

December 7, 2010

VIA ELECTRONIC MAIL

Mr. Douglas J. Scheidt
Associate Director and Chief Counsel
Division of Investment Management
United States Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549

Mr. James Eastman
Associate Director and Chief Counsel
Division of Trading and Markets
United States Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549

Re: IA-BD Study – TD Ameritrade Meeting

Dear Messrs. Scheidt and Eastman:

TD Ameritrade, Inc. (“TD Ameritrade” or “the Firm”) appreciates your consideration in meeting with us to discuss the Firm’s views regarding the Securities and Exchange Commission’s (“Commission”) study of standards of care for investment advisers and broker-dealers (“IA-BD Study”). During our meeting we discussed recent surveys conducted by TD Ameritrade. Specifically, the surveys contain TD Ameritrade client views regarding their investing style and their reliance on financial advisers. In addition, the Firm also has attached a survey of independent registered investment advisers that use TD Ameritrade’s custodial platform to service clients.

Please contact me if you have any questions regarding the surveys.

Very truly yours,



John S. Markle
Deputy General Counsel

Attachments

According to a client survey commissioned by TD Ameritrade in July 2010 that included 740 respondents:

When asked, *how would you categorize your investing style*, clients responded:

- Buy/hold: hold most of my investments for years without selling – 27.2%
- Medium term: will make trades occasionally, but often not for months or longer – 36.9%
- Short-term: will move in and out of investments within six months – 25.9%
- Active Trader: will be in and out of investments within a few days – 2.3%
- I don't know enough to have an investing style – 2.3%

When asked, *as a result of current market conditions did you change your investing strategy*, clients responded:

- Yes, I have changed my investing strategy – 35.3%
- No, but I'm thinking about changing my investing strategy – 18.9%
- No, I'm staying the course – 42.6%
- Undecided – 3.2%

When asked, *where do you primarily turn for investing ideas and guidance*, clients responded:

- Online tools (i.e. screeners, charting tools, etc.) – 61.8%
- Financial news networks – 47.4%
- Financial publications – 46.1%
- Analyst reports – 30.1%
- Trusted friends and family – 12.8%
- Other – 11.6%
- Financial advisor – 9.3%
- Blogs – 6.1%
- Whatever I hear around the water cooler – 1.5%
- Employees with my brokerage firm – 0.8%
- Other social media like Twitter, Facebook and YouTube – 0.7%

When asked, *what is your current opinion on the combined financial services reform package*, clients responded:

- It addresses the root causes of the financial services crisis and will help us avoid another one in the future – 2.6%
- It does not address the root causes of the financial services crisis and does little to help us avoid another one in the future – 20.4%
- It's a good start, but more needs to be done – 24.6%
- It's too restricting in some areas and not enough in others – 7.2%
- It's a mess! – 14.9%
- Don't know enough about it to have an opinion – 29.9%
- Other – 0.5%

Survey Methodology

1,007 TD AMERITRADE clients responded to an online survey hosted by InsightExpress. These respondents are panelists in the TD AMERITRADE *Investor Sentiment Poll*. This survey was conducted July 14 – 20, 2010. The

margin of error in this survey is $\pm 3.1\%$. This means that in 19 cases out of 20, survey results based on 1,007 respondents will differ by no more than 3.1 percentage points in either direction from what would have been obtained by seeking the opinions of all eligible TD AMERITRADE clients. InsightExpress and TD AMERITRADE are separate, unaffiliated companies and are not responsible for each other's products and services.

According to a client survey commissioned by TD Ameritrade in January 2010 that included 1,050 respondents:

When asked, *who is primarily responsible for managing your portfolio*, clients responded:

- I am – 93.0%
- My spouse/domestic partner, or another family member – 1.0%
- My spouse/domestic partner, or another family member and I manage it together – 3.6%
- A financial advisor – 2.0%
- Other – 0.4%

When asked, *do you currently utilize the services of a financial advisor for any of your investable assets*, clients responded:

- Yes – 23.3%
- No – 76.7%

For those who currently do not utilize the services of a financial advisor, when asked, *do you see yourself seeking personalized investment advice from a financial advisor in 2010*, clients responded:

- Yes – 7.7%
- No – 92.3%

For those who currently utilize the services of a financial advisor, when asked, *about how often do you communicate with your financial advisor on issues related to your portfolio*, clients responded:

- Once a day – 2.0%
- Once a week – 7.3%
- Once a month – 19.6%
- Once every 3 months – 32.2%
- Twice a year – 20.4%
- Once a year – 18.4%

For those who currently utilize the services of a financial advisor, when asked, *how satisfied are you with the service you've received from your financial advisor over the last year*, clients responded:

Satisfaction indicated on a scale of 1 to 5 with 1 being "not at all satisfied" and 5 being "completely satisfied."

