company. He graduated with a B.A. in Finance from the University of Nebraska-Lincoln.

*Phylis M. Esposito* joined the Company as Chief Strategy Officer in July 2001. Ms. Esposito is responsible for corporate strategy, focusing on industry and market issues to develop corporate business initiatives that mitigate risks and maximize opportunities for profitable long-term growth. Ms. Esposito also oversees Investor Relations. Ms. Esposito has over 25 years of financial markets experience. From 1998 until joining the Company, she served as senior partner and project manager for Mathias & Company, Management Consultants. In that role, she provided strategic advice and business plan implementation to global financial institutions, professional financial service firms and multi-national corporations. Prior to that, she was a Senior Managing Director for Bear Stearns & Company. She was also a founding Partner and Chief Financial Officer for Artemis Capital Group, and a Vice President for Goldman Sachs. Ms. Esposito received an M.B.A. from Columbia University and holds a B.A. from Fordham University.

*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 21 years of marketing experience including 14 years in the financial services arena. Prior to joining the Company in January 2005, 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. Garrity is a graduate of Barnard College, Columbia University in New York.

*Asiff S. Hirji* oversees the technology, operations, and business development functions at the Company. He is also one of four members of the executive management team serving in the Office of the Chief Executive. Joining the Company in April 2003, Hirji has nearly twenty years experience at the nexus of financial services and technology. Prior to becoming Chief Operating Officer in July 2005, he served as the Company's Chief Information Officer and led the technology integration through the Datek merger. From July 2002 until joining the Company, he served as Vice President, Partner of Bain & Company where he was a leader of their IT Strategy practice. From July 2001 to June 2002, he served as President of Meralix, Inc., a firm specializing in turning around troubled portfolio companies for private equity funds. Prior to that, Mr. Hirji was President and Chief Technology Officer for Netfolio, Inc., an online investment advisor that he took through the entire lifecycle from initial inception to growth and sale. He was also a founding member and Partner of the Mitchell Madison Group, which he helped grow into the second largest financial services strategic consultancy in the world before its sale for a then record sum. Mr. Hirji received an M.B.A with honors from The University of Western Ontario and a B.S. in Computer Science from The University of Calgary.

*Ellen L.S. Koplou* 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. Koplou was managing principal of the Columbia, Maryland office of Miles & Stockbridge P.C. Ms. Koplou 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 and has a B.A. in Government and Politics from the University of Maryland.

*John R. (Randy) MacDonald* has served as Chief Financial Officer since March 2000 and Chief Administrative Officer since August 2005. He oversees all financial operations of the Company, including developing and planning financial transactions and Company-wide fiscal management. He is also responsible for all administrative functions,

including human resources, facilities, corporate communications, risk management, regulatory reporting and business reporting. He served as a key leader in the Company's seven previous acquisitions and is currently leading the integration planning for the acquisition of TD Waterhouse Group, Inc. He is also one of four members of the Company's executive management team serving in the Office of the Chief Executive. Prior to joining the

Company in March 2000, Mr. MacDonald served in a similar capacity with the New York City-based Investment Technology Group, Inc., a leading provider of technology-based equity-trading services and transaction research to institutional investors and brokers. Mr. MacDonald has also held executive positions at Salomon Brothers and Deloitte & Touche. He graduated cum laude from Boston College with a B.S. in accounting. Mr. MacDonald has been nominated for election to the Board of Directors for GFI Group, Inc.

*Lawrence J. Szczech* was named Chief Client Officer in March 2005, and is responsible for the Client Group's strategic direction while also overseeing client segment activities in addition to the delivery of client driven products and services aimed to provide a superior, value-priced experience. Mr. Szczech previously served as Managing Director of Client and Product Strategy at the Company, where he managed the integration of product lines through the Company's merger with Datek Online Holdings Corporation. He joined the Company in 2002 from Datek, where he was Senior Vice President of Product. Prior to joining Datek, Szczech spent 16 years with the New York Stock Exchange, Inc., and Mincron SBC Corporation. Szczech graduated with a B.A. from the University of Dayton.

### **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, 2005, the Board of Directors held 26 meetings and took action by written consent five times. During fiscal year 2005, each director attended at least 75 percent 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. Six of the eight directors attended the 2005 Annual Meeting of Stockholders.

The Board of Directors has established four standing committees: Audit, Compensation, Outside Independent Directors and Non-TD Directors. On February 9, 2005, the Board of Directors decided to form an independent Special Committee to review, evaluate, investigate and negotiate the terms of a possible transaction with TD, and any alternative transaction, and to determine whether the transaction with TD, or an alternative transaction, was fair to, and in the best interests of, the Company and its stockholders. The Board of Directors appointed Messrs. Fleisher and Mark L. Mitchell, both of whom the Board of Directors determined to be independent directors with respect to the potential transaction, to serve as members of the Special Committee. Following the 2005 Annual Meeting of Stockholders on February 16, 2005, the Board of Directors held a regularly scheduled meeting at which it appointed Mr. Cook, a newly elected director, who the Board of Directors determined to be independent with respect to the potential transaction, to the Special Committee to serve with Messrs. Fleisher and Mitchell. The Special Committee held 11 meetings during the fiscal year ended September 30, 2005.

