

STATE OF NEBRASKA
Department of Banking & Finance

IN THE MATTER OF:	)	
	)	
TD Ameritrade, Inc.	)	FINDINGS OF FACT
200 South 108th Avenue	)	CONCLUSIONS OF LAW
Omaha, Nebraska	)	AND
	)	CONSENT ORDER
CRD # 7870	)	

THIS MATTER comes before the Nebraska Department of Banking and Finance (“Department”), by and through its Director, pursuant to its authority under the Securities Act of Nebraska, Neb. Rev. Stat. §§ 8-1101 to 8-1123 (Reissue 2022; Cum. Supp. 2024; LB 251, 2025) (“Act”). A coordinated investigation led by six jurisdictions, including Massachusetts, Washington, Montana, Missouri, Alabama, Texas, and Iowa (“Multi-State Group”), concluded that TD Ameritrade, Inc., 200 South 108th Avenue, Omaha, Nebraska, CRD #7870 (“TD Ameritrade”), charged commissions in excess of 5% on certain small principal equity transactions. TD Ameritrade charged a commission in excess of 5% on approximately 482 equity transactions for Nebraska customers from June 30, 2018 to June 30, 2023 (“Relevant Time Period”), totaling \$7,202.77. TD Ameritrade, in full settlement of these matters, neither admits nor denies the Findings of Fact and the Conclusions of Law set forth below.

FINDINGS OF FACT

1. TD Ameritrade was a broker-dealer registered in Nebraska with a main address of 200 South 108th Avenue, Omaha, Nebraska. TD Ameritrade is identified by Financial Industry Regulatory Authority (“FINRA”) CRD No. 7870. TD Ameritrade has filed a Form BDW, and the Securities and Exchange Commission has withdrawn its registration.

A. TD Ameritrade's Minimum Commission Practices for Equity Transactions Failed to Ensure Transactions Were Executed at a Fair and Reasonable Price

2. Except as otherwise expressly stated, the conduct described herein occurred during the Relevant Time Period.

3. During the Relevant Time Period, TD Ameritrade executed 482 equity transactions in Nebraska which included an unreasonable commission for services performed (*i.e.*, in excess of 5% of the principal trade amount), totaling \$7,202.77.

4. During the Relevant Time Period, TD Ameritrade charged a fixed minimum commission for broker-assisted trades, which were those not placed directly online by customers (the "Minimum Equity Commission").¹

5. The Act, and rules and regulations thereunder, prohibit TD Ameritrade from charging unreasonable commissions for services performed.

6. FINRA Rule 2121 Supplementary Material .01 (Rule 2121.01) sets a guideline of five percent for determining whether a commission is unfair or unreasonable. However, the "5% Policy" is a guide, not a rule. A commission of five percent or even less may be considered unfair or unreasonable, and a commission of five percent or more may be considered fair or reasonable, depending on the various circumstances.

B. TD Ameritrade Did Not Reasonably Supervise Transactions Which Applied the Minimum Equity Commission

7. TD Ameritrade did not reasonably supervise transactions that included the Minimum Equity Commission charge to ensure that TD Ameritrade charged its customers a

¹ During the Relevant Time Period, over 99% of TD Ameritrade's orders were unsolicited, self-directed trades placed online by its customers. Broker-assisted trades constituted less than 1% of the Firm's orders. From June 2018 to October 2019, this fee was \$44.99; and thereafter, the fee was \$25.

reasonable commission.

8. TD Ameritrade's policies and procedures contemplated review of commissions as part of normal supervisory review processes.

9. Despite these systems, TD Ameritrade's surveillance policies failed to reasonably detect and correct unreasonable commission charges, specifically as it relates to the Minimum Equity Commission.

10. As a result, TD Ameritrade failed to adequately supervise small principal equity transactions where the Minimum Equity Commission was in excess of 5%.

CONCLUSIONS OF LAW

1. The preceding paragraphs are incorporated by reference as though set forth verbatim herein.

2. Neb. Rev. Stat. § 8-1103(9)(a)(xi) (Reissue 2022) requires that each broker-dealer establish and maintain a system to supervise the activities of its broker-dealer agents that is reasonably designed to achieve compliance with the Act.

