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IN THE MATTER OF:	*	CONSENT ORDER
	*	
TD AMERITRADE, INC.	*	No. CO-25-202523-S
	*	
(CRD No. 7870)	*	
(“Respondent”)	*	
	*	

I. PRELIMINARY STATEMENT

WHEREAS, the Banking Commissioner (“Commissioner”) is charged with the administration of Chapter 672a of the General Statutes of Connecticut, the Connecticut Uniform Securities Act (“Act”), and Sections 36b-31-2 to 36b-31-33, inclusive, of the Regulations of Connecticut State Agencies promulgated under the Act (“Regulations”);

WHEREAS, Respondent TD Ameritrade, Inc. (“TD Ameritrade” or “Respondent”) was a broker-dealer with a main address of 200 South 108th Avenue, Omaha, Nebraska 68154 formerly registered in Connecticut under the Act from August 7, 1986 until June 3, 2024. TD Ameritrade terminated its FINRA registration on July 29, 2024 and its Securities and Exchange Commission registration on September 17, 2024.

WHEREAS, the North American Securities Administrators Association, Inc. (“NASAA”) is a voluntary association whose membership consists of 67 state, provincial, and territorial securities administrators;

WHEREAS, State securities regulators, as members of NASAA, formed a multistate task force to conduct a coordinated investigation (the “Investigation”) into Respondent’s charging of commissions in excess of 5% on certain small principal equity transactions;

WHEREAS, Respondent has advised the NASAA multistate task force of its agreement to resolve the Investigation through a multistate settlement which includes this Consent Order;

WHEREAS, Section 36b-31(c) of the Act provides, in part, that: “To encourage uniform interpretation and administration of sections 36b-2 to 36b-33, inclusive, and effective securities regulation and enforcement, the commissioner may cooperate with the securities agencies or administrators of other states, Canadian provinces or territories . . . [and] any national or international organization of securities officials or agencies, and any governmental law enforcement or regulatory agency. The cooperation authorized by this subsection includes, but is not limited to, the following actions . . . (2) conducting joint . . . investigations; (3) sharing and exchanging information and documents subject to the restrictions of chapter 3; . . . and (5) executing joint agreements, memoranda of understanding and orders;”

WHEREAS, the Commissioner, acting pursuant to Sections 36b-31(c) and 36b-26 of the Act and through the Securities and Business Investments Division, participated in the resolution of the investigation described above to determine if Respondent had violated any provision of the Act or any regulation or order under the Act. The misconduct alleged herein occurred while Respondent was registered as a broker-dealer under the Act;

WHEREAS, Section 36b-27 of the Act, *inter alia*, authorizes the Commissioner to impose a fine against any person who has violated any provision of the Act or any regulation, rule or order adopted or issued under the Act;

WHEREAS, an administrative proceeding under Section 36b-27 of the Act would constitute a “contested case” within the meaning of Section 4-166(4) of the General Statutes of Connecticut;

WHEREAS, Section 4-177(c) of the General Statutes of Connecticut and Section 36a-1-55(a) of the Regulations of Connecticut State Agencies provide that a contested case may be resolved by consent order, unless precluded by law;

WHEREAS, Section 36b-31(a) of the Act provides, in relevant part, that “[t]he commissioner may from time to time make . . . such . . . orders as are necessary to carry out the provisions of sections 36b-2 to 36b-34, inclusive”;

WHEREAS, Section 36b-31(b) of the Act provides, in relevant part, that “[n]o . . . order may be made . . . unless the commissioner finds that the action is necessary or appropriate in the public interest or for the protection of investors and consistent with the purposes fairly intended by the policy and provisions of sections 36b-2 to 36b-34, inclusive”;

WHEREAS, Respondent, without admitting or denying the Statement of Facts and Violations of Law set forth below and solely for the purposes of this Consent Order, admits the jurisdiction of the Commissioner, voluntarily consents to the entry of this Consent Order, and voluntarily waives the following rights: (1) to be afforded notice and an opportunity for a hearing within the meaning of Sections 36b-27(a) and 36b-27(d)(2) of the Act and Section 4-177(a) of the General Statutes of Connecticut; (2) to present evidence and argument and to otherwise avail itself of Sections 36b-27(a) and 36b-27(d)(2) of the Act and Section 4-177c(a) of the General Statutes of Connecticut; (3) to present its position in a hearing in which it is represented by counsel; (4) to have a written record of the hearing made and a written decision issued by a hearing officer; and (5) to seek judicial review of, or otherwise challenge or contest the matters described herein, including the validity of this Consent Order;

