

TORONTO DOMINION BANK

Form DEFA14A

June 24, 2005

Table of Contents

SCHEDULE 14A INFORMATION

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

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to §240.14a-12

THE TORONTO-DOMINION BANK

(Name of Registrant as Specified In Its Charter)

AMERITRADE HOLDING CORPORATION

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

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
 - (1) Title of each class of securities to which transaction applies:
Common Stock
 - (2) Aggregate number of securities to which transaction applies:
 - (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):
 - (4) Proposed maximum aggregate value of transaction:
 - (5) Total fee paid:

- o Fee paid previously with preliminary materials.
- o Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

Filed by The Toronto-Dominion Bank
Pursuant to Rule 14a-12 under the
Securities Exchange Act of 1934
Subject Company: Ameritrade Holding Corporation
Commission File No.: 000-49992

TABLE OF CONTENTS

Forward-Looking Statements

Additional Information and Where to Find It

Table of Contents

Forward-Looking Statements

The statement, analyses, and other information contained herein relating to the proposed merger and anticipated synergies of TD Ameritrade, including cost savings and revenue opportunities, and the timing of the synergy realization; the expected accretive nature of the transaction and the timing of the accretion; the expected financial and operational performance of TD Ameritrade, including increased net income and pre-tax margin; industry rankings and competitive position; realization of Ameritrade's strategy; the service offerings of TD Ameritrade; the expected benefits to stockholders and customers; credit and interest rate risk; execution of integration plans; management and organizational structure; the dividend to be paid to Ameritrade stockholders; timing of the closing; future consolidation and growth; and other statements that are not historical facts, are all forward-looking statements. These statements reflect only our current expectations and are not guarantees of future performance or results. Various factors could cause actual results to differ materially from those anticipated by the forward-

Table of Contents

looking statements. These factors include the possibility that the necessary stockholder and regulatory approvals are not obtained; that the transaction does not close when expected or at all, or that the companies may be required to modify aspects of the transaction to achieve regulatory approval; that financing will not be available to fund the dividend or, if available, will be at a higher interest rate than expected; prior to the closing of the proposed transaction, the businesses of the companies suffer due to uncertainty; that TD Ameritrade is unable to transition customers, successfully execute its integration strategies, or achieve planned synergies, or that the occurrence of these events takes longer than expected; that management is unable to accurately forecast the anticipated financial results of TD Ameritrade or the timing of when those results will be realized; that TD Ameritrade is unable to compete successfully in this highly competitive and rapidly changing marketplace; that the parties are unable to retain employees that are key to the operations of the combined business; and that TD Ameritrade is unable to identify and realize future consolidation and growth opportunities. These and other risks that could cause actual results to differ materially from those described in the forward-looking statements are detailed from time to time in the documents filed by Ameritrade with the Securities and Exchange Commission (SEC), including Ameritrade s most recent Form 10-K and 10-Q.

Additional Information and Where to Find It

In connection with the proposed transaction, Ameritrade will be filing a proxy statement and relevant documents concerning the transaction with the SEC. SECURITY HOLDERS OF AMERITRADE ARE URGED TO READ THE PROXY STATEMENT AND ANY OTHER RELEVANT DOCUMENTS FILED WITH THE SEC WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION. Investors and security holders can obtain free copies of the proxy statement and other documents when they become available by contacting Investor Relations at www.amtd.com, or by mail at Ameritrade Investor Relations, 4211 S. 102 Street, Omaha, NE 68124, or by Telephone: 800-237-8692. In addition, documents filed with the SEC by Ameritrade are available free of charge at the SEC s web site at www.sec.gov.

Ameritrade Holding Corporation (Ameritrade), The Toronto-Dominion Bank (TD), and their respective directors and executive officers may be deemed to be participants in the solicitation of proxies from the stockholders of Ameritrade in connection with the proposed transaction. Information regarding the special interests of these directors and executive officers in the proposed transaction will be included in the proxy statement of Ameritrade described above. Information regarding Ameritrade s directors and executive officers is also available in its proxy statement for its 2005 Annual Meeting of Stockholders, which was filed with the SEC on January 24, 2005. This document is available free of charge at the SEC s web site at www.sec.gov and from Investor Relations at Ameritrade as described above. Information regarding TD s directors and executive officers is available in its Annual Report on Form 40-F for the year ended October 31, 2004, which was filed with the SEC on December 13, 2004, and in its notice of annual meeting and proxy circular for its 2005 annual meeting, which was filed with the SEC on February 17, 2005. These documents are available free of charge at the SEC s web site at www.sec.gov and by directing a request to The Toronto-Dominion Bank, c/o TD Bank Financial Group, 66 Wellington Street West, Toronto, ON M5K 1A2, Attention: Investor Relations (416) 308-9030.

