Before you invest...
- Establish investment goals.
- Know what you are buying.
- Understand the risks.

Did you know...
There are 160 brokerage firms that offer online trading services?
Electronic trades made through online brokerage accounts represent about 25 percent of all retail stock trades?
Source: U.S. Securities and Exchange Commission

Resources for online investors

Investing Online Resource Center
www.investingonline.org

North American Securities Administrators Association, Inc.
www.nasaa.org

U.S. Securities & Exchange Commission
Online Investor Education
www.sec.gov/investor.shtml

National Association of Securities Dealers Regulation, Inc.
www.nasdr.com

For more information

Secretary of State
Illinois Securities Department

421 E. Capitol Ave., 2nd Floor
Springfield, IL 62701
217-782-2256

69 W. Washington St.
Ste. 1220
Chicago, IL 60602
312-793-3384

800-628-7937 (toll-free)
888-231-1175 (Spanish line)

Tips for Online Investors
Electronic trading — or online investing — is growing in popularity. As more investors explore the Internet for personal financial management and investing, it is important to remember that it is just a tool. A working knowledge of basic personal finance, good decision-making skills and an understanding of the potential risks are essential to investing, especially when entering cyberspace.

**Tips for online investors**

1. **Receive full disclosure** about the alternatives for buying and selling securities and obtaining account information if you cannot access the firm’s website.

2. **Understand** that most likely you are not linked directly to the market through your home computer, and that the click of your mouse does not instantly execute trades or cancel orders.

3. **Receive information** from the firm to **substantiate any advertised claims** concerning the ease and speed of online trading.

4. **Receive information** from the firm about significant **website outages**.

5. Obtain information about **entering and canceling orders** (market, limit and stop loss) and the details and risks of margin accounts (borrowing to buy stocks).

6. **Determine** if the stock quotes and account updates you receive are **real-time or delayed**.

7. **Review** the firm’s **privacy and security policies**. Determine if your name will be used for mailing lists or other promotional activities by the firm or any other party.

8. **Receive clear information** about sales commissions, transaction fees and conditions that apply to any advertised discount on commissions.

9. **Know how to contact a customer service representative if problems occur**. Request prompt attention and fair consideration. Be sure to keep good records to substantiate any problems that may occur.

10. **Contact the Secretary of State’s Securities Department** to verify the registration status and disciplinary history (if any) of the online brokerage firm or to file a complaint, if appropriate.