

TD AMERITRADE HOLDING CORP

Form 424B5

March 05, 2015

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Filed Pursuant to Rule 424(b)(5)

Registration No. 333-185286

CALCULATION OF REGISTRATION FEE

Title of each Class of Securities to be Registered	Amount to be Registered	Proposed Maximum Offering Price Per Security	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee(1)
2.950% Senior Notes due 2022	\$750,000,000	99.765%	\$748,237,500	\$86,945.20

(1) Calculated in accordance with Rule 457(r) of the Securities Act of 1933, as amended.

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Registration No. 333-185286**

PROSPECTUS SUPPLEMENT

(To Prospectus Dated September 29, 2014)

\$750,000,000

TD Ameritrade Holding Corporation

2.950% Senior Notes due 2022

TD Ameritrade Holding Corporation (the "Company") is offering \$750 million principal amount of its 2.950% Senior Notes due 2022 (the "notes").

The Company will pay interest on the notes semi-annually in arrears on April 1 and October 1 of each year, beginning on October 1, 2015. The notes will mature on April 1, 2022. The Company may redeem some or all of the notes at its option at any time and from time to time at the applicable redemption price described herein.

The notes will be the Company's unsecured, unsubordinated obligations and will rank equally in right of payment with all of the Company's existing and future unsubordinated indebtedness from time to time outstanding. The notes will be effectively subordinated to any of the Company's existing and future secured debt, to the extent of the value of the collateral securing such debt, and will be structurally subordinated to all existing and future obligations of the Company's subsidiaries. The notes will be issued only in registered form in minimum denominations of \$2,000 and integral multiples of \$1,000 in excess thereof.

Investing in the notes involves risks. See Risk Factors beginning on page S-7 of this prospectus supplement.

Neither the U.S. Securities and Exchange Commission (the "SEC") nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

	Per Note	Total
Public offering price (1)	99.765%	\$ 748,237,500
Underwriting discount	0.652%	\$ 4,890,000
Proceeds to us (before expenses) (1)	99.113%	\$ 743,347,500

(1) Plus accrued interest, if any, from March 9, 2015, if settlement occurs after that date.

The notes will not be listed on any securities exchange or quoted on any automated quotation system. There is currently no public market for the notes.

The underwriters expect to deliver the notes to purchasers in book-entry form through the facilities of The Depository Trust Company, including its participants Clearstream Banking, *société anonyme*, and Euroclear Bank S.A./N.V., as operator of the Euroclear System, on or about March 9, 2015.

Joint Book-Running Managers

J.P. Morgan

BofA Merrill Lynch

Barclays

TD Securities

US Bancorp
Co-Manager

Wells Fargo Securities

Citigroup

March 4, 2015

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You should rely only on the information contained or incorporated by reference in this prospectus supplement, in the accompanying prospectus and in any free writing prospectus that we may provide to you. We have not, and the underwriters have not, authorized anyone to provide you with different information. You should not assume that the information contained in this prospectus supplement, the accompanying prospectus or any document incorporated by reference is accurate as of any date other than the date of the applicable document. Our business, financial condition, results of operations and prospects may have changed since those respective dates. We are not, and the underwriters are not, making offers to sell the securities in any jurisdiction in which an offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to anyone to whom it is unlawful to make an offer or solicitation. Neither this prospectus supplement nor the accompanying prospectus constitutes an offer or solicitation on our behalf or on behalf of the underwriters to subscribe for and purchase any of the notes, and may not be used for or in connection with an offer or solicitation by anyone in any jurisdiction in which such an offer or solicitation is not authorized or to any person to whom it is unlawful to make such an offer or solicitation.

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ABOUT THIS PROSPECTUS SUPPLEMENT

This document consists of two parts. The first part is the prospectus supplement, which describes the specific details regarding this offering and the notes offered hereby. The second part is the accompanying prospectus, which describes more general information, some of which may not apply to this offering. The prospectus is part of a registration statement on Form S-3 (File No. 333-185286) filed with the SEC under the Securities Act of 1933, as amended (the Securities Act). You should read this prospectus supplement, the accompanying prospectus and the registration statement, together with additional information incorporated by reference herein as described under Where You Can Find More Information in this prospectus supplement.