The tender offer for outstanding shares of Ameritrade common stock described in the press release has not commenced. At the time the tender offer is commenced, TD and J. Joe Ricketts, if he participates in the tender offer, will file a tender offer statement on Schedule TO with the SEC, and Ameritrade will file a solicitation/recommendation statement on Schedule 14D-9. The tender offer statement (including an offer to

Table of Contents

purchase, a related letter of transmittal and other offer documents) and the solicitation/recommendation statement will contain important information that Ameritrade's security holders should read carefully before any decision is made with respect to the tender offer. Those materials will be made available to Ameritrade's security holders at no expense to them. In addition, all of those materials (and all other offer documents filed with the SEC in connection with the tender offer) will be available at no charge on the SEC's web site at www.sec.gov.

This filing consists of the following materials:

- (1) Welcome e-mail from John See to Ameritrade Canada employees
- (2) Fact Sheet

-4-

Table of Contents

To: Ameritrade Canada Employees
From: John See, SVP. TD Waterhouse Discount Brokerage
Date: Announcement Day +1
Subject: Welcome to TD Waterhouse

It was great to meet with you yesterday and talk about our two organizations coming together. We are really excited about the fact that Ameritrade Canada has an opportunity to join TD Waterhouse's Discount Brokerage operations in Canada. TD is a great organization that is a leader in the discount brokerage and retail markets in Canada and we believe this is a good deal for your customers, your shareholders and for you.

I have tremendous respect for Ameritrade as an industry leader and have long admired your commitment and dedication. Ameritrade has served the active trader market well and you were always one of the competitors that I watched with interest. The relationships you have with Ameritrade customers are more important than ever and your clients no doubt, will be counting on you to continue to provide great service. Both Peter and I need you stay focused on your clients.

What this means for you

We will be identifying as many job opportunities as possible for Ameritrade Canada employees and given the size of our organization we are very confident that we will be able to find positions for those of you in customer facing positions. As well, being part of a much larger organization like TD means more opportunity to learn about other parts of our Wealth Management business and expand your career, should you wish to do so. The Ameritrade Canada team brings skills and customer relationships that we clearly see as being a part of the future of TD Waterhouse Canada.

Both Peter and I will be providing regular updates on how the integration is progressing and we are committed to treating employees with respect and doing what is right and fair.

Next steps

Right now we are waiting for the deal to be approved and I expect that will take about 6 months. Both Peter and I want to assure you that it will continue to be business as usual until the deal is closed and we have finalized our integration plans. You won't be hearing from me as often until after the deal closes but Peter and I will stay connected and I'll be counting on him to help me plan the transition.

Again it was great to meet all of you yesterday and I'm really looking forward to working together.

John

Table of Contents

Ameritrade TD Waterhouse USA Acquisition Announcement

Fact Sheet

Overview:

Ameritrade Holding Corporation and TD Bank Financial Group today announced that they have entered into a definitive agreement for Ameritrade to acquire TD's U.S. brokerage business TD Waterhouse U.S.A. The transaction combines highly complementary franchises to create the largest online retail broker as measured by the average number of retail equity trades per day, with the scale, breadth and financial strength to be a leading player in the increasingly competitive and consolidating investor services industry. The transaction is expected to create significant cost synergies, revenue opportunities and value creation for shareholders and builds upon Ameritrade's strong track record as a leading industry consolidator, creating an even more robust platform for future consolidation and growth.

Terms of Deal:

The principal terms of the transaction include the following:

In exchange for the U.S. brokerage business of TD Waterhouse U.S.A., TD Bank Financial Group will receive approximately 32 percent ownership in TD Ameritrade;

Ameritrade shareholders will receive a special cash dividend of \$6.00 per share, subject to closing. The dividend will be funded with additional Ameritrade borrowings, excess cash and from capital contributed to TD Waterhouse U.S.A. by TD Bank Financial Group prior to closing;

TD Bank Financial Group will acquire Ameritrade's Canadian brokerage operations for \$60 million (U.S.) in cash; and

Joe Moglia will become chief executive officer of TD Ameritrade.