- 1 (not at all satisfied) – 4.1%
- 2 – 10.6%
- 3 – 34.3%
- 4 – 37.6%
- 5 (completely satisfied) – 13.5%

For those who currently utilize the services of a financial advisor, when asked, *over the last year, would you say your relationship with your financial advisor has*, clients responded:

- Strengthened – 27.3%
- Weakened – 17.6%
- No impact – 55.1%

When asked, *what is your primary method for learning about mutual funds*, clients responded:

- Use online research -67.4%
- Follow analyst ratings and reports – 13.1%
- Consult a financial advisor – 10.4%
- Referrals from family or friends – 2.3%

Survey Methodology

This survey was conducted online within the United States by InsightExpress on behalf of TD AMERITRADE between January 8 and January 20, 2010 among 1,050 current TD AMERITRADE clients (aged 18 and over). Respondents were selected from among those who have agreed to participate in InsightExpress surveys. The data have been weighted to reflect the composition of the TD AMERITRADE client base. The views expressed by respondents in these surveys are not the views of TD AMERITRADE, or its subsidiaries, and should not be considered investment guidance or any kind. InsightExpress and TD AMERITRADE are separate, unaffiliated companies and are not responsible for each other's products and services.

According to a telephone survey conducted February 18-22 and 25-26, 2010 by Infogroup | ORC on behalf of TD AMERITRADE that included 1,058 adults, employed full time, part time or self employed:

When asked, *how much guidance from an investment professional do you feel you need to achieve your goal for retirement*, using a 1 to 10 scale where 1 means "need little or no guidance from a professional" and 10 is "need a lot of guidance from a professional" to answer", respondents said:

- 10 "need a lot of guidance from a professional" – 7%
- 1 "need little or no guidance from a professional" – 18%
- 10, 9 or 8 – 22%
- 1,2 or 3 – 33%

Survey Methodology

These results are based on a survey conducted by Infogroup | ORC of Princeton, New Jersey on behalf of TD AMERITRADE. 1,058 adults, employed full time, part time or self employed, participated in a telephone survey conducted February 18-22 and 25-26, 2010. The margin of error in this survey is ± 3 percentage points. This means that in 19 cases out of 20, survey results based on 1,058 respondents will differ by no more than three percentage points in either direction from what would have been obtained by seeking the opinions of all eligible US adults employed full time, part time or self employed. Infogroup | ORC and TD AMERITRADE Institutional are separate, unaffiliated companies and are not responsible for each other's

According to a telephone survey conducted September 18 - 20, 2010 by Infogroup | ORC on behalf of TD AMERITRADE that included 1,009 adult participants:

When asked, *how often do you use a professional financial advisor who offers guidance for your investment decisions or other financial matters*, respondents said:

- Always – 7%
- Often – 8%
- Sometimes – 14%
- Rarely – 18%

- Never – 52%

When asked of those who always, often or sometimes use a professional financial advisor, *how likely are you to change your financial advisor in 2011*, respondents said:

- Definitely would – 3%
- Probably would – 5%
- Probably would not – 33%
- Definitely would not – 49%
- Undecided – 12%

When asked of those who definitely or probably would change their financial advisor in 2011, *why are you thinking about or planning to change your financial advisor in 2011*, respondents said:

- A loss of trust in your advisor – 60%
- You are not happy with the level of service – 58%
- You are dissatisfied with the fee structure – 48%
- It is not convenient enough – 35%
- You are not happy with their performance – 28%
- Other – 10%
- Don't know – 4%

Survey Methodology

These results are based on a survey conducted by Infogroup | ORC of Princeton, New Jersey on behalf of **TD Ameritrade**. One thousand nine (1,009) adults participated in a telephone survey conducted September 18 - 20, 2010. The margin of error in this survey is ± 3.1 percentage points. This means that in 19 cases out of 20, survey results based on 1,009 respondents will differ by no more than 3.1 percentage points in either direction from what would have been obtained by seeking the opinions of all adults living in the United States age 18 and older. Infogroup | ORC and **TD Ameritrade** are separate, unaffiliated companies and are not responsible for each other's products and services.

