TD AMERITRADE Institutional

TD AMERITRADE Investor Perception Study 2006

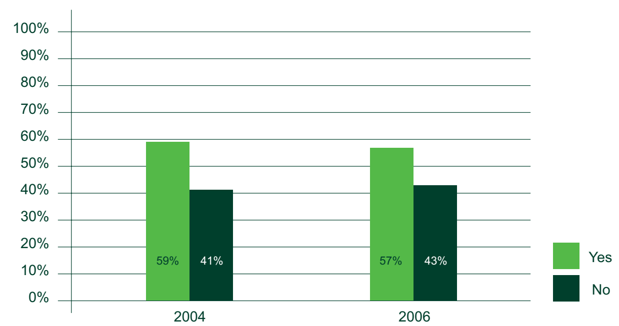
TD AMERITRADE Institutional commissioned a survey of 1,000 U.S. investors as a follow-up to the firm's 2004 survey. The purpose of the new survey was to gauge whether new disclosure rules have had an impact on investors' awareness of the differences in investment advice and the protections associated with stockbrokers and Registered Investment Advisors (RIAs).

The firm was prompted to conduct the follow-up survey after SEC Rule 202(a)(11)-1, commonly known as the Merrill Lynch or Broker/Dealer Exemption rule, was adopted in April 2005. The rule allows stockbrokers to offer services similar to that of RIAs without being held to the fiduciary standard of care and conflict of interest disclosure required of RIAs. Following is a summary of the survey.

Awareness

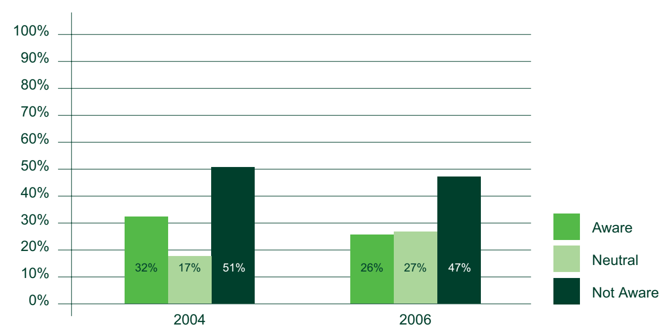
- A significant number of investors, in this case 43%, are **still unaware** that stockbrokers and investment advisors offer different levels of investor protection — showing no significant change in awareness since 2004.

Are you aware that stockbrokers and investment advisors offer fee-based financial advice but provide different levels of investor protection?



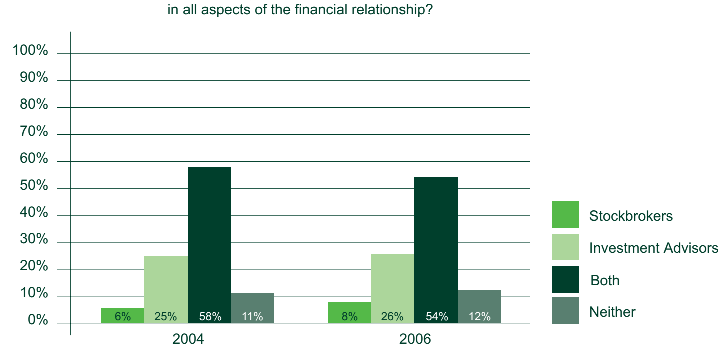
- Additionally, awareness that stockbrokers are not required to disclose all conflicts of interest prior to providing financial advice has dropped since 2004.

Stockbrokers are not required to disclose all conflicts of interest prior to providing financial advice.



- 54% believe that both stockbrokers and investment advisors have a fiduciary responsibility to act in investors' best interests in all aspects of the financial relationship. Just 26% of investors knew that only investment advisors provide this protection.

Which of the following financial professionals have a fiduciary responsibility to act in the *investor's best interest* in all aspects of the financial relationship?



Impact on Choice of Financial Advisor

- If investors knew that stockbrokers provided fewer investor protections than investment advisors, 63% **would not seek** financial advice from them.
- If investors knew that stockbrokers were not required to disclose all conflicts of interest, 70% **would not seek** advice from them.
- If investors knew that stockbrokers were not required to act in their best interest in all areas of the financial relationship, 70% **would not use** them.

Impact of Disclosure

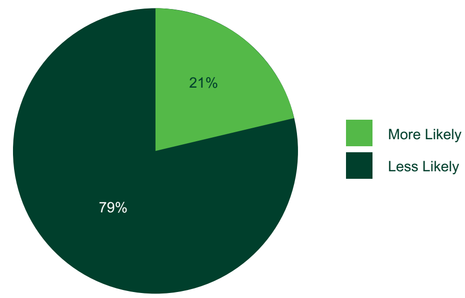
As of July 2005, the SEC requires that brokerage firms offering fee-based advice must make the following disclosure:

"Your account is a brokerage account and not an advisory account. Our interests may not always be the same as yours. Please ask us questions to make sure you understand your rights and our obligations to you, including the extent of our obligations to disclose conflicts of interest and to act in your best interest. We are paid both by you and, sometimes, by people who compensate us based on what you buy. Therefore, our profits and our salespersons' compensation may vary by product and over time."

After reading the previous disclosure:

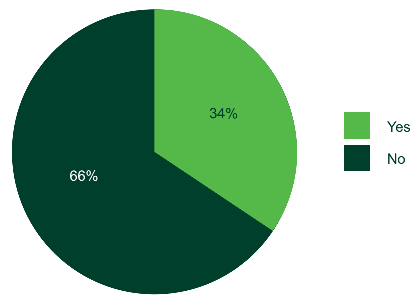
- 79% say that they would be less likely to go to a brokerage firm for financial advice.

After hearing this disclosure, would you be more likely or less likely to go to a brokerage firm for financial advice?



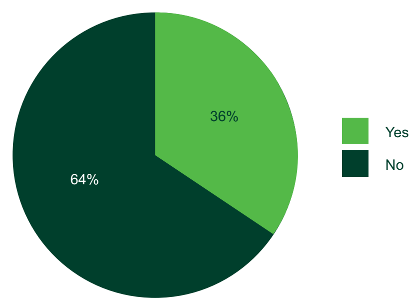
- 66% do not believe that the SEC disclosure requirement sufficiently informs clients of the level of protection provided to them by brokerage firms.

Do you believe that the SEC disclosure requirement sufficiently informs clients of the level of protection provided to them by brokerage firms?



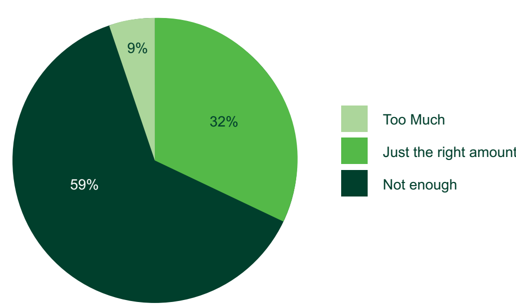
- 64% said they would not expect to hear an unbiased response if they were to ask stockbrokers questions about the differences in brokerage and advisory accounts.

After reading the disclosure, if you were to ask questions about the differences between brokerage and advisory accounts, would you expect to get an unbiased response?



- 59% say that the SEC requirement doesn't give brokerage firms enough responsibility for making sure that their clients know they may have conflicts of interest.

Do you believe that the SEC disclosure requirement gives brokerage firms too much, about the right amount, or not enough responsibility?



Methodology

Penn, Schoen, and Berland conducted 1,000 interviews representative of investors in the United States. Overall the margin of sampling error is +/- 3.09%. Interviews were conducted online between April 28 and May 1, 2006.

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