

Equities

9 February 2012 | 14 pages

LPL Investment Holdings (LPLA)

What's Ailing LPLA? We Stress EPS for Cash Sweep Dilution

Company Update

Neutral	2
Price (08 Feb 12)	US\$32.79
Target price	US\$28.00
Expected share price return	-14.6%
Expected dividend yield	0.0%
Expected total return	-14.6%
Market Cap	US\$3,619M

Price Performance (RIC: LPLA.O, BB: LPLA US)



- **Maintain Neutral** — While we continue to see LPLA well positioned to leverage the “breakaway” FA theme, and underlying business is improving, our ST caution reflects 1) premium valuation; and, 2) moderately at risk consensus estimates. LPLA’s stock declined about 10% on 2/8 following disappointing 4Q11, underperforming peers and the SPX – see also our 2/8 note, [4Q11 EPS Miss; 2012 Off to a Better Start but Priced So](#). We believe the retrenchment reflects combo of elevated expectations coming into EPS, uneven post quarter call, relative valuation, and lingering concern around dilution related to potential yield compression on cash sweep balances and resultant earnings impact.
- **What is the cash sweep issue?** — Akin to AMTD, LPLA “contracts” out third party balance sheets, receiving a gross fee in exchange for deposits, avoiding onerous capital and other onerous regulatory complications. Incremental margins are close to 100% of related net revenues, which are set as a fixed spread to the Fed Funds rate. There are two incremental issues. First, management indicated “some moderation” in related revenues but failed to quantify the impact. Second, the Fed Funds rate has dropped sharply since many of the contracts were set, adding to absolute downside risk in yields, we believe. In speaking with investors, we get the sense that the range of dilution varies quite widely, worsened by the lack of disclosure, unfortunately.
- **Trying to frame the dilution** — Our revised 2012 estimate incorporates roughly 10% drop in the pro forma cash sweep yield, with our reduction a triangulation on NIM pressures elsewhere in our coverage universe given the lack of disclosure. That said, we attempt to frame the dilution for two factors: 1) % of cash sweep AUM that could be subject to reset; and, 2) bps give up. Using a range of 0% to 50% at risk sweep deposits and 10 bps to 50 bps rate give up – blending the yield down from ~60 bps toward ~35 bps – we range annualized dilution between 1% and 17% of 4Q11 EPS annualized.
- **Overlaying a dose of reality (hopefully)** – We counterbalance our analysis against “some moderation” descriptor by management to suggest the lower band of dilution might be more reasonable. However, given the rate backdrop and acute NIM pressures at AMTD and SCHW, for instance, we do not expect this overhang to quickly dissipate.

EPS	Q1	Q2	Q3	Q4	FY	FC Cons
2011A	0.50A	0.50A	0.44A	0.41A	1.85A	1.95A
2012E	0.49E	0.56E	0.44E	0.47E	1.96E	2.14E
Previous	0.49E	0.56E	0.44E	0.47E	1.96E	na
2013E	na	na	na	na	2.11E	2.52E
Previous	na	na	na	na	2.11E	na
2014E	na	na	na	na	2.50E	3.09E
Previous	na	na	na	na	2.50E	na

Source: Company Reports and dataCentral, CIR. FC Cons: First Call Consensus.

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See Appendix A-1 for Analyst Certification, Important Disclosures and non-US research analyst disclosures.