TD Ameritrade Institutional

RIA Oversight Survey Results

November 2010



Survey Sampling and Methodology

- On November 5th, 2010 an on-line survey was emailed to 9,889 Independent Registered Investment Advisors who custody client assets with TD Ameritrade
- 331 responses were received constituting a 3.3% response rate

Text of Survey Email

Dear Advisor,

As part of our commitment to advocate on behalf of the independent Registered Investment Advisor (RIA) community, we are conducting a survey to get a better understanding of advisors' position on the issue of oversight. This survey consists of five questions relating to whether RIAs would prefer having a self-regulatory organization or the SEC oversee advisors.

The survey should only take a few moments. We appreciate your time and commitment to helping shape the regulatory environment.

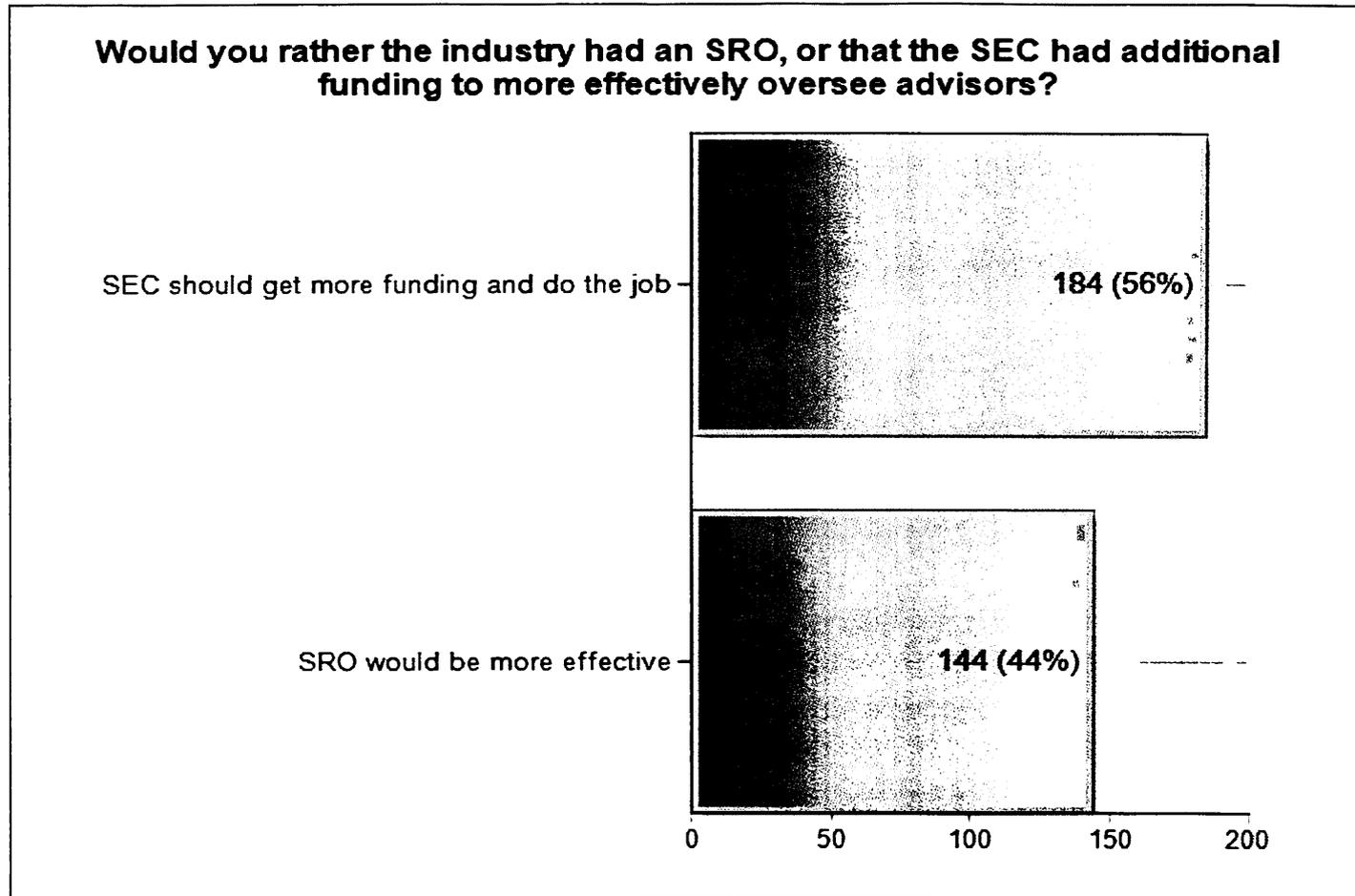
Sincerely,

Skip Schweiss

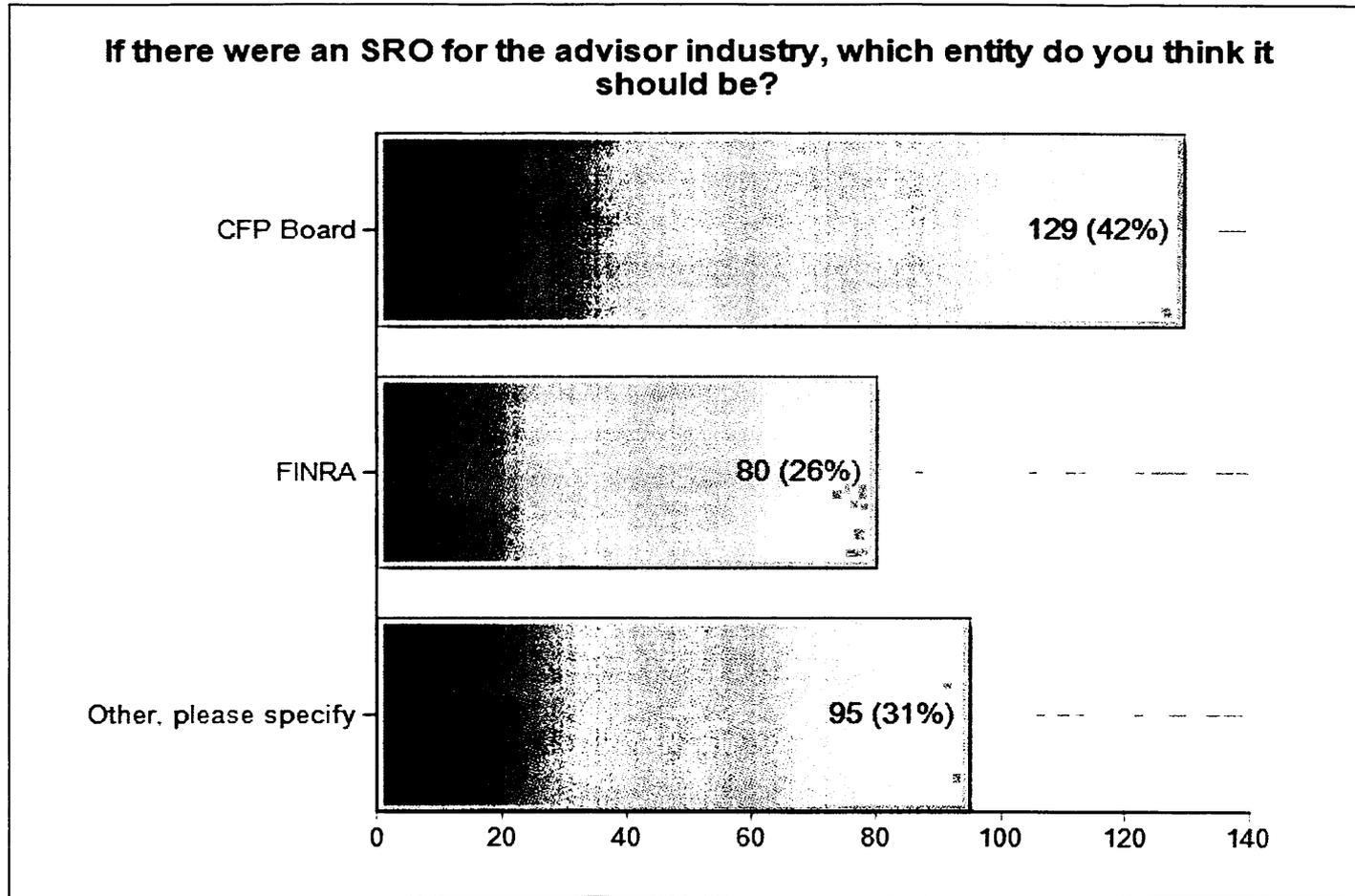
Managing Director, Advisor Advocacy

TD Ameritrade Institutional

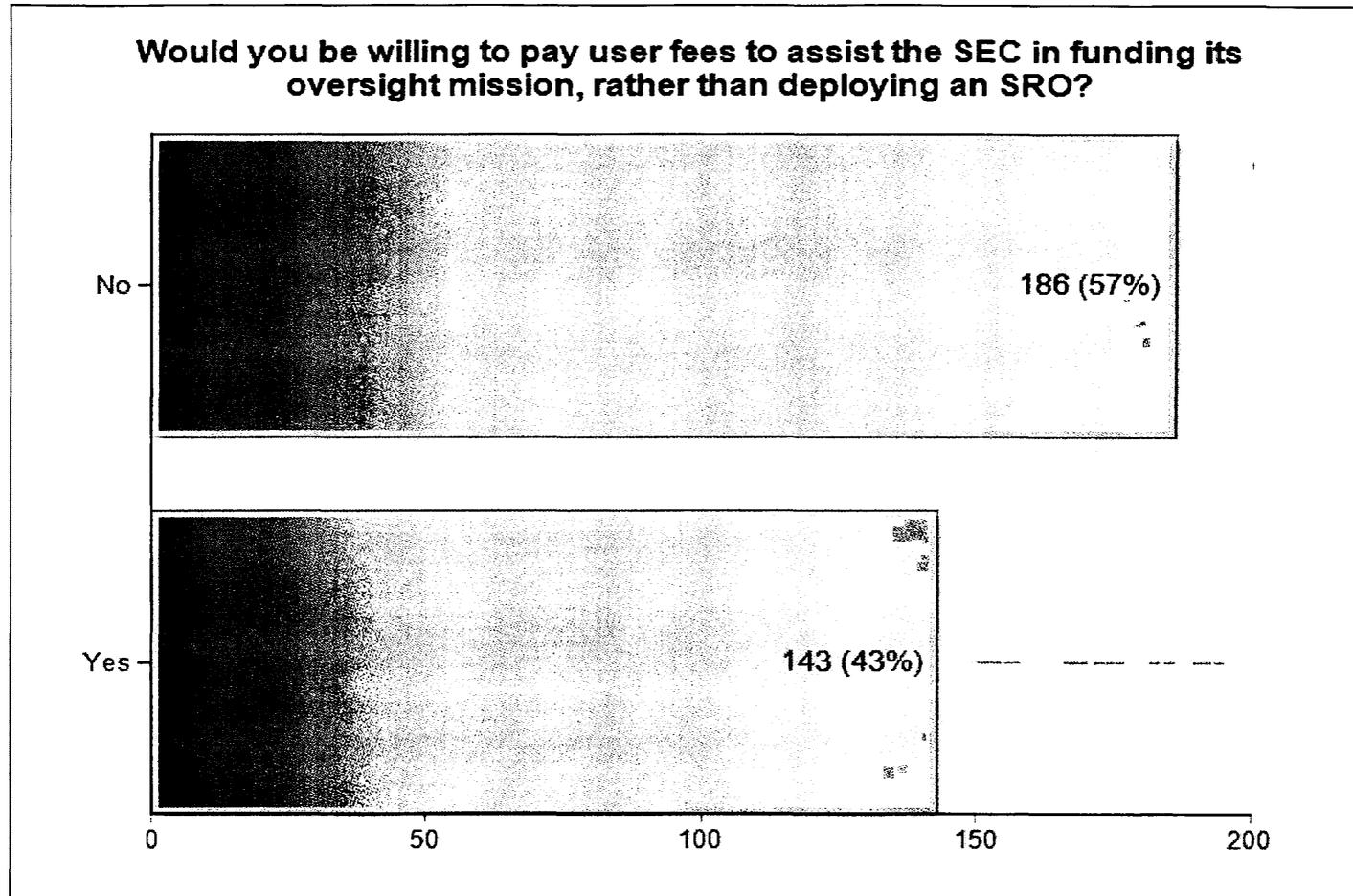
RIA Oversight Survey: Would you rather the industry had an SRO, or that the SEC had additional funding to more effectively oversee advisors?



