Many stocks and bonds are not traded on a securities exchange but, in what is known as the over-the-counter market (“OTC”). When you buy or sell a security in this market, the Firm or your broker-dealer may act as an agent or as a principal. The confirmation you receive from the Firm will designate whether the Firm, or your broker-dealer acted as principal or agent. When the Firm, or your broker-dealer acts as a principal, that firm is selling securities to you which it either owns or expects to buy shortly, or is buying securities from you for its own account. In these cases, only the net costs or proceeds are shown on your confirmation. When the Firm, or your broker-dealer, acts in an agency capacity for you in purchasing or selling securities in the OTC market, such firm is dealing on your behalf with another broker-dealer. In this instance, a commission will be reflected on your confirmation.