

Under Rule 606(a)(1)(iv), the SEC requires broker-dealers to disclose any material aspects of order flow routing relations with “Specified Venues” (e.g. market makers, securities exchanges, ECNs, etc.) that may influence the routing of equity and options orders by broker-dealers. The SEC advises that such aspects may create conflicts of interest that may compromise the interests of public customers and result in financial harm to the customers.

First Allied Securities, Inc. (FA) reports material aspects of its relationships with Specified Venues which includes but is not limited to the following:

1. The routing of FA’s order flow is managed exclusively by Pershing. Although CA is ultimately responsible for Best Execution and supervision of its execution quality, the routing decision is made by Pershing.
2. FA does not receive or solicit any payment for order flow from any venue.
3. FA does not receive any sort of consideration from any venue.
4. FA does not receive any services or technologies subsidized by venues.
5. FA does not receive any payment for order flow passed through by Pershing.
6. FA does not received subsidies, reduced fees, volume discounts, or any other consideration from Pershing as a result of consideration Pershing may receive from venues resulting from routing FA’s order flow.