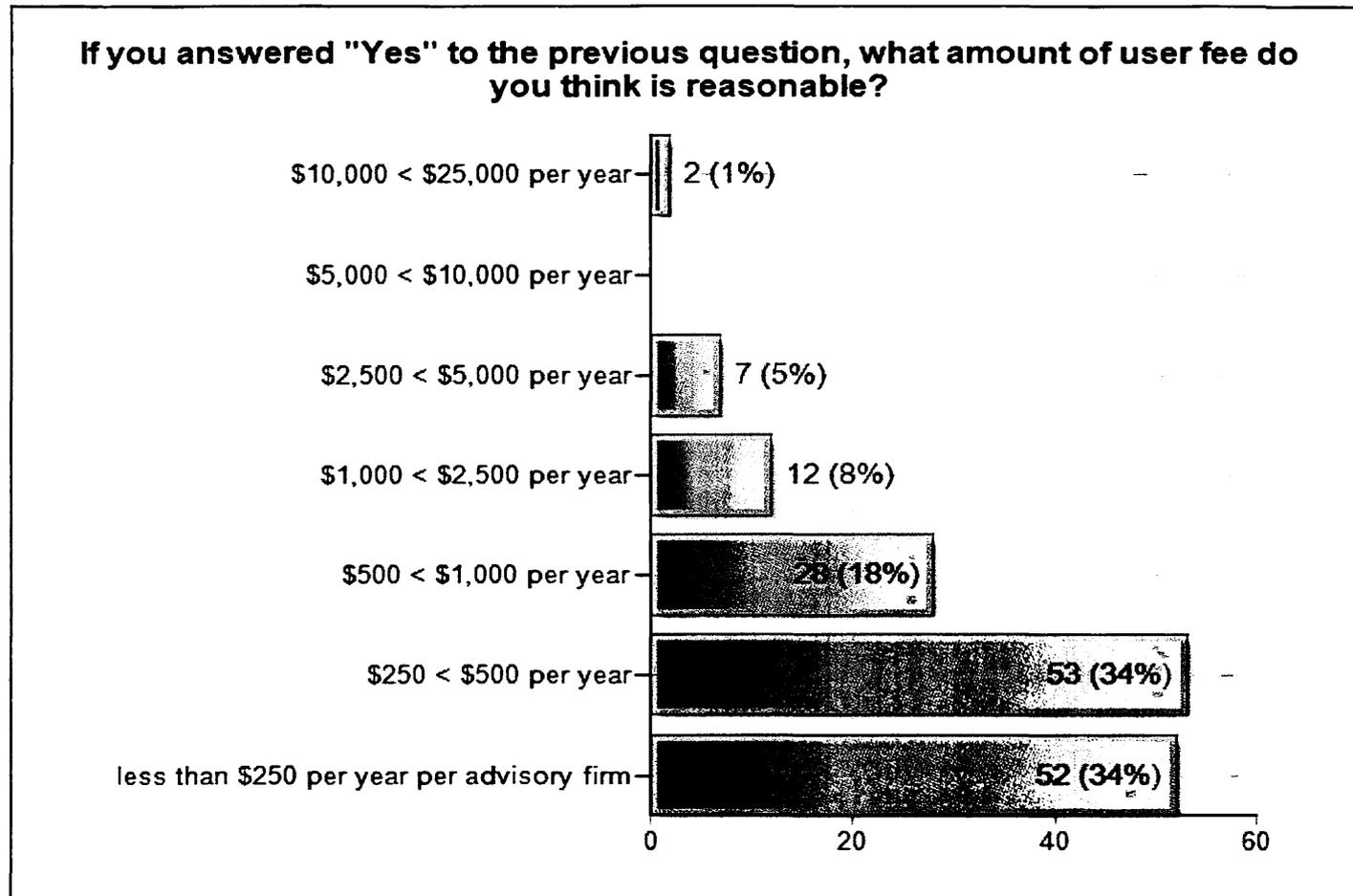
RIA Oversight Survey: If there were an SRO for the advisor industry, which entity do you think it should be?