3. TD Ameritrade's acts and practices, as described above, constitute a violation of Section 8-1103(9)(a)(xi) of the Act.

4. The foregoing violation of the Act constitutes the basis for the assessment of a fine, costs, and settlement against TD Ameritrade pursuant to Neb. Rev. Stat. § 8-1108.01 (Reissue 2022).

5. Under the Act's statutory framework, the Director has legal and equitable authority to fashion significant protective remedies.

6. It is in the best interest of TD Ameritrade, and in the public's best interest, for TD Ameritrade and the Director to resolve the issues included herein.

STIPULATIONS

In connection with this Order, TD Ameritrade and the Director stipulate to the following:

1. The Department has jurisdiction as to all matters herein.
2. An Order should be entered in this matter, which shall be in lieu of other proceedings by the Department against TD Ameritrade, except as specifically referenced in this Order.

TD Ameritrade further represents as follows:

1. TD Ameritrade hereby acknowledges that it has been served with a copy of this Order, has read the foregoing Order, is aware of its right to a hearing and appeal in this matter, and has waived the same.

2. TD Ameritrade admits the jurisdiction of the Department, neither admits nor denies the Findings of Fact and Conclusions of Law contained in this Order, and consents to entry of this Order by the Department as settlement of the issues contained in this Order.

3. TD Ameritrade agrees that it shall not claim, assert, or apply for a tax deduction or tax credit with regard to any state, federal, or local tax for any administrative monetary penalty that TD Ameritrade shall pay pursuant to this Order. TD Ameritrade understands and acknowledges that these provisions are not intended to imply that the Department would agree that any other amounts TD Ameritrade shall pay pursuant to this Order may be reimbursed or indemnified (whether pursuant to an insurance policy or otherwise) under applicable law or may be the basis for any tax deduction or tax credit with regard to any state, federal, or local tax.

4. TD Ameritrade states that no promise of any kind or nature whatsoever was made to it to induce it to enter into this Order and that it has entered into this Order voluntarily.

ORDER

On the basis of the Findings of Fact, Conclusions of Law, and TD Ameritrade's consent to the entry of this Order,

IT IS THEREFORE ORDERED:

1. TD Ameritrade is censured by the Department.
2. TD Ameritrade shall provide restitution in an amount of \$7,202.77 representing the portion of the commission on certain small principal equity transactions that exceeded 5% of the principal trade amount during the Relevant Time Period to the affected Nebraska customers, plus interest in the amount of 6% from the date of the transaction to June 3, 2025. TD Ameritrade shall provide restitution within one hundred twenty (120) days of the effective date of this Order.
3. Restitution shall be in the form of a check for all former customers.
4. TD Ameritrade shall provide a notice of restitution to customers on terms not unacceptable to the Multi-State Group ("Notice Letter"). The Notice Letter shall be sent prior to or with the distribution of any restitution. Within forty-five (45) days of the mailing of the Notice Letter, Respondent shall provide the Department with a list of all Nebraska residents for whom Respondent receives a Notice Letter as returned to sender. To the extent the Department has access to different address information, Respondent shall mail a second Notice Letter to each Nebraska resident within thirty (30) days of the Department providing such different address.
5. TD Ameritrade shall prepare and submit to the Department a report detailing the restitution paid pursuant to the Order, which shall include dates, amounts, and methods of the transfer of funds for all restitution payments within forty-five (45) days of completion of distribution of restitution.

6. TD Ameritrade shall pay an administrative fine to the Department in the amount of Fifteen Thousand Dollars (\$15,000).²

7. The total amount of the fines, investigation costs, and settlement in the amount of Fifteen Thousand Dollars (\$15,000.00) shall be paid by one check payable to the Department within fifteen days after the effective date of this Order. At its option, Respondents may transmit payment electronically to the Department, which will provide ACH transfer instructions upon request.

8. TD Ameritrade shall not claim, assert, or apply for a tax deduction or tax credit with regard to any state, federal, or local tax for any amounts that TD Ameritrade shall pay pursuant to the Order.

9. TD Ameritrade shall not seek or accept, directly or indirectly, reimbursement or indemnification, including, but not limited to, any payments made pursuant to any insurance policy, with regard to any amount that TD Ameritrade shall pay pursuant to the Order.

