

SPECIAL REPORT



# BROKER ADVISER

# Top 12 Online Brokers *for* Individual Investors

EXTRADE FINANCIAL®

SiebertNet

options Xpress®  
shareBUILDER®

MB TRADING

Fidelity INVESTMENTS

Scottrade  
More broker for your money.

thinkorswim®

FIRSTRADE®

TD

AMERITRADE

TRADEKING®

## The Investor's Guide to Choosing an Online Broker

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## Introduction to Selecting the Right Online Broker

The individual investor of today is more knowledgeable – and sophisticated – than ever before. The proliferation of the Internet, as well as widespread mainstream media coverage of the financial markets, has spurred a strong desire for education in all aspects of investing.

Additionally, these tools have condensed reams of complicated data and statistics into manageable pieces of information that even the most novice of investors can easily access, navigate, and interpret.

In the non-stop, 24 hours a day, seven days a week world of investing, we are able to:

- Obtain investment news around the clock
- Check quotes on exchanges all over the world – day or night
- Easily compare one investment to another via numerous ratios, charts, graphs, and tables
- Screen for the best investments to fit our individual goals and requirements
- Trade stocks as easily and quickly as professional traders
- Calculate retirement needs based on various scenarios
- Regularly monitor portfolios and make necessary changes quickly and almost effortlessly
- Control the routing of individual trades for the best possible price and execution

Yet, one area of investing often remains a complex and overwhelming undertaking: *Choosing the right broker.*

Even many years after the launch of the first online brokerage firm, there remains a large contingent of individual investors who still pick up the phone and call their stock broker to buy and sell investments. However, every year a growing number of investors are placing their trades using online brokers.

While the financial media has done a good job in informing the investing public of the differences between full-service, discount, and deep-discount brokerage firms, not much has been written about the newer, high-tech services and products that take the execution of investment decisions to a higher level.

Until now...

With this special report, our intent is to provide you with a comprehensive review of the leading online brokerage firms. It is our goal to present this information to you in an easy to understand format so that you can make the best decision in determine which firm will be your next online broker.

You are in the driver's seat. Only *you* can and should make the important decision as to which online broker you ultimately utilize for your trading or investing. But through this special report, we hope to provide you with a great deal of information that will make your choice less difficult by providing you with our research and analysis of some of the best brokerage firms after conducting hundreds of hours or research and analysis.. We aim to eliminate the hype, discuss the pros and cons of each online broker and finally, give you enough information so that you can quickly and easily determine which firm best fits your individual needs.

We have selected twelve firms that offer an array of online brokerage solutions for investors at any experience level, several of whom offer both web-based and software-based trading.

But before we discuss the individual companies and their products, let's review the features of both categories of investing execution.

## Types of Brokers

### Web-based Brokers for Casual Investors and Traders

For most investors who follow a *buy and hold* strategy, a web-based broker is the way to go.

You simply open an online account and log into the firm's website and place your orders to buy and sell. The range of offerings between the various online brokers is vast. Generally the deeper the discount, the fewer bells and whistles. However, as price competition has increased, even the least expensive of online brokers offer a nice array of products to help you become a better – and more profitable – investor. These may include:

- Analyst research
- Online news
- Screening tools
- Real-time quotes
- Charts and graphs
- Investment comparison tools
- Various calculators for estimated returns and/or scenarios
- Tiered commission structures (based on size of account or number of trades), including certain number of free trades per month
- Portfolio tracking
- Paper trading program
- Tax implications of various investments and strategies
- Customer assistance

**Advantages:** A plethora of information at your fingertips, ease of use, and such a wide range of pricing and services, that even the most discriminating of buy and hold investors will find an online broker that will meet the majority of his requirements.

**Disadvantages:** The first is time and control. Because most brokers serve as middlemen between the customer and the market maker who actually executes orders, your order placement may not be instantaneous. And secondly, you – as the individual investor – have no say-so as to who will place your order; the brokerage firm will use the market maker of its choice. Result: You may experience slower than anticipated execution and higher than anticipated prices.

### Web-based Brokers for Active Traders

Most of the online brokerage firms also have programs for active traders. These generally include the above features as well as many of the attributes offered by software-based platforms, as described below. Many firms that offer special account plans for active traders will provide additional tools such as real time quotes, and also offer

discounted commissions based on a higher transaction volume, in terms of either dollar volume or number of transactions. It should be noted though that these programs often have requirements in terms of account size and the number of transactions required each month in order to qualify for the lower commissions.

### Software-based Brokers for Active Traders

For very investors, a software-based order execution system from an online broker may be preferable to a web-based alternative. Some firms provide this software to clients completely free, while other charge a one-time fee ranging from \$100 - \$300 to purchase the software.

Investors then pay a commission per transaction, which can be based either upon the size of the trade or the method of trade routing. Investors who utilize this type of software-based trading solution will often want real-time Level II quotes. While every firm dedicated to active traders will offer Level II quotes, some firms charge customers a monthly fee for the additional service. A varied range of features is common:

- Trades placed in a fraction of a second and the information is immediately provided
- Advanced trading methods including trailing stops that allow traders to set limits on their maximum possible losses without setting limits on their maximum possible gains
- Customizable, automated trading strategies, including different commission and return scenarios
- Third-party trading strategies
- Real-time quotes, charts – no constant refreshing of a web page is required
- Nasdaq Level II quotes. In addition to the typical Level I quote, which includes bid and ask prices, quote size, last trade, volume, and highs and lows, Level II quotes contain the last tick, last size, and change; bid, ask, and quote size; and open, low and high prices. In other words – almost the complete order book for a security.
- Multiple window displays on one page
- Customizable, dynamic charting
- Back-testing for strategies
- Order placement directly from charts
- Trading of international stocks and currencies
- Easy alterations in previously-placed orders
- Paper trading programs
- Ability to choose the order routing that *you* desire
- Online news
- Customer assistance



The best of the programs offer direct access trading (DAT). Translation: Traders place their orders directly with a market maker or exchange specialist, via high-speed computer link to the Nasdaq, NYSE and a choice of Electronic Communications Networks (ECN).

Control over the placement of an order is the major advantage of software-based trading, whereby investors individually direct the routing of their orders. This often results in the best possible pricing for transactions. Plus, trades use no middlemen, so orders are executed almost instantaneously.

The main disadvantage is cost. Software systems and constant trading don't come cheap. But in the long run, if an investor places enough trades, they will most likely be better off using a software-based system rather than an online broker.