In connection with the transaction, Ameritrade, TD Bank Financial Group and members of the Ricketts family entered into a shareholder agreement generally relating to corporate governance and stock ownership matters. Principal terms include:

A twelve member classified board, including three designees of the Ricketts family, five designees of TD Bank Financial Group, the chief executive officer of TD Ameritrade and three independent directors. The number of directors that the Ricketts family and TD Bank Financial Group may designate will be reduced if their stock ownership falls below specified levels.

Immediately following closing, TD Bank Financial Group will commence a tender offer for an additional 7.9 percent of outstanding shares at a price of \$16 per share. J. Joe Ricketts may also participate in the offer.

TD Bank Financial Group has agreed, with certain exceptions, to limit their ownership to a maximum of 39.9 percent for three years from the closing and to a maximum of 45 percent from years four through ten. J. Joe Ricketts has agreed to limit the family ownership to 29 percent for ten years from closing.

Benefits for Clients:

TD Ameritrade will provide a broad range of financial services for clients from the active trader to those seeking investment advice. By combining Ameritrade's industry-leading active trading platform with TD Waterhouse U.S.A.'s premier investing solutions, branch network and leading registered investment advisors business, the Company's entire client base will be able to make the most of its trading and investing future.

Table of Contents**Benefits for Shareholders:**

This opportunity accelerates Ameritrade's long-term investor strategy with access to branches and advice while maintaining industry-leading pre-tax margin and fits with Toronto Dominion Bank Financial Group's commitment to the online brokerage business while giving the company the option of further growth. The transaction is expected to create immediate value for shareholders by generating substantial cost synergies and deliver a more diverse revenue mix by shifting to an asset-gathering model. Ameritrade expects the acquisition to be accretive within twelve months following the closing and expects to realize approximately \$578 million of gross synergies (1), including cost savings and increased revenue opportunities, within six quarters after the closing.

Management of Ameritrade and TD Waterhouse U.S.A. believe that had they operated as a single entity for the twelve months ended March 25, 2005 with the benefit of 100% of the expected synergies, the combined company would have achieved the following:

Average client trades per day of approximately 239,000, the highest number among its publicly traded peers

Pre-tax Margin of approximately 52%, giving the combined company the best pre-tax margin of its publicly traded peers

Annual Revenue of more than \$1.8 billion

Annual Net income of \$557 million or \$0.92 per diluted share

Third largest provider of services to Registered Investment Advisors with more than \$42 billion in assets

Third largest account base in the industry with approximately 5,931,000 Total accounts; 3,248,000 Qualified Accounts(2); and

Approximately \$219 billion of client assets(3)

Combined Operating Metrics

As of or for the quarter ended March 2005

			TD Ameritrade (as adjusted)
Average client trades per day	164,000	75,000	239,000
Annualized trades per account	11.5	8.5	10.3
Activity rate	4.5%	3.3%	4.0%
Client margin balance	\$ 3.7	\$ 3.6	\$ 7.3
Client cash balance (1)	\$ 12.7	\$ 21.6	\$ 34.3

Qualified accounts (2)	1,721,000	1,527,000	3,248,000
Total accounts	3,652,000(3)	2,279,000(4)	5,931,000
Equities & other assets	\$ 66.0	\$ 75.2	\$ 141.2
Assets in mutual funds	5.5	30.1	35.6
Assets in RIA accounts	4.1	38.1	42.2
Total client assets	\$ 75.6	\$ 143.4	\$ 219.0
RIA relationships	1,400	2,600	4,000
Branches	4	143	147

Ameritrade metrics adjusted for the sale of Ameritrade Canada

\$ in Billions

- (1) Client credit balances and money market funds
 - (2) Qualified accounts are all open client accounts with a total liquidation value of \$2,000 or more, except Clearing accounts.
 - (3) Total accounts for Ameritrade are all open client accounts (funded and unfunded), except Clearing accounts.
 - (4) Total accounts for TD Waterhouse USA are all funded client accounts.
-

Table of Contents**Board Breakdown:**

The initial board of directors will include J. Joe Ricketts, Ameritrade founder and chairman of the combined company, vice-chairman Ed Clark, the CEO of TD Bank Financial Group, TD Ameritrade CEO Joe Moglia, J. Peter Ricketts, president and chief operating officer of TD Ameritrade and Thomas S. Ricketts. The remaining TD representatives and three independent members will be selected prior to closing.

