Beginners Corner Information

Lesson 6

Executing A Put-Selling Trade

Selling Cash-Secured Puts

Course Review: Lessons 1-5

- Learned the basics of options and selling puts
- Selected the best option-selling candidates using fundamental and technical analysis and common sense principles
- Used calculations to determine portfolio returns and make-up

Types of Orders

- Market order: An order to buy or sell a stock or option at the current best available price
- Limit order: An order to buy or sell a stock or option at a specific price or better
- Always use limit orders when selling options

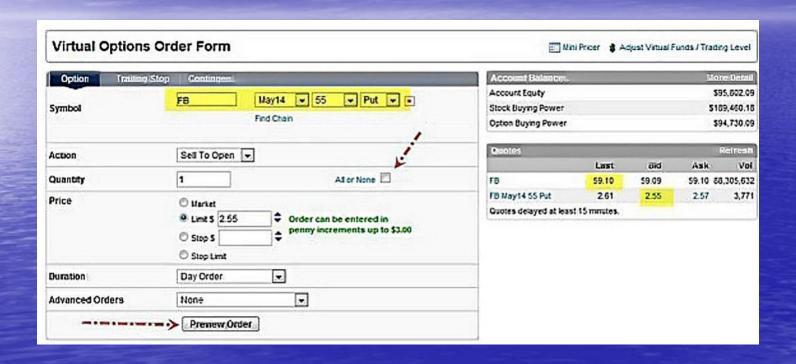
Options Approval Form

• FINRA Rule 2090 - also known as "know your customer" or KYC rule - requires brokerage firms to use reasonable diligence when opening accounts for retail investors to help us avoid taking inappropriate risks.

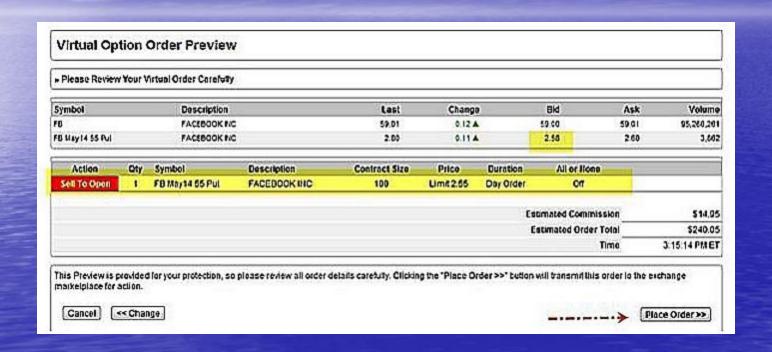
Levels Of Trading Approval



Fill Out Order Form



Preview Order



Verify Order

Virtual Option Trade Placed

Thank You. Your order has been received and submitted.

Order #42418476

Please record this order number for your records. The order number is a unique number that should be referenced when communicating with us.

Order Time

4/15/2014 3:17:04 PM ET

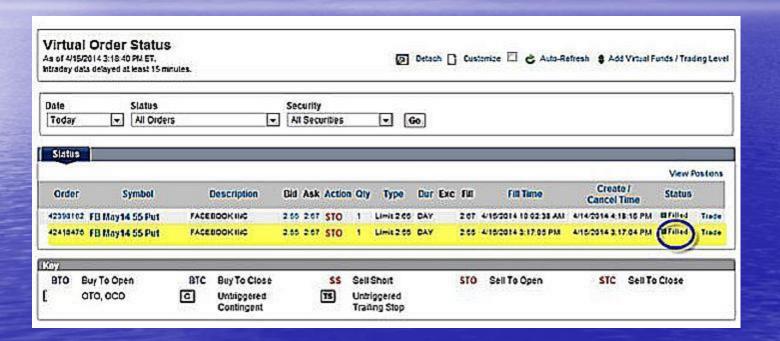
Place Another Trade

Check Order Status

What Next?

- View Your Positions
- Check Your Balances

Order Status



<u>Summary</u>

- We must fill out a broker options approval form
- Approval based on the level of trading approval assigned to strategy and client experience and finances
- Use limit orders when buying or selling calls or puts
- Trade execution is a 4-step process
- ***Paper-trade before "going live"
- In Lesson 7 we will address exit strategies or position management