## Additional Considerations

Now that you have a good idea which type of broker or program may work best for your individual style of trading, let's take a look at some questions you might ask yourself and your broker to further determine which firm will best suit your needs. And while they are extremely important believe it or not, commission rates are *not* necessarily the most important criteria for most investors:

- Additional fees for asset transfers, closing accounts, administrative charges, IRA annual fees, inactivity charges, wire fees, transfer fees and charges for not keeping a minimum balance in your account.
- Customer service: How long do you have to wait on hold?
- How easy is website to navigate? How fast is it?
- Is there a local office nearby?
- Availability of banking services such as money market accounts (and yields), sweep accounts, credit cards, check writing and bill payment services, ATM's
- Minimum to open an account
- If they offer additional investments including bonds and options
- Can you purchase no-load mutual funds through them?

- If trading online, and the system jams, how else can you place a trade: By touch-tone, perhaps talking to a real person (although that option seems to be getting pretty rare these days!)
- Availability of portfolio tools
- Does the firm carry supplemental insurance to the SIPC?
- What other services, such as research, and retirement tools, do they offer?

Now that you've completed this checklist and have determined which of several brokerage firms meet your needs, it's time to investigate their commission structures. Of course, if you only trade a few times a year, it may not matter that much if you are paying \$10 or \$20 per trade, but if you are an active trader, executing hundreds of transactions per month, that price difference could send you on a fabulous vacation!

In investing, every extra penny adds more to your compounded returns. And the longer your investing timeframe, the bigger your returns will be if you don't waste your hard-earned money on outrageous commissions and fees.

In this report, we have tried to cover as many of the above features and benefits as possible. And we selected the following twelve firms as representative of a comprehensive sampling of choices that should fit most investors' needs.



# *The* **Brokers**

## charles SCHWAB

Web: <http://www.schwab.com>

Phone: (866) 232-9890

Charles Schwab Corporation began operations on May 1, 1975 – as soon as the Securities and Exchange Commission opened the doors to discounters by deregulating commissions. In 1983, founder Charles Schwab sold his company to Bank of America for \$57 million, but led a buyout to repurchase it in 1987, then took the company public that same year. The company merged with US Trust in 2000, substantially increasing its reach into the wealth management segment of financial services.

Schwab considers itself a value brokerage, an education provider, and an investment manager, offering products and services to satisfy customers of all asset and investment levels.

### Core Services and Fees

Online *Schwab One* accounts are differentiated by three trading levels as well as varying pricing tiers, based on account balances, and are attractive to the casual investor or trader.

**Additional benefits:** Customers enjoy real-time streaming quotes and news, comprehensive research tools, including equity ratings, portfolio management strategies, screeners and teams of advisors – depending on the level of self-direction the customer requires.

*Schwab.com*, *StreetSmart.com* and *StreetSmart Pro* are all browser-based trading platforms that include account management and investing tools. The more enhanced platforms include pre-installed queries for finding trading opportunities, interactive technical charts, linked trading tools, customizable interface, Level II quotes, strategy testing, and screening.

**Additional benefits:** Comprehensive technical and fundamental research.

*CyberTrader* is Schwab's software platform for very active, advanced traders. *CyberTrader* offers Level II data, direct access trading technology which sends orders to the Exchange, ECN or more than 450 Market Makers. Per-share commissions as well as 2 trading platforms for very active traders are available.

**Additional benefits:** Technical analysis tools, including back-testing; customized charts; stock screening and signal-generating tools; in-depth technical analysis; customizable screens; real-time news; premium research; alerts; and risk management tools.

### Available Investments

U.S. stocks, bonds, mutual funds, and options

### Non-Core Services

Schwab offers a vast array of banking services; stock ratings, independent research, and a sizeable assembly of investment advisors and planners. Customers can trade via telephone, PDA, or through Schwab's *CyberTrader* software platform. The company also operates 270 physical branches.

### Media Reviews

**Barron's** recently ranked Schwab 10<sup>th</sup> out of the 14 browser-based brokerages it reviewed. But the company gave 4 out of 5 stars to Schwab's *CyberTrader* software platform ranking it 10th out of the 13 software platforms it evaluated, saying positive remarks about its ability to trade equities, options and futures from a single platform, as well as its Strategy Center for scanning the market to find stocks. **Barron's** negative remarks were directed toward *CyberTrader's* platform fees, which can only be avoided by very high volume trading.

**SmartMoney** ranked Charles Schwab second in its survey of 5 premium discount brokers, giving the company kudos for serving the full breadth of the market – from well-heeled customers to those looking for little service but low commissions. **SmartMoney** also praised Schwab for its wide array of

product offerings, but criticized the company's ancillary fees, such as handling charges. Overall, **SmartMoney** gave Schwab 4 S stars for trading tools; 4 stars for its mutual funds offerings and customer service; and 5 stars for investment products, banking amenities and research.

### Strengths:

- Investors can trade just about any investment they desire
- Offers a much wider range of services than the basic- or deep-discount firms, including tremendous availability of mutual funds and research
- Commissions are reasonable for casual investors and traders

### Weaknesses

- Supplementary fees can quickly add up
- Trading service can be relatively expensive unless volume is very high
- Emphasis on Schwab-related products may not always be to the benefit of the investor

### Conclusion

Charles Schwab doesn't consider itself a discount broker, but rather a full-service broker with discounted commissions – attempting to serve the bulk of the investor market. And while its commission structure may appeal to a small investor or casual trader, the company's sheer size may also intimidate them. Schwab may be the best fit for the casual investor with sizeable assets, who is seeking services beyond mere execution.

<b>Commissions:</b>	
Market:	\$9.95-\$19.95
Limit:	\$9.95-\$19.95
Options:	\$9.95 + \$0.70 -\$1.40/contract
Account minimum:	\$2,500
Margin Rates:	Base rate + 1.25%-2.5%

## E\*TRADE FINANCIAL®

Web: <http://www.etrade.com>

Phone: (800) 387-2331

E\*Trade is a pioneer in online stock trading. The company was founded in 1982 by Bill Porter, a physicist, inventor and entrepreneur, who developed technology that was later used to launch the company's online trading web site.

The company considers itself a one-stop shopping market for an array of investors – from casual traders to the most active. Consequently, its product offerings are widely-diversified.

Although the company has expanded its offerings tremendously since inception, E\*Trade has managed to keep its commissions and fees at attractive levels. E\*Trade is making news with its 2-second execution guarantee – or one commission-free trade – on all S&P500 stocks and ETFs.

### Core Services and Fees

*E\*Trade Complete* – This account accommodates the casual investor, who desires reasonable commissions, and access to the company's portfolio of additional products.

Additional benefits: Streaming, real-time quotes, research, advanced screening tools.