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Fiscal year end 31-Dec	2010	2011	2012E	2013E	2014E
Valuation Ratios					
P/E adjusted (x)	20.2	17.8	16.8	15.6	13.1
P/E reported (x)	nm	21.6	19.5	17.3	14.3
P/BV (x)	4.4	3.7	3.2	2.8	2.4
P/Adjusted BV diluted (x)	na	na	na	na	na
Dividend yield (%)	0.0	0.0	0.0	0.0	0.0
Per Share Data (US\$)					
EPS adjusted	1.63	1.85	1.96	2.11	2.50
EPS reported	-0.60	1.52	1.68	1.89	2.29
BVPS	7.46	8.79	10.22	11.90	13.92
Tangible BVPS	-9.06	-7.94	-5.78	-3.34	-0.58
Adjusted BVPS diluted	na	na	na	na	na
DPS	0.00	0.00	0.00	0.00	0.00
Profit & Loss (US\$m)					
Net interest income	0	0	0	0	0
Fees and commissions	2,481	2,782	2,988	3,218	3,555
Other operating Income	632	697	706	754	840
Total operating income	3,113	3,479	3,694	3,972	4,395
Total operating expenses	-3,074	-3,128	-3,314	-3,550	-3,896
Oper. profit bef. provisions	39	351	380	421	499
Bad debt provisions	0	0	0	0	0
Non-operating/exceptionals	-128	-69	-67	-66	-65
Pre-tax profit	-89	283	313	356	434
Tax	32	-112	-125	-142	-173
Extraord./Min. Int./Pref. Div.	0	0	0	0	0
Attributable profit	-57	170	188	213	260
Adjusted earnings	164	207	219	238	284
Growth Rates (%)					
EPS adjusted	23.0	13.5	5.8	7.8	18.6
Oper. profit bef. prov.	-78.4	789.9	8.3	10.8	18.3
Balance Sheet (US\$m)					
Total assets	3,646	3,669	3,724	3,780	3,837
Avg interest earning assets	0	0	0	0	0
Customer loans	0	0	0	0	0
Gross NPLs	0	0	0	0	0
Liab. & shar. funds	3,646	3,669	3,724	3,780	3,837
Total customer deposits	0	0	0	0	0
Reserve for loan losses	0	0	0	0	0
Shareholders' equity	811	981	1,157	1,371	1,631
Profitability/Solvency Ratios (%)					
ROE adjusted	19.8	23.0	20.8	18.8	19.0
Net interest margin	na	na	na	na	na
Cost/income ratio	98.7	89.9	89.7	89.4	88.7
Cash cost/average assets	88.0	85.3	89.7	94.6	102.3
NPLs/customer loans	na	na	na	na	na
Reserve for loan losses/NPLs	na	na	na	na	na
Bad debt prov./avg. cust. loans	na	na	na	na	na
Loans/deposit ratio	na	na	na	na	na
Tier 1 capital ratio	na	na	na	na	na
Total capital ratio	na	na	na	na	na

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Uncertainty Sweeps In

Investment Summary

We maintain our Neutral rating on LPLA and address building concerns around potential cash sweep-related earnings dilution following uneven post 4Q conference call after 2/7 market close – see also our 2/8 note, [4Q11 EPS Miss; 2012 Off to a Better Start but Priced So](#). Our reticence reflects combination of premium valuation and still at risk consensus estimates. Though the risk/reward improved a bit following the downdraft on 2/8, LPLA still screens expensively to us, and keeps us looking for a better entry point against our unchanged \$28 12-month price target.

LPLA's stock price declined ~10% on 2/8 sharply underperforming peers and the SPX and giving back about half the YTD gains. We trace the underperformance to a host of issues, exacerbated by low float, including: 1) high expectations coming into earnings; 2) 4Q EPS miss driven by top line and margin metrics; and, 3) uneven conference call, the latter particularly around EPS risk on contract resets on cash sweep balances. Management did qualify the impact as “some moderation” but the discussion left the market well uncertain. Indeed, our conversations with investors suggest a wide range of concern on the dilution.

While details are limited, this note addresses the issue and attempts to frame the dilution, though we recognize we are working off particularly crude assumptions. If our math is right, there is 1% to 17% EPS dilution though triangulating management commentary, we believe the downside is likely toward the lower end of such analysis. Still, with limited disclosure plus acute investor focus on NIM and related drivers – for AMTD and SCHW + ongoing low rate backdrop, we see the issue remaining palpable in the intermediate term and an overhang on the shares.

What Is The Issue & How Did It Crop Up

On the 2/8 post 4Q call, management alluded to some softening in cash sweep revenues owing to upcoming contract resets with third parties. Akin to AMTD's relationship with parent TD Bank, LPLA sweeps client/brokerage cash into a third party bank, receiving fixed spread over the Fed Funds rates. Long term, such an arrangement seems quite positive to us, as it limits a host of issues for LPLA, including capital and regulatory risk but may negatively impact EPS in the ST.

