

News Release

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SMOOTHING THE PATH TO INDEPENDENCE FOR ADVISORS COMING TO SCHWAB INSTITUTIONAL

New services to help advisors transitioning to independence, including technology, back office support, marketing tools, and start-up financing

SAN FRANCISCO, June 12, 2008 — Schwab Institutional today announced a comprehensive new platform to support the growing number of investment advisors who leave established financial firms to become independent registered investment advisors. The package for advisors, “Schwab Business Start-up Solutions,” includes a wide array of services and discounts designed to smooth the transition to independence. Schwab Institutional has been serving transitioning advisors for more than 20 years, but has increased and enhanced the services available in the past two years as interest in the independent model has grown among successful fee-oriented advisors.

“Investment advisors who choose the path of independence are looking for a model that will help drive their business growth and one where they control their own future,” said Barnaby Grist, managing director of strategic business development for Schwab Institutional. “But there are many aspects to starting a new business, and our goal is to help advisors work through those details so they can focus on what they do best—working with clients.”

Schwab Business Start-up Solutions includes all services currently offered by Schwab Institutional to help advisors make the transition to independence, including helping them determine if independence is right for them and assistance with business planning. Today’s major new enhancements and additions to the program include the following:

Technology: Back office functions like data management, client performance reporting and billing can be daunting and time-consuming for many newly independent advisors. To assist advisors with the set-up and provide tools to assist advisors in the ongoing management of their business, Schwab Institutional is working with Schwab Performance Technologies (SPT) to offer a comprehensive web-based performance reporting solution that allows advisors to outsource core back-office tasks. This solution for independent advisors is based on SPT’s PortfolioCenter[®] software and is a result of SPT’s January 2008 acquisition of back office outsourcing provider Etelligent Consulting, Inc.

Marketing: In addition to providing access to marketing services, Schwab Institutional will be rolling out an online tool later in the summer of 2008 that advisors can use to create marketing collateral such as logos, stationery, business cards, new business announcements, and client brochures. Advisors can select from multiple design templates with both classic and contemporary ready-made, sophisticated designs. The services are intended to save time and money in developing a firm’s brand identity and unique value proposition. Once advisors’ businesses are established, they can take advantage of comprehensive marketing tools, resources and services through GrowthPoint[®], Schwab Institutional’s integrated practice management program.

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“Advisors tell us that creating a unique identity and story is one of the top benefits of establishing their own firm,” said John Furey, director of strategic business development for Schwab Institutional. “These online tools and services should make that process even easier and allow advisors to hit the ground running.”

Start-Up Financing: Schwab Institutional has a program to offer start-up financing to qualified advisors joining Schwab Institutional with at least \$75 million in fee-based assets under management. After an initial pilot phase that began in January 2007, the Schwab Institutional Business Loan is now available in most U.S. states and is designed to help advisors finance expenses associated with start-up of their new businesses including office space and technology costs. Loan amounts are based on an evaluation of each advisor’s creditworthiness and begin at \$100,000.

Benefits: In September 2007, [TriNet](#) began offering healthcare and benefits services to advisors who have a relationship with Schwab Institutional. Building on that agreement, Charles Schwab Trust Company (CSTC), a division of Charles Schwab Bank, is now working with TriNet to offer advisors an integrated 401(k) solution. The turnkey 401(k) plan provides advisors with investment options from over 400 fund families along with integrated recordkeeping and administrative services provided by a regional Third Party Administrator using CSTC’s back office trustee, custody, trading and cashiering services.

Office Services: Advisors turning independent will now have access to discounted office furniture and services from National Office Furniture, a division of Kimball International. Advisors will receive preferred pricing on all National products, and a National representative can visit the advisor’s office to provide complimentary space planning services and drawings. This is in addition to Schwab Institutional’s existing relationship with [CB Richard Ellis](#) to provide help in finding real estate for the advisor’s new office.

Advisors who custody assets with Schwab Institutional can also receive vendor discounts from firms that will help them establish other parts of their offices. Among the companies participating in this vendor program are United Parcel Service, which will offer advisors up to 50 percent discounts on letter and package delivery; OfficeMax, which allows advisors to order supplies online at a special discounted rate; CompuCom, which allows advisors to use a special web site to purchase technology at three percent above cost; and Laserfiche, which will provide a 25 percent discount on its Intuition ScanPro package.

More information about Schwab Institutional and Schwab Business Start-up Solutions is available at www.schwabinstitutional.com/public.

Third-party firms are not affiliated with Charles Schwab & Co., Inc. The mention of these firms should not be interpreted as a recommendation by Schwab. Schwab does not supervise or monitor third party firms and the services they may provide.

Schwab Performance Technologies (“SPT”), like Schwab, is a subsidiary of The Charles Schwab Corporation. Schwab provides brokerage services, while SPT licenses software and provides related technology products and services. PortfolioCenter® is a product of SPT.

About Schwab Institutional

Schwab Institutional is a leading provider of custodial, operational and trading support for independent fee-based investment advisors. Since 1987, Schwab Institutional has supported independent investment advisors by offering support and services to help grow their businesses and help their clients reach their financial goals. As of March 31, 2008, client assets custodied with Schwab Institutional stood at \$569.7 billion. These assets, managed by the approximately 5,500 independent advisor firms Schwab Institutional currently serves, represent approximately 40 percent of total client assets custodied with The Charles Schwab Corporation. Schwab Institutional is a division of Charles Schwab & Co., Inc.

About Charles Schwab

The Charles Schwab Corporation (Nasdaq: SCHW) is a leading provider of financial services, with more than 300 offices and 7.2 million client brokerage accounts, 1.3 million corporate retirement plan participants,

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332,000 banking accounts, and \$1.4 trillion in client assets as of April 30, 2008. Through its operating subsidiaries, the company provides a full range of securities brokerage, banking, money management and financial advisory services to individual investors and independent investment advisors. Its broker-dealer subsidiary, Charles Schwab & Co., Inc. (member [SIPC](http://www.sipc.org/), <http://www.sipc.org/>, and affiliates offer a complete range of investment services and products including an extensive selection of mutual funds; financial planning and investment advice; retirement plan and equity compensation plan services; referrals to independent fee-based investment advisors; and custodial, operational and trading support for independent, fee-based investment advisors through its Schwab Institutional division. The Charles Schwab Bank (member FDIC) provides banking and mortgage services and products. More information is available at www.schwab.com. (0608-0862)

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