*Power E\*Trade Pro* is a software-based trading platform, and along with *Market Caster*, *Power E\*Trade Trading Desk* and *Power E\*Trade Market Maker* – the company's web-based trading platforms – comprise E\*Trade's products that are aimed at very active traders. These offerings feature customizable displays, no-fee trading platforms that include streaming charts, real-time quotes, news, research and dedicated customer service. Additional benefits: Level II quotes, complex options trading, direct access to ECNs, custom screeners, and 1-click trading access are also features included in some of these platforms.

### Available Investments

U.S. stocks, bonds, mutual funds, and options

### Non-Core Services

E\*Trade offers its customers cash management services, including free checking, bill pay and debit card, funds transfers, and money market accounts. Additionally, customers may obtain home loans, seek tax information through the tax planning center, receive advice through the company's wealth management advisory service or participate in online educational seminars. The company's customers may also place trades premarket, as well as during extended hours. E\*Trade features in-depth research from S&P, Briefing.com, and MarketWatch. Customers may also trade through the company's advanced telephone trading system or their personal wireless devices. For clients wishing a face-to-face encounter, E\*Trade has 17 offices nationwide.

### Media Reviews

In **Kiplinger's** recent survey of online brokers, E\*Trade received high marks for its low-costs and extremely usable web-site. But the company didn't fare as well on execution quality or its selection of mutual funds.

**SmartMoney** ranked E\*Trade third out of the premium discount brokers it rated, giving the company 5 stars for its investment products, banking amenities and research. Trading tools were rated 4 S stars, mutual funds received 4 stars, and customer service was rated 3 S stars.

Commissions:	
Market:	\$6.99-\$12.99
Limit:	\$6.99-\$12.99
Options:	\$9.95 + \$0.70 -\$1.40/contract
Account minimum:	\$2,500
Margin Rates:	Base rate + 1.25%-2.5%

### Strengths:

- A wide range of products and services
- Low-cost commissions
- Appealing to casual investors as well as traders

### Weaknesses

- Execution times may not be as fast as other competitors
- Customer service is not rated as high as peers
- Trade technology not as sophisticated as trading-focused firms

### Conclusion

E\*Trade is a good pick for casual investors and traders. The firm's wide product and service array are attractive to investors who like to find excellent research and news services in one site. But for very active investors/traders, the company's slower execution times and lower-rated customer service mean that eTrade may not be the best choice.





**Web:** <http://www.fidelity.com>  
**Phone:** (800) 343-3548

Fidelity was founded in 1946 by Edward Crosby Johnson II. The company launched its first mutual fund, Fidelity Puritan Fund, in 1947. A pioneer in mutual funds, Fidelity was the first to develop a direct, cost-effective sales plan to attract individual investors, offer quotes 24 hours a day through a computerized telephone system, and make available a tax-exempt money market fund

In 2000, the company surpassed the \$1 trillion in assets under management mark. Fidelity was once known as a mutual fund company. Today, it has developed into a competitive discount brokerage that offers a plethora of additional financial services, including wealth management and estate planning, life insurance, and retirement services – all services that accommodate its mission of assisting investors with reaching their goals, using a long-term strategy.

## Core Services and Fees

*Bronze, Silver, Gold accounts* – For the individual investor, these Fidelity accounts are tiered according to trade activity and account balances. They feature in real-time: Stock quotes, hourly prices for Fidelity Select Funds; portfolio performance figures, and tax status. The company also offers a 1-second execution guarantee on certain trades or they are commission-free.

Additional benefits: Comprehensive independent research from Reuters, S&P, Thomson Fin, Argus, and many more providers, much of it free; fund ideas and analysis; planning tools for analysis and strategy identification; and stock and fund screeners.

*Active Trader Pro* – This is a web-based trading platform that features multi-trade order entry, trailing stop losses, conditional orders, one-click trading, skip order preview, and directed trading from multiple market centers. More active customers also receive streaming market data, including Level II quotes, Time & Sales, Watch lists; interactive advanced charting; real-time margin balances, cost basis tracking and profit & loss details.

Additional benefits: Wealth-Lab Pro features assistance with designing and back testing customized trading strategies. Free research is available from Lehman Bros, S&P, I-Watch and 2<sup>nd</sup> Opinion. Additional research is available at a discount from other firms;

## Available Investments

U.S. stocks, bonds, mutual funds, and options

## Non-Core Services

Fidelity offers a vast array of additional financial services to its investors: Financial advisory products; cash management, including checking accounts, credit & ATM cards, CDs, loans and bill pay; annuities; estate planning; tax learning center and a host of educational services. The company also provides products and services geared toward small businesses, institutions and financial advisors.

## Media Reviews

**J.D. Power** gave Fidelity 5 circles for customer service and information resources, 4 for web site capability, trade execution and overall satisfaction, and three for cost.

**Kiplinger's** ranked Fidelity 10 out of the 11 online brokers it reviewed, giving it middle-of-the-road marks for mutual fund offerings and execution quality. Costs were rated the lowest of all the firms reviewed.

<b>Commissions:</b>	
<b>Market:</b>	\$8.00-\$19.95
<b>Limit:</b>	\$8.00-\$19.95
<b>Options:</b>	\$8.00 - \$19.95 + \$0.75/contract
<b>Account minimum:</b>	\$2,500
<b>Margin Rates:</b>	Base-3.75% - Base +2.0%

## Strengths:

- Wide array of product and services
- Ability to trade most of the investments that casual investors would desire
- Excellent research available, most of it free

## Weaknesses

- Commissions are higher than many of its discount peers
- Products for active traders are limited
- Account minimums are not conducive to attracting the small investor

## Conclusion

Fidelity is trying hard to be all things to all people. The firm excels with its vast range of products and services, but its commission structure and high minimum balances will deter small investors. The company is primarily suited for the slightly-more-than casual investor and more active investors with deeper pockets than the typical discount brokerage customer.



Web: <http://www.firsttrade.com>  
Phone: (800) 869-8800

Firsttrade was founded in 1985, establishing offices in New York City's Chinatown. The company launched its online trading site in 1997. Firsttrade sees itself as a destination for self-directed investors who are looking for fast order execution, excellent customer service and exceptional site performance.

The company is a no-frills discount brokerage firm that offers some of the lowest commission rates online, accommodating the serious investor as well as the active trader.

## Core Services and Fees

Firsttrade offers all clients the same products and benefits: Streaming real-time quotes, Nasdaq Level I and Level II quotes and charts, interactive charts, and – a 5-second execution guarantee or commission on the next trade is free.

Firsttrade is committed to keeping costs low for account holders. This is evident through the broker's offering of no commissions on mutual funds that are held for greater than 180 days, one of the lowest margin rates among online discount brokers, and some of the lowest commissions in the business. Additionally, with no minimum deposit to open an account and no inactivity fees, Firsttrade is truly focused on the small individual investor.

