

# DISCOUNT BROKER SURVEY

A GUIDE

TO

COMMISSIONS

AND

SERVICES

by Jean Henrich

While the average commission fees changed little among discount brokers in the past year, handling fees continued to be imposed or increased. In addition, the industry saw some consolidation in its ranks in 2002—several discounters were bought out and a few others ceased operations.

Information on the commissions charged for a range of trades, as well as services offered, is included in the *AII Journal's* annual survey of discount brokerage firms. This year's survey covers 76 firms that refer to themselves as discount, 62 of which conduct business on-line.

The survey is designed to help individual investors spot the discount brokers that best meet their needs in terms of cost and services.

What does the listing cover?

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## COMMISSIONS & FEES

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The stock commissions charged by discount brokerage firms vary widely, not just by amount, but also by the way in which they are determined. For instance, some discounters' rates are based on the dollar value of the transaction, others' rates are based on the number of shares in the transaction, some use a combination, and some simply provide a table that lists the prices for various transactions without providing any formulas. Primarily on-line brokers tend to charge a flat rate, with a flat surcharge for broker-assisted trades.

This makes generalized comparisons impossible, since certain firms will be cheaper for some kinds of trades, yet more expensive for others. To help overcome that problem, our listing first presents three broker-assisted trades that cover a range of possibilities for the typical individual investor: a modest trade of a higher-priced stock (100 shares at \$50 per share, a \$5,000 transaction); a large trade (500 shares at \$50 per share, a \$25,000 transaction); and a modest trade of a low-priced stock (2,000 shares at \$2.50 per share, a \$5,000 transaction). Commissions charged by each broker for these trades are presented in total dollars and as a percentage of the total transaction.

The trades reflect commissions for exchange-listed stocks; however, some firms charge a different rate for stocks traded over the counter. The minimum commission amount represents the minimum dollar amount charged for any broker-assisted stock trade by the firm.

For brokers that offer on-line trades, we present the commission for a sample market order trade of 500 shares at \$50 per share, along with its percentage of the total \$25,000 transaction. If the on-line commission is a *flat rate*, the maximum number of shares that can be traded at the flat rate is given in the next column. On-line commissions may vary for Nasdaq and over-the-counter stocks and orders placed using a non-market order (limit order). Sixty-two of the discount brokers listed here offer trading through the Internet; the 37 that consider themselves primarily on-line are designated by the symbol ▲ to the right of the broker's name in the listing. One of the primarily on-line brokers, Buy and Hold Securities, advertises zero on-line commissions, but charges a flat monthly fee for all accounts.

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*Jean Henrich is associate editor of the AII Journal. Research for this article was contributed by Alyna Johnson.*

At the end of the listing, we have indicated the average, the highest, and the lowest charges and percentages for each trade as a point of comparison.

The sample transactions should give you some basis for comparing the various firms. However, certain discounts as well as additional charges by some firms may not be reflected in these particular examples. Examples of further discounts offered by a few firms include:

- Trades of a large number of shares, for instance over 1,000 shares per transaction.
- Trades of a large dollar volume. A few firms, in fact, offer special accounts for customers who consistently trade in large volume.
- Account balances above a certain dollar amount. Where this discount is offered, the account size and discount are negotiable between the broker and customer. Brokers offering a discount for large accounts are noted by a checkmark in the *Acct. Size* column under *Com. Discount*.
- Accounts in which frequent trades are made. This type of discount is also usually only offered on a case-by-case basis. Brokers offering a discount for frequent trading are noted by a checkmark in the *Freq. Trades* column under *Com. Discount*.
- Trades made using a touch-tone phone.

Examples of additional charges that may not be reflected in these examples include:

- Shares that are particularly low-priced, such as stocks selling for under \$5 a share.
- A small number of firms levy extra charges for odd lots (any number of shares less than 100—for instance, a sale of 553 shares consists of five round lots of 100 and an odd lot of 53 shares).
- A number of firms levy extra charges for non-market orders such as limit and stop orders.
- More brokers are charging extra for special handling, such as transferring an account to or from another broker or registering certificates in the owner's name and mailing it to

the owner. These charges are shown in the table under *Fees*. Many brokers charge a fee for accounts that post no activity for a period of time. In the majority of cases, the fee is triggered after an account has been idle for one year; however, some online brokers have instituted quarterly or monthly inactivity fees. A few brokers charge a fee when the account balance falls below a certain amount, but in some cases the fee is waived for active accounts.