Any information contained in this prospectus supplement, the accompanying prospectus or any document incorporated by reference into the accompanying prospectus will be deemed to have been modified or superseded to the extent that a statement subsequently contained in this prospectus supplement or the accompanying prospectus, in any free writing prospectus we may provide to you in connection with this offering or in any document we file (but not furnish) with the SEC under or pursuant to the Securities Exchange Act of 1934, as amended (the Exchange Act), that also is incorporated by reference into this prospectus supplement and the accompanying prospectus modifies or supersedes the original statement. Any statement so modified or superseded will not be deemed, except as so modified or superseded, to be part of this prospectus supplement or the accompanying prospectus.

Unless otherwise indicated, references in this prospectus supplement to the terms we, us, or TD Ameritrade mean TD Ameritrade Holding Corporation and its subsidiaries, references to the Company mean TD Ameritrade Holding Corporation and not to any of its subsidiaries, and references to fiscal mean the Company's fiscal year ended September 30.

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WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and current reports, proxy statements and other information with the SEC. The SEC allows us to incorporate by reference into this prospectus supplement the information we file with the SEC, which means that we can disclose important information to you by referring you to those documents. The information incorporated by reference is considered to be part of this prospectus supplement, and information that we file later with the SEC will automatically update and supersede this information. SEC rules and regulations also permit us to furnish rather than file certain reports and information with the SEC. Any such reports or information which we furnish or have furnished shall not be deemed to be incorporated by reference into or otherwise become a part of this prospectus supplement, regardless of when furnished to the SEC. We incorporate by reference the following documents we have already filed with the SEC (file number 001-35509) and any future filings that we will make with the SEC under Sections 13(a), 13(c), 14, or 15(d) of the Exchange Act (other than any portion of such filings that are furnished under applicable SEC rules rather than filed):

Annual Report on Form 10-K for the fiscal year ended September 30, 2014, filed with the SEC on November 21, 2014;

Quarterly Report on Form 10-Q for the quarterly period ended December 31, 2014, filed with the SEC on February 5, 2015;

Current Reports on Form 8-K filed with the SEC on October 23, 2014, November 26, 2014, January 13, 2015 and February 19, 2015; and

Definitive Proxy Statement for the 2015 Annual Meeting of Stockholders, filed with the SEC on January 2, 2015.

Our SEC filings are available free of charge through our Internet website at <http://www.amtd.com> as soon as reasonably practicable after we electronically file these materials with the SEC. You may access these SEC filings on our website. However, the information on our Internet site is not part of this prospectus supplement or the accompanying prospectus or any other offering materials. You may also request a copy of our SEC filings at no cost, by writing or telephoning us at:

TD Ameritrade Holding Corporation

200 South 108th Avenue

Omaha, Nebraska 68154

Attention: Investor Relations

Telephone: (800) 237-8692

Our SEC filings are also available at the SEC's website at <http://www.sec.gov>. You may also read and copy any documents that we file with the SEC at the SEC's public reference room at 100 F Street, N.E., Washington,

D.C. 20549. You can request copies of these documents by writing to the SEC and paying a fee for the copying cost. Please call the SEC at 1-800-SEC-0330 for more information about the operation of the public reference room.

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CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS

This prospectus supplement and the accompanying prospectus, including the documents incorporated herein by reference, contain a number of forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. Statements that are not historical facts, including statements about our beliefs and expectations, are forward-looking statements. Forward-looking statements include statements preceded by, followed by or that include the words may, could, would, should, believe, expect, anticipate, plan, estimate, intend and similar expressions. In particular, forward-looking statements include, without limitation, our expectations regarding: general economic and political conditions and other securities industry risks; fluctuations in interest rates; stock market fluctuations and changes in client trading activity; credit risk with clients and counterparties; increased competition; systems failures, delays and capacity constraints; network security risks; liquidity risks; new laws and regulations affecting our business, regulatory and legal matters and uncertainties and the other risks and uncertainties set forth under the caption "Item 1A Risk Factors" of the Company's Annual Report on Form 10-K for the fiscal year ended September 30, 2014, filed with the SEC on November 21, 2014, and any subsequently filed Quarterly Reports on Form 10-Q incorporated by reference herein. You should refer to the "Risk Factors" section of this prospectus supplement and to the Company's periodic and current reports filed with the SEC for specific risks which would cause actual results to be significantly different from those expressed or implied by these forward-looking statements. Any forward-looking statements speak only as of the date the statement is made and we undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except to the extent required by the federal securities laws. It is not possible to identify all of the risks, uncertainties and other factors that may affect future results. In light of these risks and uncertainties, the forward-looking events and circumstances discussed in this prospectus supplement and the accompanying prospectus may not occur and actual results could differ materially from those anticipated or implied in the forward-looking statements. Accordingly, readers of this prospectus supplement and the accompanying prospectus are cautioned not to place undue reliance on the forward-looking statements.

