

## TD & Schwab Conversion

On November 25, 2019, Charles Schwab announced that it would be acquiring TD Ameritrade and the deal officially closed on October 6, 2020. After nearly 3 years of combining operations and best practices, we are excited to announce that your accounts will be moving to the Schwab platform over Labor Day weekend. The most important aspect of this transition is that it will be completed via “negative consent.” This means that our clients do not need to do anything, and your accounts and holdings will automatically transfer to Schwab. Below we discuss the highlights of the merger, the timeline, and the new Schwab platform.



### Value Proposition

As a reminder, we looked at all the major custodians in 2012 when we established Canal Capital as an RIA. Back then, TD offered the lowest overall trading costs and superior technology compared to Schwab and Fidelity. Over the years, we have observed TD and Schwab become more efficient with lower costs and ever-improving technology. The combination of the two giants will provide the best in breed custodian.

Below are some of the highlights:

- ✔ The combined Schwab platform will have over \$7.5 trillion in assets making it the largest custodian in the country.
- ✔ The best technologies from both firms will be combined and create a better offering moving forward. As an example, the TD Ameritrade client portal (AdvisorClient) will be retired (thankfully!) and clients will use SchwabAlliance.com moving forward. This new portal will provide more information and functionality.
- ✔ Accounts will continue to have SIPC Protection as well as FDIC insurance on cash deposits.
- ✔ Schwab Bank will be able to provide several lending solutions at preferred rates for our clients.
- ✔ We have negotiated to keep our preferred margin rates, which are well below the industry average.
- ✔ We will continue to have no trading costs on stocks and ETFs.

### Transition Timeline

- ✔ Clients have begun to receive personalized information and calls to action in AdvisorClient.
- ✔ Around June 28<sup>th</sup>, you will receive an Account Notification letter from Schwab letting you know that your account will transfer Labor Day weekend. There is **no action required** from you for your accounts to transition. If you have any questions on the materials you receive, please call the office and any of us will be happy to help.
- ✔ Depending on the account type and features, you may also receive important information about your account, such as details on margin rates.
- ✔ Around August 1<sup>st</sup>, you will receive a Key Information packet in the mail from Schwab which will include your new Schwab account number(s) and other important details about the transition. We will retain all historical account information in the Canal Capital portal and the only change will be the actual account numbers.



- ❑ During the first week of August, you will be prompted within AdvisorClient to create your new Schwab Alliance login credentials. If your AdvisorClient credentials qualify, you'll be given the option to retain your existing user ID or create a new one.
- ❑ Transition weekend (Labor Day Weekend): you will no longer have access to AdvisorClient beginning at 8:30 pm ET on Friday, September 1<sup>st</sup>.
- ❑ Beginning on September 5<sup>th</sup>, you will have access to your accounts in Schwab Alliance.
- ❑ You will receive two statements following the transition: one for your TD Ameritrade Institutional account (typically showing a zero-dollar balance and no positions) and one for your new Schwab account.

## Schwab Platform

After the transition, clients will have access to Schwab Alliance, Schwab's secure online client portal. Schwab Alliance makes it easy for you and Canal to manage your accounts. Just like AdvisorClient, Schwab Alliance offers access to account balances, positions, and history, as well as secure online access to statements and tax documents. Schwab Alliance also offers advanced features, including: eAuthorization: a fast and secure way for you to approve wires, checks, new accounts, and other account maintenance requests. More information about setting up credentials can be found on the Client Learning Center at [welcome.schwab.com/alliance](http://welcome.schwab.com/alliance) or in the Key Information packet, which you will receive in the mail approximately 3-4 weeks prior to the transition.

We look forward to working through the conversion and are excited about the future. Should you have any further questions, please don't hesitate to reach out to us. Schwab has also created a website to help answer any additional questions you may have about the transition: [welcome.schwab.com/alliance](http://welcome.schwab.com/alliance). The week after Labor Day, members of our team will be available to assist with any items related to the merger and account access. We look forward to this transition combining the best of both platforms and our continued partnership with each of our clients.

Sincerely,

Canal Capital Management

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*Canal Capital Management's opinions are subject to change from time to time and do not constitute a recommendation to purchase or sell any security nor engage in any type of investment strategy. The information contained herein has been obtained from sources believed to be reliable and cannot be guaranteed for accuracy .*