

TradePal Brokerage & Trading Guide

Trading Fees & Commissions

Stock Trades: \$0 commission per trade

Options Contracts: \$0.65 per contract

No account maintenance fees

Day Trading Rules

Pattern Day Trader (PDT) Rule:

- Minimum equity requirement: \$25,000
- Definition: 4 or more day trades within 5 business days
- Day trade: Opening and closing a position on the same day
- If flagged as PDT with less than \$25k: Account restricted to closing positions only for 90 days
- Day trading buying power: Up to 4x your maintenance margin excess

Margin Requirements

Initial Margin: 50% of stock purchase value

Maintenance Margin: 25% of stock value (must maintain this level)

Margin Call: Occurs when equity falls below maintenance margin requirement

Margin Interest: Typically 8-12% APR, charged on borrowed funds

Minimum for Margin Account: \$2,000

Settlement Periods

Stock Trades: T+2 settlement (trade date + 2 business days)

Options: T+1 settlement

Funds from stock sales available: 2 business days after trade

Options Trading Levels

Level 1: Covered calls, cash-secured puts

Level 2: Long calls/puts, spreads (requires approval)

Level 3: Naked options writing (requires approval and experience)

Level 4: Complex multi-leg strategies (requires approval)

Account Types

Cash Account: No margin borrowing, T+2 settlement applies, no pattern day trader restrictions

Margin Account: Allows borrowing, requires \$2,000 minimum, subject to PDT rule

IRA Account: Cash only, no margin, no day trading restrictions

Important Trading Rules

Good Faith Violation (GFV): Buying and selling before funds settle - 3 violations result in 90-day restriction

Free Riding Violation: Buying securities without sufficient funds - immediate 90-day restriction

Wash Sale Rule: Selling at a loss and repurchasing within 30 days - loss disallowed for tax purposes

Short Selling: Requires margin account, must locate shares to borrow, subject to uptick rule