In turn, the issue reflects: 1) management noted that an undisclosed amount of contracts reset; and, 2) rates have fallen sharply since the original spreads were contracted. As such, investors worry about: 1) the amount of cash deposits at risk for contractual reset; and, 2) what the earnings impact will be. Management affirmed that incremental margins on this revenue stream are essentially 100%, adding to the uncertainty.

While management was not willing to directly respond to investors around EPS impact – and in fairness – they may be limited given ongoing discussions, they did mention some degradation is likely. The question is how much?

Stress Testing Our Model

Recognizing there is no public disclosure on the contracts, amount up for renegotiation or the level of renegotiation – we did affirm such with management – and opening up to significant error, we estimate the potential dilution – as measured against 4Q12 EPS annualized – from 1% to 17%. In Figure 1, we array a matrix of

% of cash sweep deposits that may need to reset against potential basis point reduction. This analysis suggests foregone revenue from \$2M to \$57M annually.

In step two, we drop this revenue to the bottom line given the high margin. In turn, at 10% of sweep balances taking 10 bps hit, our EPS drops 1%. At the other extreme, or 50% of deposits reset at 50 bps, the dilution climbs to 17%.

However, we think it is important to keep perspective given management publicly endorsed "some moderation" which we loosely believe would not be toward 17%.

Taking our analysis to last step, we pro forma the cash sweep yield from ~59 bps in 4Q to a range of 34 bps to 58 bps. Note, for modeling, we assume around 55 bps in our 2012 revised EPS forecast, or clearly at the lower band of dilution.

Figure 1. Foregone Cash Sweep Revenue Could Range Between \$2M & \$57M Annually...

Foregone Annual Cash Sweep Revenue (\$M)					
	% Sweep Affected				
Bps Δ	10%	20%	30%	40%	50%
-10	-2.3	-4.6	-6.8	-9.1	-11.4
-20	-4.6	-9.1	-13.7	-18.2	-22.8
-30	-6.8	-13.7	-20.5	-27.3	-34.1
-40	-9.1	-18.2	-27.3	-36.4	-45.5
-50	-11.4	-22.8	-34.1	-45.5	-56.9

Source: Citi Investment Research and Analysis

Figure 2. ...Leading To Pro Forma 1% To 17% EPS Dilution...

Pro Forma EPS Dilution ¹					
	% Sweep Affected				
Bps Δ	10%	20%	30%	40%	50%
-10	-1%	-1%	-2%	-3%	-3%
-20	-1%	-3%	-4%	-6%	-7%
-30	-2%	-4%	-6%	-8%	-10%
-40	-3%	-6%	-8%	-11%	-14%
-50	-3%	-7%	-10%	-14%	-17%

¹relative to \$1.76 annualized 4Q11 EPS excluding stock-based comp

Source: Citi Investment Research and Analysis

Figure 3. ...And Annualized Cash Sweep Rate Between 34 Bps And 58 Bps

Pro Forma Cash Sweep Yield					
	% Sweep Affected				
Bps Δ	10%	20%	30%	40%	50%
-10	57.6	56.6	55.6	54.6	53.6
-20	56.6	54.6	52.6	50.6	48.6
-30	55.6	52.6	49.6	46.6	43.6
-40	54.6	50.6	46.6	42.6	38.6
-50	53.6	48.6	43.6	38.6	33.6

Source: Citi Investment Research and Analysis

Companies mentioned: (AMTD.O; US\$16.95; 1); (SCHW.N; US\$12.45; 2)

Figure 4. LPLA Summary Model

LPL Investment Holdings Inc.
Earnings Results and Forecasts
(\$ Millions, Except As Noted)

