



DIVISION OF
MARKET REGULATION

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

November 30, 2006

John V. Ayanian, Esq.
Morgan Lewis & Bockius LLP
1111 Pennsylvania Avenue, NW
Washington, DC 20004

**Re: Request for Exemption from Rule 10b-10(a) for TD Ameritrade, Inc.
Dividend Reinvestment Program**

Dear Mr. Ayanian:

Based on the facts and representations set forth in your letter of November 30, 2006, we find that it is appropriate in the public interest and consistent with the protection of investors to grant, and hereby grant, an exemption to TD Ameritrade, Inc. ("TD Ameritrade"), pursuant to Rule 10b-10(f) under the Securities Exchange Act of 1934 ("Exchange Act"), from the requirement under Rule 10b-10(a) to deliver trade-by-trade confirmations for automatic dividend reinvestments to customers participating in TD Ameritrade's Dividend Reinvestment Program ("DRIP"). In lieu of trade-by-trade confirmations, TD Ameritrade will confirm automatic dividend reinvestments pursuant to the DRIP through the use of monthly account statements.

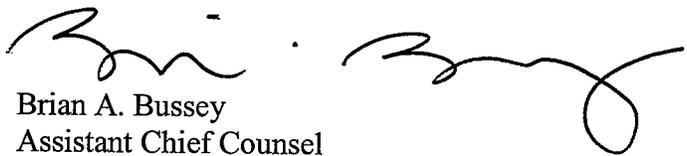
This exemption from Rule 10b-10(a) is based solely upon the representations you have made and is limited strictly to the facts and conditions described in your letter. In particular, we note your representations that: (1) disclosure on the monthly account statements will include all transaction details and information that would, absent this exemption, be required by Rule 10b-10(a) to be contained in a separate, immediate confirmation of each automatic dividend reinvestment transaction pursuant to the DRIP; (2) customers will be able to obtain such transaction details and information at an earlier date by contacting TD Ameritrade beginning on the business day following the dividend reinvestment; (3) TD Ameritrade will continue to send confirmations in accordance with the requirements of Rule 10b-10 for any transaction outside the DRIP; and (4) TD Ameritrade will provide its customers with a detailed written description of the DRIP prior to enrollment therein, which description shall include, without limitation, the representations contained in clauses (1) and (2) above; any transaction fee or other charge for participation in the DRIP;¹ how to enroll and withdraw from the DRIP; which types of accounts

¹ In this regard, we note that TD Ameritrade does not intend to charge a transaction fee on transactions executed pursuant to the DRIP, although it may decide to do so at some future date. We also note that any transaction fee would not exceed the customary brokerage commission charge to customers and would be disclosed to all DRIP participants prior to being implemented, and that participants would have an opportunity to opt out of the program without incurring such fee. In addition, we note that

and securities are eligible for participation in the DRIP; how shares will be obtained and how the price paid by the customer will be determined under the DRIP;² a statement that dividend reinvestment will be allocated to full and fractional shares; a statement that there is no requirement to participate in the DRIP; and a statement that DRIP participants will be notified in advance of any material changes to the program.³

In the event that a material change occurs with respect to any of the facts or representations presented, monthly statements should be discontinued and the use of trade-by-trade confirmations should be reinstated for the transactions described above pending presentation of the facts for our consideration. The staff of the Division of Market Regulation expresses no view with respect to other questions that the DRIP may raise, including the applicability of any other federal or state laws or the applicability of self-regulatory organization rules concerning customer account statements or confirmations.

For the Commission,
by the Division of Market Regulation,
pursuant to delegated authority,⁴


Brian A. Bussey
Assistant Chief Counsel

additional service fees may be charged to DRIP participants, all of whom would receive notice prior to fee implementation, and would have the opportunity to opt out of the program without incurring such fee.

² In this regard, we note that the written description of the DRIP will include a statement that, in the case of shares purchased in the open market, DRIP participants will be credited with such shares on the first business day after dividend payable date (although reinvestment and crediting of shares may take up to five (5) business days) and that DRIP participants will not have use of the funds prior to reinvestment.

We also note that TD Ameritrade's affiliate, Ameritrade, Inc. ("Ameritrade"), which acts as clearing broker, carrying the accounts of TD Ameritrade customers, will typically reinvest dividends on the business day following dividend payable date, after ensuring that they have been received. In unusual circumstances, funds will not be received on dividend payable date, in which case the dividends will typically be reinvested on the business day following their actual receipt. In the rare instance in which Ameritrade is unable to reinvest all dividends received on the business day following their receipt, it will reinvest the remaining funds as soon as reasonably possible thereafter. Prior to reinvestment, dividends received will be held in a separate identified account and Ameritrade will include balances in that account as a credit when computing the Reserve Formula under Rule 15c3-3a.

³ For example, DRIP participants would be notified about a decision to charge transaction fees or service fees.

⁴ 17 CFR 200.30-3(a)(32).

