

TD Ameritrade to buy Scottrade in \$4B cash-and-stock deal

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In this July 18, 2010, file photo, a TD Ameritrade logo is displayed on the office in Omaha, Neb. Online brokerage TD Ameritrade is buying Scottrade Financial Services Inc., announced Monday, Oct. 24, 2016, in a cash-and-stock deal valued at about \$4 billion, which will help bolster its retail business and more than quadruple the size of its branch network. (AP Photo/Nati Harnik, File)

Online brokerage TD Ameritrade is buying Scottrade in a \$4 billion cash-and-stock deal that would tie up two major players in the day trading industry during an era when an increasingly large number of investors are choosing index funds over stock picking.

In the two-stage deal announced Monday, TD Bank Group will buy Scottrade Bank from Scottrade Financial Services Inc. for \$1.3 billion in cash. Scottrade Bank will be folded into TD Bank and it will buy 11 million shares from TD Ameritrade for \$400 million. Then, TD Ameritrade will buy Scottrade Financial Services for \$2.7 billion.

The deal is targeted to close by Sept. 30, 2017.

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