WHEREAS, the Commissioner finds that the entry of this Consent Order is necessary or appropriate in the public interest and consistent with the purposes fairly intended by the policy and provisions of the Act;

WHEREAS, Respondent acknowledges that it has had the opportunity to consult with and be represented by independent counsel in negotiating and reviewing this Consent Order and agrees to the terms of this Consent Order freely;

NOW THEREFORE, the Commissioner hereby enters this Consent Order.

II. RELEVANT TIME PERIOD

1. Except as otherwise expressly stated herein, the conduct described herein occurred from

approximately June 30, 2018 to June 30, 2023 (the “Relevant Time Period”).

III. STATEMENT OF FACTS

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

2. During the Relevant Time Period, Respondent executed 797 equity transactions in Connecticut which included an unreasonable commission for services performed (i.e., in excess of 5% of the principal trade amount), totaling \$10,880.42.
3. During the Relevant Time Period, Respondent charged a fixed minimum commission for broker-assisted trades— i.e. those not placed directly online by customers (the “Minimum Equity Commission”).¹
4. The Act and its Regulations prohibit Respondent from charging unreasonable commissions for services performed.
5. 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 (5%) 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**

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

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.

7. Respondent's policies and procedures contemplated review of commissions as part of normal supervisory review processes.
8. Despite these systems, Respondent's surveillance policies failed to reasonably detect and correct unreasonable commission charges, specifically as it relates to the Minimum Equity Commission.
9. As a result, Respondent failed to adequately supervise small principal equity transactions where the Minimum Equity Commission was in excess of 5%.

IV. VIOLATIONS OF LAW

10. Section 36b-31-6f(b) of the Regulations under the Act provides, in part, that: "Each registered broker-dealer . . . shall establish, enforce and maintain a system for supervising the activities of its agents, investment adviser agents and Connecticut office operations that is reasonably designed to achieve compliance with applicable securities laws and regulations."
11. Respondent's acts and practices, as described above, constitute a violation of Section 36b-31-6f(b) of the Regulations under the Act.

CONSENT ORDER

On the basis of the Statement of Facts and Violations of Law contained herein, and the consent of the Respondent to the entry of this Consent Order,

IT IS HEREBY ORDERED THAT:

1. TD Ameritrade, Inc. is hereby **CENSURED**;
2. No later than fifteen (15) days following the Commissioner's entry of this Consent Order, Respondent shall pay to the "Treasurer, State of Connecticut", by check the sum of \$15,000 which shall constitute an administrative fine;
3. A. TD Ameritrade shall provide restitution in an amount of \$10,880.42 representing the amount 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 Connecticut 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 following the Commissioner's entry of this Consent Order;

B. Restitution shall be in the form of a check for all former customers;

C. Respondent shall provide a notice of restitution to customers on terms not unacceptable to Massachusetts, Montana, Missouri, Alabama, Washington, Texas, and Iowa (the "Multi-state Group") ("Notice Letter") for use by all participating jurisdictions. 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 Commissioner with a list of all Connecticut residents for whom Respondent receives a Notice Letter as returned to sender. To the extent the Commissioner has access to different address information, Respondent shall mail a second Notice Letter to each Connecticut resident within thirty (30) days of the Commissioner providing Respondent with such different address; and

D. TD Ameritrade shall prepare and submit to the Commissioner a report detailing the restitution paid pursuant to this Consent 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 the distribution of restitution;

4. This Consent Order concludes the investigation by the Commissioner and resolves any other action that the Commissioner could commence under the Act as it relates to the Statement of Facts and Violations of Law herein; provided, however, that excluded from and not covered by this paragraph are any claims by the Commissioner arising from or relating to enforcement of the terms and conditions of this Consent Order. Nothing herein shall be construed as limiting the Commissioner's ability to investigate Respondent for violations not resolved herein, to respond to and address any consumer complaints made with respect to Respondent, or, in the future, to initiate proceedings under Sections 36b-15 and/or Section 36b-27 of the Act based on matters not specifically resolved herein;

5. This Consent Order is entered into solely for the purpose of resolving the referenced multi-state

securities investigation and is not intended to be used for any other purpose.

