

TD AMERITRADE HOLDING CORP
Form DEF 14A
January 07, 2016
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A
Proxy Statement Pursuant to Section 14(a)
of the Securities Exchange Act of 1934

Filed by the Registrant x
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Check the appropriate box:
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.. Confidential, for use of the Commission only (as permitted by Rule 14a-6(e)(2))
x Definitive Proxy Statement
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TD Ameritrade Holding Corporation
(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

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NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

February 18, 2016

The Annual Meeting of Stockholders of TD Ameritrade Holding Corporation (the "Company") will be held at the Company's corporate headquarters facility, 200 South 108th Avenue in Omaha, Nebraska on Thursday, February 18, 2016, at 9:00 a.m., Central Standard Time. You may also attend the meeting virtually via the Internet at amtd.onlineshareholdermeeting.com, where you will be able to vote electronically and submit questions during the meeting.

At the annual meeting the following items of business will be considered:

- 1) The election of four nominees recommended by the board of directors to the board of directors;
- 2) An advisory vote on executive compensation;
- 3) The approval of the amended and restated Long-Term Incentive Plan;
- 4) The approval of the amended and restated Management Incentive Plan; and
- 5) Ratification of the appointment of Ernst & Young LLP as the Company's independent registered public accounting firm for the fiscal year ending September 30, 2016.

Only stockholders of record at the close of business on December 21, 2015 will be entitled to notice of and to vote at the meeting.

We have adopted the U.S. Securities and Exchange Commission rule that allows companies to furnish their proxy materials over the Internet. As a result, we are mailing a Notice of Internet Availability of Proxy Materials (the "Internet Availability Notice") to most of our stockholders instead of a paper copy of this Proxy Statement and our 2015 Annual Report. The Internet Availability Notice contains instructions on how to access and review those documents over the Internet. We believe that this process allows us to provide our stockholders with the information they need in a more timely manner, while reducing the environmental impact and lowering the costs of printing and distributing our proxy materials. If you received an Internet Availability Notice by mail and would like to receive a printed copy of our proxy materials, you should follow the instructions for requesting such materials included in the Internet Availability Notice.

Your vote is very important. Whether or not you plan to attend the Annual Meeting (in person or virtually via the Internet), please complete and return your proxy card or vote by telephone or via the Internet by following the instructions on your Internet Availability Notice. Returning a proxy card or otherwise submitting your proxy does not deprive you of your right to attend the Annual Meeting and vote in person or virtually via the Internet. Proxies are being solicited on behalf of the board of directors.

By Order of the Board of Directors

Ellen L. S. Koplowsky,
Secretary

Omaha, Nebraska

January 7, 2016

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GENERAL INFORMATION ABOUT THE MEETING

This Proxy Statement is furnished in connection with the solicitation of proxies to be voted at the 2016 Annual Meeting of Stockholders of TD Ameritrade Holding Corporation (the "Company"). The 2016 Annual Meeting will be held on Thursday, February 18, 2016 at 9:00 a.m., Central Standard Time, at the Company's corporate headquarters facility, 200 South 108th Avenue in Omaha, Nebraska and via the Internet at amtd.onlineshareholdermeeting.com, where you will be able to vote electronically and submit questions during the meeting. This Proxy Statement and the accompanying proxy card are first being sent to stockholders on or about January 7, 2016.

Q u o r u m a n d V o t i n g R e q u i r e m e n t s

The Company has one class of common stock. Each share of common stock is entitled to one vote upon each matter to be voted on at the Annual Meeting. Stockholders do not have the right to cumulate votes in the election of directors. Only stockholders of record at the close of business on December 21, 2015 (the "Record Date") will be entitled to vote at the Annual Meeting. As of the Record Date, there were 536,710,087 shares of common stock issued and outstanding.

This Proxy Statement relates only to the solicitation of proxies from the stockholders with respect to the election of four Class II directors recommended by the board of directors, an advisory vote on executive compensation, the approval of the amended and restated Long-Term Incentive Plan and the amended and restated Management Incentive Plan and ratification of the appointment of the Company's independent registered public accounting firm. All shares of the Company's common stock represented by properly executed and unrevoked proxies will be voted by the persons named as proxies in accordance with the directions given. Where no instructions are indicated on any such proxy, properly executed proxies will be voted "FOR" the proposals set forth in this Proxy Statement for consideration at the Annual Meeting. At this time, we are unaware of any matters, other than described above in the Notice of Annual Meeting of Stockholders, that may properly come before the Annual Meeting. If any other

matters come before the Annual Meeting, the proxies in the enclosed form will confer discretionary authority on the persons named as proxies to vote in their discretion with respect to such matters.