***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 as well as its financial and regulatory reporting, (ii) selecting the Company's independent auditors 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 taking any action considered appropriate by the Audit Committee and the Board of Directors, (iv) performing other oversight functions as requested by the full Board of Directors and (v) reporting activities performed to the full Board of Directors. The Audit Committee Charter was adopted by unanimous written consent of the Board of Directors on September 5, 2002 and subsequently adopted by the Audit Committee at the October 3, 2002 Audit Committee meeting. The Charter was reviewed and reaffirmed by the Audit Committee at the November 15, 2005 Audit Committee meeting. The Audit Committee Charter is available on the Company's Web site at [www.amtd.com](http://www.amtd.com) and is attached to this proxy statement as Appendix A. The Audit Committee is currently composed of Messrs. Fleisher, Prezzano and Cohen. Mr. Fleisher 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 also designated Mr. Fleisher as an audit committee financial expert as defined by the SEC. The Company's Audit Committee met 16 times during fiscal year 2005. The Report of the Audit Committee for the

fiscal year ended September 30, 2005 appears under PROPOSAL 2 RATIFICATION OF APPOINTMENT OF AUDITOR.

**Compensation Committee.** The Compensation Committee reviews and approves broad compensation philosophy and policy and changes in executive salary levels, bonus payments and equity awards pursuant to the Company's management incentive plans as outlined below. The Compensation Committee is currently composed of Messrs. Hutchins, Cook and Tomczyk. Mr. Hutchins serves as the Compensation Committee's chairman. The Compensation Committee Charter is available on the Company's Web site at [www.amtd.com](http://www.amtd.com). The Company's Compensation Committee met three times during fiscal year 2005. The Report of the Compensation Committee on Executive Compensation appears under EXECUTIVE COMPENSATION.

**Nominations Committee.** The Nominations Committee's purpose was to assist the Board of Directors in fulfilling the board's oversight responsibilities by (1) identifying individuals qualified to serve on the board; (2) reviewing the qualifications of the members of the board and recommending nominees to fill vacancies on the board; and (3) recommending a slate of nominees for election or reelection as directors by the corporation's stockholders at the Annual Meeting to fill the seats of outside independent directors whose terms are expiring. In connection with the acquisition of TD Waterhouse Group, Inc., the Board of Directors constituted the Outside Independent Directors Committee, which will take the place of the Nominations Committee. The Nominations Committee's Charter provided that its members were to be independent as defined under applicable Nasdaq Stock Market listing standards and were not to include any director designated by investment funds affiliated with Silver Lake Partners and TA Associates or the Ricketts holders pursuant to a stockholders agreement. The Nominations Committee was composed of Messrs. Cook, Fleisher, and Mark L. Mitchell. All Nominations Committee members were independent as defined in the applicable listing standards of The Nasdaq Stock Market. Mr. Mitchell served as the Nominations Committee's chairman. The Company's Nominations Committee met three times during fiscal year 2005.

**Outside Independent Directors (OID) Committee.** On January 19, 2006, in accordance with the provisions of the Stockholders Agreement and effective as of the closing of the acquisition of TD Waterhouse Group, the Board of Directors constituted the OID Committee. The OID Committee will take the place of the Nominations Committee and generally will serve the same purpose as the Nominations Committee served. The members of the OID Committee are Messrs. Cook, Fleisher, and Hutchins. 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.

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: (a) a detailed resume outlining the candidate's knowledge, skills and experience, (b) a one-page summary of the candidate's attributes, including a statement as to why the candidate is an excellent choice for the board, (c) a detailed resume of the stockholder submitting the director recommendation and (d) the number of shares held by the stockholder, including the dates such shares were acquired. The Company has retained a professional search firm to assist in identifying candidates, performing background research and conducting the interview process.

The Nominations Committee Charter, which will serve as the basis for the OID Committee Charter, establishes guidelines for identifying and evaluating candidates for selection to the board as follows:

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

2. The composition of the entire board shall 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 shall be free of conflicts of interest that would interfere with their ability to discharge their duties as a director.
4. Candidates shall 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. The OID Committee may determine any other criteria.

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 shall not be subject to the committee's review and recommendation process.

***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 TD Ameritrade of a competing business held by TD. The Non-TD Directors Committee is currently composed of Messrs. J. Joe Ricketts, Cook, Fleisher, Hutchins, Moglia, J. Peter Ricketts and Thomas Ricketts. This committee has not yet met.

#### **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:

Chief Administrative Officer  
TD Ameritrade Holding Corporation  
4211 South 102nd Street  
Omaha, Nebraska 68127

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 Chief Administrative Officer 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 Chief Administrative Officer will not forward non-substantive communications or communications that p