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	1Q11	2Q11	3Q11	4Q11	Forecast:				2010	2011	Forecast:			% Change				
					1Q12E	2Q12E	3Q12E	4Q12E			2012E	2013E	2014E	1QE/4Q	1QE/1Q	12E/11E	13E/12E	14E/13E
Revenues (\$ Millions):																		
Gross Commissions	452	460	438	404	443	475	452	439	1,621	1,754	1,810	1,919	2,019	9.6	-1.9	3.2	6.0	5.2
Advisory Fees	244	264	268	251	269	288	304	316	860	1,027	1,178	1,299	1,536	7.0	10.2	14.7	10.2	18.3
Total Gross Dealer Concessions (GDC)	696	724	706	656	712	764	757	755	2,481	2,782	2,988	3,218	3,555	8.6	2.3	7.4	7.7	10.5
Asset-based Revenues	90	91	90	90	86	88	89	91	318	360	354	378	441	-4.2	-4.4	-1.5	6.7	16.6
Transaction Revenues	74	69	78	71	77	82	77	74	274	292	311	330	347	8.5	4.8	6.4	6.0	5.2
Other Revenues	14	11	9	12	9	10	11	12	41	46	41	47	53	-24.8	-36.4	-9.1	12.4	13.1
Gross Revenues	874	894	883	829	885	944	934	932	3,113	3,479	3,694	3,972	4,395	6.7	1.2	6.2	7.5	10.7
Expenses:																		
Production (rebates)	595	625	614	577	609	657	659	661	2,363	2,410	2,585	2,791	3,084	5.5	2.4	7.2	8.0	10.5
Payout Ratio	85.4%	86.3%	87.0%	88.0%	85.5%	86.0%	87.0%	87.5%	95.2%	86.6%	86.5%	86.8%	86.8%					
Gross Margin (Net Revenues)	279	269	269	252	276	287	276	271	751	1,069	1,109	1,181	1,311	9.5	-1.3	3.8	6.4	11.1
% of Total GDC	31.9%	30.1%	30.4%	30.4%	31.2%	30.4%	29.5%	29.1%	24.1%	30.7%	30.0%	29.7%	29.8%					
Compensation & Benefits	84	81	77	79	84	84	83	83	309	322	334	354	382	5.6	-0.5	3.7	6.0	8.0
General & Administrative	74	68	78	68	69	67	80	70	268	288	285	305	328	1.9	-6.4	-0.9	6.8	7.7
Depreciation & amortization	18	18	19	17	17	17	17	17	86	73	68	67	67	-0.3	-7.0	-7.1	-0.9	0.0
Restructuring charges	1	5	8	8	6	4	0	0	14	21	10	0	0	-24.7	1073.2	-52.4	-100.0	N/A
Other (includes T&E post 2Q11)	3	3	7	0	8	8	8	8	35	13	32	34	35	-5579.5	197.8	137.9	5.0	5.0
Total Operating Costs	774	800	804	749	793	836	846	838	3,074	3,128	3,314	3,550	3,896	5.8	2.4	5.9	7.1	9.7
Operating Income	100	94	79	79	91	107	88	94	39	351	380	421	499	15.2	-8.3	8.3	10.8	18.3
Non Operating Income/(Expense)	18	18	17	16	17	17	17	17	128	69	67	66	65	6.3	-7.4	-2.4	-2.3	-0.8
Income Before Tax	82	75	62	64	75	90	71	77	-89	283	313	356	434	17.4	-8.4	10.9	13.5	21.9
Income Taxes	33	30	26	24	30	36	29	31	-32	112	125	142	173	23.7	-8.3	11.6	13.5	21.9
Tax Rate	39.9	39.7	41.3	38.0	40.0	40.0	40.0	40.0	41.4	39.7	40.0	40.0	40.0					
Net Income	49	46	36	39	45	54	43	46	-57	170	188	213	260	13.6	-8.6	10.4	13.5	21.9
Recurring Net Income	49	48	41	40	49	57	43	46	143	183	194	213	260	22.2	-1.5	5.9	10.0	21.9
Adjusted Net Income	59	59	52	49	57	65	51	55	173	219	229	248	295	17.0	-3.8	4.5	8.4	19.2
Average Fully Diluted Shares	113.2	113.2	111.2	111.1	111.3	111.7	112.0	112.0	101.0	112.1	111.8	112.8	113.8	0.2	-1.6	-0.3	0.9	0.9
Reported GAAP Basic EPS (FD)	0.43	0.40	0.33	0.36	0.40	0.49	0.38	0.41	-0.56	1.52	1.68	1.89	2.29	13.3	-7.0	10.7	12.5	20.8
Operating EPS (FD)	0.44	0.43	0.37	0.36	0.44	0.51	0.38	0.41	1.42	1.63	1.74	1.89	2.29	21.9	0.1	6.3	9.0	20.8
Adjusted EPS (FD)	0.52	0.52	0.46	0.44	0.51	0.58	0.46	0.49	1.71	1.95	2.04	2.20	2.60	16.7	-2.2	4.9	7.5	18.1
Adjusted EPS inc SBC (FD)	0.50	0.50	0.44	0.41	0.49	0.56	0.44	0.47	1.63	1.85	1.96	2.11	2.50	18.8	-1.7	5.8	7.8	18.6
Margins (%):																		
Operating Income	11.5%	11.0%	9.8%	10.6%	11.1%	11.8%	9.4%	10.0%	8.8%	10.7%	10.6%	10.6%	11.3%					
Adjusted EBITDA	14.2%	13.8%	12.6%	12.2%	13.4%	14.0%	11.7%	12.3%	13.3%	13.2%	12.9%	12.7%	13.3%					
Adjusted Net Income	6.8%	6.6%	5.8%	5.9%	6.5%	6.9%	5.5%	5.9%	5.5%	6.3%	6.2%	6.2%	6.7%					
Compensation/Revenue(%)	9.6%	9.1%	8.8%	9.6%	9.5%	8.9%	8.9%	8.9%	9.9%	9.3%	9.0%	8.9%	8.7%					
Adjusted EBITDA	124	123	112	101	119	132	109	115	413	460	475	506	584	17.9	-4.4	3.4	6.4	15.6
Free Cash Flow Per Share	\$0.56	\$0.48	\$0.39	\$0.44	\$0.46	\$0.55	\$0.44	\$0.47	\$0.06	\$1.88	\$1.93	\$2.04	\$2.35	10.5	-141.9	2.6	6.0	14.9

