



## **PAYMENT FOR ORDER FLOW AND ORDER ROUTING DISCLOSURES**

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Pursuant to Rule 607, the U.S. Securities and Exchange Commission (“SEC”) requires that all broker-dealers disclose their policies regarding the receipt of payment for order flow; the nature of order routing policies for orders subject to payment for order flow, and the degree to which these orders can receive price improvement. The SEC defines payment for order flow broadly to include monetary payments, reciprocal agreement services, credits and rebates provided by market centers, or any other benefit that results in compensation to a broker-dealer.

Precision Securities LLC (“Precision Securities”) routes orders to market centers, including national securities exchanges, alternative trading systems, electronic communications networks, and broker-dealers that offer credits for certain types of orders while assessing fees for other types of orders. These market centers may execute orders principally or on a net basis where the market center receives compensation that is embedded in the price of the execution. In some cases, the credits offered by a market center exceed the charges assessed, such that a market center makes a payment to Precision Securities in relation to orders directed to the market center. Such remuneration, if any, is considered compensation to us. In other instances, Precision Securities may receive payments for directing order flow to a particular broker-dealer or market center, including volume discounts and/or other direct compensation based on factors inclusive of the profitability of the order flow.

Precision Securities also routes customer orders to its broker-dealer affiliate Clear Street LLC which receives compensation for executing Precision orders. Clear Street executes orders on an agency, risk principal and/or principal capacity, including on a net basis. When Clear Street executes orders on a net basis, Clear Street receives embedded compensation on the trade which is equal to the difference between the price at which it accumulated shares as principal and the price at which the order routed by Precision Securities is executed. In all instances, the net price will be either at or better than the prevailing national best bid or offer (“NBBO”). Clear Street may receive rebates or other payment for order flow when it routes orders that it receives from Precision Securities to national securities exchanges, alternative trading systems, wholesale market makers and other broker-dealers. These market centers may also execute orders as principal or on a net basis. The compensation that Clear Street receives is in addition to the commission that clients pay to Precision on the execution.

Precision Securities routes orders to different market centers in a manner consistent with our obligation to seek best execution for customer orders. Under these arrangements, orders are routed to an exchange or market maker that matches or improves the then-current national best bid or offer for the particular stock.

If you have any questions concerning order flow payments or best execution, please contact us or review the SEC’s website at <http://www.sec.gov/answers/bestexec.htm>.

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