

News Release

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SCHWAB COMPLETES ACQUISITION OF THE 401(K) COMPANY

SAN FRANCISCO, April 2, 2007—The Charles Schwab Corporation (Nasdaq: SCHW) today announced the completion of its acquisition of The 401(k) Companies, Inc. (with its subsidiaries “The 401(k) Company”) from NFS Distributors, Inc. (NYSE: NFS). The 401(k) Company will remain in Austin, Texas as a Charles Schwab Company and will join Schwab’s Corporate & Retirement Services division. Corporate & Retirement Services now directly serves more than one million retirement plan participants around the country.

“This is an important step forward in our ability to help Americans achieve a comfortable retirement,” said Charles R. Schwab, Schwab Chairman and CEO. “Many Americans gain their first exposure to savings and investments through their 401(k) accounts, and servicing these accounts and helping to educate individuals are responsibilities that we take very seriously. We are pleased to join forces with The 401(k) Company in that endeavor.”

While Schwab has traditionally enjoyed strong growth in the small, mid and large retirement plan segments, The 401(k) Company has shown strength in serving mega retirement plans. During the past two years, The 401(k) Company’s newly acquired plans have averaged more than \$500 million in assets and more than 8,000 participants.

“The 401(k) Company is a perfect complement to our existing retirement services business, and we look forward to working with our new colleagues as we continue to bring superior service and value to companies and their employees,” said Jim McCool, executive vice president of Schwab’s Corporate & Retirement Services division.

McCool also noted that the last quarter was highly successful for both companies while the details of the transaction were being finalized.

“Following the acquisition announcement in December, business has continued full steam ahead,” said McCool. “In the first quarter of 2007, Schwab and The 401(k) Company secured combined new client commitments totaling 26 retirement plans with \$2.8 billion in assets and more than 53,000 participants. In addition, requests for proposals were at an all-time high. This success indicates to us that the retirement plan marketplace recognizes the benefit of our two firms coming together.”

About Charles Schwab

The Charles Schwab Corporation (Nasdaq: SCHW) is a leading provider of financial services, with more than 300 offices and 6.8 million client brokerage accounts, more than one million corporate retirement plan participants, 150,000 banking accounts, and \$1.3 trillion in client assets. 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>), 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, N.A. (member FDIC) provides banking and mortgage services and products. CyberTrader®, Inc. (member SIPC, <http://www.sipc.org>) is an electronic trading technology and brokerage firm providing services to highly active, online traders. More information is available at www.schwab.com.

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