**Minimum to Open.** Some discounters require a minimum to open an account. This can usually be met by sending the broker either cash or securities.

**Cash Balance.** Investors want assurance that any cash balances in their accounts are earning interest. Most discount firms pay interest on these funds, although some will only pay interest on amounts above a certain minimum. A sweep account automatically invests cash balances (for instance, funds from the sale of shares) in an interest-bearing money market fund until those funds are reinvested. Money market funds usually pay a higher rate of interest than cash balance accounts that simply earn interest, and investors may have additional choices dealing with taxable versus tax-exempt interest. In the listings, we indicate if a brokerage firm offers a sweep account by the word "Sweep," followed by any minimum amounts required for such an arrangement (note that after this minimum is met, any additional cash, regardless of how small, is swept into the money market fund). If the firm does not offer a sweep account but pays interest on uninvested funds, we use the word "Interest," followed by the minimum amount upon which it pays interest, if a minimum applies.

## RESEARCH AND OTHER SERVICES

Price isn't the sole consideration for most individual investors when selecting a discount broker. Other services provided by the firm are also important considerations.

All of the firms in the survey have

SIPC coverage, which insures (through the Securities Investor Protection Corp.) the securities and cash in customer accounts up to a maximum of \$500,000 per customer. In addition, all but four of the firms in the survey have purchased additional private insurance protection for their customer accounts. The four firms without additional protection are designated by the symbol ✕ before their names.

Other services provided by discount brokerage firms vary, and in the listing we have included information on the most popular ones:

- **Research.** Some discounters offer research information and investment recommendations on various topics, such as the economy, business conditions, and specific companies. In the listing, we have divided research reports into two types: "Standard" denotes reports that are supplied to the firm by an outside source, such as Standard & Poor's or Value Line; "Custom" refers to reports that are researched in-house by the firm's own analysts. Some brokers subscribe to Wall Street on Demand, a program that provides standard reports to a firm's clients by fax machine or through the Internet. Brokers may charge for standard or custom research information; those that do are noted under the column labeled Research. Remember to check whether research is available through a broker's Web site for free (see Internet Services).
- **Other Securities Handled.** Many discount firms offer *no-load mutual funds* for their customers; while many charge a fee for the transaction, some discounters offer a certain number of no-load funds at no charge to the customer. Investors interested in this service should request a list of the funds offered from the discounter, as well as the charges. We indicate if the firm offers no-load mutual funds and we note if a fee is charged on any no-load mutual funds traded. [See "One-Stop Mutual Fund Shopping: A Guide to the Discount Brokers," by John Markese in the October 2002 *AII Journal* for more details on

brokers that offer mutual funds, available on our Web site.] Brokers may also offer securities such as **bonds** and **options** to their customers. These are noted in the listings. If you are interested in these securities, be sure to request a schedule of the appropriate fees.

- **Self-Directed IRA.** All of the firms in the survey offer self-directed individual retirement accounts. IRA accounts can have different minimums than regular accounts at brokerages, so be sure to check the requirements when setting up an IRA. Also, many brokers charge a fee to set up an IRA account and an annual fee to maintain the account. These fees are noted in the listings.
- **Dividend Reinvestment.** Most discount brokers will allow an investor to automatically reinvest dividends through the firm; while a few brokers charge for this service, it is not at the standard rates (in which the minimum may apply). The average charge when levied is \$1 or 3% of the amount for each dividend pay-

ment that is reinvested. We indicate if the firm offers this arrangement for all dividend-paying stocks and if a fee is charged.

- **Direct Clearing of Trades.** Some brokerage firms, particularly smaller ones, use other brokers to clear their trades. Some investors feel that firms able to clear their own trades may offer somewhat better execution of trades.
- **Touch-Tone Phone System.** Many firms offer an electronic option of receiving information and placing trades through the customer's telephone. A touch-tone phone allows the customer to conduct business with the firm by pressing keys on the phone pad in response to a preprogrammed set of choices. Common services provided by touch-tone phone are obtaining current price quotes on stocks, obtaining customer account information such as account balance, and placing trades. In most cases, commissions on trades placed using a touch-tone telephone system are discounted (*Com. Disc.*), usually

10% or 20% below the regular broker-assisted commission rate charged.