Source: Company reports, Citi Investment Research and Analysis

LPL Investment Holdings

Company description

LPL Financial (consolidated subsidiary of parent company LPL Investment Holdings) was formed in 1989 through the merger of Linsco (established in 1968) and Private Ledger (founded in 1973). By combining these two brokerage firms, the founders of LPL Financial sought to leverage their scale and expertise in the independent broker dealer channel. In 2005, two investment funds, Texas Pacific Group and Hellman & Friedman, acquired a majority 60% ownership, with the remaining owned by founders, senior management, and advisors. Over the years, LPLA has grown its business and organization both organically and through several acquisitions of other financial advisory firms. Today, LPLA is the largest independent broker-dealer in the U.S. (and 5th largest overall) with over 12,000 advisors with \$293 billion in brokerage and advisory assets and an additional 4,000 3rd party advisors making use of LPLA's services.

Investment strategy

We rate the shares of LPLA Neutral. Despite the positive underlying growth story, our caution reflects: 1) premium valuation; 2) potential for slowing FA growth, a key driver to the LPLA story; and, 3) adverse stress tests. At current prices, our stress tests suggest investors already discount above trend equities markets and/or sizable rate hikes well ahead of consensus.

Valuation

We value the shares of LPLA using a combination of the Target P/E method and sum-of-the-parts. Our \$28 12-month price target is derived by applying a target P/E multiple of ~14x to our adjusted 2012 EPS estimate which includes stock-based compensation, or \$27. We then add \$1 for interest rate leverage. Our 14x target P/E is in-line to higher than asset manager and online and regional broker-dealer peers.

Risks

LPLA has a history of acquisition-led growth and balance sheet leverage. The three central risks to our price target reflect above trend financial markets (equities & fixed income), better than expected organic and inorganic (M&A) growth, and higher interest rates.

In addition, if the impact from any of the following factors proves to be greater than we expect, the stock may have difficulty reaching our target price. If market conditions improve faster than anticipated, the stock may outperform our target.

Financial markets — Changes in markets have a direct impact on advisory and brokerage assets and in turn, advisory and commission revenue.

Organic and inorganic growth — LPLA has executed an acquisition-led growth strategy over the past several years. However, any slowdown in growth would likely

temper the magnitude of future margin and profitability growth, and vice-versa. Stepped up competition could arise as wirehouses and regionals look to bolster market share.

Interest rates — The level of interest rates directly impact cash sweep revenue. A sustained low interest rate backdrop would delay a recovery in cash sweep revenues while higher rates would increase cash sweep revenues, all else equal.

TD Ameritrade Holding Corp

Valuation

We value the shares of TD Ameritrade using the Target P/E method. Our \$18.25 12-month target factors a target P/E multiple of 14x our estimate of "normalized" EPS discounted by a 10% cost of capital over two years. Over the past five years, AMTD has traded in a range of 11.0x-22.2x.