6. The Commissioner may, in his discretion and for good cause shown, extend any of the procedural dates set forth herein, provided that Respondent makes any requests for extensions of the procedural dates set forth herein in writing to the Commissioner;
7. Respondent 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 Respondent shall pay pursuant to this Consent Order;
8. Respondent 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 Respondent shall pay pursuant to this Consent Order;
9. If Respondent is either 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 this Consent Order, Respondent shall provide written notice to the Commissioner within five (5) days of the date of the petition;
10. Any fine, penalty, and/or money that Respondent shall pay in accordance with this Consent Order is intended by Respondent and the Commissioner to be a contemporaneous exchange for new value given to Respondent 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);
11. This Consent Order shall not form the basis for any disqualifications of Respondent from under the laws of Connecticut, or rules or regulations thereunder, including any disqualification from relying upon the registration exemptions or safe harbor provisions to which Respondent may be subject. This Consent Order is not intended to be a final order based upon violations of the Act that prohibit fraudulent, manipulative, or deceptive conduct. This Consent 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. This Consent 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. This Consent 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 Commissioner to enforce the obligations of this Consent Order, any acts performed or documents executed in furtherance of this Consent 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 Respondent in any civil, criminal, arbitration, or administrative proceeding in any court, administrative agency, or tribunal.

12. Nothing in this Consent Order affects Respondent's testimonial obligations or right to take legal positions in litigation in which the Commissioner is not a party. Evidence of any compromise offers and negotiations of the parties related to the Consent Order, including the Consent Order and its terms and any conduct or statements made during compromise negotiations, should not be used as evidence against any Party in any proceeding to prove or disprove the validity or amount of a disputed claim except in an action or proceeding to interpret or enforce this Consent Order.
13. This Consent Order and any dispute related thereto shall be construed and enforced in accordance with, and governed by, the laws of the State of Connecticut without regard to any choice of law principles.
14. This Consent Order shall be binding upon Respondent with respect to all conduct subject to the provisions above and all future obligations, responsibilities, undertakings, commitments, limitations, restrictions, events, and conditions.

NOW THEREFORE, the Commissioner enters the following:

1. The Statement of Facts, Violations of Law and Consent Order set forth above, be and are hereby entered;
2. Entry of this Consent Order by the Commissioner is without prejudice to the right of the Commissioner to take enforcement action against Respondent based upon a violation of this

Consent Order if the Commissioner determines that compliance with the terms herein is not being observed or if any representation made by Respondent in connection with this matter is subsequently determined to be untrue; and

3. This Consent Order shall become final when entered.

So ordered at Hartford, Connecticut

this 12th day of November 2025.

/s/
Jorge L. Perez
Banking Commissioner

CONSENT TO ENTRY OF ORDER

I, James Kostulias, state on behalf of TD Ameritrade, Inc., that I have read the foregoing Consent Order; that I know and fully understand its contents; that I am authorized to execute this Consent Order on behalf of TD Ameritrade, Inc.; that TD Ameritrade, Inc. agrees freely and without threat or coercion of any kind to comply with the terms and conditions stated herein; and that TD Ameritrade, Inc voluntarily consents to the entry of this Consent Order, expressly waiving any right to a hearing on the matters described herein.

TD Ameritrade, Inc.

By: _____/s/_____
Name: James Kostulias
Title: Managing Director – Head of Trading Services

State of: Ill

County of: Cook

On this the 07 day of November, 2025, before me, the undersigned officer, personally appeared James Kostulias, who acknowledged himself to be the Managing Director, Head of Trading Services of TD Ameritrade, Inc., a corporation, and that he, as such Managing Director, Head of Trading Services, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation by himself as TD Ameritrade, Inc. [sic].

In witness whereof I hereunto set my hand.

Notary Public
Date Commission Expires: 12/29/2025