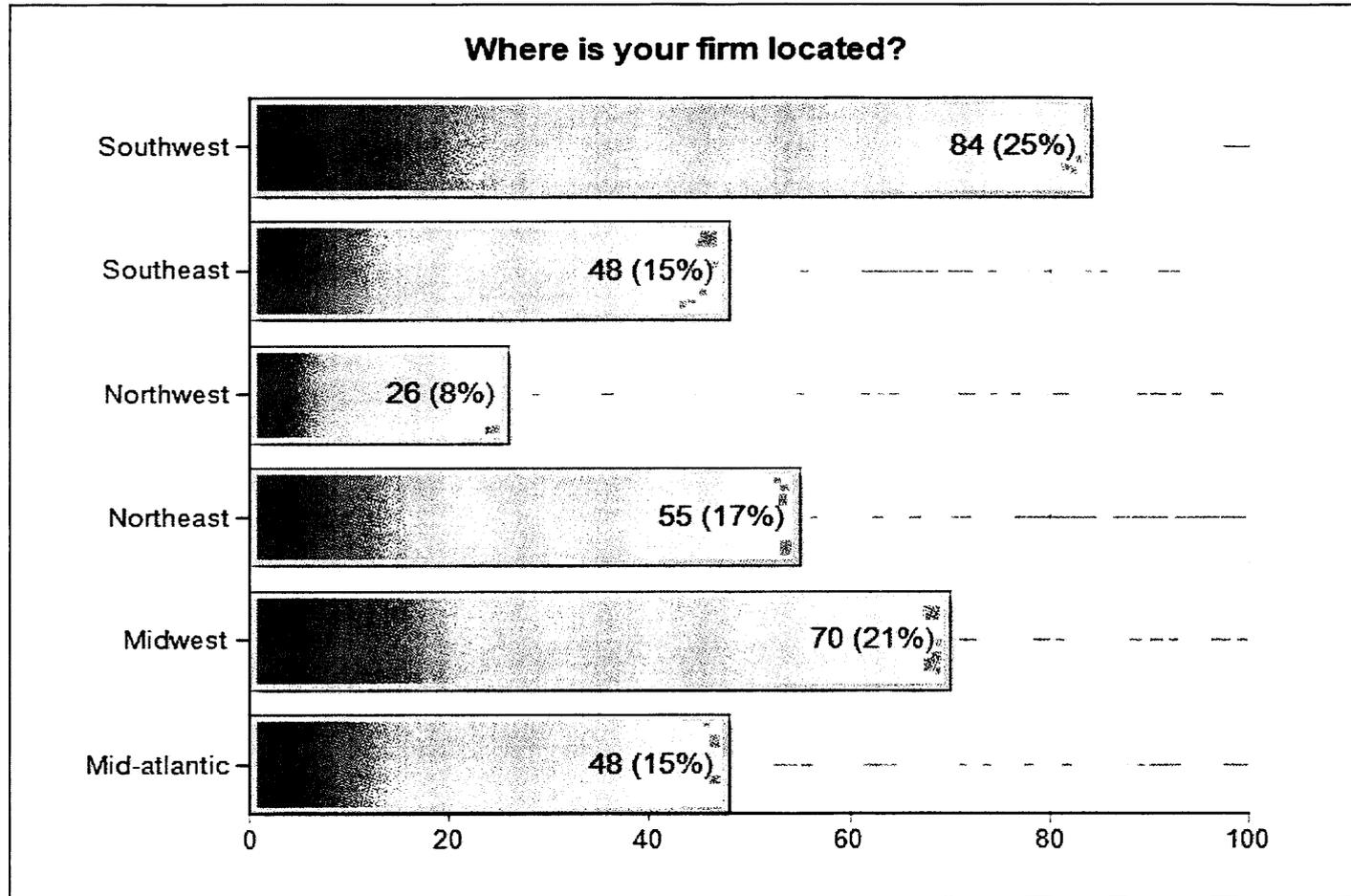
RIA Oversight Survey: Would you be willing to pay user fees to assist the SEC in funding its oversight mission, rather than deploying an SRO?



