SEC Rule 605 and 606 Order Routing

To make both the execution quality of the securities markets and order routing performance of brokerage firms available to the public, the Securities and Exchange Commission (SEC) adopted Rule 605 and Rule 606.

**Rule 605 --** Market centers that trade national market system securities and options must publicly disclose uniform statistical measures of order execution quality on a monthly basis. The measures should include, but are not limited to, how market orders of various sizes are executed relative to the public quotes and information about spreads paid by investors.

**Rule 606 --** Broker/dealers must make quarterly reports available to the public, disclosing their order routing practices for orders that are not directed to specific exchanges and trading venues.

Sanders Morris LLC (‘SM”) is not a market center and is not subject to Rule 605 reporting. However, because SM routes orders to executing and clearing firms who further route the orders to the trading venues, it is adopting the executing and clearing firm’s Rule 606 Order Routing Disclosure, since it fairly represents the routing statistics customers can expect with a standard order. Rule 606 requires Introducing Broker Dealers like SM that route nondirected order in equity and options securities to make the following information available to the general public, via the internet, on a quarterly basis:

* The identity of the market centers receiving a significant portion (as defined by the rule) of nondirected orders from SM and the respective percentage represented by each;
* The nature of SM relationship with the market centers receiving your nondirected orders;
* The material aspects of any internalization or payment for order flow arrangements;
* To furnish clients upon request the venues to which individual orders were sent for execution for the previous six months; and
* To provide an annual written notification to clients that this information is available upon request.

The designated market makers to whom orders are automatically routed are selected based on the consistent high quality of their executions in one or more market segments and their history of seeking price improvements. Pershing LLC regularly reviews reports for quality of execution purposes.

To review our order routing information please click the link below. The Broker – Dealer Full Name should be “Sanders Morris LLC”.

[https://www.orderroutingdisclosure.com/](http://www.orderroutingdisclosure.com/)