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#### INTERNET SERVICES

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An additional feature of brokers with a presence on the Internet is the availability of research reports on companies. The range of information offered is wide—from current quotes and news headlines to in-depth financial statistics. Some Web sites charge for this information, and others provide it free to customers. *Free Web Research* and *Free Real-Time Quotes* are indicated in the listings where available.

Internet addresses are listed, but trading through the Internet is only available with the 62 firms that show on-line sample commissions.

More information on on-line brokers, including types of orders that can be placed and portfolio activity details that can be accessed through the Internet, will be published in the January/February 2003 issue of AAIL's *Computerized Investing* publication. ♦

# AAIL.com

**American Association of Individual Investors**

**Check the on-line version of this article in the *AAIL Journal* area or under Special Reports for these and other broker-related links.**

**Access the brokers in this article using the direct links included with the table**

#### Participate in the Member Broker Questionnaire

- Log your opinion on brokers you've used
- Check the tally of other members' votes
- See the Top 10 brokers list

#### Post Messages on the Broker Issues Message Board

#### Read related AAIL Journal articles:

- "One-Stop Mutual Fund Shopping: A Guide to the Discount Brokers"
- "How Safe Is Your Money? What to Ask Your Financial Institutions"
- "Due Diligence Research: How to Check Out Your Broker"