Risks

If the negative impact from any of the following factors proves to be greater than we expect, the stock may have difficulty reaching our target price. If conditions improve faster than anticipated, the stock may materially outperform our target price.

Trading volatility — AMTD is more exposed to volume risk vs. its peers as trading revenues comprised 43% of F2011 fiscal year revenue. According to management estimates, every 3,000 DARTs translates into \$0.01/share.

Equity markets — Market changes have a direct impact on client assets and investment product fees.

Interest rates — Net interest revenue increases when rates rise and decreases when rates fall as interest-earning assets re-price more quickly than liabilities. Management estimates every 25bps increase in Fed Funds impacts EPS by \$0.07/share.

The Charles Schwab Corporation

Valuation

We value SCHW using the target P/E method. We use a target P/E multiple of 15x our "normalized" EPS estimate (~\$1) discounted by a 12% cost of capital over two years, or \$12. Our "normalized" EPS estimates factors a 50 basis point increase in Federal Funds. Since 2003, SCHW's FTM P/E averaged 21x with a high of ~30x and low of ~16x.

Risks

If conditions improve faster than anticipated, the stock may outperform our target price.

Equity levels and volatility — Market changes have a direct impact on AUM. Market volatility can also impact clients' trading volumes. Trading revenue comprised ~20% of total 2010 revenue.

Interest rates — Interest revenue (~36% of 2010 revenue) increases when rates rise and decreases when rates fall as interest-earning assets re-price more quickly than liabilities. SCHW has also been waiving fees on certain money market products in order to stay competitive. If the Fed Funds rate stay in the 0–0.25% range during 2011, waivers could continue to pressure revenue.

Integration risk — On March 21, 2011, Schwab announced it signed a definitive agreement to acquire optionsXpress. Failure to meet expected deal synergies or delays in meeting those synergies could pressure the stock or prevent it from reaching our target price.

Appendix A-1

Analyst Certification

The research analyst(s) primarily responsible for the preparation and content of this research report are named in bold text in the author block at the front of the product except for those sections where an analyst's name appears in bold alongside content which is attributable to that analyst. Each of these analyst(s) certify, with respect to the section(s) of the report for which they are responsible, that the views expressed therein accurately reflect their personal views about each issuer and security referenced and were prepared in an independent manner, including with respect to Citigroup Global Markets Inc and its affiliates. No part of the research analyst's compensation was, is, or will be, directly or indirectly, related to the specific recommendation(s) or view(s) expressed by that research analyst in this report.

IMPORTANT DISCLOSURES

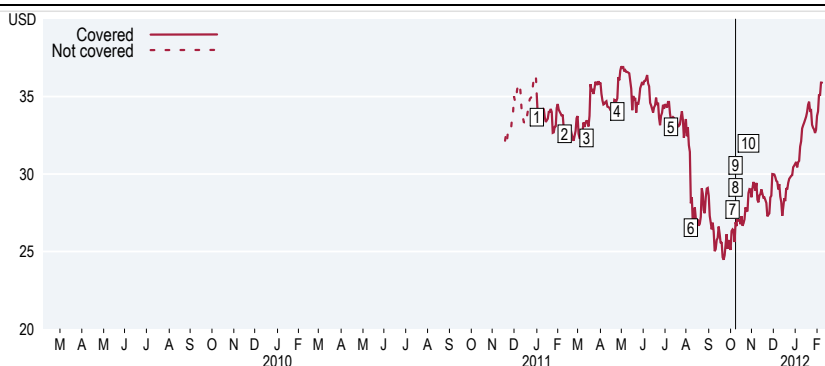
LPL Investment Holdings (LPLA)

Ratings and Target Price History

Fundamental Research

Analyst: William R Katz

Covered since January 3 2011



	Date	Rating	Target Price	Closing Price
1	3-Jan-11	*3M	*32.00	34.97
2	10-Feb-11	*2M	32.00	33.06
3	14-Mar-11	2M	*33.50	33.46
4	26-Apr-11	2M	*35.00	34.89