Additional benefits: MarketWatch news, S&P news and research, and Valueline Fund Reports.

## Available Investments

U.S. stocks, bonds, mutual funds, and options

## Non-Core Services

Firsttrade offers extended hours trading, cash management accounts, including free premium checking, online bill payment, debit card,

tax-lot accounting and money market funds. The company's customers can also take advantage of investment guides on an array of topics, covering stocks, options, mutual funds, international securities, fixed income, retirement, and taxes.

## Media Reviews

SmartMoney ranked Firsttrade 3<sup>rd</sup> out of eight basic discount brokers, giving the company 4 S stars for investment products, 4 stars for banking amenities, 3 S stars for research, customer service and mutual funds, and 2 S stars for trading tools. SmartMoney notes Firsttrade's overhauled web site, its newly added tax-related accounting tools, and online bond trading.

Consumer Reports rated Firsttrade #1 in its survey of 21 online brokers, citing the company's large selection of NTF funds, low commissions and no account minimums.

<b>Commissions:</b>	
Market:	\$6.95
Limit:	\$6.95
Options:	\$6.95 + \$1.25/contract
Account minimum:	None
Margin Rates:	Base rate + 4.25%

## Strengths:

- Low-cost commissions
- Fast trade executions
- Ability to trade most investments online

## Weaknesses

- Limited product offerings
- Basic brokerage with limited customer support
- Trading technology may not be advanced enough for very active traders seeking robust tools

## Conclusion

Firsttrade is a deep-discounter, focusing on execution, with no-frills. Although the company does provide access to good research, ancillary services are fairly limited. Firsttrade is a great fit for casual investors and traders who do not require a wide array of non-core services and are ultimately seeking the best deal in town.

## MB TRADING

Web: <http://www.mbtrading.com>

Phone: (866) 628-3001

MB Trading was founded in 1999, by entrepreneur and frequent trader Ross Ditlove, and institutional broker Steve Demarest, who were seeking faster trade executions, better customer support and more reliable trading systems.

The company was a pioneer in high-end technology products that continue to evolve. MB Trading is a direct access trader, placing trades directly with the NASDAQ, NYSE and AMEX markets.

This process enables quick trade executions, a quality the company is known for in the industry. MB Trading's excellent customer service is also a trait consistently discussed among traders.

### Core Services and Fees

*MBT Navigator* – A software-based trading platform, the Navigator is free to customers. The platform is customizable, offers one-click trading, routing and order confirmation. It is the only Order Management Sys (OMS) that integrates seamlessly into eSignal, QCharts, DTN.iQ and Cron SW Pro, real time-market quote services for serious traders. Customers may place orders, view their account information and watch quotes and charts on one screen at the same time. Trades may be executed using the company's price vs. speed algorithm, for the customer's personalized best routing.

Level I quotes are provided free and Level 1 s quotes (similar to Level II, but without Market Maker quotes) are free to active accounts or accounts with balances of \$500 or more. Level II quotes are free to customers with a \$25,000 balance or who trade 10k/shares per month with Plan A; otherwise the cost is \$10/month.

Additional benefits: MB Trader's customers have access to multiple watchlists; 3<sup>rd</sup> party tools that include automatic trading systems, charting, analysis, and automated order routing; basket trading; complex order trading, including volume-weighted average price and time triggers; smart routing, customizable layouts and comprehensive accounting statements.

### Available Investments

U.S. stocks, bonds, mutual funds, and options

### Non-Core Services

The company's customers may place trades premarket, as well as during extended hours. MB Trading also offers its customers the ability to open checking accounts through its clearing firm.

### Media Reviews

Tied with thinkorswim at the top of **Barron's** ratings, with 4 S stars. MB Trading received high marks for trade execution; options trading and the enhancement of its proprietary order-routing algorithms. The company's customer service, with its telephones answered by humans and its 15 seconds-or-less online help, received positive comments, along with its low commission costs and hi-tech products.

**Elite Trader's** trading community gave MB Trader a 79% score, rating it 4 out of 5 on quote and execution speed, range of services, training and tech support, commissions & fees, and overall reliability.

### Strengths:

- State-of-the-art technology
- Fast trade executions
- Low-cost commissions

Commissions:	
Market:	\$4.95-\$9.95
Limit:	\$4.95-\$9.95
Options:	\$4.95-\$9.95 + \$1/contract
Account minimum:	\$1,000
Margin Rates:	8.45%

### Weaknesses

- Limited product offerings
- Geared toward very active, technologically-sophisticated traders
- Limited research

### Conclusion

MB Trading is all about trading. Although the company's partners do offer news, quotes and various research products, and commission rates for buying and selling shares are low, the company's primary product – the Navigator — is geared toward the very active trader, not the casual investor. For active traders seeking low fees and rapid fire trade executions, MB Trading is sure to be an outstanding match.

## optionsXpress®

**Web:** <http://www.optionsexpress.com>

**Phone:** (888) 280-8020

OptionsXpress was founded in late 2000 aiming to trade primarily options and a limited selection of equities. Today, the company has expanded its services to a wider range of investments including stocks, bonds, mutual funds, and ETFs.

OptionsXpress aims to educate its customers in the business of trading options. And its mission is to make trading – particularly options trading – quick and accurate, and at a reasonable price. With no minimum or maintenance fees and a simple pricing structure, it's no surprise that customers have flocked to the firm, making it one of the best options sites on the web.

### Core Services and Fees

OptionsXpress customers have access to streaming ECN Level II quotes; Zack's, Morningstar and Briefing.com research; real-time, charting, including advanced SnapCharts, Java Streaming Charts and Volatility Charts; automatic trading

Additional benefits: Integrated stock and option quote detail screens; advanced order strategies; chart patterns; most actives; pre-built queries; spread order marketplace; screeners; watch lists; profit and loss simulations; most popular investments from other clients; investment screeners and scanners; and Dow Jones news.

### Available Investments

U.S. stocks, bonds, mutual funds, and options

### Non-Core Services

Clients have access to cash management services through Microsoft Money & Quicken; virtual trading of options and stocks; broker assistance on trades at no extra cost; educational tutorials and webinars; customizable account reporting; additional education resources from Value Line, Optionetics, Schaeffers Research, Investools, Options Industry Council, and Chicago Board Options Exchange; sales of books and videos, and a tax center.

### Media Reviews

**Barron's** has ranked OptionsXpress the best online broker for four years running. Barron's gave the company 4 S stars, citing its solid trading platform, opportunities for price improvement, research tools and reports. One criticism: The company accepts payment for order flow for a large portion of its options orders, which may not lead to the best trade executions for its clients.