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November 30, 2006

VIA FACSIMILE & FEDERAL EXPRESS

Catherine McGuire, Esq.
Chief Counsel
Division of Market Regulation
United States Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

Re: TD Ameritrade, Inc. Dividend Reinvestment Program

Dear Ms. McGuire:

On behalf of TD Ameritrade, Inc. ("TD Ameritrade"), a registered broker-dealer and a member of the NASD, Inc. ("NASD") we request an exemption pursuant to Rule 10b-10(f) of the Securities Exchange Act of 1934, as amended (the "1934 Act"), from the requirement under Rule 10b-10(a) to deliver trade-by-trade confirmations in connection with the purchase of securities under TD Ameritrade's Dividend Reinvestment Program (the "DRIP"). If a TD Ameritrade customer is eligible and chooses to participate in the DRIP, TD Ameritrade proposes to confirm the automatic dividend reinvestments as part of the customer's regular monthly account statement, in lieu of sending a separate confirmation following the dividend reinvestment.

Eligibility for the DRIP

TD Ameritrade's DRIP will be available to all TD Ameritrade customers. Securities eligible for the DRIP ("Eligible Securities") will include all securities listed on a national securities exchange except as otherwise disclosed to customers.

Disclosure to Customers

TD Ameritrade customers will be provided with notification announcing the availability of the DRIP in connection with the delivery of the regular monthly account statements for the period immediately preceding the commencement of the DRIP program. The notification will direct

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customers interested in obtaining more information to consult with a TD Ameritrade representative through a telephone number or an e-mail address that will be provided. TD Ameritrade will also prepare a brochure (the "Brochure") which describes in detail the terms and conditions of the DRIP. Copies of the Brochure will be provided by TD Ameritrade to eligible TD Ameritrade customers prior to enrollment in the DRIP program. Under the terms of the DRIP to be described in the Brochure, customers will be advised, among other things: (1) how to enroll and withdraw from the DRIP; (2) which types of accounts and securities are eligible for participation in the DRIP; (3) of any transaction fee or other charge for participation in the DRIP;¹ (4) that dividend reinvestment will be allocated to full and fractional shares; (5) that DRIP transactions will be confirmed as part of each customer's regular monthly account statement, which will include all information required by Rule 10b-10(a) to be contained in a separate trade-by-trade confirmation; (6) that under the DRIP program, TD Ameritrade's affiliate, Ameritrade, Inc. ("Ameritrade"),² a registered broker-dealer and member of the New York Stock Exchange, Inc. and the NASD will typically purchase shares in the open market and DRIP participants will be credited with shares on the first business day after dividend payable date (although reinvestment and crediting of shares may take up to five (5) business days) and that DRIP participants will not have use of the funds prior to reinvestment;³ (7) it will also use The Depository Trust Company's ("DTC's") Dividend Reinvestment Service ("DRS") to process dividend reinvestments for securities eligible for DRS when it's advantageous to the customer to do so; (8) that the customer will pay the actual price of shares purchased in the open market, which may be an average-weighted price; (9) that the price of shares purchased through DTC is determined solely by the issuer; (10) that all non-DRIP transactions by each customer will be confirmed in accordance with Rule 10b-10; (11) that information regarding the dividend reinvestment can be obtained by each customer directly from TD Ameritrade beginning on the business day following the posting of the dividend reinvestment; (12) that there is no requirement to participate in the DRIP program; (13) that the eligibility of a security in the DRIP

¹ TD Ameritrade does not intend to charge a transaction fee on transactions executed pursuant to the DRIP, although it may decide to do so at some future date. Any transaction fee will not exceed the customary brokerage commission charge to customers and will be disclosed to all DRIP participants prior to being implemented, providing participants with the opportunity to opt out of the program without incurring such fee. Additional service fees may also be charged to DRIP participants, all of whom would receive notice prior to fee implementation, providing participants with the opportunity to opt out of the program without incurring such fee.

² Ameritrade acts as clearing broker, carrying the accounts of TD Ameritrade customers.

³ Ameritrade will typically reinvest dividends on the business day following dividend payable date, after ensuring they have been received. In unusual circumstances, funds will not be received on dividend payable date, in which case the dividends will typically be reinvested on the business day following their actual receipt. In the rare instance in which Ameritrade is unable to reinvest all dividends received on the business day following their receipt, it will reinvest the remaining funds as soon as reasonably possible thereafter. Prior to reinvestment, dividends received will be held in a separate identified account and Ameritrade will include balances in that account as a credit when computing the Reserve Formula under Rule 15c3-3a.

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program is not a recommendation to buy or sell the particular security; and (14) that DRIP participants will be notified in advance of any material changes to the program.⁴

Enrollment in the DRIP

Customers may elect to participate in the DRIP by notifying TD Ameritrade of their request to have cash dividends on all, or certain specified Eligible Securities in their accounts automatically reinvested in additional shares of such securities. Notice may be provided at any time up to and including three business days prior to the dividend record date for the subject securities. Similarly, a customer may withdraw completely from the DRIP, or selectively elect to discontinue automatic dividend reinvestment for specific Eligible Securities, at any time by notifying TD Ameritrade up to and including three business days prior to the dividend record date of the applicable securities.

