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TD Ameritrade Institutional Attracts a Record Number of Breakaway Brokers in 2011
Increase fueled by brokers seeking stability of RIA channel and investors choosing fiduciary advisors

Jersey City, N.J., Oct 26, 2011 — TD Ameritrade Institutional¹ attracted a record 348 breakaway brokers in 2011, up nearly 20 percent from the previous fiscal year. The increase in breakaway brokers moving from full-commission firms to TD Ameritrade Institutional is driven by a continuing trend of investors choosing to work with independent registered investment advisors (RIAs) and brokers seeking the stability of the RIA channel amid regulatory uncertainty.

“According to a recent [survey](#)² released by TD Ameritrade Institutional, the top reason investors choose to work with an RIA is that, as fiduciaries, RIAs are required to offer advice that is in the best interest of their clients,” said [Tom Nally, managing director, institutional sales, TD Ameritrade Institutional](#). “The survey results support what we see as a long-term trend of investors seeking objective advice. Brokers recognize the movement and are following investors to the independent RIA channel.”

Breakaway brokers continue to be proactive ahead of a wave of regulatory changes likely to impact the brokerage industry, adds Nally. Pending regulatory changes, including a potential rewrite of the fiduciary rule, could impact their livelihoods. RIAs currently operate under the fiduciary standard and brokers at traditional full-commission firms may foresee fewer regulatory challenges and fewer conflicts of interest in the independent advisor model.

According to the latest [TD Ameritrade Institutional Advisor Index Survey](#),² RIAs continue to grow and take market share from traditional full-commission firms.

- The majority of new RIA assets (55 percent) are coming from traditional full-commission firms.
- Nine in 10 RIAs report their total number of clients increased or remained steady over the past six months.
- RIAs surveyed show an average revenue growth rate of 18 percent and added clients at an average rate of 13 percent over the past six months.
- Job satisfaction remains high as 8 in 10 RIAs are satisfied with their careers.

RIAs are happy with their careers, however, survey results show RIAs are increasingly negative in their economic outlook, with over 50 percent indicating pessimism, up from 18 percent from the previous quarter. While the direction of the U.S. economy has been unpredictable, it is having less of an impact on a broker’s decision to go independent than it has in the past.

“Just a few years ago brokers were hesitant to go independent amid major market swings and economic uncertainty. They wanted to avoid putting further stress on client relationships during the downturn,” said Nally. “Investors are more conditioned today to deal with market fluctuations. Volatility is the new norm, in the eyes of some investors, and has less of an impact on the advisor-client relationship than it did in 2008.”

Another significant trend supporting advisor migration is the option of joining an existing RIA. Breakaway brokers looking for the benefits of independence but want to join or “tuck in” to an established firm represent a growth opportunity for RIAs.



“Advisory firms that have built out their back offices and have excess capacity can bring on breakaway brokers and grow their client base through the tuck-in model,” added Nally. “Folding a practice into an existing RIA can provide an advisor the freedom and flexibility without all the responsibilities of running the day-to-day aspects of a business.”

For more information about transition support, visit www.tdainstitutional.com or call 800.444.6100. And visit www.hearyourpeers.com to learn about the advantages of working with TD Ameritrade Institutional from advisors who have made the transition to independence.

TD Ameritrade Institutional’s advisor in transition support services include:

- **Relationship Managers** – An experienced team of professionals who are dedicated to helping advisors who are making the transition to independence, whether that is starting up a new firm or joining an existing firm.
- **TD Ameritrade Institutional PracticeLink^{SM3}** – A powerful resource developed with ECHELON Partners, to refer and match advisors looking to join an existing RIA or expand their business through mergers and acquisitions.
- **Business Evaluator⁴** – An online tool that allows advisors to compare business models, estimate expenses, identify their motivations and strengths, and ultimately design a customized action plan to ease the transition to independence.
- **Transition Specialists and Account Transfer Teams** – Dedicated service groups to help advisors develop a plan to transition their clients to their new firm and simplify the account transfer and paperwork requirements (minimum asset requirements apply).
- **Broker/Dealer Network⁵** – This flexible service helps ease the transition and maintenance of advisors’ commission-based business. TD Ameritrade Institutional works with broker/dealers who understand the unique needs of RIAs. Advisors have the choice to affiliate with a company that fits their specific culture, size, location and product needs.
- **Advisor Transition Mentor Council** – A collection of experienced advisors who have successfully made the transition to independence and who can provide their insight, guidance and counsel to advisors considering making the decision to go independent.
- **Transition News** – TD Ameritrade Institutional publication that helps RIAs gain insights from successful advisors, hear from members of the Advisor Transition Mentor Council and stay on top of issues that matter to advisors moving to true independence.
- **Webcasts and Case Studies⁶** – Provide straight answers from advisors who have successfully moved to true independence.

