

WHAT HAPPENS WHEN YOU PLACE AN ONLINE STOCK ORDER?



STEP ONE

You place an **online stock order**.

Let's say you use an online account or a mobile app to buy 25 shares of XYZ Inc., a publicly traded, exchange-listed company.



/ The order goes to your retail **brokerage firm**.

The firm reviews the order against legal, regulatory and compliance obligations as well as any policies specific to the brokerage firm. Then the firm turns to execution of your order. All of this is usually automated.



STEP TWO

The firm determines **how to execute your order**.

The firm either executes the order itself or sends it to one of three places for execution:

Exchange

Exchanges are the traditional marketplace for trading securities. Exchanges quote current bid and ask prices—the prices a buyer and seller are looking to receive.

Alternative Trading System

An ATS is a non-exchange execution venue where buyers and sellers can trade stocks, including, in some cases, those not listed on exchanges.

Wholesale Broker-Dealer

A wholesale broker-dealer may execute an order itself, often buying and selling securities for and from its own inventory, or it may route the order to another venue for execution.

STEP THREE



STEP FOUR

Your trade is **executed**.

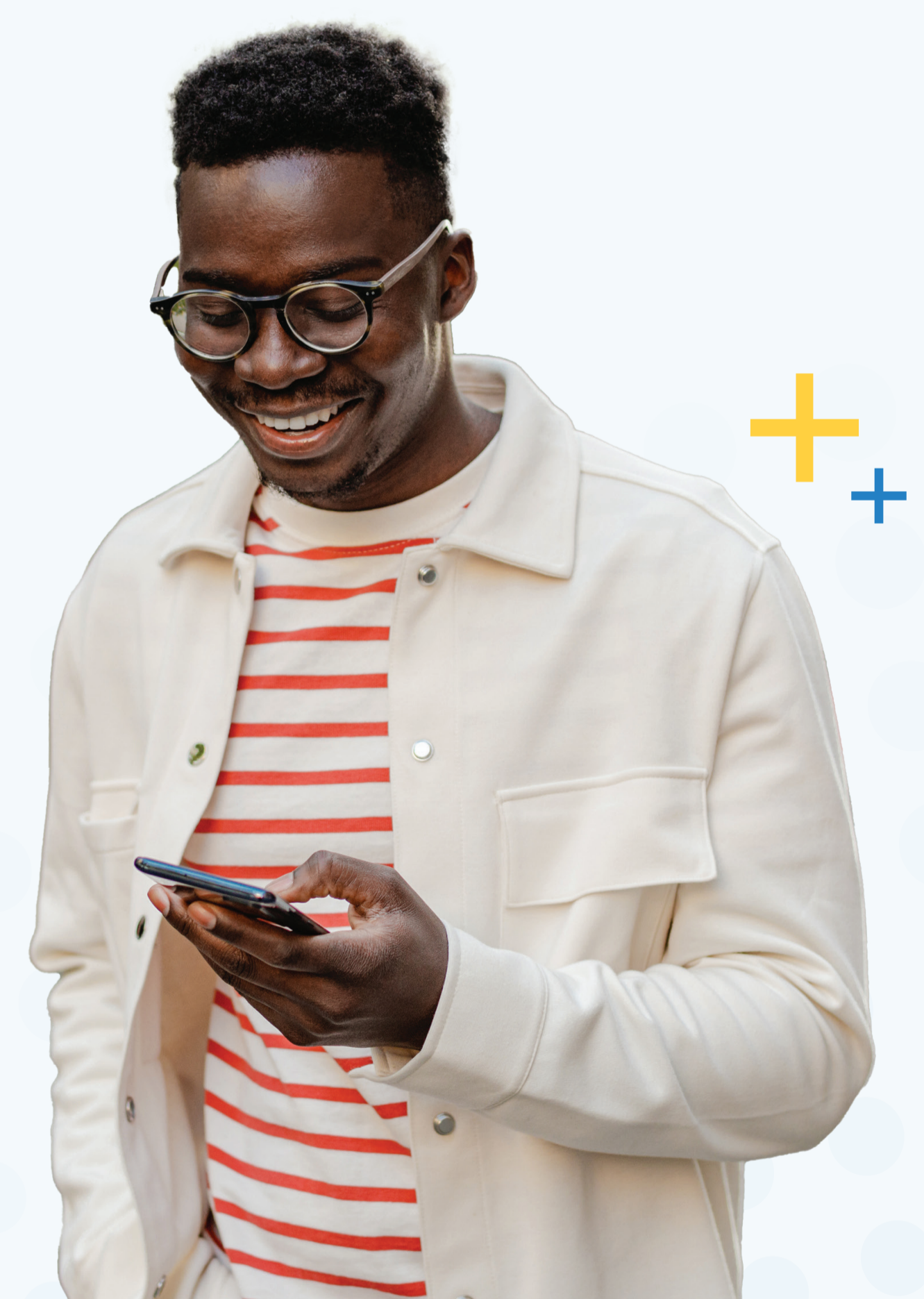
Most retail customer stock orders are executed without an issue. However, if your firm is unable to find a buyer or seller to meet the terms of an order, the trade might be filled partially or not at all.



You receive an **electronic confirmation**.

For the online stock order placed above, the electronic confirmation might read: "You bought 25 shares of XYZ Inc. for \$10 a share, for a total cost of \$250. The shares will appear in your account within one business day."

If applicable, a commission and/or other fees will be included in the confirmation total.



STEP FIVE



The **stock trade process** is complete.

Continuing with the same order described above, you now own 25 shares of XYZ Inc.

In most cases, your brokerage firm is required to provide you with quarterly account statements, as well as notification of trade confirmations following each transaction. Always review these documents carefully—and immediately contact your firm or financial professional about any transaction or entry you don't understand or didn't authorize.