

GEORGE C. JEPSEN  
ATTORNEY GENERAL



55 Elm Street  
P.O. Box 120  
Hartford, CT 06141-0120

Office of The Attorney General  
**State of Connecticut**

March 14, 2012

Alexander T. Moore  
Associate General Counsel  
Scottrade, Inc.  
700 Maryville Centre Drive  
St. Louis, MO 63141-5824

Dear Mr. Moore:

This letter memorializes an agreement to certain commitments reached between Scottrade, Inc. ("Scottrade") and the Attorneys General of Connecticut, Iowa, and Missouri ("the States"). The agreement between Scottrade and the States arises from the States' ongoing investigation of actions taken by participants in the retail brokerage industry following the announcement of a partnership between NASDAQ OMX Corporate Solutions, Inc. and Loyal3 Holdings, Inc. in June 2011 (the "Investigation").

Scottrade is entering into this agreement voluntarily and has not made any admission of wrongdoing. Furthermore, the States may not use the fact or the content of this letter as evidence of or as admission of any prior wrongdoing by Scottrade.

**A. Scottrade's Commitments:**

1. Scottrade's Cooperation:

(a) Scottrade shall continue, in good faith, to provide full, complete and prompt cooperation with the States' ongoing Investigation, including any related proceedings and actions against any other person, corporation or entity, and to provide all reasonable assistance requested by the States in this regard; Scottrade shall use its best efforts to secure the full and truthful cooperation of its current officers, directors, employees and agents with the ongoing Investigation and related proceedings and actions.

(b) Scottrade's cooperation shall include, but not be limited to: (i) producing, voluntarily, without service of subpoena, to the extent permitted by law or regulation, all information, documents or other tangible evidence reasonably requested by the States that relates to the Investigation, subject to the right to withhold information on grounds of privilege, work product or other legal doctrine;<sup>1</sup> (ii) preparing, without service of subpoena, to the extent

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<sup>1</sup> In the event any Scottrade document or information in Scottrade's possession is withheld or redacted on grounds of privilege, work-product or other legal doctrine, a statement shall be submitted in writing by Scottrade indicating: (i) the type of document or information; (ii) the date of the document; (iii) the author and recipient of the document; (iv) the general subject matter of the document or information; (v) the reason for withholding the document; and (vi) the Bates number or range of the withheld document. The States may initiate a challenge to such claim in any forum

permitted by law or regulation, any compilations or summaries of information or data that the States reasonably request that relate to the States' Investigation; and (iii) if requested by the States, working to ensure that Scottrade employees attend, on reasonable notice, any proceedings (including but not limited to meetings, interviews, hearings, depositions, and trial) and, subject to the right to withhold information on grounds of privilege, work product or other legal doctrine, to answer completely, candidly and truthfully any and all inquiries relating to the subject matter of the States' Investigation that may be put to such person by the States, without the necessity of a subpoena.

(c) Scottrade shall not compromise the integrity or confidentiality of any aspect of the States' Investigation or any proceeding or actions relating to the States' Investigation. Scottrade's agreement in this regard shall include, but not be limited to, refraining from sharing or disclosing evidence, documents or other information provided to the States to third parties without the consent of the States. Scottrade shall give notice to the States of any discovery or other request for such information within ten (10) business days of receipt. Nothing herein shall prevent Scottrade from providing such evidence to other government regulators, self-regulatory organizations, law enforcement agencies or as otherwise required by law or regulation.

(d) Scottrade shall maintain custody of, or make arrangement to have maintained, all documents and records of Scottrade related to the States' Investigation and covered by the subpoena issued in the States' Investigation until the completion of the Investigation and any related litigation, including appeals. Upon completion of the Investigation and conclusion of any related litigation, including appeals, the States shall, to the extent permitted by law, take reasonable steps to either return to Scottrade material produced by Scottrade to the States in connection with the States' Investigation or to destroy such materials.

## 2. Scottrade's Implementation of an Antitrust Compliance Policy

(a) Scottrade represents that it is creating an antitrust policy and training program and that it will implement the same for all Scottrade employees within ninety (90) days of the date of this letter. Within ninety (90) days of the date of this letter, confirmation of the commencement of the policy and training program shall be given to the States in writing. The States expressly acknowledge and agree that Scottrade's implementation of the antitrust compliance policy and training program should not be construed as a disciplinary action or remedial sanction by the States against Scottrade, or as a determination by the States that any violation of law by Scottrade, its affiliates, officers, directors, or employees has occurred. For the purposes of this letter agreement, "affiliates" shall mean entities that are currently controlled by, or under common control with, Scottrade.

### **B. The States' Commitments:**

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of their choice and may, without limitation, rely on all unprivileged documents or communications theretofore produced or the contents of which have been described by Scottrade, its officers, directors, or agents, if any.

1. The States agree that if, in their sole discretion and exclusive judgment, they determine that Scottrade has complied with its obligations in paragraphs A(1)(a) through A(2)(a), above, the States shall, upon the request of Scottrade, confirm that Scottrade has cooperated fully with the States' Investigation, has given substantial assistance to the States' Investigation, and has appropriately addressed any concerns that the States have, as they relate to Scottrade, as a result of the States' Investigation. Notwithstanding the foregoing, this provision shall not require any of the States to disclose confidential information or to take any action that would compromise the State's ongoing Investigation.

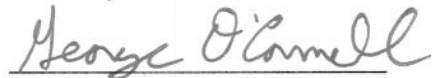
2. Provided all terms of this letter agreement are satisfied, the Investigation, to the extent it relates to the activities of Scottrade, its affiliates, officers, directors, or employees, shall be closed.

By their signatures below the States and Scottrade agree to the foregoing commitments.

STATE OF CONNECTICUT

SCOTTRADE, INC.

GEORGE JEPSEN  
Attorney General



George W. O'Connell  
Assistant Attorney General

BY: \_\_\_\_\_  
Alexander T. Moore  
Associate General Counsel

STATE OF MISSOURI

CHRIS KOSTER  
Attorney General

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Anne Schneider  
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STATE OF IOWA

TOM MILLER  
Attorney General

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Layne M. Lindebak  
Assistant Attorney General

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BY:



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Associate General Counsel

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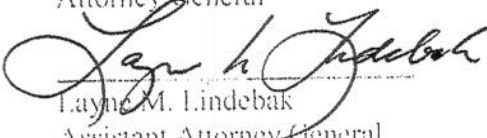
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