

Exhibit A

CONFIDENTIAL SETTLEMENT COMMUNICATION PROTECTED BY FEDERAL RULE OF EVIDENCE
408, CALIFORNIA EVIDENCE CODE 1152, AND ALL COMPARABLE PROVISIONS OF LAW

IN RE CHARLES SCHWAB CORP SECURITIES LITIGATION
Case No. C 08-01510 WHA

MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding ("MOU") entered into on November 17, 2010 contains the essential terms of an Amendment No. 4 to the Stipulation of Settlement dated April 23, 2010 (the "Federal Stipulation of Settlement") between defendants, The Charles Schwab Corporation, Charles Schwab & Co., Inc., Charles Schwab Investment Management, Inc., Schwab Investments, Charles R. Schwab, Evelyn Dilsaver, Randall W. Merk, George Pereira, Matthew Hastings, Mariann Byerwalter, Donald F. Dorward, William A. Hasler, Robert G. Holmes, Gerald B. Smith, Donald R. Stephens, Michael W. Wilsey, and Kim Daifotis (collectively "Defendants"), and lead plaintiffs YieldPlus Investor Group ("Plaintiffs") on behalf of itself and members of the federal classes in *In re Charles Schwab Corporation Securities Litigation*, Case No. C 08-01510 (WHA) (the "Class Action"), pending before the Honorable William H. Alsup of the United States District Court, Northern District of California (the "Court") (Plaintiffs and Defendants are collectively referred to as the "Parties").

For purposes of this MOU only, the undersigned counsel represent that they have the authority to bind the respective Parties whom they represent.

Capitalized words not defined herein shall be defined as set forth in the Federal Stipulation of Settlement dated April 23, 2010 and in the Stipulation of Settlement for the California Class dated May 14, 2010 (the "California Stipulation of Settlement").

1. In the Class Action, Plaintiffs assert claims under Sections 11, 12 and 15 of the Securities Act of 1933 (the "Federal Claims"), and under Section 17200 of the California Business & Professions Code (the "17200 Claim"). A supplemental notice will be sent to members of the Federal Classes who reside outside of California and who, on September 1, 2006, held Yield Plus shares, and who are not members of the California Class. The notice will advise that all 17200 Claims and any other state or federal law claims that federal class members did or could have asserted in the Class Action including those that arise out of the same factual predicate are released in the settlement. They will be given the opportunity to opt out of the settlement but, by opting out, will forego any recovery embodied in the Federal Stipulation of Settlement.

2. Kevin O'Donnell will be provided the opportunity to opt out if he wishes.

3. There will be no blowup provision for opt-outs, that is, neither party can terminate or delay implementation of the Federal Stipulation of Settlement based on the number of opt outs.

4. Defendants will receive a dollar-for-dollar credit for each opt-out account which will result in a reduction of the settlement fund equal to the estimated payout reported to each opting-

CONFIDENTIAL SETTLEMENT COMMUNICATION PROTECTED BY FEDERAL RULE OF EVIDENCE 408, CALIFORNIA EVIDENCE CODE 1152, AND ALL COMPARABLE PROVISIONS OF LAW

out account in the original settlement notice. The credit will be taken off of the second half of Schwab's payment to the Federal Classes. No late opt-outs will be permitted.

5. Defendants will pay all of the costs associated with the supplemental notice.

6. Neither Defendants nor Plaintiffs will appeal; this settlement is final if it receives final approval by the Court and no appeals are filed by objecting class members.

7. The Parties will use their best efforts to expeditiously prepare and execute a definitive Amendment No. 4 to the Federal Stipulation of Settlement incorporating the terms of this MOU, including proposed forms of supplemental notice, prior to the hearing scheduled for November 18, 2010, and to obtain preliminary and final Court approval of that amendment as soon as practicable.

8. The Parties will include in Amendment No. 4 the amendments already agreed to relating to the intermediary accounts.

9. If Amendment No. 4 receives final approval from the Court, Defendants will deposit the second half payment to the Federal Classes on January 28, 2011, or within three business days of final determination by the Parties of the amount of applicable credits due to opt-outs, whichever is later.