The accompanying proxy is solicited from the holders of the Company's common stock on behalf of the board of directors of the Company. A proxy is revocable at any time by giving written notice of revocation to the secretary of the Company prior to the Annual Meeting or by executing and delivering a later-dated proxy via the Internet, telephone or mail prior to the Annual Meeting. Furthermore, the stockholders who are present at the Annual Meeting (in person or via the Internet) may revoke their proxies and vote in person. Stockholders attending the Annual Meeting via the Internet should follow the instructions at amtd.onlineshareholdermeeting.com in order to vote at the meeting. A quorum consisting of at least a majority of shares of common stock issued and outstanding must be present at the meeting for any business to be conducted. Shares of common stock entitled to vote and represented by properly executed, returned and unrevoked proxies, including shares with respect to which votes are withheld or abstentions are cast or shares that are "broker non-votes," will be considered present at the Annual Meeting for purposes of determining a quorum. Broker non-votes are shares held by brokers or nominees for which voting instructions have not been received from the beneficial owners or the persons entitled to vote those shares and for which the broker or nominee does not have discretionary voting power under rules applicable to broker-dealers. If your broker holds your shares in its name and you do not instruct your broker how to vote, your broker will nevertheless have discretion to vote your shares on our sole "routine" matter – the ratification of the appointment of the Company's independent registered public accounting firm. Your broker will not have discretion to vote on the following "non-routine" matters absent direction from you: the election of directors recommended by the board of directors, the advisory vote on executive compensation and the approval of the amended and restated Long-Term

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GENERAL INFORMATION ABOUT THE MEETING

Incentive Plan and the amended and restated Management Incentive Plan.

V o t i n g E l e c t r o n i c a l l y

In order to vote online or via telephone before the Annual Meeting, go to the www.ProxyVote.com website or call the toll-free number on the proxy card or Internet Availability Notice and follow the instructions. If you choose not to vote by telephone or electronically, please complete and return the proxy card in the pre-addressed,

postage-paid envelope provided. You may also vote while attending the meeting on the Internet. If you received an Internet Availability Notice by mail and would like to receive a printed copy of our proxy materials, you should follow the instructions for requesting such materials included in the Internet Availability Notice. If you would like to receive future stockholder materials electronically, please enroll at <http://enroll.icsdelivery.com/AMTD>. Please have the proxy card you received available when accessing the site.

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PROPOSAL NO. 1 — ELECTION OF DIRECTORS
RECOMMENDED BY THE BOARD OF DIRECTORS

B o a r d o f D i r e c t o r s

The Company's certificate of incorporation divides the Company's board of directors into three classes, with four directors per class and with each class being elected to a staggered three-year term. J. Joe Ricketts, the Company's founder, certain members of his family and trusts established for their benefit (collectively, the "Ricketts holders") owned approximately 11% of our common stock as of the Record Date. The Toronto-Dominion Bank, a Canadian chartered bank, owned approximately 42% of our common stock as of the Record Date. References to "TD" or "TD Bank Group" in this Proxy Statement refer to The Toronto-Dominion Bank and its subsidiaries. In connection with the Company's January 24, 2006 acquisition of TD Waterhouse Group, Inc. ("TD Waterhouse"), the Ricketts holders, TD and the Company entered into a stockholders agreement, as amended (the "Stockholders Agreement"). Pursuant to the amended Stockholders Agreement, the Ricketts holders will be removed as parties to the agreement effective January 24, 2016, which means that all of the rights and obligations of the Ricketts holders described below will end and have no force and effect after January 24, 2016 (the "Ricketts Cessation").

Under the Stockholders Agreement, the Company's board of directors consists of twelve members, up to five of whom may be designated by TD, up to three of whom may be designated by the Ricketts holders, one of whom is the chief executive officer of the Company, and a minimum of three of whom are outside independent directors who are nominated by the Outside Independent Directors ("OID") Committee and then approved by TD and the Ricketts holders. The right of each of TD and the Ricketts holders to designate directors is subject to their maintenance of specified ownership thresholds of Company common stock, as set forth in the Stockholders Agreement. As of the Record Date, based on their respective ownership positions in the Company, TD has the right to designate five members of the board of directors and the Ricketts holders have the right to designate one. On December 22, 2015, Todd M. Ricketts was elected as a member of the board of directors as an outside independent director,