THE AMERICAN ASSOCIATION OF INDIVIDUAL INVESTORS' GUIDE TO DISCOUNT BROKERAGE FIRMS

Telephone	*Brokerage Firm		Broker-Assisted Commissions						On-Line Commissions						Fees						Other Securities Handled			Services				Internet Services			Internet Address http://			
			100 Shares at \$50/Share		500 Shares at \$50/Share		2,000 Shares at \$2.50/Share		500 Shares at \$50/Share		Flat Rate (Max. No. of Shares)	Com. Discount Acct. Size	Freq. Trades	Min. to Open (\$)	Cash Balance	Transfer Account (\$)	Shares in Name (\$)	Inactive Account (\$)	Low Balance (When Levied) (\$)	Research	No-Load Mutual Funds	Bonds	Options	Self-Directed IRA		Div. Reinvest Plans	Clears Trades Directly	Touch-Tone Phone						
			Total: \$5,000 as % of (\$)	Trade	Total: \$25,000 as % of (\$)	Trade	Total: \$5,000 as % of (\$)	Trade	Min. (\$)	Total: \$25,000 as % of (\$)														Trade	Can			Set-up (\$)	Main. (\$)	Place Trades		Com. Disc.		
888/229-2853	A.B. Watley Inc.	▲	17.95	0.36	17.95	0.07	17.95	0.36	17.95	9.95	0.03	5,000		✓	3,500	Sweep (\$10,000)	25	15	25/mo.		Standard	✓	(\$)	✓	✓	✓	35	✓			✓	✓	www.abwatley.com	
800/494-8939	Accutrade	▲	30.00	0.60	38.00	0.15	68.00	1.36	30.00	29.95	0.11	1,000			5,000	Interest (\$1,000)	25				Standard	✓		✓	✓	✓			✓	✓	✓	✓	www.accutrade.com	
800/297-7378	American Express Brokerage		75.00	1.50	75.00	0.30	75.00	1.50	75.00	19.95	0.07	3,000	✓			Sweep	50	15			Standard	✓		✓	✓	✓	40	✓	✓	✓	✓	✓	www.americanexpress.com/trade	
800/546-8378	American Securities Group	▲	16.99	0.34	16.99	0.07	16.99	0.34	16.99	4.99	0.01	5,000			500	Sweep	8		15/6 mos. (<\$250)		✓		✓	✓	✓	✓	40	✓	(\$)		✓		www.invest.com	
800/237-8692	Ameritrade	▲	24.99	0.50	24.99	0.10	24.99	0.50	24.99	10.99	0.04	no limit			2,000	Sweep (\$5,000)	25	40	15/6 mos.	15/6 mos. (<\$2,000)		✓	(\$)	✓	✓	✓	✓		✓	✓	✓	✓	✓	www.ameritrade.com
800/321-1640	Baker & Co.		40.00	0.80	80.00	0.32	85.00	1.70	40.00	na	na					Sweep	50				Standard	✓		✓	✓	✓	30	✓					www.bakernyse.com	
888/843-6382	✕ Banc One Securities Corp.	▲	45.00	0.90	154.00	0.62	88.00	1.76	38.00	24.95	0.09	1,000			2,000	Sweep (\$1)	50	15	25/yr.		Custom	✓	(\$)	✓	✓	✓	✓	35	✓	(\$)		✓	✓	www.oneinvest.com
800/926-1111	Banc of America Inv' Serv		54.00	1.08	154.50	0.62	88.50	1.77	45.00	24.95	0.09	1,000			5,000	Sweep	75	50	50/6 mos. (<\$50,000*)		Standard	✓		✓	✓	✓	✓	40	✓		✓	✓	✓	www.bankofamerica.com/investments
800/243-9355	Bidwell & Company	▲	28.00	0.56	60.00	0.24	90.00	1.80	20.00	12.00	0.04	1,500				Sweep	20	50/yr.	50/yr. (<\$10,000*)		Standard	✓		✓	✓	✓		✓	✓	✓	✓	✓	www.bidwell.com	
866/228-7233	BrokerageAmerica†	▲	19.95	0.40	19.95	0.08	19.95	0.40	19.95	5.00	0.02	1,000				Sweep	25	25			Standard	✓	(\$)	✓	✓	✓	✓	25	40	✓		✓	✓	www.brokerageamerica.com
800/822-2021	Brown & Co. Securities Corp.	▲	17.00	0.34	17.00	0.07	17.00	0.34	17.00	5.00	0.02	5,000		✓	15,000	Interest (\$1,000)	50	50			Custom	✓	(\$)	✓	✓	✓			✓		✓	✓	www.browmco.com	
800/646-8212	✕ BUY and HOLD Securities Corp.	▲	na	na	na	na	na	na	na	6.99*	0.02	no limit		✓		Sweep	50	30	7/mo.							✓	25	✓	✓		✓		www.buyandhold.com	
800/366-1500	Century Discount Investments		29.00	0.58	29.00	0.12	60.00	1.20	29.00	29.00	0.11	na				Interest	50				Standard			✓	✓	✓	✓	30					✓	www.centurydiscount.com
800/435-4000	Charles Schwab		55.00	1.10	155.00	0.62	130.00	2.60	54.95	29.95	0.11	1,000	✓	✓	5,000	Sweep (\$100)	60	50	45/qtr. (<\$25,000)	Both (\$)	✓		✓	✓	✓	✓	✓	40	✓	✓	✓	✓	✓	www.schwab.com
800/292-6637	Consolidated Finan'l Invest		35.00	0.70	45.00	0.18	89.50	1.79	35.00	na	na		✓	✓		Sweep (\$1,000)	50	25			Standard	✓	(\$)	✓	✓	✓	✓	40	40	✓		✓		www.cfi.org
800/536-8770	Cutter & Co. Brokerage		60.00	1.20	125.00	0.50	120.00	2.40	35.00		na	na	✓	✓		Sweep (\$100)			Standard		✓		✓	✓	✓	✓	30	✓			✓		www.cutterco.com	
888/762-9237	CyberTrader	▲	12.95	0.26	12.95	0.05	12.95	0.26	12.95	9.95	0.03	no limit			5,000	Sweep		25/mo.	Custom						✓	✓	35				✓	✓	www.cybertrader.com	
800/991-5408	Daat Securities		35.00	0.70	35.00	0.14	35.00	0.70	35.00	9.95	0.03	no limit	✓	✓	250	Sweep	15	15			Standard (\$)	✓	(\$)	✓	✓	✓	✓	25	45				✓	www.daattrading.com
800/780-3543	Downstate Discount		40.00	0.80	55.00	0.22	95.00	1.90	40.00	19.95	0.07	5,000				Sweep	60	25	50/yr.		Standard	✓		✓	✓	✓			✓		✓	✓	www.trade4less.com	
800/786-2575	E*Trade Securities	▲	49.95	1.00	49.95	0.20	49.95	1.00	49.95	14.95	0.05	5,000		✓	1,000	Sweep (\$100)	50	30	25/3 mos.	25/3 mos. (<\$5,000*)		✓		✓	✓	✓	✓	25	✓	✓	✓	✓	✓	www.etrade.com
800/343-3548	Fidelity Brokerage Services	▲	55.00	1.10	111.00	0.44	250.00	5.00	55.00	29.95	0.11	1,000	✓	✓	2,500	Sweep	15		50/yr. (<\$30,000*)			✓		✓	✓	✓	✓		✓	✓	✓	✓	✓	www.fidelity.com
800/338-3965	First Bank & Trust Stk Opt Serv		50.00	1.00	140.00	0.56	79.50	1.59	50.00	na	na		✓	✓	2,000	Sweep (\$1,000)	50	50			Standard	✓	(\$)	✓	✓	✓	✓		✓					www.firstbanks.com
888/642-2811	First Discount Brokerage		35.00	0.70	55.00	0.22	negotiable	na	35.00	19.75	0.07	5,000			5,000	Sweep	60	25	50/yr.		Both	✓	(\$)	✓	✓	✓	✓			✓	✓	✓		www.1db.com
480/951-0079	First Financial Equity Corp.		40.00	0.80	40.00	0.16	40.00	0.80	40.00	26.95	0.10	no limit				Interest	25		50/yr.		Standard	✓	(\$)	✓	✓	✓	✓		✓				✓	www.ffec.com
888/988-6168	Firstrade Securities	▲	29.95	0.60	29.95	0.12	29.95	0.60	29.95	6.95	0.02	no limit				Sweep	50	25	35/yr.			✓		✓	✓	✓	✓		✓	✓	✓	✓	✓	www.firstrade.com
800/381-1481	Freedom Investments	▲	25.00	0.50	25.00	0.10	25.00	0.50	25.00	15.00	0.06	no limit			2,000	Sweep	50	50	25/13 mos.					✓	✓	✓	✓	35				✓	✓	www.freedominvestments.com