10. Plaintiffs will not seek any added fees or costs.

11. The Parties will seek the following schedule, if the Court approves Amendment No. 4 by the end of the day on November 19, 2010. All supplemental notices will be mailed and e-mailed (to the extent e-mail addresses are available) by December 1, 2010. Federal Class members will have until January 7 to opt out or object (responses must be postmarked by January 7). The Parties will file final briefs in support of the settlement on January 21, 2011. Subject to the court's schedule, the final fairness hearing will be held during week of January 24, 2011. If the Court approves, then distribution can move forward on February 24, 2011 if no appeals are filed by objecting class members.

12. Amendment No. 1 continues to govern opt-outs allowed or ordered by the Court between May 1, 2010 and November 16, 2010. For opt-outs pursuant to the new notice called for by Amendment No. 4, the formula stated in paragraph 4, above, will apply to any opt outs allowed by the Court.

13. This MOU may be executed in counterparts and as so executed shall constitute an agreement.

14. This MOU may be modified or amended only by a writing signed by counsel for the Parties.

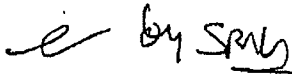
CONFIDENTIAL SETTLEMENT COMMUNICATION PROTECTED BY FEDERAL RULE OF EVIDENCE 408, CALIFORNIA EVIDENCE CODE 1152, AND ALL COMPARABLE PROVISIONS OF LAW

15. This MOU shall be governed by, and construed in accordance with, the laws of the State of California, without regard to California's conflict of laws rules.

16. This MOU shall inure to the benefit of the Parties and their respective successors, partners, assigns, divisions, affiliates, and subsidiaries.

AGREED and entered into on this 17th day of November, 2010.

HAGENS BERMAN SOBOL
SHAPIRO LLP

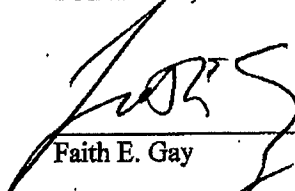


Steve W. Berman

1918 Eighth Avenue, Suite 3300
Seattle, Washington 98101

Attorneys for Lead Plaintiff YieldPlus
Investor Group

QUINN EMANUEL URQUHART &
SULLIVAN, LLP



Faith E. Gay

51 Madison Avenue, 22nd Floor
New York, New York 10010

Attorneys for all Defendants except Kimon
Daifotis

COVINGTON & BURLING LLP

David B. Bayless

1 Front Street
San Francisco, California 94111

Attorneys for Defendant Kimon Daifotis

CONFIDENTIAL SETTLEMENT COMMUNICATION PROTECTED BY FEDERAL RULE OF EVIDENCE 408, CALIFORNIA EVIDENCE CODE 1152, AND ALL COMPARABLE PROVISIONS OF LAW

15. This MOU shall be governed by, and construed in accordance with, the laws of the State of California, without regard to California's conflict of laws rules.

16. This MOU shall inure to the benefit of the Parties and their respective successors, partners, assigns, divisions, affiliates, and subsidiaries.

AGREED and entered into on this 17th day of November, 2010.

HAGENS BERMAN SOBOL
SHAPIRO LLP

QUINN EMANUEL URQUHART &
SULLIVAN, LLP

Steve W. Berman

Faith E. Gay

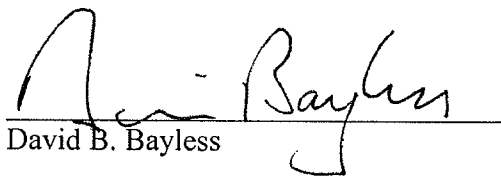
1918 Eighth Avenue, Suite 3300
Seattle, Washington 98101

51 Madison Avenue, 22nd Floor
New York, New York 10010

Attorneys for Lead Plaintiff YieldPlus
Investor Group

Attorneys for all Defendants except Kimon
Daifotis

COVINGTON & BURLING LLP



David B. Bayless

1 Front Street
San Francisco, California 94111

Attorneys for Defendant Kimon Daifotis