

**BEFORE THE SECURITIES COMMISSIONER
OF THE STATE OF DELAWARE**

IN THE MATTER OF:
AMERITRADE, INC.

Respondent.

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CASE NO. 05-12-02

Agreement and Order

I. Preliminary Statement

For the purposes of settling the above referenced matter, the Delaware Division of Securities, Delaware Department of Justice (Division) and Ameritrade, Inc. (Ameritrade), with respondent neither admitting nor denying the findings and/or conclusions set forth herein, do hereby consent to the entry of this Order instituting an administrative proceeding, making findings and imposing sanctions as set forth herein, and resolving the investigation and action.

II. Findings¹

1. Vikram Manhas, a broker for _____, and employed by the firm of McLaughlin, Piven & Vogel Securities, Inc., opened an Ameritrade online account on June 30, 2004 in the name of _____ without Mr. _____ knowledge or consent.

2. In fact, _____ was 92 years old at the time, and did not own or know how to use a computer.

¹ The findings herein are made pursuant to a settlement and are not binding in any other proceeding.

3. Other than by sending a new client welcome packet to Mr. [REDACTED] U.S. mail address, Ameritrade made no actual contact with Mr. [REDACTED].

4. Ameritrade's procedures at that time to verify identity on an online account included comparing items of "core information" from the online application form with known information from a third-party vendor. Such information included, name, address, date of birth and social security number.

5. Because the account was a margin account, Ameritrade rules also required that the customer provide a telephone number.

6. In the Ameritrade application for the [REDACTED] account, Manhas listed the correct address for [REDACTED] and also provided a telephone number not belonging to [REDACTED].

7. Ameritrade used a third-party report to verify the information on the Ameritrade account application. That report was provided to Securities investigator, Wayne Porter. The report lists a potential telephone number for [REDACTED] that is different from the number listed on the account application. Ameritrade did not ask for further verification of Mr. [REDACTED] identity to open the account.

8. Manhas' ability to open the Ameritrade account without [REDACTED] consent resulted in harm to Mr. [REDACTED], in that, the unauthorized account was used by Manhas to steal securities from Mr. [REDACTED] valued at approximately \$240,000.

9. The Delaware Division of Securities has found that the circumstances of this case constituted a failure to adequately supervise Ameritrade's employees in violation of 6 Del. C §7316(a)(10).

III. Agreement

In view of the foregoing, the respondent Ameritrade and Division agree as follows:

10. Respondent neither admits nor denies the findings set forth in paragraphs 1 through 9 of this Agreement and Order and voluntarily consents to the entry of this Order and further represents and avers that no employee or representative of the Division has made any promise, representation or threat to induce the execution of this Agreement.

11. Respondent voluntarily waives its right to an administrative hearing and any appeal therefrom under the Delaware Securities Act.

12. Respondent agrees, within 10 days after the date this Order is fully executed, to pay a forty thousand dollars (\$40,000.00) fine to the Delaware Investor Protection Fund. Such check should be made payable to "The State of Delaware" and shall be mailed or delivered to James B. Ropp, Delaware Division of Securities, 5th Floor, 820 North French Street, Wilmington, Delaware 19801.

13. Respondent agrees that the breach of any provision of this Agreement and Order shall be deemed a material breach and will constitute a breach of the entire agreement.

14. This Agreement and Order ends the Division's investigation and action against Ameritrade concerning any and all allegations by or concerning William

IV. Consent Order

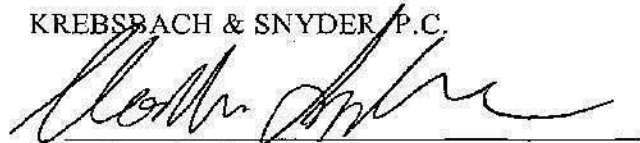
In view of the foregoing, the Securities Commissioner has determined that it is in the best interests of the state to accept the above settlement terms. Accordingly, it is hereby Ordered that:

1. Respondent shall pay a fine in the amount of \$40,000 to the State of Delaware, by making payment within ten days of receiving notice of the Securities Commissioner's execution of this Agreement and Order in the manner set forth in paragraph 12 of this Agreement and Order.

2. Respondent shall comply with all terms of the agreement set forth in this Agreement and Order.

Executed this 16th day of November, 2009

KREBSBACH & SNYDER P.C.



Theodore R. Snyder
Attorneys for Respondent

Executed this 17th day of November, 2009



James B. Ropp
Securities Commissioner