\*monthly fee

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\*All firms offer SIPC coverage. Brokers with an ✕ before their name do not insure accounts above the SIPC minimum of \$500,000.

▲=Primarily on-line firm

† Formerly One Financial Network

Commissions

**Broker-Assisted Commissions:** Commission rate and its percentage of the total trade for three sample market order trades. Also shows the overriding minimum commission for broker-assisted market order trades.

**On-Line Commissions:** Commission and its percentage of the total trade for one sample market order trade placed via the Internet. Also noted is whether this commission represents a flat rate offered by the broker for on-line market order trades of any exchange-listed stock

and the maximum number of shares that can be traded at the flat rate.

**Com. Discount:** Offers a reduced commission rate for premium accounts. Brokers offering a discount for large accounts are noted under **Acct. Size**. Brokers offering a discount based on trading activity are noted under **Freq. Trades**.

Cash Balance

**Min. to Open:** Minimum dollar amount needed to open a new account with broker.

**Interest:** Pays interest on customer's cash balance. Amounts in parentheses, if any, indicate minimum amount at which interest is paid. If a discount firm offers a sweep account, we do not include information on cash balance interest.

**Sweep:** Automatically invests cash balances in an interest-bearing money market fund until those funds are reinvested.

Fees

**Transfer Account:** Fee to transfer account to or from another broker.

**Shares in Name:** Fee to register stock certificate in owner's name.

**Inactive Account:** Fee levied if account remains inactive for specified period of time, rounded to whole dollar amount.

**Low Balance (When Levied):** Fee levied if account balance falls below specified amount for specified period of time, rounded to whole dollar amount. Diamond ♦ denotes that fee is waived for active accounts.

Research

**Standard:** Research is supplied to the firm by outside sources.

**Custom:** Research is supplied by the firm's own analysts.

Other Securities Handled

Firm offers securities as checked. For trading no-load mutual funds, note that some firms charge for this, others do not.

Services

**Self-Directed IRA:** Self-directed individual retirement accounts can be set up. If the firm charges a fee for initial set up or annual maintenance, the amount is noted.

**Dividend Reinvest Plans:** Stock dividends can be automatically reinvested through the brokerage firm.

**Clears Trades Directly:** Firm is able to clear trades without going to an outside clearinghouse. **Touch-Tone Phone:** Offers electronic trading via customer's telephone. If broker offers discounted commission rate for trades placed through a touch-tone phone, this is noted under **Com. Disc.**

Internet Services

**Free Web Research:** Customer can access standard research reports at the firm's Internet site at no extra charge.

**Free Real-Time Quotes:** Customer can access real-time quotes on stock trades at the firm's Internet site at no extra charge.