10. If TD Ameritrade is the subject of a voluntary or involuntary bankruptcy petition under Title 11 of the United States Code within three hundred sixty-five (365) days of the entry of the Order, TD Ameritrade shall provide written notice to the Department within five (5) days of the date of the petition.

11. Any fine, penalty, and/or money that TD Ameritrade shall pay in accordance with the Order is intended by TD Ameritrade and the Department to be a contemporaneous exchange for new value given to TD Ameritrade pursuant to 11 U.S.C. § 547(c)(1)(A) and is, in fact, a substantially contemporaneous exchange pursuant to 11 U.S.C. § 547(c)(1)(B).

² Upon receipt of the Fifteen Thousand Dollars (\$15,000), it shall be allocated as an administrative fine in the amount of One Thousand Five Hundred Dollars (\$1,500.00), the Department's costs of investigation in the amount of Two Thousand Two Hundred Fifty Dollars (\$2,250.00), and the sum of Eleven Thousand Two Hundred Fifty Dollars (\$11,250.00) as a settlement to the Department of Banking and Finance Settlement Cash Fund pursuant to Neb. Rev. Stat. § 81-302 (LB 264, 2025).

12. If TD Ameritrade fails to materially comply with any of the terms set forth in the Order, the Department may institute an action to have the Order declared null and void. Additionally, after a fair hearing and the issuance of an order finding that TD Ameritrade has not complied with the Order, the Department may move to have the Order declared null and void, in whole or in part, and re-institute the associated proceeding that had been brought against TD Ameritrade.

13. For good cause shown, the Department may extend any of the procedural dates set forth above. TD Ameritrade shall make any requests for extensions of the procedural dates set forth above in writing to the Department.

14. This Order waives any disqualification in the Act, or rules or regulations thereunder, including any disqualification from relying upon the registration exemptions or safe harbor provisions to which TD Ameritrade may be subject. The Order is not intended to be a final order based upon a violation of the Act that prohibits fraudulent, manipulative, or deceptive conduct. The Order is not intended to form the basis of any disqualifications under Section 3(a)(39) of the Securities Exchange Act of 1934, or Rules 504(b)(3) and 506(d)(1) of Regulation D, Rule 262(a) of Regulation A, and Rule 503(a) of Regulation CF under the Securities Act of 1933. The Order is not intended to form the basis of disqualification under the FINRA rules prohibiting continuance in membership absent the filing of a MC-400A application or disqualification under SRO rules prohibiting continuance in membership. The Order is not intended to form a basis of a disqualification under 204(a)(2) of the Uniform Securities Act of 1956 or Section 412(d) of the Uniform Securities Act of 2002. Except in an action by the Department to enforce the obligations of the Order, any acts performed or documents executed in furtherance of the Order: (a) may not be deemed or used as an admission of, or evidence of, the validity of any alleged wrongdoing, liability, or lack of any wrongdoing or liability; or (b) may not be deemed or used as an admission of, or

evidence of, any such alleged fault or omission of TD Ameritrade in any civil, criminal, arbitration, or administrative proceeding in any court, administrative agency, or tribunal.

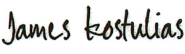
15. This Order shall be binding upon TD Ameritrade with respect to all conduct subject to the provisions above and all future obligations, responsibilities, undertakings, commitments, limitations, restrictions, events, and conditions.

16. This Order and any dispute related thereto shall be construed and enforced in accordance with, and governed by, the laws of Nebraska without regard to any choice of law principles.

17. The effective date of this Order is the date of the Director's signature.

DATED this 9th day of October, 2025.

TD AMERITRADE, INC.

Signed by:

27AB59C331B0494...

By: James Kostulias
Title: Managing Director, Head of Trading Services

DATED this 10th day of October, 2025.



**STATE OF NEBRASKA
DEPARTMENT OF BANKING AND FINANCE**

DocuSigned by:

Kelly Lammers

By:

81A8ACE4898B41D...

Kelly Lammers, Director

1526 K Street, Suite 300
Lincoln, Nebraska 68508
(402) 471-2171