* Indicates change

	Date	Rating	Target Price	Closing Price
5	11-Jul-11	2M	*34.00	33.48
6	8-Aug-11	2M	*33.00	28.11
7	5-Oct-11	2M	*30.00	26.43
8	8-Oct-11	Stock rating system changed		

	Date	Rating	Target Price	Closing Price
9	8-Oct-11	*2	30.00	25.61
10	27-Oct-11	2	*28.00	28.78

Rating/target price changes above reflect Eastern Standard Time

LPL Investment Holdings (LPLA)

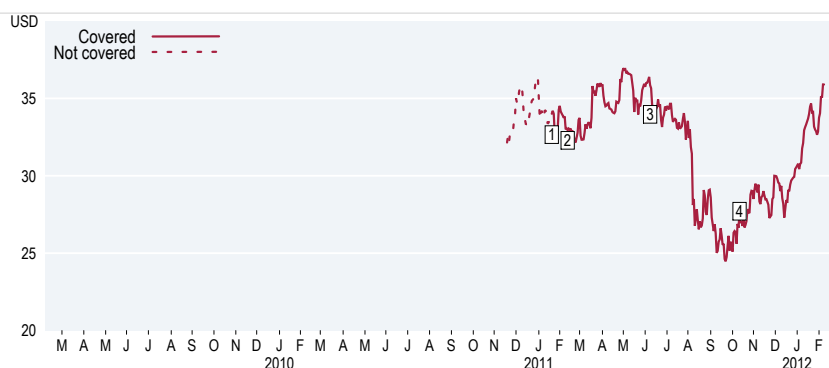
Ratings and Target Price History

Best Ideas Research

Relative Call (3 Month)

Analyst: William R Katz

Covered since January 3 2011



	Date	Rating	Target Price	Closing Price
1	20-Jan-11	*ADD LP	-	34.01
2	11-Feb-11	*REM LP	-	32.95

	Date	Rating	Target Price	Closing Price
3	8-Jun-11	*ADD LP	-	35.85
4	12-Oct-11	*REM LP	-	27.71

* Indicates change

Rating/target price changes above reflect Eastern Standard Time

TD Ameritrade Holding Corp (AMTD)

Ratings and Target Price History

Fundamental Research

Analyst: William R Katz

Covered since July 6 2011



	Date	Rating	Target Price	Closing Price
1	11-Mar-09	*2H	*13.00	12.15
2	18-May-09	2H	*17.00	16.82
3	14-Jul-09	2H	*18.00	17.52
4	21-Jul-09	2H	*20.00	18.69
5	15-Oct-09	2H	*21.00	20.76

	Date	Rating	Target Price	Closing Price
6	14-Jul-10	2H	*18.00	15.60
7	13-Apr-11	2H	*22.00	21.40
8	14-Apr-11	Coverage terminated		
9	6-Jul-11	*2M	*21.00	19.19
10	8-Aug-11	2M	*18.50	15.00

	Date	Rating	Target Price	Closing Price
11	16-Sep-11	*1M	18.50	14.98
12	8-Oct-11	Stock rating system changed		
13	8-Oct-11	*1	18.50	15.35
14	8-Nov-11	1	*19.50	17.32
15	18-Jan-12	1	*18.25	16.09

* Indicates change

Rating/target price changes above reflect Eastern Standard Time

TD Ameritrade Holding Corp (AMTD)

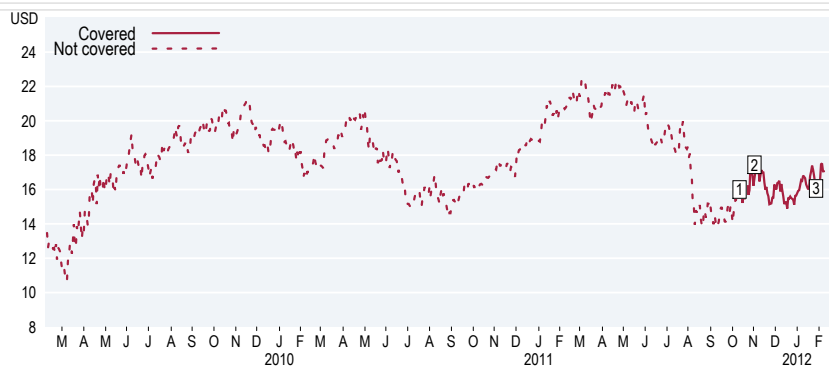
Ratings and Target Price History

Best Ideas Research

Relative Call (3 Month)