**Internet Address:** Web address is given where available for all brokers. A few sites are informational only.





THE AMERICAN ASSOCIATION OF INDIVIDUAL INVESTORS' GUIDE TO DISCOUNT BROKERAGE FIRMS

Telephone	*Brokerage Firm		Broker-Assisted Commissions						On-Line Commissions						Min. to Open	Cash Balance	Fees				Other			Services						Internet Services			Internet Address http://																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																												
			100 Shares at \$50/Share		500 Shares at \$50/Share		2,000 Shares at \$2.50/Share		500 Shares at \$50/Share		Flat Rate (Max. No. of Shares)	Com. Discount	Acct. Size	Freq. Trades			Transfer Account (\$)	Shares in Name (\$)	Inactive Account (\$)	Low Balance (When Levied) (\$)	Securities Handled			Self-Directed IRA			Div. Reinvest Plans	Clears Trades Directly	Touch-Tone Phone		Free Research	Web		Real-Time Quotes																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																											
			Total: \$5,000 as % of (\$)	Trade	Total: \$25,000 as % of (\$)	Trade	Total: \$5,000 as % of (\$)	Trade	Total: \$25,000 as % of (\$)	Trade											No-Load Mutual Funds	Bonds	Options	Can Open	Set-up (\$)	Main. (\$)			Place Trades	Com. Disc.																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																															

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†† Formerly CSFBdirect and Harris InvestorLine

Commissions

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stock and the maximum number of shares that can be traded at the flat rate.

**Com. Discount:** Offers a reduced commission rate for premium accounts. Brokers offering a discount for large accounts are noted under **Acct. Size**. Brokers offering a discount based on trading activity are noted under **Freq. Trades**.

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Research

**Standard:** Research is supplied to the firm by outside sources.

**Custom:** Research is supplied by the firm's own analysts.

Other Securities Handled

Firm offers securities as checked. For trading no-load mutual funds, note that some firms charge for this, others do not.

Services

**Self-Directed IRA:** Self-directed individual retirement accounts can be set up. If the firm charges a fee for initial set up or annual maintenance, the amount is noted.

**Dividend Reinvest Plans:** Stock dividends can be automatically reinvested through the brokerage firm.

**Clears Trades Directly:** Firm is able to clear trades without going to an outside clearinghouse. **Touch-Tone Phone:** Offers electronic trading via customer's telephone. If broker offers discounted commission rate for trades placed through a touch-tone phone, this is noted under **Com. Disc.**

Internet Services

**Free Web Research:** Customer can access standard research reports at the firm's Internet site at no extra charge.

**Free Real-Time Quotes:** Customer can access real-time quotes on stock trades at the firm's Internet site at no extra charge.