**SmartMoney** rated OptionsXpress 5<sup>th</sup> out of 8 online brokers in its review, giving the company 4 stars for trading tools and research; 3 for customer service, 2 for mutual funds and banking amenities, and 1 S for investment products.

### Strengths:

- Fast trade execution
- Low commissions
- No account minimums

### Weaknesses:

- Limited products and services, focused primarily on options
- Limited research for the casual investor
- Focus is on active traders, particularly options traders

<b>Commissions:</b>	
<b>Market:</b>	\$9.95-\$14.95
<b>Limit:</b>	\$9.95-\$14.95
<b>Options:</b>	\$1.5/contract (\$14.95 minimum)
<b>Account minimum:</b>	None
<b>Margin Rates:</b>	Base rate + 1.5%-1.75%

### Conclusion

OptionsXpress ranks at the top of the chain for options brokers, with its advanced technological tools, quick execution and reasonable prices. However, the long-term investor, seeking a wider product offering will most likely be happier at a firm with more services in its stable. For active options traders or those just getting with options, there are few brokers that can rival the level of service, education and tools provided by OptionsXpress.

## Scottrade

Web: <http://www.scottrade.com>

Phone: (800) 619-7283

Scottrade was founded by Rodger Riney in 1980. The company's stated mission is to be a leader in value, technology and customer service.

The firm is considered a deep-discounter with some of the lowest commissions among online brokerage firms. Yet, Scottrade is also known for its premium service, consistently winning industry awards for its customer support. Additionally, Scottrade charges no account maintenance or inactivity fees. And with its 265 local branches, spread throughout 47 states, Scottrade makes itself very available to its customers.

### Core Services and Fees

*Individual brokerage accounts* – In 2004, the company established a \$7 flat-rate commission for all online market and limit orders – no matter the number of trades executed or the account balance the customer maintains.

Additional benefits: All of Scottrade's online customers have access – at no charge – to Thomson Financial and Standard & Poor's research. Additionally, real-time quotes, news are available to all clients.

*Scottrader and Scottrade ELITE* are the company's browser trading platforms, allowing customers the ability to trade directly from live streaming quotes and interactive charts. The more advanced platform features extensive charting capabilities, in-depth technical and fundamental research capabilities, and integrated Level II Quotes. The platform also includes NASDAQ TotalView, which shows traders every bid and ask for every market participant. Additional benefits: Top ten lists, personal stock lists, quick quotes, top gainers, and volume leaders, Dow Jones News, Comtex News, personalized support, advanced charting, and integrated account management tools.

### Available Investments

U.S. stocks, bonds, mutual funds, and options

### Non-Core Services

Scottrade offers CD's, check-writing, premium research at no-charge, insider trading information, market commentary, Chinese-language version of the company's trading site, reporting of economic indicators, company announcements, credit market news, and Value Line Fund. As a supplement to SIPC insurance, the company has purchased an additional \$24.5 million in coverage with an extra \$900,000 in cash per customer, subject to an aggregate limit of \$100 million.

Scottrade customers may also trade via their wireless devices – at no extra cost, as well as by telephone or broker-assisted.

### Media Reviews

In 2005, **J.D. Power & Associates** ranked Scottrade highest in investor satisfaction of online trading services for the *sixth* consecutive year. J.D. Power gave the company 5 (out of a possible 5) circles for overall satisfaction, cost, customer service, trade execution, and 4 circles for web site capabilities and information resources.

Scottrade also received high ratings from affluent investors.

**Kiplinger's** ranked Scottrade 2<sup>nd</sup> out of the 11 online firms it reviewed, citing Scottrade's array of mutual funds and low fees.

<b>Commissions:</b>	
Market:	\$7
Limit:	\$7
Options:	\$7-\$1.25/contract
Account minimum:	\$500
Margin Rates:	10%

### Strengths:

- Low commission and margin rates
- Reputation for excellent customer service
- Easily navigable web site and trading execution

### Weaknesses:

- Site not built for extremely active, semi-professional traders or customers seeking a more comprehensive site
- Limited research
- Limited product offerings

### Conclusion

Scottrade is a very nice fit for casual investors and traders who are seeking low commissions and do not require professional advice and direction. While the broker may be too limited for investors looking for comprehensive financial services or a very sophisticated trading platform, Scottrade does an outstanding job servicing the average online investor with low commissions, excellent customer service, and solid trade execution.



## shareBUILDER®

**Web:** <http://www.sharebuilder.com>

**Phone:** (800) 747-2537

### Overview

ShareBuilder was founded in 1995 (as NetStock) to provide online financial information as well as the opportunity to participate in Direct Stock Purchase Plans and Dividend Reinvestment Plans. In 1999, the firm's new CEO launched a more expansive online investment site – the ShareBuilder Plan, based on dollar-cost averaging (the regular purchases of a set amount of securities on a consistent basis).

The company sees itself as a high quality, low cost, easy-to-use online broker for individuals who want to invest regularly for the long-term. ShareBuilder's mission is to assist investors with discipline, diversification, and dollar-cost averaging.

ShareBuilder's focus on that investor niche has paid off, resulting in more than 1.4 mil-

lion customer accounts, making it the 7<sup>th</sup> largest online brokerage today.

### Core Services and Fees

ShareBuilder offers three investing programs: Basic, Standard and Advantage, with monthly costs ranging from \$0-\$20 and automatic investments of fractional shares offered for a price of \$1-\$4 per trade (scheduled on Tuesdays only). Shares may be purchased via a ShareBuilder automatic, scheduled investing plan, or by real-time trades, at market or limit commissions.

Additional benefits: Research and news from MarketWatch, stock and ETF screeners, and analyst information.

### Available Investments

U.S. stocks

### Non-Core Services

ShareBuilder offers its customers automatic, scheduled investing, profit and loss calculators, tax tools, watch lists, customers' top requests lists, recommended portfolios, educational articles, small business 401(k)s, and Visa cards. The firm also contracts with more than 40 banks and 140 credit unions to offer additional services to its customers.

### Media Reviews

**J.D. Power** gave ShareBuilder 5 circles for web site capability, 4 for information resources, cost and overall satisfaction, and three for customer service and trade execution.

**The Investor Research Center** awarded its highest rating – 4 stars – to ShareBuilder, citing its no minimum balances and no annual fees, as well as its low costs for individual investors.