Operation of the Program

Dividend reinvestment purchases will be effected in either open market transactions or, where a security is eligible for DRS, through DRS in cases where the issuer provides discounts on the purchase price. Open market transactions will be effected by TD Ameritrade, acting as agent, on the applicable exchange or market on the business day following dividend payable date, or as soon as reasonably possible thereafter. The per share purchase price charged to customers for shares purchased in the open market will be the actual price at which such shares are purchased by TD Ameritrade as agent. In the event that the shares necessary to cover dividend reinvestment transactions for a specific security cannot be effected in one trade, such transactions will be executed in several trades at varying prices. In these circumstances, the weighted-average price of such transactions will be used to calculate the reinvestment price for all accounts that are reinvesting in each particular security.

Transactions effected through DRS will be effected as follows. On the day after the record date for a particular security, Ameritrade will compile a report setting forth the aggregate number of shares of the security enrolled in the DRIP. Ameritrade will then issue a reinvestment order on the basis of this report and transmit the order to DTC. On or near the dividend payment date, the issuer's dividend agent, which is usually a bank or trust company, will notify DTC of the reinvestment price and deliver to DTC the requisite number of shares for all of the reinvested dividends creditable with respect to DTC shares, which will include shares held for customers of Ameritrade and other DTC participants. Depending on the terms of the DRIP, the shares delivered by the dividend agent may be newly issued shares or shares purchased by or on behalf of the dividend agent in the open market. In all instances, the purchase price will be determined solely by the issuer, which may include a discount on the market price. When the reinvestment

⁴ For example, DRIP participants would be notified about a decision to charge transaction fees or service fees.

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is effected through DRS rather than on the open market, applicable debit and credit entries will be processed in the customer's account on the day DTC provides Ameritrade with the reinvestment price. Such pricing by DTC usually occurs within seven to fourteen days after the dividend payable date.

Automatic reinvestment of dividends on the publicly traded stock of TD Ameritrade Holding Corporation ("AMTD") and Toronto-Dominion Bank ("TD") will be accomplished through an agent independent of the issuer ("Agent"), in compliance with Regulation M under the 1934 Act.⁵ TD Ameritrade will contact the Agent and place an order for the purchase of AMTD and TD shares in an amount equal to the amount of the dividend paid for customers that hold AMTD and TD in their accounts and have designated it as a security subject to the automatic dividend reinvestment. This Agent will buy shares in the open market having complete discretion regarding the time, price and amount of purchases. Purchases of AMTD and TD stock will be made through TD Ameritrade or a broker-dealer designated by TD Ameritrade as agent; no purchases will be made through TD Ameritrade, an affiliate of TD Ameritrade, TD, an affiliate of TD or any of their respective subsidiaries or affiliates as principal.

The crediting of a cash dividend and its automatic reinvestment into additional securities as described above will be disclosed to customers on their monthly account statements which detail all activity for the preceding month. All shares purchased in accordance with the DRIP will be held by Ameritrade at a securities depository on behalf of Ameritrade in "street name" or will otherwise be in the possession or control of Ameritrade pursuant to Rule 15c3-3(c) under the 1934 Act. Disclosure on the monthly statement will include all transaction details and information that would, absent the exemption requested herein, be required by Rule 10b-10(a) to be contained in a separate, immediate confirmation of each such transaction, including, among others: (1) the date and amount of cash dividend credited to the account; (2) the identity of the security; (3) the date and number of shares purchased with the cash dividend; (4) the investment price; (5) the total number of shares in the account; (6) that Ameritrade executed the DRIP transaction as agent; and (7) that the transaction is a DRIP transaction. In addition, customers will be able to obtain this information at an earlier date by contacting TD Ameritrade beginning on the business day following the dividend reinvestment. TD Ameritrade will continue to send confirmations in accordance with the requirements of Rule 10b-10 for any transaction outside the DRIP.

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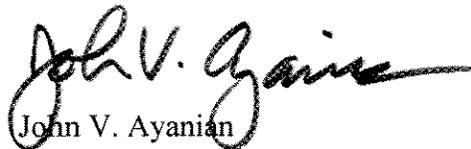
⁵ TD, a Canadian bank whose shares are listed on the New York Stock Exchange, is a controlling shareholder of AMTD. TD Ameritrade will effect dividend reinvestments for TD shares as described herein as long as TD remains a controlling shareholder of AMTD.

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In consideration of the foregoing, we respectfully requests that the Securities and Exchange Commission ("Commission") grant an exemption to TD Ameritrade from the requirements of Rule 10b-10(a) as they relate to transactions effected on behalf of customers pursuant to the DRIP. We believe that TD Ameritrade's proposed DRIP is substantially the same as those for which exemptions have been previously granted by the Commission.⁶

If you have any questions with regard to this request for exemption or require any additional information, please contact either Jack Drogin at 202.739.5380 or me at 202.739.5946.

Sincerely,



John V. Ayanian

c: Brian A. Bussey
Norman M. Reed
John S. Markle

⁶ See e.g., *Instinet Clearing Services* (June 7, 2001), *D.B. Alex. Brown LLC* (July 5, 2000), *ABN AMRO* (November 5, 1998) and *A.G. Edwards & Sons, Inc.* (January 24, 1996).