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SUMMARY

This summary highlights information contained elsewhere, or incorporated by reference, in this prospectus supplement and the accompanying prospectus. As a result, it does not contain all of the information that may be important to you or that you should consider before investing in the notes. You should read this entire prospectus supplement and accompanying prospectus, including the Risk Factors section and the documents incorporated by reference, which are described under Where You Can Find More Information in this prospectus supplement.

TD Ameritrade Holding Corporation

We are a leading provider of securities brokerage services and related technology-based financial services to retail investors, traders and independent registered investment advisors (RIAs). We provide our services predominantly through the Internet, a national branch network and relationships with RIAs. We believe that our services appeal to a broad market of independent, value-conscious retail investors, traders, financial planners and institutions. We use our efficient platform to offer brokerage services to retail investors and institutions under a simple, low-cost commission structure.

We have been an innovator in electronic brokerage services since entering the retail securities brokerage business in 1975. We believe that we were the first brokerage firm to offer the following products and services to retail clients: touch-tone trading; trading over the Internet; unlimited, streaming, free real-time quotes; extended trading hours; direct access to market destinations; and commitment on the speed of order execution. Since initiating online trading, we have substantially increased our number of brokerage accounts, number of RIA relationships, average daily trading volume and total assets in client accounts. We have also built, and continue to invest in, a proprietary trade processing platform that is both cost-efficient and highly scalable, significantly lowering our operating costs per trade. In addition, we have made significant and effective investments in building the TD Ameritrade brand.

Corporate Information

We were established in 1971 as a local investment banking firm and began operations as a retail discount securities brokerage firm in 1975. We are a Delaware corporation. Our common stock is traded on the New York Stock Exchange under the symbol AMTD. Our principal executive offices are located at 200 South 108th Avenue, Omaha, Nebraska 68154, and our telephone number is (402) 331-7856. Our website is <http://www.amtd.com>. Information contained on or accessible through our website is not a part of this prospectus supplement or the accompanying prospectus, other than documents that we file with the SEC and incorporate by reference into this prospectus supplement and the accompanying prospectus. For additional information concerning TD Ameritrade Holding Corporation, please see our most recent Annual Report on Form 10-K, our most recent Quarterly Report on Form 10-Q and our other filings with the SEC. See Where You Can Find More Information.

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The Offering

This summary of the offering highlights some of the information contained in this prospectus supplement. The summary may not contain all of the information that is important to you. You should carefully read the information contained and incorporated by reference in this prospectus supplement in order to understand this offering. In this summary we, us, our, the Company and similar words refer only to TD Ameritrade Holding Corporation and not to any of its subsidiaries. Terms defined under Description of the Notes in this prospectus supplement have the same meanings in this summary.

Issuer	TD Ameritrade Holding Corporation, a Delaware corporation.
Securities Offered	\$750 million aggregate principal amount of 2.950% Senior Notes due 2022.
Maturity	The notes will mature on April 1, 2022.
Interest	Interest on the notes is payable semi-annually in arrears on April 1 and October 1 of each year, beginning on October 1, 2015, at the rate of 2.950% per year.
Optional Redemption	<p>We may redeem the notes at our option, in whole or in part, at any time prior to February 1, 2022 (two months prior to the maturity date of the notes) at a redemption price equal to the greater of:</p> <p style="padding-left: 40px;">100% of the principal amount of the notes being redeemed; and</p> <p style="padding-left: 40px;">the sum of the present values of the remaining scheduled payments of principal and interest thereon (not including any portion of such payments of interest accrued as of the date of redemption), discounted to the date of redemption on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate (as defined in Description of the Notes Optional Redemption), plus 15 basis points,</p> <p>plus, in each case, accrued and unpaid interest on the notes to the redemption date.</p>

We may redeem the notes at our option, in whole or in part, at any time on or after February 1, 2022 (two months prior to the maturity date of the notes) at a redemption price equal to 100% of the principal amount of the notes to be redeemed, plus accrued and unpaid interest on the notes to the redemption date.