<b>Commissions:</b>	
<b>Market:</b>	\$11.95-\$15.95
<b>Limit:</b>	\$15.95-\$19.95
<b>Options:</b>	n/a
<b>Account minimum:</b>	None
<b>Margin Rates:</b>	n/a

### Strengths:

- Low-cost commissions when buying stocks and ETF's through
- Long-term, automatically-scheduled investment purchases help build shareholder discipline, and ultimately wealth
- Appealing to investors seeking simple investment plans

### Weaknesses:

- 20-minute delayed quotes
- Limited product offerings
- Web site is not organized for efficient navigation

### Conclusion

ShareBuilder is very good at fulfilling its core mission of assisting customers with building their portfolios in a steady, disciplined manner, for the long-term. The company's products would not be appealing to active investors or traders who required more complex products, charting, research, and technological capabilities. For the younger investor just getting started, ShareBuilder offers an outstanding way to begin investing a small amount of money with a disciplined long-term approach to wealth accumulation rather than overnight profits through reckless trading.

## SIEBERT

Web: <http://www.msiebert.com>

Phone: (800) 872-0444

Muriel Siebert founded her brokerage firm, Muriel Siebert & Co., in 1967, making it the oldest of the discount brokerage firms. Siebert was one of the first brokerage firms to become a discount when the NYSE allowed negotiated commissions in 1975. In 1982, Siebert began building a capital markets division, assisting customers with new and secondary public offerings for equities and bonds. Today, Siebert is the only woman/minority owned and operated municipal bond firm in the US.

SiebertNet, the company's online brokerage subsidiary, aims to make investing easy for its customers, by keeping its offerings streamlined, its commission structure simple, and its customer service top-notch. Yet, it is unique for a discount in its ability to provide customers with access to a full-range of initial and secondary equity and bond offerings. Additionally, the company takes its dedication to the customer further by refusing to make markets in securities or trade in a principal account – thereby preventing any possible conflict in orders.

### Core Services and Fees

*Individual brokerage accounts* – Although Siebert offers one commission rate for most individual accounts, the firm will negotiate lower commission – as well as margin – rates with large and active customers. Clients who fit that criteria are also assigned a personal brokerage team to assist them where needed.

Additional benefits: All online customers have access to independent third party research (including S&P, Zacks, Multex, Morningstar, Baseline, Optionetics, RiskMetrics, and SmartMoney), real time news and quotes (from Dow Jones, MarketWatch and RTTNews), as well as investment watchlists – at no extra cost.

*Dynamic Trader* – A web-based customizable desktop product for active traders. Includes the ability to view multiple windows simultaneously, streaming real-time quotes and positions, Level II quotes, one-click trading access, alerts, charts, watchlists, and negotiable commission rates.

Additional benefits: Research and analytical tools, and instant access to orders.

### Available Investments

U.S. stocks, bonds (not available online), mutual funds, and options

### Non-Core Services

SiebertNet offers independent third party research, four automated stock selection systems, educational tutorials, bond market screeners, premarket and after hours trading, personal money management through Quicken, CD's, comprehensive gain/loss tracking and tax reporting. Customers may also trade via their wireless devices, by telephone or with a live representative. The company operates seven offices in NY, NJ, CA, and FL.

### Media Reviews

**Barron's** recently gave SiebertNet 4 out of 5 stars, ranking it 3<sup>rd</sup> out of the 14 firms it reviewed, citing SiebertNet's free access to 3<sup>rd</sup> party research, which often carries an additional fee at other firms. Barron's mentioned that SiebertNet's pricing for options transactions was high.

**SmartMoney** ranked SiebertNet 2<sup>nd</sup> out of 8 basic discounters, giving it high marks for its tools for serious investors, including tax-lot accounting, buy-write function and good customer service. On the downside, SmartMoney felt SiebertNet's web site was not easy to navigate and that the

firm's focus was geared more to wealthier investors than casual traders. Overall, SiebertNet was awarded 5 stars for research; 4 S for mutual funds and investment products; 4 for customer service and banking amenities; and 3 S for trading tools

### Strengths:

- Comprehensive 3-years' worth of account information, year-end tax reports and 1099's and last 90 days of confirmations online
- Access to initial and secondary public offerings
- one-rate commissions, with competitive margin rates

### Weaknesses:

- Trading of bonds not available online
- Commissions are not the least expensive among discounters
- Bias toward large, active customers

### Conclusion

SiebertNet is a basic discount in terms of its product array, with the exception of its unique niche in capital markets. However, the firm's one-size-fits-all commission structure may not serve the casual investor well. But for the serious, more active and wealthier client, SiebertNet has a wide range of ancillary products and services that render it attractive.

<b>Commissions:</b>	
Market:	\$14.95
Limit:	\$14.95
Options:	Graduated schedule, Min \$34
Account minimum:	None
Margin Rates:	Base rate + .75%-2%

## TD AMERITRADE

Web: <http://www.tdameritrade.com>

Phone: (800) 454-9272

TD Ameritrade is the product of the recent merger between Ameritrade and TD Waterhouse. Ameritrade was founded in 1975; the predecessor company was First Omaha Securities. Ameritrade was one of the first brokerage firms to offer complex options order entry on the Internet. Waterhouse Investor Service was founded in 1979 and sold in 1996 to Toronto-Dominion Bank, for \$500 million.

In January 2006, Ameritrade bought TD Waterhouse and its 2.5 million accounts for \$2.9 billion. The companies are in the process of integrating their products and services, beginning with the renaming of the entity to TD Ameritrade. Combined, the two companies have 6 million customer accounts, \$257 billion in client assets and execute 232,000 trades daily.

While TD Ameritrade offers products to fit most individual investors, the company's focus is on capturing customers whose accounts are fairly active, but not quite large enough to warrant great customer service at the full-service firms. The firm stands out from the competition by offering a wide range of services including screeners, charting, investment education and online banking.

### Core Services and Fees

*Investor accounts* – One commission — \$9.99 for market and limit orders, regardless of activity.

Additional benefits: Research from S&P, Morningstar, Reuters, Briefing.com; customizable stock and fund screeners and charts; watch lists; one-click ordering; clients can save up to 50 different orders to place at a later time.

*TD Ameritrade Apex* — For more active traders, this account features direct order routing; last-sale information, most active lists; real-time streaming trends and intraday charts; tracking of up to 20 indices; emerging market trends, Level II data; and trade triggers.

### Available Investments

U.S. stocks, bonds, mutual funds, and options

### Non-Core Services

Clients may track gains and losses with tax accounting tools; subscribe to cash management services, receive portfolio guidance and advisor referrals. Additionally, TD Ameritrade has products designed for small businesses. Customers may trade during extended hours trading, and may visit the company's more-than 100 offices nationwide.

### Media Reviews

**J.D. Power** gave Ameritrade three circles for cost and trade execution, two for web site capability, customer service, information resources and overall satisfaction. TD Waterhouse received three circles for information resources, web site capability, trade execution, customer service and overall satisfaction, and two circles for cost.

