

Simpson Thacher Represents TD Bank in Sale of Its Affiliate TD Ameritrade to Schwab for \$26 Billion

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The Firm is representing The Toronto-Dominion Bank (“TD Bank”) (TSX/NYSE:TD) in the sale of its 43%-owned affiliate, TD Ameritrade Holding Corporation (NASDAQ: AMTD), to The Charles Schwab Corporation (NYSE: SCHW) in an all-stock transaction valued at approximately \$26 billion that is expected to result in a combined firm with more than \$5 trillion in client assets. The transaction is subject to customary closing conditions, including a “majority of the minority” stockholder approval condition, and is expected to be completed in the second half of 2020.

Upon completion of the transaction, TD Bank will become Schwab’s largest stockholder with an approximate 13.4% stake. In connection with the transaction, TD Bank has entered into new stockholders agreement with Schwab that will become effective upon closing, under which TD Bank will have two seats on Schwab’s board of directors. TD Bank and Schwab have also entered into a revised insured deposit sweep agreement covering approximately \$103 billion of customer balances, with an extended term running through 2031.

TD Bank is the fifth largest bank in North America by branches and serves over 26 million customers in three key businesses operating in a number of locations in financial centers around the globe: Canadian Retail, including TD Canada Trust, TD Auto Finance Canada, TD Wealth (Canada), TD Direct Investing and TD Insurance; U.S. Retail, including TD Bank, America's Most Convenient Bank®, TD Auto Finance U.S., TD Wealth (U.S.) and an investment in TD Ameritrade; and Wholesale Banking, including TD Securities. TD Bank also ranks among the world's leading online financial services firms, with more than 13 million active online and mobile customers. TD Bank had CDN\$1.4 trillion in assets on July 31, 2019.

The Simpson Thacher team includes Lee Meyerson, Ravi Purushotham, Matt Rogers, Philip Cooper, Nina Bakhtina and Ashley Gherlone (M&A); Adam Cohen and Spencer Sloan (Bank Regulatory); Jonathan Goldstein and Dmitry Zelik (Tax); and James Rapp (Public Company Advisory Practice).

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