No Guarantees

The Company's obligations in respect of the notes will not be guaranteed by any of its subsidiaries. See Risks Relating to the Notes. The notes will be effectively subordinated to all of the Company's existing and future secured debt, and to the existing and future debt and other obligations of its subsidiaries, including its broker-dealer subsidiaries, which generate substantially all of its consolidated revenues and net income and own substantially all of its consolidated assets. in this prospectus supplement.

Ranking

The notes will be the Company's unsecured, unsubordinated obligations, and will rank equally in right of payment with all of the

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Company's existing and future unsubordinated indebtedness. The notes will be effectively subordinated to any of the Company's existing and future secured debt, to the extent of the value of the collateral securing such debt, and will be structurally subordinated to all existing and future obligations of the Company's subsidiaries. See Description of the Notes General.

Certain Covenants

The terms of the notes contain certain restrictions, including a limitation that restricts the Company's ability and the ability of the Company's subsidiaries to incur liens on certain assets. See Description of the Notes Limitations on Liens in this prospectus supplement.

The terms of the notes also restrict the Company's ability to merge or consolidate with another entity or sell, lease, assign, transfer, convey or otherwise dispose of all or substantially all of the properties or assets of the Company and its subsidiaries taken as a whole to another entity. See Description of Debt Securities Merger or Consolidation in the accompanying prospectus.

Use of Proceeds

We intend to use the net proceeds from the sale of the notes for general corporate purposes, including liquidity for operational contingencies. See Use of Proceeds.

Denomination and Form

We will issue the notes in the form of one or more fully registered global securities registered in the name of the nominee of The Depository Trust Company (DTC). Beneficial interests in the notes will be represented through book-entry accounts of financial institutions acting on behalf of beneficial owners as direct and indirect participants in DTC. Clearstream Banking, *société anonyme*, Luxembourg and Euroclear Bank, S.A./N.V., as operator of the Euroclear System, will hold interests on behalf of their participants through their respective U.S. depositories, which in turn will hold such interests in accounts as participants of DTC. Except in the limited circumstances described in this prospectus supplement, owners of beneficial interests in the notes will not be entitled to have notes registered in their names, will not receive or be entitled to receive notes in definitive form and will not be considered holders of notes under the indenture. The notes will be issued only in denominations of \$2,000 and integral multiples of \$1,000 in excess thereof.

No Listing of the Notes

We do not intend to apply to list the notes on any securities exchange or to have the notes quoted on any automated quotation system.

Additional Notes

We may in the future create and issue additional debt securities having the same terms and conditions as the notes offered by this prospectus supplement (other than the original issuance date and, in some cases, the public offering price, the initial interest accrual date and the initial interest payment date) and ranking equally and ratably

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with the notes offered hereby in all respects. If issued, any additional debt securities will become part of the same series as the notes offered by this prospectus supplement.

Governing Law

The notes and the supplemental indenture relating thereto will be, and the base indenture relating thereto is, governed by the laws of the State of New York.

Trustee

U.S. Bank National Association.

Risk Factors

Investment in the notes involves risks. You should carefully consider the information set forth in the section of this prospectus supplement entitled **Risk Factors** beginning on page S-7, as well as other information included in or incorporated by reference into this prospectus supplement and the accompanying prospectus before deciding whether to invest in the notes.

Conflicts of Interest

TD Securities (USA) LLC is our affiliate. The distribution arrangements for this offering comply with the requirements of Financial Industry Regulatory Authority, Inc. (**FINRA**) Rule 5121, regarding a **FINRA** member firm's participation in the distribution of securities of an affiliate. In accordance with Rule 5121, no **FINRA** member firm that has a conflict of interest under Rule 5121 may make sales in this offering to any discretionary account without the prior approval of the customer. Our affiliates, including TD Securities (USA) LLC and other affiliates, may use this prospectus supplement and the accompanying prospectus in connection with offers and sales of the notes in the secondary market. These affiliates may act as principal or agent in those transactions. Secondary market sales will be made at prices related to market prices at the time of sale.

