

FINRA Rule 5350 (Stop Orders) which applies to orders in NMS stocks and OTC Equity Securities defines a “stop order” as an order to buy (or sell) that becomes a market order to buy (or sell) when a transaction occurs at or above (below) the stop price. A “stop limit order” is an order to buy (or sell) that becomes a limit order to buy (or sell) at the limit price when a transaction occurs at or above (below) the stop price. As a result, the default trigger setting for stop and stop limit orders placed on equity securities on the TradeStation trading platform is Single Trade Tick (STT), whereby one trade tick must print within your stop price to trigger your stop. Therefore, by placing a stop or stop limit order on the TradeStation trading platform with the default trigger setting unchanged, you are placing a “stop order” or “stop limit order” per the FINRA definition.

The TradeStation trading platform does provide the ability to choose alternative order trigger methods. By changing the trigger type from Single Trade Tick (STT) to an alternative trigger method, you are no longer placing a “stop order” or “stop limit order” per the FINRA definition, but rather will be placing a stop + modifier order or a stop limit + modifier order where the modifier is the alternative trigger type. The trigger type used for your order is recorded and displayed in the platform for your convenience (for example, in the Advanced Options column of the Trade Manager – Orders screen). The following provides a description of each available trigger type:

Trigger Type	Description
Single Trade Tick (STT)	One trade tick must print within your stop price to trigger your stop.
Single Trade Tick within NBBO (STTN)	One trade tick within the National Best Bid or Offer must print within your stop price to trigger your stop.
Single Bid/Ask Tick (SBA)	Buy/Cover Orders: One Ask tick must print within your stop price to trigger your stop.
Single Ask/Bid Tick (SAB)	Buy/Cover Orders: One Bid tick must print within your stop price to trigger your stop.
Double Trade Tick (DTT)	Two consecutive trade ticks must print within your stop price to trigger your stop.
Double Trade Tick within NBBO (DTTN)	Two consecutive trade ticks within the National Best Bid or Offer must print within your stop price to trigger your stop.
Double Bid/Ask Tick (DBA)	Buy/Cover Orders: Two consecutive Ask ticks must print within your stop price to trigger your stop.
Double Ask/Bid Tick (DAB)	Buy/Cover Orders: Two consecutive Bid ticks must print within your stop price to trigger your stop.
Twice Trade Tick (TTT)	Two trade ticks must print within your stop price to trigger your stop.
Twice Trade Tick (TTTN)	Two trade ticks within the National Best Bid or Offer must print within your stop price to trigger your stop.
Twice Bid/Ask Tick (TBA)	Buy/Cover Orders: Two Ask ticks must print within your stop price to trigger your stop.
Twice Ask/Bid Tick (TAB)	Buy/Cover Orders: Two Bid ticks must print within your stop price to trigger your stop.