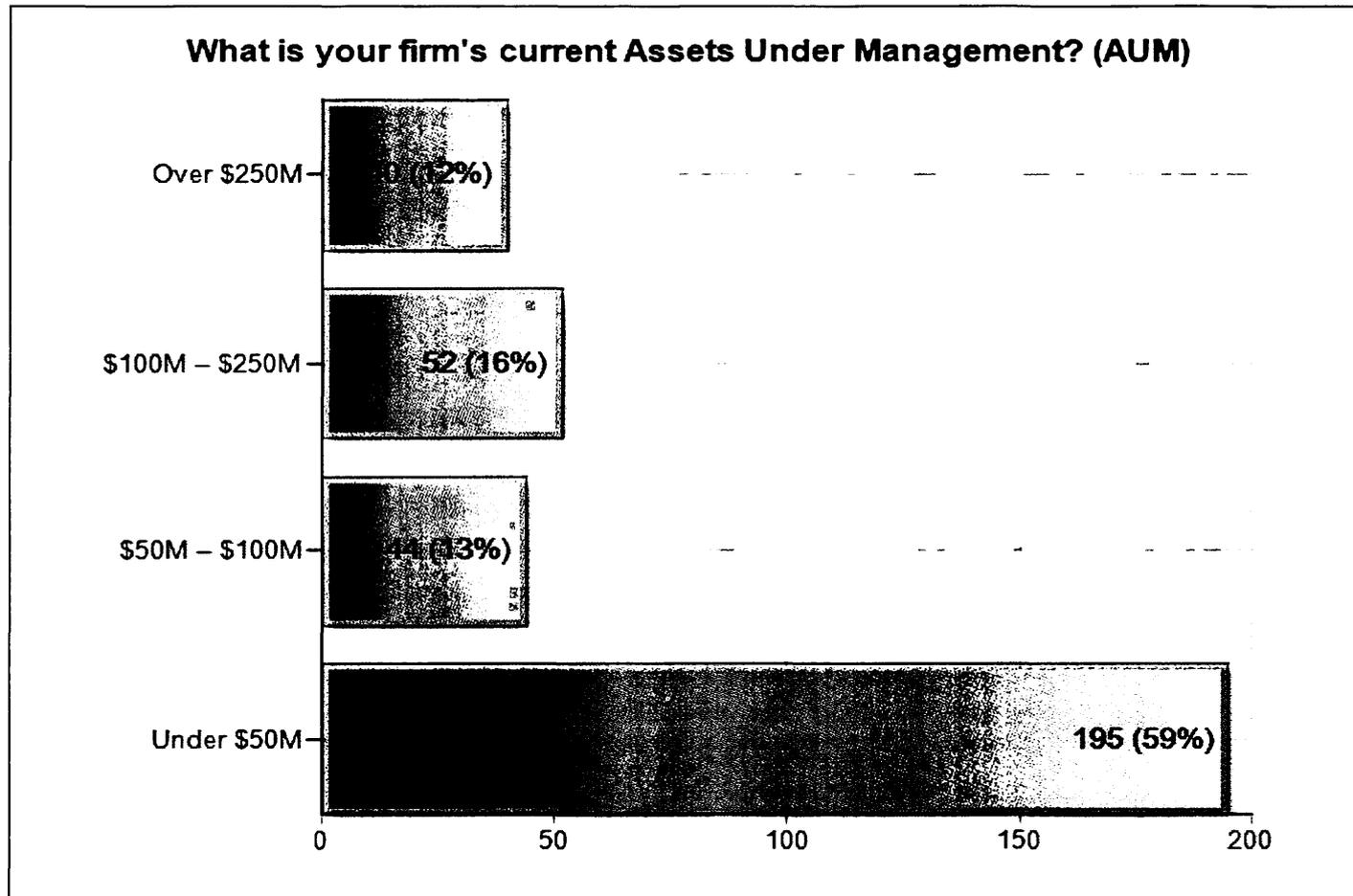
RIA Oversight Survey: If you answered "Yes" to the previous question, what amount of user fee do you think is reasonable?



RIA Oversight Survey: Where is your firm located?



RIA Oversight Survey: What is your firm's current Assets Under Management? (AUM)



RIA Oversight Survey: What Financial Services are provided by your firm?