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The following table sets forth our summary consolidated financial data for the periods presented below. The summary consolidated financial data as of September 30, 2014 and 2013 and for each of the years in the three-year period ended September 30, 2014 have been derived from our audited consolidated financial statements, incorporated by reference herein. The summary balance sheet data as of September 30, 2012 have been derived from our audited consolidated financial statements for the year ended September 30, 2013, which are not incorporated by reference herein. The summary consolidated statement of income data for the three-month periods ended December 31, 2014 and 2013 and the summary consolidated balance sheet data at December 31, 2014 are derived from our unaudited interim condensed consolidated financial statements incorporated by reference herein. The summary consolidated balance sheet data as of December 31, 2013 have been derived from our unaudited condensed consolidated financial statements for the interim period ended December 31, 2013, which are not incorporated by reference herein. Our historical results are not necessarily indicative of the results of operations for future periods, and our results for interim periods are not necessarily indicative of the results that can be expected for the full fiscal year. You should read the following summary consolidated financial data in conjunction with our audited consolidated financial statements and related notes and Management's Discussion and Analysis of Financial Condition and Results of Operations contained in our Annual Report on Form 10-K for our fiscal year ended September 30, 2014, and our unaudited condensed consolidated financial statements and related notes and Management's Discussion and Analysis of Financial Condition and Results of Operations contained in our Quarterly Report on Form 10-Q for our quarter ended December 31, 2014, each of which is incorporated by reference in this prospectus supplement and the accompanying prospectus.

	Three Months Ended December 31,		Fiscal Year Ended September 30,		
	2014	2013	2014	2013	2012
	(\$ in millions)				
Income Statement Data:					
Transaction-based revenues					
Commissions and transaction fees	\$ 359	\$ 328	\$ 1,351	\$ 1,171	\$ 1,087
Asset-based revenues					
Net interest revenue	161	127	581	469	450
Insured deposit account fees	207	208	820	804	828
Investment product fees	83	72	309	250	196
Total asset-based revenues	451	407	1,710	1,523	1,474
Other revenues	9	17	62	70	80
Net revenues	819	752	3,123	2,764	2,641
Total operating expenses	475	445	1,838	1,708	1,707
Operating income	344	307	1,285	1,056	934
Other expense (income)	10	6	15	(32)	28
Pre-tax income	334	301	1,270	1,088	906
Provision for income taxes	123	109	483	413	320
Net income	\$ 211	\$ 192	\$ 787	\$ 675	\$ 586

Operating margin	42%	41%	41%	38%	35%
Balance Sheet Data (at period end)					
Cash and cash equivalents	\$ 1,877	\$ 1,309	\$ 1,460	\$ 1,062	\$ 915
Total assets	23,815	22,236	23,831	21,836	19,513
Notes payable and long-term obligations	1,225	1,196	1,251	1,052	1,350
Stockholders equity	4,760	4,528	4,748	4,676	4,425

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	Three Months Ended December 31,		Fiscal Year Ended September 30,		
	2014	2013	2014	2013	2012
Key Business Metrics					
Total trades (in millions)	28.81	26.07	106.94	92.85	89.91
Average commissions and transaction fees per trade (1)	\$ 12.45	\$ 12.56	\$ 12.62	\$ 12.61	\$ 12.09
Average order routing revenue per trade (2)	\$ 2.69	\$ 2.72	\$ 2.84	\$ 2.54	\$ 2.05
Average client trades per day	457,243	413,743	426,888	373,630	359,631
Activity rate funded accounts (3)	7.2%	6.9%	6.9%	6.3%	6.3%
Average spread-based asset balances (4) (in billions)	\$ 94.5	\$ 90.3	\$ 91.5	\$ 83.8	\$ 74.3
Net interest margin (5)	1.53%	1.45%	1.51%	1.50%	1.69%
Average insured deposit account balances (6) (in billions)	\$ 75.0	\$ 72.7	\$ 72.9	\$ 68.0	\$ 59.4
Average interest-earning assets (7) (in billions)	\$ 19.5	\$ 17.6	\$ 18.5	\$ 15.9	\$ 14.9
Average fee-based investment balances (8) (in billions)	\$ 150.7	\$ 130.5	\$ 136.7	\$ 112.8	\$ 86.1
Funded accounts (end of period)	6,371,000	6,048,000	6,301,000	5,993,000	5,764,000
Client assets (end of period, in billions)	\$ 672.4	\$ 596.5	\$ 653.1	\$ 555.9	\$ 472.3
Net new assets (9) (in billions)	\$ 18.8	\$ 14.5	\$ 53.4	\$ 49.5	\$ 40.8