**Internet Address:** Web address is given where available for all brokers. A few sites are informational only.



THE AMERICAN ASSOCIATION OF INDIVIDUAL INVESTORS' GUIDE TO DISCOUNT BROKERAGE FIRMS

Telephone	*Brokerage Firm	Broker-Assisted Commissions						On-Line Commissions						Fees				Research	Other Securities Handled			Services					Internet Services			Internet Address http://			
		100 Shares at \$50/Share		500 Shares at \$50/Share		2,000 Shares at \$2.50/Share		500 Shares at \$50/Share		Flat Rate (Max. No. of Shares)	Com. Discount		Min. to Open	Cash Balance	Transfer Account (\$)	Shares in Name (\$)	Inactive Account (\$)		Low Balance (When Levied) (\$)	Securities Handled			Self-Directed IRA		Div. Reinvest Plans	Clears Trades Directly	Touch-Tone Phone		Free Research		Web Quotes		
		Total: \$5,000 as % of (\$)	Trade	Total: \$25,000 as % of (\$)	Trade	Total: \$5,000 as % of (\$)	Trade	Total: \$25,000 as % of (\$)	Trade		Acct. Size	Freq. Trades								Can Open	Set-up (\$)	Main. (\$)	Place Trades	Com. Disc.									
800/619-7283	Scottrade Financial Services ▲	17.00	0.34	17.00	0.07	17.00	0.34	17.00	7.00	0.02	no limit			500	Interest		25				✓	✓	✓	✓		✓	✓	✓	✓	✓	www.scottrade.com		
800/732-7678	Seaport Securities Corp.	34.00	0.68	50.00	0.20	120.00	2.40	34.00	19.95	0.07	1,000				Sweep	60	25	50/yr.		Standard	✓	(\$)	✓	✓	✓		✓	✓	✓	✓	www.seaportsecurities.com		
800/327-3156	Securities Research	45.00	0.90	120.00	0.48	100.00	2.00	35.00	35.00	0.14	2,000	✓	✓		Sweep	50	35	50/yr.		Standard	✓	(\$)	✓	✓	✓		✓			✓	www.securitiesresearch.com		
800/222-5520	Sherry Bruce State Disc	35.00	0.70	45.00	0.18	100.00	2.00	35.00	14.00	0.05	5,000	✓	✓		Sweep	60	25	50/yr.		Standard	✓		✓	✓	✓		✓	✓	✓	✓	www.statediscountbrokers.com		
888/756-2628	Sloan Securities Corp. ▲	39.95	0.80	39.95	0.16	60.00	1.20	39.95	19.95	0.07	1,000			2,000	Sweep	75	40	50/yr.			✓	(\$)	✓		✓		✓			✓	www.sloansecurities.com		
800/782-1522	Sterling Investment	45.00	0.90	124.50	0.50	80.00	1.60	40.00	na	na		✓	✓		Sweep	50	20	12/yr.		Standard	✓	(\$)	✓	✓	✓	30	✓						
800/726-7401	St. Louis Discount	39.00	0.78	66.00	0.26	92.00	1.84	39.00	na	na					Interest	50	25	50/yr.		Standard	✓	(\$)		✓	✓		✓	✓			www.stdtdiscount.com		
800/225-6196	StockCross	29.00	0.58	29.00	0.12	29.00	0.58	29.00	20.30	0.08	2,000		✓		Interest (\$3,000)		20	50/yr.			✓	(\$)	✓	✓	✓	30	✓	✓		✓	www.stockcross.com		
800/368-1550	Strong Investments	55.00	1.10	79.00	0.32	139.00	2.78	49.00	24.95	0.09	1,000	✓		2,500	Sweep	60	25		13/qtr. (<\$10,000)	Standard	✓		✓	✓	✓	✓	10	✓		✓	✓	www.strong.com	
800/934-4448	TD Waterhouse ▲	45.00	0.90	45.00	0.18	45.00	0.90	45.00	17.95	0.07	2,500	✓	✓	1,000	Sweep	50	25	20/qtr.		Standard	✓		✓	✓	✓	✓		✓	✓	✓	✓	www.tdwaterhouse.com	
800/925-8566	Trading Direct ▲	29.95	0.60	29.95	0.12	29.95	0.60	29.95	9.95	0.03	no limit				Interest (\$1)	60	30	60/yr.		Standard	✓	(\$)	✓	✓	✓		✓	(\$)			✓	www.tradingdirect.com	
800/638-5660	T. Rowe Price Brokerage	50.00	1.00	150.00	0.60	120.00	2.40	40.00	19.95	0.07	1,000			2,500	Sweep	35	15	25/yr.			✓		✓	✓	✓	25	✓		✓	✓	www.troweprice.com		
800/862-7862	Unified Financial Securities	54.00	1.08	154.00	0.62	88.00	1.76	38.00	na	na					Sweep	25	30	35			✓	(\$)	✓	✓	✓	✓	25	✓					
800/531-8144	USAA Brokerage Services ▲	50.00	1.00	141.00	0.56	80.00	1.60	40.00	24.00	0.09	1,000		✓	2,000	Sweep	35	30	10/qtr.		Standard	✓		✓	✓	✓	✓		✓	✓	✓	✓	www.usaa.com	
800/992-8327	Vanguard Brokerage Services	48.00	0.96	60.00	0.24	105.00	2.10	45.03	20.00	0.08	1,000	✓		3,000	Sweep					Standard (\$)	✓		✓	✓	✓	✓		✓		✓	✓	www.vanguard.com	
800/922-9008	Wachovia Securities Direct	45.00	0.90	140.00	0.56	135.00	2.70	40.00	25.00	0.10	1,000				Sweep	50	20	50/yr.		Both	✓		✓	✓	✓	✓	35	✓	✓		✓	www.wachovia.com	
800/925-5781	Wall Street Access ▲	45.00	0.90	45.00	0.18	45.00	0.90	45.00	19.95	0.07	5,000		✓	10,000	Sweep (\$2,000)					Standard	✓		✓	✓	✓	✓		✓		✓	✓	www.wallstreetaccess.com	
800/221-7990	Wall Street Discount	29.95	0.60	29.95	0.12	29.95	0.60	29.95	19.95	0.07	2,500		✓		Interest	25		50/yr.		Standard	✓		✓	✓	✓	✓	25	40	✓	(\$)		✓	www.wallstreetdiscount.com
800/872-3377 ✕	Wells Fargo Investments, LLC ▲	55.00	1.10	55.00	0.22	89.00	1.78	34.95	24.95	0.09	1,000			1,000	Sweep	50	25	15/qtr.		Both	✓		✓	✓	✓	✓	30	✓	✓	✓	✓	www.wellsfargo.com	
800/673-6476	WR Hambrecht & Co. ▲	24.95	0.50	24.95	0.10	24.95	0.50	24.95	19.95	0.07	3,000	✓	✓	2,000	Sweep	25	25			Custom	✓		✓	✓	✓	✓	24	✓			✓	www.wrhambrecht.com	
800/221-3154	York Securities	40.00	0.80	40.00	0.16	40.00	0.80	40.00	36.00	0.14	na	✓	✓		Sweep	60	25	50/yr.		Standard	✓		✓	✓	✓	✓		✓	(\$)			✓	www.yorktrade.com
866/365-7409	Young, Stovall & Co.	50.00	1.00	136.00	0.54	negotiable	na	35.00	na	na		✓	✓		Sweep (\$100)			35/yr.		Both	✓	(\$)	✓	✓	✓	✓	35	✓			✓	www.youngstovall.com	
800/800-3215	Your Discount Broker	35.00	0.70	55.00	0.22	70.00	1.40	35.00	29.95	0.11	5,000	✓	✓		Sweep (\$1,000)		25	25/yr.		Standard	✓		✓	✓	✓	✓	35	✓		✓	✓	www.ydb.com	
Average		36.20	0.72	62.64	0.25	64.59	1.29	33.48	20.09	0.08																							
Highest		75.00	1.50	195.00	0.78	250.00	5.00	75.00	156.00	0.62																							
Lowest		9.00	0.18	9.00	0.04	9.00	0.18	9.00	2.50	0.01																							