[Change Maker: Find Your Unique Path To Becoming An RIA+](#)

Broadcast LIVE from the 2011 TD Ameritrade Institutional National Conference

[Becoming an RIA: The "Aha Moment"](#)

[A Pathway To True Independence: Joining an Established RIA](#)

[Making Independence Happen: Join an Established RIA](#)

[Case Study: Independence from a wirehouse to an RIA](#)

About TD Ameritrade Institutional

TD Ameritrade Institutional¹ is a leading provider of comprehensive brokerage and custody services to over 4,000 fee-based, independent Registered Investment Advisors and their clients. Our advanced technology platform, coupled with personal support from our dedicated service teams, allows investment advisors to run their practices more efficiently and effectively while optimizing time with clients. www.tdainstitutional.com.



About TD Ameritrade Holding Corporation

Millions of investors and independent registered investment advisors (RIAs) have turned to TD Ameritrade's (NASDAQ: AMTD) [technology](#), [people](#) and [education](#) to help make investing and trading easier to understand and do. Online or over the phone. In a branch or with an independent RIA. First-timer or sophisticated trader. Our clients want to take control, and we help them decide how - bringing Wall Street to Main Street for more than 36 years. An [official sponsor of the 2012 U.S. Olympic Team](#), TD Ameritrade has time and again been [recognized as a leader](#) in investment services. Please visit the TD Ameritrade's [newsroom](#) or [www.amtd.com](#) for more information.

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¹TD Ameritrade Institutional, a division of TD Ameritrade, Inc., member FINRA/SIPC/NFA, a brokerage subsidiary of TD Ameritrade Holding Corporation (NASDAQ: AMTD).

²Survey Methodology

Results are based on a survey conducted by Maritz, Inc. on behalf of TD Ameritrade Institutional. Five hundred two RIAs participated in a telephone survey from August 15 - 26, 2011. RIAs who custody with TD Ameritrade Institutional, as well as other independent RIAs from across the country, were asked to share their views on the economic outlook for their firms and the advisor market in general. The margin of error in this survey is $\pm 4.4\%$. This means that in 19 cases out of 20, survey results based on 502 respondents will differ by no more than 4.4 percentage points in either direction from what would have been obtained by seeking the opinions of all eligible RIAs. Maritz, Inc. and TD Ameritrade, Inc. are separate, unaffiliated companies and are not responsible for each other's products and services.

³Access to the TD Ameritrade Institutional PracticeLinkSM program and is provided by TD Ameritrade Institutional as a service to financial advisors using the brokerage, execution and custody services of TD Ameritrade Institutional. TD Ameritrade Institutional does not guarantee nor is it responsible for the completeness or accuracy of the data provided or for the quality of any product or service. TD Ameritrade Institutional makes no warranty or representation with respect to the service as to suitability or fitness for a particular purpose. In no instance should the listing of a third-party be construed as a recommendation or endorsement by TD Ameritrade Institutional.

⁴The Business Evaluator tool provides an assessment and analysis regarding issues surrounding professional transition. It is intended to be a guideline and general analysis. Each business and situation is unique, and while the information provided aids in understanding the financial and business implications of a decision, the information should not be used in isolation. Certain information is provided by ActiFi, Inc., a company not affiliated with TD Ameritrade. Access to the Business Evaluator database is provided by TD Ameritrade Institutional as a service to prospective financial advisors not affiliated with TD Ameritrade Institutional.

⁵Access to the Broker/Dealer Network is provided by TD Ameritrade Institutional as a service to registered representatives and prospective financial advisors not affiliated with TD Ameritrade Institutional. TD Ameritrade does not guarantee nor is it responsible for the completeness or accuracy of the data provided by third-party firms or for the quality of any third-party firm's product or service.

⁶Webinars are provided for general information purposes only and should not be considered an individualized recommendation or advice. TD Ameritrade makes no representations or warranties with respect to the accuracy or completeness of the information provided.

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