- (1) Average commissions and transaction fees per trade excludes the TD Waterhouse UK business.
- (2) Average order routing revenue per trade is included in average commissions and transaction fees per trade.
- (3) Activity rate funded accounts is defined as average client trades per day during the period divided by the average number of funded accounts during the period.
- (4) Spread-based assets consist of client and brokerage-related asset balances, including insured deposit account balances and interest-earning assets.
- (5) Net interest margin is a measure of the net yield earned on average spread-based assets.

- (6) TD Ameritrade is party to an Insured Deposit Account (IDA) agreement with TD Bank USA, N.A. (TD Bank USA), TD Bank, N.A. and The Toronto-Dominion Bank (TD). Under the IDA agreement, TD Bank USA and TD Bank, N.A. (together, the TD Depository Institutions) make available to clients of TD Ameritrade FDIC-insured money market deposit accounts as either designated sweep vehicles or as non-sweep deposit accounts. TD Ameritrade provides marketing, recordkeeping and support services for the TD Depository Institutions with respect to the money market deposit accounts. In exchange for providing these services, the TD Depository Institutions pay TD Ameritrade an aggregate marketing fee based on the yield earned on the client IDA assets, less the actual interest paid to clients, a servicing fee to the TD Depository Institutions and the cost of FDIC insurance premiums.
- (7) Interest-earning assets consist of client margin balances, segregated cash, deposits paid on securities borrowing and other cash and interest-earning investment balances.
- (8) Fee-based investment balances consist of client assets invested in money market mutual funds, other mutual funds and TD Ameritrade programs such as AdvisorDirect[®] and Amerinvest[®] on which we earn fee revenues. Fee revenues earned on these balances are included in investment product fees on our consolidated statements of income.
- (9) Net new assets consist of total client asset inflows, less total client asset outflows, excluding activity from business combinations. Client asset inflows include interest and dividend payments and exclude changes in client assets due to market fluctuations. Net new assets are measured based on the market value of the assets as of the date of the inflows and outflows.

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*Your investment in the notes involves certain risks. You should consult with your own financial and legal advisors as to the risks involved in an investment in the notes and to determine whether the notes are a suitable investment for you. Before investing in the notes, you should carefully consider, among other matters, the risk factors below and information set forth under the heading **Risk Factors** in our Annual Report on Form 10-K for the fiscal year ended September 30, 2014, and our Quarterly Report on Form 10-Q for the quarter ended December 31, 2014, each of which is incorporated by reference into this prospectus supplement and accompanying prospectus, as the same may be updated from time to time by our filings with the SEC under the Exchange Act that we incorporate by reference herein. You should also refer to the other information in this prospectus supplement and the accompanying prospectus, including our financial statements and the related notes incorporated by reference into this prospectus supplement and the accompanying prospectus. Additional risks and uncertainties that are not yet identified may also materially harm our business, operating results and financial condition and could result in a complete loss of your investment.*

Risks Relating to the Notes

The notes will be effectively subordinated to all of the Company's existing and future secured debt, and to the existing and future debt and other obligations of its subsidiaries, including its broker-dealer subsidiaries, which generate substantially all of its consolidated revenues and net income and own substantially all of its consolidated assets.