\*All firms offer SIPC coverage. Brokers with an ✕ before their name do not insure accounts above the SIPC minimum of \$500,000.

▲=Primarily on-line firm

Commissions

**Broker-Assisted Commissions:** Commission rate and its percentage of the total trade for three sample market order trades. Also shows the overriding minimum commission for broker-assisted market order trades.

**On-Line Commissions:** Commission and its percentage of the total trade for one sample market order trade placed via the Internet. Also noted is whether this commission represents a flat rate offered by the broker for on-line market order trades of any exchange-listed

stock and the maximum number of shares that can be traded at the flat rate.

**Com. Discount:** Offers a reduced commission rate for premium accounts. Brokers offering a discount for large accounts are noted under **Acct. Size**. Brokers offering a discount based on trading activity are noted under **Freq. Trades**.

Cash Balance

**Min. to Open:** Minimum dollar amount needed to open a new account with broker.

**Interest:** Pays interest on customer's cash balance. Amounts in parentheses, if any, indicate minimum amount at which interest is paid. If a discount firm offers a sweep account, we do not include information on cash balance interest.

**Sweep:** Automatically invests cash balances in an interest-bearing money market fund until those funds are reinvested.

Fees

**Transfer Account:** Fee to transfer account to or from another broker.

**Shares in Name:** Fee to register stock certificate in owner's name.

**Inactive Account:** Fee levied if account remains inactive for specified period of time, rounded to whole dollar amount.

**Low Balance (When Levied):** Fee levied if account balance falls below specified amount for specified period of time, rounded to whole dollar amount. Diamond ✧ denotes that fee is waived for active accounts.

Research

**Standard:** Research is supplied to the firm by outside sources.

**Custom:** Research is supplied by the firm's own analysts.

Other Securities Handled

Firm offers securities as checked. For trading no-load mutual funds, note that some firms charge for this, others do not.

Services

**Self-Directed IRA:** Self-directed individual retirement accounts can be set up. If the firm charges a fee for initial set up or annual maintenance, the amount is noted.

**Dividend Reinvest Plans:** Stock dividends can be automatically reinvested through the brokerage firm.

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