Title: DRS or not to DRS - Do your own DD (Version 4) *Brokers vs Transfer Agents*
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Do your own Due Diligence with this easy to understand comparison cheat-sheet of (Brokers vs. Transfer Agents) detailing the core differences between company types.

Key Differences	BROKER DEALERS + TRADING PLATFORMS	TRANSFER AGENT (DRS)
Your Name & Allotment of Shares in Book Entry Form on The Companies Official Shareholder Register.	✘	✔
Recognized as The Direct Legal Owner of The Shares	✘	✔
Dividends (Only receivable if you you are the registered owner on the shareholder register)	✘	✔
Cash in Lieu of Dividends *(Dividends paid as cash equivalent)*	✔	✘
Possible Buy Button Restrictions *(During Jan 2021 Robinhood and a slew of other brokers prevented investors from buying while still allowing traders to close their trades which resulted in 100% selling pressure that caused the share price of $483 intraday to plummet to under $40 in a number of days)*	✔	✘
Mobile/Web Trading Management Apps	✔	✔
CFD (Contract for a difference) *(Allow investors to trade the direction of securities over the very short-term without owning the underlying asset)*	✔	✘
Votes Registered with Company or Proxy Handler (FYI naked votes are not counted and will not be accepted by the company or proxy handler)	✘	✔
Cheaper Capital Gains Tax Rates on Dividends *(Shares on loan can lead to a tax problem when the dividends you receive are technically taken away from you. The short sellers will reimburse your broker and then gets passed on to retail investors as something known as a payment in lieu of dividends. Your dividends won't meet the qualified dividend requirements for tax purposes, increasing your taxes on loaned shares.*	✘	✔
Receive Shareholder Communications Directly from Company that you have Invested in	✘	✔
Custody Risks *(At the custodian level the two key risks are the risk of the custodian becoming insolvent and the risk of loss through custodian error or poor performance)*	Yes	No
Capital at Risk of Loss *(As a result of Broker or Transfer Agent bankruptcy)*	Yes	No
SIPC Insurance (Securities Investor Protection Corporation) (Securities Cover $500k, Cash cover $250k) **Side Note:** *Securities that have been lent out are not covered by the $500k SIPC securities cover, but the cash collateral received for securities is "typically" protected by the SIPC for up to $250k.*	Included	**N/A** *(Due to underlying ownership of shares)*
Does Company Have to Own/Hold The Underlying Asset You Purchase?	No	Yes
Additional Differences		
Dividends or Cash in Lieu of Dividends Re-investment Plans (DRIPs)	✔	✔
Ease of Execution *(is it easy to execute a trade)*	✔	✔
Same Day Order Execution *(is the process of accepting and completing a buy or sell order in the market on behalf of a client)*	✔	✔
Assess to The DTCC's Liquidity Pool When you buy and sell securities	✔	✔
Suitable For Day Trading and Short Term Investments	✔	✘
Suitable For Long Term Investments	✘	✔
Company type that "may" participate in the following practices directly related to market manipulation;		
Naked Shorting *(is the illegal practice of short selling shares that have not been affirmatively determined to exist)*	Yes	No
Payment For Order Flow *(PFOF) (the compensation and benefit a brokerage firm receives for directing orders to different parties for trade execution)*	Yes	No
Compulsory Share Lending *(involves the owner of shares transferring temporarily ownership to a borrower)*	Yes	No
Counterfeiting IOU's (from the perspective of the short seller, they have effectively sold an IOU ("I owe you") note denominated in shares of a specific stock. This is true for both "naked" shorts and "covered" shorts. ... The difference between the two is that in a naked short, the person who paid cash is also the one holding the IOU.	Yes	No
Off Exchange Trading (Dark Pools - Dark pools came about primarily to facilitate block trading by institutional investors who did not wish to impact the markets with their large orders. From Jan 2021 odd-lot trades "under 100 shares lots" are also included)	Yes	No
Internalization *(is a transaction conducted within a corporation rather than in the open market. These trades do not contribute to price discovery)*	Yes	No
Latency Arbitrage *(is one of the ways high-frequency traders profit to the detriment of slower trading investors. It involves arbitraging prices gleaned with a low latency - in fractions of a second - from certain exchanges. Better prices are snatched up by high frequency traders before regular investors.*	Yes	No

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