

Picking a Market Mentor

By John A. Sarkett

Before signing on the dotted line or hitting the credit card, study the field and ask lots of questions when looking for an options mentor.

The subject of mentoring is so vast and compelling, I give it full treatment in my book [*Market Mentors*](#).



Since we last reported on market mentors *in SFO in 2008*, there have been significant changes in this cottage industry. The most dramatic change is TD Ameritrade's acquisition of thinkorswim. Founder Tom Sosnoff moved on.

Some say he's done it again with *tastytrade.com*. This is something new with equal parts education, mentoring and entertainment. Tastytrade.com is Internet TV. Six or eight hours a day are

devoted to market commentary. It mixes Howard Stern (with girl and guy foils), Jim Cramer (booyah?), guest luminaries from the industry that are and are not household names and wizened pit trader (which Sosnoff was, in the OEX, for years before turning to building the top retail options platform).

Recently, it upgraded its charge from a mere \$7.50 per month to \$90, still a tiny fraction of the \$3,000 to \$25,000

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TD Ameritrade

Thinkorswim soldiers on. According to Ted Bloomberg, managing director, investor education & retail strategy, in the last four years TD Ameritrade has:

- provided more than 310,000 individual mentoring sessions to clients (300 sessions daily)
- served 35,000 clients, either in an individual mentoring relationship or through group learning sessions online

He said in mid-2009, TD Ameritrade purchased Investools (50 mentors, 500,000 graduates) and spent over a year updating curriculum. The new curriculum launched January 2011.

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The Option Trader's Hedge Fund: A Business Framework for Trading Equity and Index Options
by Mark Sebastian



Option Profits: The Naked Truth Profit Using Little Known Conservative Non-Directional Strategies Used by Option Pro
by Mike Parnos



Option Wizards and Market Mentors
by John A. Sarkett



Simple Steps to Option Trading Success
by Jim Graham and Steve Lentz



Options as a Strategic Investment
by Larry McMillan

per year other mentors charge (or used to). It's free with a TD Ameritrade account. However, it's not systematic training, nor does it purport to be. It is Faulknerian stream-of-consciousness, from the "not always right, but never

in doubt" school. It's chaotic, like markets themselves.

When he debuted thinkorswim more than 10 years ago, many thought his software looked like the cockpit of a 747, so many indicators, charts, graphs,

MIDSIZE MENTORS, NONBROKERS

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Condor Options

TradingConceptsInc.com

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Online Trading Academy

Michael Young's Online Trading Academy options career dates nearly from the beginning of the industry. CBOE started in 1973, and Young was there two years later as a runner. He thought it would be just a summer job.

"It turned into a 25-year career, trading as a market maker for my own account from 1980 to 2000," he said. "Around 14 of those years were spent in the OEX, the S&P 100 Index, and the last six years were in an equity pit, where we were responsible for making markets in the options of around 25 different equities."

When tighter markets made "edge" (bid-ask spread) grow thinner and thinner, Young became a screen trader. He started with classes at Online Trading Academy, and now he is a teacher there.

In the last four years, he has taught about 1,200 traders. It's all about trust, he said. OTA offers worldwide office facilities. After paying a one-time fee (\$6,900), students can retake the course for free, for life. An online mentoring program follows the classroom sessions.

tools, bells and whistles. However, the industry grew into it. Now it's the standard to which others are compared. Will that be the case with tastytrade?

Stay tuned. We mean it literally: Stay tuned. By 2020, we'll all know. And by then, Tom Sosnoff will be on to the new thing. Of that we're certain.

Before signing on the dotted line or hitting the credit card to hire your

mentor, study the field and ask lots of questions.

John A. Sarkett developed Option Wizard® software and writes on financial topics. He also published *Option Wizards®: Real life success stories from the financial markets*.



SOFTWARE PLUS BROKERAGE PLUS MENTORING

OptionVue

Sheridan Mentoring

Option Pit

Mike Parnos

Kerry Lovvorn

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Stan Freifeld

FREE MENTORING

CBOE

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OptionVue

Steve Lentz, OptionVue, reports its famous software is now a trading platform that interfaces seamlessly with accounts at Track Data Securities and PFGBEST. The mentoring program has transformed, too.

"DiscoverOptions offers a true, private, one-one-one mentoring experience between a student and staff of options trading mentors. No other people sit in on your sessions," he said.

- Level One - covered calls, naked puts and collars
- Level Two - directional spread trading using verticals and horizontals and how to apply trend and counter-trend approaches
- Level Three - condor, butterfly and calendar spread, advanced concepts of volatility, choosing the best options markets to avoid and apply these approaches and very robust adjustment and money management techniques

Hundreds of students have gone through the DiscoverOptions program in the past four years. The firm presently lists four mentors on its website.