Revenue Opportunities:

	Combined Balances	Current			Expected			Add'l Yield	Benefit % of Total Balance Extended	\$M
		Yield	Cost	Net	Yield	Cost	Net			
Interest Earning Assets:										
MMF Sweep	\$ 13.0	0.80%	0.00%	0.80%	3.81%	0.96%	2.85%	2.05%	15%	\$ 41
MMDA	9.2	2.81%	0.96%	1.85%	3.81%	0.96%	2.85%	1.00%	85%	78
Free Credits	6.2	2.37%	0.37%	2.00%	3.81%	0.37%	3.44%	1.44%	85%	76
Margin Debt Securities	7.3	5.47%		5.47%	5.47%		5.47%	0.00%		
Lending	(1)	0.00%		0.00%	0.50%		0.50%	0.50%		5
Subtotal Interest Earning Assets	\$ 35.7									
								Total		\$ 200
Other Client Assets:										
Equities	\$ 139.4									
Fixed Income	8.3									
Mutual Funds	35.6									
Subtotal Other Client Assets	\$ 183.3									
Total Client Assets	\$ 219.0									

(1) Assumed \$1B of securities.

Assets in Billions

Balances as of March 2005 Expense Synergies

Expense Synergies:

	LTM Mar 05		TD Ameritrade	Full Synergies	As Adjusted
	Adjusted Ameritrade ⁽¹⁾	Waterhouse USA ⁽²⁾			
Comp & Benefits	\$ 162	\$ 278	\$ 440	\$ (137)	\$ 304
Clearing & Execution	25	76	101	(65)	37
Communications	38	13	52	(2)	50
Occupancy & Equipment	41	52	94	(12)	82
Depreciation & Amort	23	41	64	(29)	35
Prof Services	31	32	63	(16)	47
Other	16	74	90	(68)	22
Exp Excl Advertising	\$ 337	\$ 566	\$ 903	\$ (328)	\$ 575
Advertising	96	77	173	(50)	123
Total Expenses	\$ 433	\$ 643	\$ 1,076	\$ (378)	\$ 698

\$ in Millions

(1) Adjusted for the sale of Ameritrade Canada

(2) Estimated breakout of expenses by Ameritrade expense categories

Table of Contents

(1) Last twelve months ended March, 2005. Synergies expected to be realized over 18 months (Yr1: 40%, Yr2: 90%, Yr3: 100%).

(2) For the quarter ended March, 2005. Source: Ameritrade, Waterhouse, E*Trade, and Schwab reports publicly filed by each entity for the quarter ended 03/05. Quarterly trading volume numbers for E*Trade are retail daily average revenue trades, which excludes professional trades. The numbers for Schwab are daily average revenue trades, which includes all client trades that generate commission revenue or revenue from principal mark-ups (i.e., fixed income), including trades of equities, options, fixed income securities, and mutual funds that generate transaction fees, and excluding Mutual Fund OneSource trades and other asset-based trades. The numbers for AMTD and TD Waterhouse U.S.A. are average daily trades, which include all client trades of equities, options, mutual funds and debt instruments.

(3) Source: Pre-tax margin in Ameritrade, Waterhouse, E*Trade, and Schwab reports publicly filed by each entity for the last twelve months ended 03/05.

(4) Source: Total account values listed in Ameritrade, Waterhouse, E*Trade, and Schwab reports publicly filed by each entity for the quarter ended 03/05. Total Accounts for Ameritrade include all open client accounts (funded and unfunded), except clearing accounts. Total accounts for TD Waterhouse U.S.A. are all funded client accounts. Qualified Accounts include all open client accounts with a total liquidation value greater than or equal to \$2,000, except clearing accounts. See Glossary of Terms on the Company's web site at www.amtd.com <<http://www.amtd.com>> for additional information.

(5) Cerulli Associates May, 2005, RIA Service Agent Survey.

(6) Ameritrade, Inc., a subsidiary of Ameritrade Holding Corporation, is a member NASD/SIPC. TD Waterhouse Investor Services, Inc. is a member NYSE/SIPC.

