

# Fill Out the Brokerage Application

## Section one

When selecting an account, you need to identify why you are opening it. In this case, you will be opening a UTMA account, most students are likely minors. It will require an adult to sign on as a co-owner of the account.

## Section two

As the account owner, you will need to input some personal information into the application. This information will be used to open the account, and for all tax information at the end of the year. Remind students that the government will want taxes from any passive income earned.

## Section three

Custodian information will be provided here. A custodian is the adult on the account. Your parent/adult will need to fill this out to open the account.

## Section four

In this section, you will have to disclose any affiliation with other brokers. You likely won't have to fill this out as only people who have parents who work for a broker dealer or own 10% or more of a public company must put anything in this section.

## Section five

We all have a plan for where we want to be when investing. This is where you check your investment goals based on where you are right now. When you are young you may be willing to take on more risks. Fill this section out, and have the co-owner, your parent, fill out the next section stating their goals for the account.

## Session Six

**Margin accounts** allow you to do a lot more with your investment account but have many requirements and come with added risks. It is essentially borrowing money to invest. Your account will not have any margin privileges, so don't check this box.



### Section Seven

You can fund your account through several different ways. The most common two ways are either a transfer from a bank account or sending a check into the account. Think about how you and your parents would fund the account.

### Section Eight

A **cash sweep** is basically a “savings account. It is generally FDIC insured and allows you to earn a small amount of interest on the money you have sitting there until you decide to use that cash to invest in a stock/bond. Consider all the options they might offer and what best fits your situation.

### Section Nine

Much of the world is online nowadays. Unless your parents would like to receive a paper statement of your account, you should opt for electronic statements to avoid any possible additional fees.

### Section Ten

As a new investor, you will likely call customer service a few times to discuss things about your account or ask questions. It is advised that you set up a verbal password that will verify that you are who you say you are when you call in.

### Section Eleven

This is an entirely optional section and will not likely be applicable to your account.

### Session Twelve

Since your parents are on the account, this is not a necessary section. However, they may want to put another trusted adult on the account just in case. This is an optional section, so you can leave it blank.



### Session Thirteen

This is the legal agreement of the account. Read through this carefully with your parents, and don't be afraid to stop and ask them questions throughout. Once fully read, sign it if you agree with the agreement.

- Options Account: For the account you are opening, you will not need options for many years. Check the box here if it asks for you to DECLINE options privileges.

### Session Fourteen

This section does not need to be filled out as you will not have options privileges on the account. The rest of the document does not need to be filled out as it has to do with options.

## Notes