effective February 18, 2016, obviating the requirement under the Stockholders Agreement that he resign from the board of directors immediately prior to the Annual Meeting in connection with the Ricketts Cessation. In order to accommodate the election of Tim Hockey as a member of the board of directors concurrent with his employment as president of the Company effective January 2, 2016, TD irrevocably waived its right to designate one of its directors. This waiver will expire at the first to occur of (1) the cessation of employment of Mr. Hockey by the Company, (2) the effective date of the resignation from the board of the current chief executive officer, or (3) October 1, 2016, at which time TD will have the right to designate the full number of directors provided for in the Stockholders Agreement. It is anticipated that Mr. Hockey will fill the board seat reserved for the chief executive officer on October 1, 2016, upon the retirement of Fredric J. Tomczyk as chief executive officer. See discussion under "STOCK OWNERSHIP AND RELATED INFORMATION – Stockholders Agreement" for additional information regarding the terms of the Stockholders Agreement. Because TD and the Ricketts holders collectively own more than 50% of the voting power of the outstanding common stock of the Company, the Company qualifies as a "controlled company" for purposes of Nasdaq Rule 5615(c) and therefore is exempt from specified director independence requirements of The Nasdaq Stock Market. The Company will cease to be a "controlled company" as of January 24, 2016, when the Ricketts holders are no longer a party to the Stockholders Agreement.

The board of directors has nominated the following persons as directors to be voted upon at the 2016 Annual Meeting: Bharat B. Masrani, Irene R. Miller, Todd M. Ricketts and Allan R. Tessler, as Class II directors to serve terms ending at the 2019 Annual Meeting. Mr. Masrani and Ms. Miller are designees of TD. Mr. Ricketts is a designee of the Ricketts holders until January 24, 2016, and is standing for reelection as an outside independent director as a result of the Ricketts Cessation. Mr. Tessler is an outside independent director. Lorenzo A. Bettino, V. Ann Hailey, Joseph H. Moglia and Wilbur J. Prezzano are Class III directors serving terms ending at the 2017 Annual

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RECOMMENDED BY THE BOARD OF DIRECTORS

Meeting. Tim Hockey, Karen E. Maidment, Mark L. Mitchell and Fredric J. Tomczyk are Class I directors serving terms ending at the 2018 Annual Meeting. The board of directors has determined that Mses. Hailey, Maidment and Miller and Messrs. Bettino, Mitchell, Moglia, Prezzano, Ricketts and Tessler are independent as defined in Nasdaq Rule 5605.

The board of directors knows of no reason why any of Messrs. Masrani, Ricketts and Tessler and Ms. Miller might be unavailable to serve as directors, and each has expressed an intention to serve if elected. If any of Messrs. Masrani, Ricketts and Tessler and Ms. Miller is unable to serve, the shares represented by all valid proxies will be voted for the election of such substitute nominee as the board of directors may recommend. With the exception of the Stockholders Agreement, there are no arrangements or understandings between any of the persons nominated to be a Class II director and any other person pursuant to which any of such nominees was selected.

The election of a director requires the affirmative vote of a plurality of the shares of common stock present in person

or represented by proxy at the meeting and voting, provided a quorum of at least a majority of the outstanding shares of common stock is represented at the meeting. If you abstain from voting on this matter, your abstention will have no effect on the vote. If you hold your shares through a broker and you do not instruct the broker how to vote on this "non-routine" proposal, your broker does not have authority to vote your shares. Abstentions and broker non-votes will each be counted as present for purposes of determining the presence of a quorum but will not have any other effect on the outcome of the election of directors. Where no instructions are indicated, properly executed and unrevoked proxies will be voted "FOR" the election of each of Messrs. Masrani, Ricketts and Tessler and Ms. Miller as Class II directors.

THE BOARD OF DIRECTORS RECOMMENDS THAT STOCKHOLDERS VOTE "FOR" THE ELECTION OF BHARAT B. MASRANI, IRENE R. MILLER, TODD M. RICKETTS AND ALLAN R. TESSLER AS CLASS II DIRECTORS.

The tables below set forth certain information regarding the directors of the Company.

N o m i n e e s t o B o a r d o f D i r e c t o r s

Name	Age	Principal Occupation	Director Since	Class and Year in Which Term Expires
Bharat B. Masrani	59	Group President and Chief Executive Officer, TD Bank Group	2013	Class II 2019
Irene R. Miller	63	Chief Executive Officer, Akim, Inc.	2015	Class II 2019
Todd M. Ricketts	46	Director, Chicago Baseball Holdings, LLC	2011 ⁽¹⁾	Class II 2019
Allan R. Tessler	79	Chairman and Chief Executive Officer, International Financial Group, Inc.	2006	Class II 2019

(1) Mr. Todd M. Ricketts previously served on the Company's board of directors from October 2011 to February 2014 and was reelected effective January 2015.