Safe Harbor

This document contains forward-looking statements that involve risks and uncertainties. For example, statements related to expected synergies of TD Ameritrade, including cost savings and revenue opportunities, and the timing of the synergy realization; the expected accretive nature of the transaction and the timing of the accretion; the service offerings of TD Ameritrade; the expected benefits to stockholders and customers; future consolidation and growth; the expected financial and operational performance of TD Ameritrade, including pre-tax margin; industry rankings and competitive position; realization of Ameritrade's strategy; execution of integration plans; management and organizational structure; the dividend to be paid to Ameritrade stockholders; and other statements that are not historical facts, are all forward-looking statements. These statements reflect only our current expectations and are not guarantees of future performance or results. Various factors could cause actual results to differ materially from those anticipated by the forward-looking statements. These factors include the possibility that the necessary stockholder and regulatory approvals are not obtained; that the transaction does not close when expected or at all, or that the companies may be required to modify aspects of the transaction to achieve regulatory approval; that the bank sweep agreement does not obtain regulatory approval; that financing will not be available to fund the dividend or, if available, will be at a higher interest rate than expected; that prior to the closing of the proposed transaction, the businesses of the companies suffer due to uncertainty; that TD Ameritrade is unable to transition customers, successfully execute its integration strategies, or achieve planned synergies, or that the occurrence of these events takes longer than expected; that management is unable to accurately forecast the anticipated financial results of TD Ameritrade or the timing of when those results will be realized; that TD Ameritrade is unable to compete successfully in this highly competitive and rapidly changing marketplace; that the parties are unable to retain employees that are key to the operations of the combined business; and that TD Ameritrade is unable to identify and realize future consolidation and growth opportunities. These and other risks that could cause actual results to differ materially from

those described in the forward-looking statements are detailed from time to time in the documents filed by Ameritrade with the Securities and Exchange Commission, including Ameritrade's most recent form 10-K and 10-Q.

Additional Information and Where to Find It

In connection with the proposed transaction, Ameritrade will be filing a proxy statement and relevant documents concerning the transaction with the Securities and Exchange Commission (SEC). SECURITY HOLDERS OF AMERITRADE ARE URGED TO READ THE PROXY STATEMENT AND ANY OTHER RELEVANT DOCUMENTS FILED WITH THE SEC WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION. Investors and security holders can obtain free copies of the proxy statement and other documents when they become available by contacting Investor Relations at www.amtd.com, or by mail at Ameritrade Investor Relations, 4211 S. 102 Street, Omaha, NE 68124, or by Telephone: 800-237-8692. In addition, documents filed with the SEC by Ameritrade are available free of charge at the SEC's web site at www.sec.gov.

Ameritrade Holding Corporation, Toronto Dominion Bank, and their respective directors and executive officers may be deemed to be participants in the solicitation of proxies from the stockholders of Ameritrade in connection with the proposed transaction. Information regarding the special interests of these directors and executive officers in the proposed transaction will be included in the proxy statement of Ameritrade described above. Information regarding Ameritrade's directors and executive officers is also available in its proxy statement for its 2005 Annual Meeting of Stockholders, which was filed with the SEC on January 24, 2005. This document is available free of charge at the SEC's web site at www.sec.gov and from Investor Relations at Ameritrade as described above. Information regarding Toronto Dominion's directors and executive officers is available in its Annual Report on Form 40-F for the year ended October 31, 2004, which was filed with the SEC on December 13, 2004, and in its notice of annual meeting and proxy circular for its 2005 annual meeting, which was filed with the SEC on February 17, 2005. These documents are available free of charge at the SEC's web site at www.sec.gov and by directing a request to The Toronto-Dominion Bank, c/o TD Bank Financial Group, 66 Wellington Street West, Toronto, ON M5K 1A2, Attention: Investor Relations (416) 308-9030.

The tender offer for outstanding shares of Ameritrade common stock described in this presentation has not commenced. At the time the tender offer is commenced, The Toronto-Dominion Bank and certain members of the Ricketts family, if they participate in the tender offer, will file a tender offer statement on Schedule TO with the SEC, and Ameritrade will file a solicitation/recommendation statement on Schedule 14D-9. The tender offer statement (including an offer to purchase, a related letter of transmittal and other offer documents) and the solicitation/recommendation statement will contain important information that Ameritrade's security holders should read carefully before any decision is made with respect to the tender offer. Those materials will be made available to Ameritrade's security holders at no expense to them. In addition, all of those materials (and all other offer documents filed with the SEC in connection with the tender offer) will be available at no charge on the SEC's web site at www.sec.gov.