Analyst: William R Katz

Covered since July 6 2011



	Date	Rating	Target Price	Closing Price
1	12-Oct-11	*ADD MP	-	15.97

	Date	Rating	Target Price	Closing Price
2	2-Nov-11	*REM MP	-	16.66

	Date	Rating	Target Price	Closing Price
3	27-Jan-12	*ADD MP	-	16.33

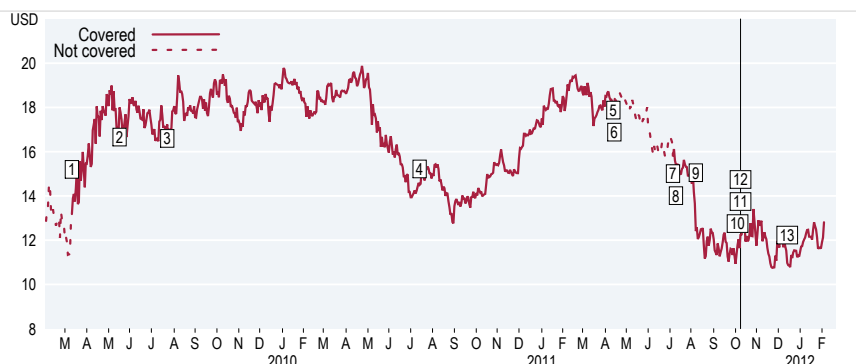
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Rating/target price changes above reflect Eastern Standard Time

The Charles Schwab Corporation (SCHW)

Ratings and Target Price History Fundamental Research

Analyst: William R Katz
Covered since July 6 2011



	Date	Rating	Target Price	Closing Price
1	11-Mar-09	*1H	*16.00	13.18
2	18-May-09	*1M	*20.00	18.00
3	23-Jul-09	*2M	*18.00	17.23
4	14-Jul-10	2M	*16.00	14.50
5	13-Apr-11	2M	*19.00	18.18

* Indicates change

	Date	Rating	Target Price	Closing Price
6	14-Apr-11	Coverage terminated		
7	6-Jul-11	2M	*18.00	15.79
8	11-Jul-11	2M	*17.50	15.40
9	8-Aug-11	2M	*15.50	12.41
10	5-Oct-11	2M	*13.00	11.78

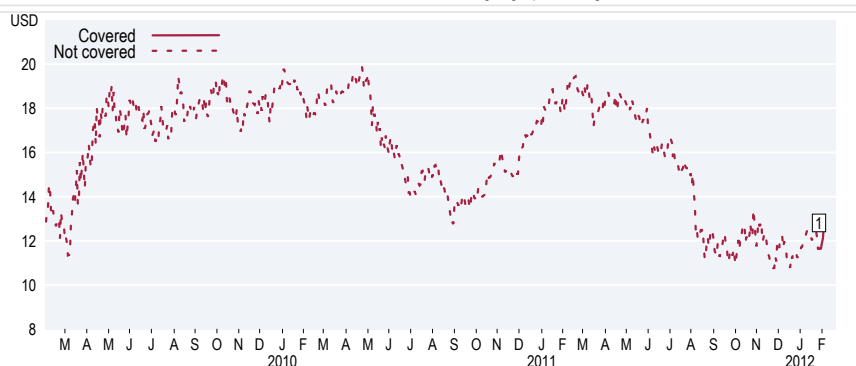
	Date	Rating	Target Price	Closing Price
11	8-Oct-11	Stock rating system changed		
12	8-Oct-11	*2	13.00	11.64
13	14-Dec-11	2	*12.00	10.97

Rating/target price changes above reflect Eastern Standard Time

The Charles Schwab Corporation (SCHW)

Ratings and Target Price History Best Ideas Research Relative Call (3 Month)

Analyst: William R Katz
Covered since July 6 2011



	Date	Rating	Target Price	Closing Price
1	27-Jan-12	*ADD LP	-	11.67

* Indicates change

Rating/target price changes above reflect Eastern Standard Time

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<i>Data current as of 31 Dec 2011</i>	12 Month Rating			Relative Rating		
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