Bharat B. Masrani is group president and chief executive officer of TD Bank Group. Mr. Masrani has served in this position since November 2014. From July 2013 until his current appointment, Mr. Masrani served as chief operating

officer of TD Bank Group. Mr. Masrani served as group

head, U.S. personal and commercial banking of TD Bank Group and president and chief executive officer of TD Bank US Holding Company and TD Bank, N.A (a wholly-owned subsidiary of TD) from 2008 until 2013. From 2003 to 2008, he served as vice chairman and chief

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PROPOSAL NO. 1 — ELECTION OF DIRECTORS
RECOMMENDED BY THE BOARD OF DIRECTORS

risk officer of TD Bank Group. Mr. Masrani joined TD Bank Group in 1987 as a commercial lending trainee and during his tenure with TD Bank Group he has served in various leadership positions, including senior vice president and chief executive officer of TD Waterhouse Investor Services in Europe, senior vice president of corporate finance and co-head in Europe, vice president and country head for India and vice president and head of corporate banking for Canada. Mr. Masrani is a director of TD and certain subsidiaries of TD, including TD Bank, N.A. and TD Bank USA, N.A. Mr. Masrani holds a Bachelor of Administrative Studies degree from York University and an M.B.A. from the Schulich School of Business, York University.

Mr. Masrani is one of the four directors currently designated by TD. He brings significant leadership skills and operational and financial services experience to the board of directors, having served in several leadership positions with TD Bank Group.

Irene R. Miller has served as the chief executive officer of Akim, Inc., an investment management and consulting firm, since 1997. Prior to joining Akim, Inc., Ms. Miller served as the vice chairman and chief financial officer of Barnes & Noble, Inc. She has also held senior investment banking and corporate finance positions with Morgan Stanley & Co. and Rothschild, Inc., respectively. Ms. Miller currently serves as a director of TD and Inditex, S.A., where she is chair of the audit and control committee. She was formerly a director of Coach, Inc. and Barnes & Noble, Inc. Ms. Miller received an M.S. in chemistry and chemical engineering from Cornell University and a B.S. from the University of Toronto.

Ms. Miller is one of the four directors currently designated by TD. She brings leadership skills and operational and financial experience to the board of directors, based on her experience as chief executive officer of Akim, Inc. and chief financial officer of Barnes & Noble, Inc. She brings insights to our board of directors through her service on other public company boards, having served as audit committee chair of four prior boards and as lead director of Coach, Inc. for ten years.

Todd M. Ricketts has served as a director of Chicago Baseball Holdings, LLC since October 2009. Mr. Ricketts has managed his personal investment portfolio since 2001 and has been a managing co-owner of JBE Riding Group LLC, a bicycle retailer and service provider, since 2009. Previously, Mr. Ricketts served as corporate secretary and director of business development for the Company. He also served as the special assistant to the president for Knight Capital Group, Inc. and assisted with its initial public offering. Mr. Ricketts received a B.A. in economics from Loyola University Chicago. Todd M. Ricketts is the son of J. Joe Ricketts, founder of the Company.

Mr. Todd M. Ricketts is the director designated by the Ricketts holders until February 17, 2016, after which he will be an outside independent director. He brings business management and financial experience to the board of directors through his entrepreneurial and financial services industry experience.

Allan R. Tessler has been chairman of the board and chief executive officer of International Financial Group, Inc., an international merchant banking firm, since 1987. He has previously served as chairman of the board of Epoch Holding Corporation (formerly J Net Enterprises), chief executive officer of J Net Enterprises, co-chairman and co-chief executive officer of Data Broadcasting Corporation (now known as Interactive Data Corporation), chairman of Enhance Financial Services Group, Inc. and chairman and principal stockholder of Great Dane Holdings. Mr. Tessler is the lead independent director and chair of both the finance and the nominating and governance committees of L Brands, Inc. Mr. Tessler also serves as a director of Steel Partners Holdings L.P. and Imperva, Inc. He is a member of the board of governors of the Boys & Girls Clubs of America. Mr. Tessler holds a B.A. from Cornell University and an L.L.B. from Cornell University Law School.

Mr. Tessler is one of the five outside independent directors. He brings leadership skills and operational and financial services experience to the board of directors, having served as chief executive officer of J Net Enterprises and co-chief executive officer of Data Broadcasting Corporation. He brings insights to our board of directors through his service on other public company boards.

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PROPOSAL NO. 1 — ELECTION OF DIRECTORS
RECOMMENDED BY THE BOARD OF DIRECTORS

DirectorsNotStandingForElection

Name	Age	Principal Occupation	Director
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