Order Execution & Tipping Disclosure

Order Execution

Public takes a different approach to routing and executing orders from many other retail and online brokerages. We route orders directly to exchanges and other similar venues, and do not route orders directly to wholesalers (also called internalizers, market makers, or proprietary trading firms). We do not accept payment for order flow.

We have made this decision because we believe that the cost of the conflicts of interest in the wholesaler-routed and PFOF-driven execution model far outweigh any benefits.

Because this approach is different, it is important to be transparent about how this model works and the differences from the wholesaler-routed model:

● Orders routed in this fashion will be filled at the best available prices on the exchanges that we route to, and the decision of where to route orders is entirely based on finding the best timely execution for a specific order

● Based on our analysis:
  ○ Public’s exchange route leads to faster order execution vs. wholesaler execution, which means the prices are less likely to change between order submission and order execution, and more “accurate” on the whole
  ○ Some venues on this route are able to offer execution prices inside of the National Best Bid and Offer (NBBO) which is often called “price improvement”. Wholesalers
also provide price improvement as a feature of their execution routes.
  ○ Historically, wholesalers were able to provide price improvement on a greater percentage of orders, however the exchange routes provide more improvement per share for those orders where prices are able to be improved
  ○ After considering all execution factors, we believe that overall execution quality with the exchange routes is comparable to the wholesale routes.
  ● Public’s trading costs are significantly higher for the exchange route vs. the wholesaler route. These costs are entirely borne by Public.

Public has an obligation to seek and deliver the best execution possible. Our Execution Quality Committee continually monitors execution quality works directly with market participants to continue to improve the executions our members receive.
Tipping

- Adding a tip to an order on Public is fully optional and is a charge to the Member’s account separate from the execution of orders.
- The customer’s decision to tip or not to tip does not impact the order routing, execution, or any other aspect of the order.
- Tips are submitted as a dollar amount associated with a given order and are deducted from buying power until the order is executed or canceled/rejected.
- In the event of an executed order, the tip will remain deducted from buying power and will be held in the member’s account as “pending tips”. Pending tips will be visible in the member's account detail and will be deducted from the member’s account on a regular basis, at which point they will be removed from the account detail and will appear in the account's transaction history.
- In the event of a canceled or rejected order, the tip will be credited back to the buying power of the account.
- If there’s sufficient buying power to execute the transaction but not to fulfill the tip amount, we will still execute the transaction, but will take the tip only to the amount of available buying power.
- Once a tip is submitted, it cannot be changed.
- Tips are capped at 5% of the projected transaction amount.
- The tip amount increments are set by the app and tips cannot be made in amounts that don’t conform to the pre-set increments.
- Tips do not constitute a commission for trading.
- Tips are a charge received by Open to the Public Investing Inc and constitute revenue to the firm. They are not received by nor constitute a gift to any person, principal, proprietor, employee, agent or representative of another person.
- Tips will appear on your account statement after they have been deducted from your account, under the description "Tip".
- Tips are not associated with a transaction execution and will not appear on trade confirms.
- All tipping terms and conditions are subject to change without notice.