**Kiplinger's** ranked Ameritrade 9<sup>th</sup> out of the 11 online brokers it reviewed, giving it high marks for mutual fund offerings and low marks for execution quality. TD Waterhouse was ranked 5<sup>th</sup>, with middle-of-the-road marks for margin, web-site and knowledge, and lower marks for mutual funds and fees.

### Strengths:

- Good commission schedule
- Satisfactory range of product and services
- Good research available

### Weaknesses:

- Execution of trades in both companies (prior to merger) was not highly rated
- Products for active traders are limited
- Customer service is not ranked highly as compared to peers

### Conclusion

The newly formed TD Ameritrade (the result of the merger of Ameritrade and TD Waterhouse on 4/24/06) will take a little while to digest. As a result, rankings of the firm were completed prior to the merger. However, both firms seek to serve similar customers — those with a higher level of assets than those targeted by the typical discount broker. The newly-merged firms will offer a wide array of products and services, at reasonable commission rates. For the investor seeking a good degree of customer support and the ability to trade a decent range of products, the new company may be just the ticket. For the active trader or the casual (small) investor, however, a more price competitive firm may be the answer.

Commissions:	
Market:	\$9.99
Limit:	\$9.99
Options:	\$9.95 + \$0.75/contract
Account minimum:	\$2,000
Margin Rates:	Base rate + .75%-1.0%





Web: <http://www.thinkorswim.com>

Phone: (866) 839-1100

Thinkorswim was founded in 1999, to specialize in options investing and trading. The company revolutionized options trading by creating single-click buying and selling of complex strategies – now the industry standard.

Thinkorswim has grown tremendously as a result of the industry's accolades for its execution, professional analytics and real-time position management. Thinkorswim has become one of the top firms for very active traders and has expanded its product offerings well beyond its original option concept.

## Core Services and Fees

**Think Desktop** – The active trader's Nirvana, this free software-based trading application offers a tremendous package: Automatic updates upon login; ability to stress test real and hypothetical stocks and options positions; technical analysis – intraday and historical, with multiple charts; streaming Level II quotes with customizable pages; spread hacker – the advanced system similar to those employed by floor traders – which displays 6 different strategies grouped by symbol, price, implied volume, and probability of success; thinkSpreads Page – a sortable display of all of the spread orders that the company's customers are working; real time quotes and risk analysis; route order to best market/best price; additional commission breakpoints for active traders making 100 and 250 trades/month.

**Additional benefits:** Play paper money – a paper trading system in which customers can practice trading with \$100k of play money; a watch page that includes company, index, market sector and economic information; a comprehensive account statement, including year-to-date profit/loss analysis; alerts sent directly to email; links with numerous trade advisory services.

**Web-Based Trading** – Almost as loaded with features as thinkorswim's software platform, its Internet trading product updates data every 5 seconds with no page refresh; includes user-defined data layouts; trading by click on the bid or ask price; and account monitoring is updated every 25 seconds with a full display of all current positions.

**Additional benefits:** Comprehensive accounting, including profit & loss analysis.

Commissions:	
Market:	\$9.95
Limit:	\$9.95
Options:	\$9.95 + \$1.50 -\$2.95/contract
Account minimum:	\$500
Margin Rates:	Base rate + 2.2%

**Think Anywhere** – Wireless trades, with the same benefits as thinkorswim's web-based trading product.

## Available Investments

U.S. stocks, bonds, mutual funds, and options

## Non-Core Services

The company's customers may place trades premarket, as well as during extended hours. Telephone orders are free. And thinkorswim will rebate the cost of its customers' high-speed Internet access if they make 40 or more trades per month. Thinkorswim also offers trading seminars to educate its customers.

## Media Reviews

**Barron's** rated the company 2<sup>nd</sup> out of 14 companies reviewed. Both thinkorswim's software & web-based trading platforms received 4 S out of 5 stars, with good marks for trade execution and technology, research, portfolio reporting, cost and customer support. Barron's gave plaudits to thinkorswim's excellent order routing capabilities, its detailed pricing studies, detachable and exportable windows, and its ease in customizing screens.

**Elite Trader**, a community of active traders, rated thinkorswim the best options broker, with a 92% score, out of 100%.

## Strengths:

- State-of-the-art technology
- Reputation for good customer service
- Reasonable pricing

## Weaknesses:

- Limited product offerings
- Geared toward very active, technologically-sophisticated traders
- Limited research

## Conclusion

Thinkorswim is not an everyman's brokerage firm. However, for very active traders, the company satisfies most of the items on a wish list. Comprehensive products, excellent technology, and reasonable pricing will continue to grow its market share. And the company's ongoing seminars are great for the new-to-the-business traders.



## TRADEKING™

Web: <http://www.tradeking.com>

Phone: (877) 495-5464

TradeKing was launched in December 2005. Its founder and CEO, Donato A. Montanaro, Jr., is a pioneer in Internet Trading, having founded SureTrade in 1997, which eventually merged with Quick & Reilly.

TradeKing has been financed by investors with deep pockets, including the Quick family, OCA Ventures, the investment arm of the partners who led O'Connor and Associates – the Chicago-based pioneers of standardized Option trading in 1977 – and Bruce Rauner, a Principal at Chicago private equity firm GTCR

The company's mission: To be a low-priced online broker, specializing in options. And TradeKing charges the same commission rates to everyone – beginner or expert, large or small account, regardless of the trading volume. Customers can place trades with a live broker for the same low fee.

TradeKing's margin rates are the same, no matter what the outstanding account balance is, and the company does not charge fees for low balances or inactivity.

Right now, TradeKing has the lowest trading commissions on the Internet, and growth in accounts is sure to follow.

### Core Services and Fees

One account fits all and entitles customers to low-rate commissions; customizable pages; single click ordering for stocks and options; one-screen for multi-leg option strategies, real-time quotes, sortable data; one-click changes and cancellations; 19 different strategic option chains; greeks (specific stats updated in real time); volatility charts (historical and implied); screen over 150k option contracts; interactive, and real-time charts for analyzing technical indicators,

Additional benefits: TradeKing's customers can utilize probability calculators to rate the odds of success for a given strategy; options calculators; changes in major market indices; analysts' upgrades and downgrades; research by Thomson Financial; and stock, option and mutual fund screeners.

### Available Investments

U.S. stocks, bonds, mutual funds, and options

### Non-Core Services

The company is creating a community of investors by offering rankings of articles of interest to its customers; and several blogs, whose performance it intends to track. Additionally, TradeKing sells used and new books and audio programs and will deliver educational podcasts.

