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STATE OF NORTH DAKOTA

NORTH DAKOTA INSURANCE AND SECURITIES DEPARTMENT

IN THE MATTER OF:	)	
	)	**CONSENT ORDER**
	)	
TD AMERITRADE, INC.,	)	Case No. SO-25-913
	)	25-2011
	)	
Respondent.	)	

Pursuant to the authority granted to the North Dakota Insurance Commissioner (the "Commissioner"), under the Securities Act, North Dakota Century Code ("N.D.C.C.") Chapter 10-04, (the "Act"), and the regulations promulgated thereunder at Title 73 of the North Dakota Administrative Code, (the "Regulations"), and after investigation, careful review, and due consideration of the facts and statutory provisions set forth below, the Commissioner hereby finds that there is good cause, and it is in the public interest to enter into a Consent Order (the "Order") with TD Ameritrade, Inc. (a/k/a Ameritrade of New York) ("Respondent"), which hereby agrees to resolve any and all issues in controversy regarding the specific conduct described herein on the terms set forth in this Order.

As the result of a coordinated investigation, North Dakota concluded that Respondent charged commissions in excess of five percent ("5%") on certain small principal equity transactions. Between June 30, 2018 and June 30, 2023 (the "Relevant Time Period"), Respondent charged a commission in excess of 5% on approximately 68 equity transactions for North Dakota residents over a five-year period totaling $1,000.78. Respondent in full settlement of these matters neither admits nor denies the Findings of Fact as set forth in Section III, and neither admits nor denies the Conclusions of Law set out in Section IV.

I. JURISDICTION

1. The North Dakota Insurance & Securities Department (the "Department") has jurisdiction pursuant to the Act and the Regulations.

2. This Order is made in accordance with the Act and the Regulations.

3. The acts and practices that are the subject of this Order occurred while Respondent was registered as a broker-dealer in North Dakota.

II. RESPONDENT

4. Respondent was a broker-dealer formerly registered in North Dakota with a main address of 200 South 108th Avenue, Omaha, Nebraska 68154. In December 2025, Ameritrade of New York (f/k/a TD Ameritrade, Inc.) merged into Charles Schwab & Co., Inc. ("Schwab"). Respondent was identified by Financial Industry Regulatory Authority ("FINRA") Central Registration Depository ("CRD") No. 7870. Respondent has filed a Form BDW and the U.S. Securities and Exchange Commission has withdrawn its registration.

III. FINDINGS OF FACT

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

5. During the Relevant Time Period, Respondent executed 68 equity transactions for North Dakota residents which included an unreasonable commission for services performed (i.e., in excess of 5% of the principal trade amount), totaling $1,000.78.

6. 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]

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

7. The Act and the Regulations prohibit the Respondent from charging unreasonable commissions for services performed.

8. 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. Respondent Did Not Reasonably Supervise Transactions Which Applied the Minimum Equity Commission

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

10. Respondent's policies and procedures contemplated review of commissions as part of normal supervisory review processes.

11. 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.

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

IV. CONCLUSIONS OF LAW

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

14. Pursuant to N.D.C.C. § 10-04-11(1)(m), it is a violation of the North Dakota Securities Act for a registered broker-dealer firm to fail to establish and maintain a system to reasonably supervise its activities.

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15. Respondent's acts and practices, as described above, constitute a violation of N.D.C.C. § 10-04-11(1)(m).

16. This Order is appropriate and in the public interest, pursuant to the Act.

V. ORDER

17. On the basis of the Findings of Fact, Conclusions of Law, and Respondent's consent to the entry of this Order, **IT IS HEREBY ORDERED:**

A. Respondent is censured by the Commissioner pursuant to the provisions of N.D.C.C. §§ 10-04-11(1)(m) and 10-04-16(1);

B. Respondent shall provide restitution in an amount of no more than $1,000.78, 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 North Dakota customers, plus interest in the amount of 6% from the date of the transaction to June 3, 2025. Respondent shall provide restitution within one hundred twenty (120) days of execution of this Order;

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

D. 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"). 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 North Dakota 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 to each North Dakota resident within thirty (30) days of the Department providing such different address;

E. Respondent shall prepare, and submit to the Department, a report detailing the restitution paid pursuant to the Order, which shall include dates, amounts, and

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methods of the transfer of funds for all restitution payments, within forty-five (45) days of completion of distribution of restitution;

F. Respondent shall pay an administrative fine in the amount of $15,000 within fifteen (15) days following the date of entry of the Order. Payment shall be made to the North Dakota Insurance & Securities Department;

G. 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 the Order;

H. 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 the Order;

I. If either Respondent 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, Respondent shall provide written notice to the Department within five (5) days of the date of the petition;

J. Any fine, penalty, and/or money that Respondent shall pay in accordance with the Order is intended by Respondent and the Department 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);

K. If Respondent fails to materially comply with any of the terms set forth in the Order, the Commissioner 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 Respondent has not complied with the Order, the Commissioner 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 Respondent; and

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

VI. WAIVER

17. Respondent hereby waives all rights to contest an Order entered by the Commissioner pursuant to this Order, including, but not limited to, (A) the right to contest whether the Order is fair, reasonable, and/or in the public interest, (B) the right to contest the Order's findings of fact, and (C) the right to contest the Order's conclusions of law. Respondent further waives the procedural due process right to a hearing and any other procedural rights provided by the Act.

VII. NO DISQUALIFICATION

18. This Order waives any disqualification in the Act, or rule or regulations thereunder, including any disqualification from relying upon the registration exemptions or safe harbor provisions to which Respondent may be subject. The Order is not intended to be a final order based upon violations of the Act that prohibit 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 Respondent in any civil, criminal, arbitration, or administrative proceeding in any court, administrative agency, or tribunal.

19. This Order shall be binding upon Respondent with respect to all conduct subject to the provisions above and all future obligations, responsibilities, commitments, limitations, restrictions, events, and conditions. Schwab agrees to pay all sums owed under this Order and this Order shall be binding upon Schwab, as well as its successors and assigns with respect to the money owed under paragraphs 17b. and 17f. of the Order.

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

SIGNED AND ENTERED BY THE NORTH DAKOTA INSURANCE COMMISSIONER this 4th day of November, 2026.

COMMISSIONER OF INSURANCE SEAL STATE OF NORTH DAKOTA

By: _____

Jon Godfread, Insurance Commissioner
North Dakota Insurance & Securities Department
600 East Boulevard Avenue

Bismarck, ND 58505-0320
(701) 328-2910

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CONSENT TO ENTRY OF ADMINISTRATIVE ORDER BY RESPONDENT

TD Ameritrade, Inc. (a/k/a Ameritrade of New York) ("Respondent") 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.

Respondent admits the jurisdiction of the North Dakota Insurance & Securities 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 North Dakota Insurance Commissioner as settlement of the issues contained in this Order.

Respondent 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 payment that shall be made pursuant to this Order.

Respondent states that no promise of any kind or nature whatsoever was made to it to induce it to consent to this Order and that it has consented to this Order voluntarily.

TD AMERITRADE, INC. by:

Signature: Signed by: James Kostulias 27AB59C331B0494...

Print Name: James Kostulias

Title: Managing Director – Officer of Charles Schwab & Co., Inc.
Former Officer of TD Ameritrade, Inc. (n/k/a Ameritrade of New York)

Dated: 10/29/2026