The notes are not secured by any of the Company's assets. As a result, the indebtedness represented by the notes will effectively be subordinated to any existing and future secured indebtedness that the Company may incur (including the \$69 million of indebtedness outstanding under the Term Loan Agreement) (as defined in **Description of Other Indebtedness Secured Term Loan Agreement**), to the extent of the value of the assets securing such indebtedness. The terms of the indenture permit the Company to incur additional secured debt, subject to certain limitations. In the event of any dissolution, winding up, liquidation, reorganization or other bankruptcy proceeding relating to the Company, the proceeds from any sale of the Company's assets will first be applied to repay any secured creditors that have a lien on such assets before any such proceeds are available to the Company's unsecured creditors, including the holders of the notes.

The Company's obligations in respect of the notes are not guaranteed by any of the Company's subsidiaries, and as a result, the notes will be structurally subordinated to all existing and future obligations of the Company's subsidiaries, which means that creditors of the Company's subsidiaries will be paid from the assets of the Company's subsidiaries before holders of the notes would have any claims to those assets. Indebtedness outstanding under the Company's Revolving Credit Agreement (as defined in **Description of Other Indebtedness Senior Unsecured Revolving Credit Facilities**) is guaranteed by TDAOH. As of December 31, 2014, the principal amount of borrowings outstanding under the Revolving Credit Agreement was \$113 million. In addition, the \$69 million of indebtedness outstanding under the Company's Term Loan Agreement is guaranteed by TDAOH and ThinkTech, Inc. In addition, unlike the notes offered hereby, the Company's 2019 Notes (as defined in **Description of Other Indebtedness Senior Notes**) are unconditionally guaranteed by each of the Company's current and future subsidiaries that is or becomes a borrower or a guarantor under the Revolving Credit Agreement. Currently, the only subsidiary guarantor of the obligations under the 2019 Notes is TDAOH. As of December 31, 2014, there was \$500 million aggregate principal amount of 2019 Notes outstanding.

In addition, the terms of the notes will not restrict the Company's ability or the ability of its subsidiaries to incur other unsecured indebtedness. We may also incur secured debt, subject to certain limitations described under **Description of**

the Notes Limitations on Liens below. If the Company incurs any additional obligations that rank equally with the notes, including trade payables, the holders of those obligations will be entitled to share ratably with the holders of the notes in any proceeds distributed upon the Company's insolvency, liquidation, reorganization, dissolution or other winding up. This may have the effect of reducing the amount of

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proceeds paid to you. At December 31, 2014, our consolidated senior indebtedness totaled \$1,225 million, \$69 million of which was secured under the Term Loan Agreement by a lien on certain real estate of the Company.

The Company's ability to service debt, including the notes, is in large part dependent upon the results of operations of its subsidiaries.

TD Ameritrade Holding Corporation is a holding company. The Company conducts almost all of its operations through its subsidiaries and substantially all of its consolidated assets are held by its subsidiaries. In addition, the Company's subsidiaries accounted for substantially all of its consolidated revenues and net income. Accordingly, the Company's cash flow and its ability to service debt, including the notes, is in large part dependent upon the results of operations of its subsidiaries and upon the ability of its subsidiaries to provide cash to it (whether in the form of dividends, loans or otherwise) to pay amounts due in respect of its obligations, to pay any amounts due on the notes or to make any funds available to pay such amounts. The agreements governing the indebtedness of the Company's subsidiaries may limit the ability of such subsidiaries from paying dividends, making loans or otherwise making funds available to the Company. In addition, dividends, loans and other distributions from certain of the Company's subsidiaries to the Company are subject to regulatory restrictions, including minimum net capital requirements, are contingent upon results of operations of such subsidiaries and are subject to various business considerations. Because the Company depends on the cash flow of its subsidiaries to meet its obligations, these types of restrictions may impair its ability to make scheduled interest and principal payments on the notes.

The price at which you will be able to sell your notes prior to maturity will depend on a number of factors and may be substantially less than the amount you originally invest.

We believe that the value of the notes in any secondary market will be affected by the supply and demand of the notes, the interest rate and a number of other factors. Some of these factors are interrelated in complex ways. As a result, the effect of any one factor may be offset or magnified by the effect of another factor. The following paragraphs describe what we expect to be the impact on the market value of the notes of a change in a specific factor, assuming all other conditions remain constant.

United States interest rates. We expect that the market value of the notes will be affected by changes in United States interest rates. In general, if United States interest rates increase, the market value of the notes may decrease. We cannot predict the future level of market interest rates.