### Media Reviews

TradeKing came in 9<sup>th</sup> out of 14 companies rated by **Barron's**. Barron's gives good marks for the firm's low costs, research, and portfolio reports, and lower ratings for its technology, product offerings, earning a total of 3 S stars.

### Strengths:

- Very low and straightforward commissions
- Considerable support for options trading
- Easy, one-click ordering and alterations to orders

<b>Commissions:</b>	
Market:	\$4.95
Limit:	\$4.95
Options:	\$4.95 + \$0.65/contract
Account minimum:	None
Margin Rates:	Base rate + 1%

### Weaknesses:

- Limited product offerings
- Geared toward very active, technologically-sophisticated traders
- Limited research

### Conclusion

TradeKing, with its wide array of options products and support, caters primarily to the options trader. The company's research and reporting is somewhat limited, and may not appeal to a casual investor. However, TradeKing's low commissions might be ideal for the active trader, as well as the investor who does not require a lot of bells and whistles.

Broker	Minimum to Open	Commissions			Margin Rate	Mutual Funds	Bonds	Maintenance Fees
		Market	Limit	Options				
<b>Charles Schwab</b> <a href="http://www.schwab.com">www.schwab.com</a> 800-308-8020	\$2,500	\$9.95-\$19.95	\$9.95-\$19.95	\$9.95+ \$0.75-\$1.40/ contract	BR + 1.25% - 2.50%	5,800 (5,300 NL, 4,400 NTF)	Y	None
<b>E*Trade Financial</b> <a href="http://www.etrade.com">www.etrade.com</a> 800-387-2331	\$1,000	\$6.99-\$12.99	\$6.99-\$12.99	Comm+ \$0.75-\$1.25/ contract	BR + 3%	7,000 (1,000 NL, NTF)	Y	\$40 per Q for accounts < \$10,000
<b>Fidelity Investments</b> <a href="http://www.fidelity.com">www.fidelity.com</a> 800-343-3548	\$2,500	\$8.00-\$19.95	\$8.00-\$19.95	Comm+ \$0.75/ contract	BR - 3.75%- BR + 2.00%	4,500 (1,100 NL, NTF)	Y	None
<b>Firstrade Securities</b> <a href="http://www.firstrade.com">www.firstrade.com</a> 800-869-8800	\$0	\$6.95	\$6.95	\$6.95+ \$1.25/ contract	BR + 4.25%	9,000 NTF	Y	None
<b>MB Trading</b> <a href="http://www.mbtrading.com">www.mbtrading.com</a> 866-628-3001	\$1,000	\$4.95-\$9.95	\$4.95-\$9.95	Comm+ \$1.00/ contract	8.45%	7,000	Y	None
<b>OptionsXpress</b> <a href="http://www.optionsxpress.com">www.optionsxpress.com</a> 888-280-8020	\$0	\$9.95-\$14.95	\$9.95-\$14.95	\$1.50/ contract (\$14.95 min.)	BR + 1.50%-1.75%	10,000 (5,400 NL)	Y	None
<b>Scottrade</b> <a href="http://www.scottrade.com">www.scottrade.com</a> 800-619-7283	\$500	\$7.00	\$7.00	\$7+ 1.25/ contract	10.00%	9,000	Y	None
<b>Sharebuilder</b> <a href="http://www.sharebuilder.com">www.sharebuilder.com</a> 800-747-2537	\$0	\$4* \$11.95-\$15.95	\$15.95-\$19.95	N/A	N/A	N/A	N	None
<b>SiebertNet</b> <a href="http://www.msiebert.com">www.msiebert.com</a> 800-872-0444	\$0	\$14.95	\$14.95	Graduated Schedule; \$34 minimum	BR + 0.75%-2.00%	13,000 (1,503 NTF)	Y**	None
<b>TD Ameritrade</b> <a href="http://www.tdameritrade.com">www.tdameritrade.com</a> 800-454-9272	\$2,000	\$9.99	\$9.99	\$9.99+ \$0.75/ contract	BR + 0.75%-1.00%	13,000 (2,700 NTF)	Y	None
<b>thinkorswim</b> <a href="http://www.thinkorswim.com">www.thinkorswim.com</a> 866-839-1100	\$500	\$9.95	\$9.95	\$9.95+ \$1.50-\$2.95/ contract	BR + 2.20%	10,000 (7,000 NL, NTF)	Y	None
<b>TradeKing</b> <a href="http://www.tradeking.com">www.tradeking.com</a> 877-495-5464	\$0	\$4.95	\$4.95	\$4.95+ \$0.65/ contract	BR + 1.00%	8,000 (1,200 NL)	Y	None

NL = no load; NTF = no transaction fee; BR = base rate; Comm = commission

\*When participating in a "Sharebuilder Plan"

\*\*Not available for online purchase

## Concluding Remarks

In this report, you have encountered brokerage firms that focus on investors seeking:

- Low commissions
- Fast executions
- Options trading services
- Outstanding research tools
- Top-notch customer service
- Cutting-edge, advanced technology
- A vast array of product offerings

Many of the firms we research for this report offer low commission rates, but as we mentioned at the beginning of this report, and you can easily see from the information we have collected, pricing is not the only consideration when seeking the best broker for you and your investment needs.

Most of these brokerage firms excel at their targeted mission. Many offer tremendous research or charting and order execution with all the bells and whistles that you may desire. Some try to be all things to all investors. Others are just bare bones; simply execution houses at low prices.

The bottom line is that each investor must first have an understanding of his or her own investing or trading habits. Once an investor has a firm grasp on their investment strategy, they can then begin to explore the right brokerage firm that will offer a good combination of the right tools at the right price. We hope that this report is a useful tool in assisting individual investors like you with the very important decision of determining the best online brokerage firm to meet your individual needs.

There is simply no right online brokerage firm for every investor. However, in this report we have attempted to present twelve of the best online brokerage firm options for a wide variety of individual investors with varying experience, account size, and trading frequency.

We hope that armed with this information, selecting an online brokerage firm will be much easier and a significantly less difficult decision.

## About BrokerAdviser.com

BrokerAdviser.com is a web site dedicated to helping individual investors select the best online discount brokerage firm to meet their investment needs.

In June, 2006 BrokerAdviser.com released its premier special report titled Top 12 Online Brokers for Individual Investors. Inside this special report BrokerAdviser.com takes an in-depth look at twelve of the most well respected and highest quality online discount brokerage firms and presents individual investors with information including each firm's services, commission structure, and area of focus.

At BrokerAdviser.com, we believe no brokerage firm is the right solution for every investor. Each firm in this report has strengths and weaknesses that set it apart from other firms. We do not aim to pass judgment on the firms discussed within this report, but rather hope to provide individual investors as a starting point in the process of researching an online broker.

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