

**Note: Broker-dealers are required to disclose any material arrangements with the venues listed in each section below, including, but not limited to, any internalization or payment for order flow arrangements.**

**K3M**  
**SMITH HAYES**  
**FINANCIAL SERVICES CORPORATION**  
**1225 L STREET**  
**200 CENTRE TERRACE**  
**LINCOLN, NE 68508**

**SEC Rule 606 Quarterly Report for the Quarter Ending June 30, 2010**

**Securities Listed on New York Stock Exchange**

**Summary Statistics :**

Non-directed orders as percentage of total customer orders	100.00%
Market orders as percentage of total non-directed orders	91.63%
Limit orders as percentage of total non-directed orders	5.96%
Other orders as percentage of total non-directed orders	2.41%

**Venues Receiving Significant Percentage of Total Non-Directed Orders :**

1. Knight Capital Markets, L.L.C.	31.92%
2. National Financial Services, L.L.C.	24.17%
3. UBS Securities, L.L.C.	19.22%
4. Citadel Derivatives Group LLC	12.77%
5. Citigroup Global Markets, Inc.	8.96%
6. Goldman, Sachs & Co.	1.11%
7. Surge Trading, Inc.	0.72%
8. Direct Edge ECN L.L.C.	0.39%
9. AlterNet Securities Inc.	0.29%
10. BATS Exchange, Inc.	0.10%

**Information Concerning Significant Venues :**

1. Knight Capital Markets, L.L.C.

Types of Orders Routed to Venue :

Market orders as percentage of total market orders	30.57%
Limit orders as percentage of total limit orders	41.53%
Other orders as percentage of total other orders	59.46%

2. National Financial Services, L.L.C.

Types of Orders Routed to Venue :

Market orders as percentage of total market orders	25.31%
Limit orders as percentage of total limit orders	16.39%
Other orders as percentage of total other orders	0.00%

3. UBS Securities, L.L.C.

Types of Orders Routed to Venue :

Market orders as percentage of total market orders	20.01%
Limit orders as percentage of total limit orders	10.38%
Other orders as percentage of total other orders	10.81%

4. Citadel Derivatives Group LLC

Types of Orders Routed to Venue :

Market orders as percentage of total market orders	12.83%
Limit orders as percentage of total limit orders	16.39%
Other orders as percentage of total other orders	1.35%

5. Citigroup Global Markets, Inc.

Types of Orders Routed to Venue :

Market orders as percentage of total market orders	8.64%
Limit orders as percentage of total limit orders	6.01%
Other orders as percentage of total other orders	28.38%

6. Goldman, Sachs & Co.

Types of Orders Routed to Venue :

Market orders as percentage of total market orders	1.21%
Limit orders as percentage of total limit orders	0.00%
Other orders as percentage of total other orders	0.00%

7. Surge Trading, Inc.

Types of Orders Routed to Venue :

Market orders as percentage of total market orders	0.78%
Limit orders as percentage of total limit orders	0.00%
Other orders as percentage of total other orders	0.00%

8. Direct Edge ECN L.L.C.

Types of Orders Routed to Venue :

Market orders as percentage of total market orders	0.00%
Limit orders as percentage of total limit orders	6.56%
Other orders as percentage of total other orders	0.00%

9. AlterNet Securities Inc.

Types of Orders Routed to Venue :

Market orders as percentage of total market orders	0.32%
Limit orders as percentage of total limit orders	0.00%
Other orders as percentage of total other orders	0.00%

10. BATS Exchange, Inc.

Types of Orders Routed to Venue :

Market orders as percentage of total market orders	0.00%
Limit orders as percentage of total limit orders	1.64%
Other orders as percentage of total other orders	0.00%

## Securities Listed on The Nasdaq Stock Market

### Summary Statistics :

Non-directed orders as percentage of total customer orders	100.00%
Market orders as percentage of total non-directed orders	87.70%
Limit orders as percentage of total non-directed orders	10.33%
Other orders as percentage of total non-directed orders	1.97%

### Venues Receiving Significant Percentage of Total Non-Directed Orders :

1. National Financial Services, L.L.C.	29.04%
2. Citadel Derivatives Group LLC	22.24%
3. Knight Equity Markets, L.P.	22.05%
4. UBS Securities, L.L.C.	13.58%
5. Citigroup Global Markets, Inc.	10.73%
6. Direct Edge ECN L.L.C.	1.08%
7. BATS Exchange, Inc.	0.59%
8. Goldman, Sachs & Co.	0.49%
9. AlterNet Securities Inc.	0.10%
10. NYSE Arca	0.10%

### Information Concerning Significant Venues :

#### 1. National Financial Services, L.L.C.

##### Types of Orders Routed to Venue :

Market orders as percentage of total market orders	28.73%
Limit orders as percentage of total limit orders	37.14%
Other orders as percentage of total other orders	0.00%

#### 2. Citadel Derivatives Group LLC

##### Types of Orders Routed to Venue :

Market orders as percentage of total market orders	23.57%
Limit orders as percentage of total limit orders	14.29%
Other orders as percentage of total other orders	5.00%

#### 3. Knight Equity Markets, L.P.

##### Types of Orders Routed to Venue :

Market orders as percentage of total market orders	21.66%
Limit orders as percentage of total limit orders	15.24%
Other orders as percentage of total other orders	75.00%

#### 4. UBS Securities, L.L.C.

##### Types of Orders Routed to Venue :

Market orders as percentage of total market orders	13.47%
Limit orders as percentage of total limit orders	14.29%
Other orders as percentage of total other orders	15.00%

#### 5. Citigroup Global Markets, Inc.

##### Types of Orders Routed to Venue :

Market orders as percentage of total market orders	11.90%
Limit orders as percentage of total limit orders	1.90%
Other orders as percentage of total other orders	5.00%

6. Direct Edge ECN L.L.C.

Types of Orders Routed to Venue :

Market orders as percentage of total market orders	0.00%
Limit orders as percentage of total limit orders	10.48%
Other orders as percentage of total other orders	0.00%

7. BATS Exchange, Inc.

Types of Orders Routed to Venue :

Market orders as percentage of total market orders	0.00%
Limit orders as percentage of total limit orders	5.71%
Other orders as percentage of total other orders	0.00%

8. Goldman, Sachs & Co.

Types of Orders Routed to Venue :

Market orders as percentage of total market orders	0.56%
Limit orders as percentage of total limit orders	0.00%
Other orders as percentage of total other orders	0.00%

9. AlterNet Securities Inc.

Types of Orders Routed to Venue :

Market orders as percentage of total market orders	0.11%
Limit orders as percentage of total limit orders	0.00%
Other orders as percentage of total other orders	0.00%

10. NYSE Arca

Types of Orders Routed to Venue :

Market orders as percentage of total market orders	0.00%
Limit orders as percentage of total limit orders	0.95%
Other orders as percentage of total other orders	0.00%

## Securities Listed on NYSE Amex or Regional Exchanges

### Summary Statistics :

Non-directed orders as percentage of total customer orders	100.00%
Market orders as percentage of total non-directed orders	85.42%
Limit orders as percentage of total non-directed orders	12.76%
Other orders as percentage of total non-directed orders	1.82%

### Venues Receiving Significant Percentage of Total Non-Directed Orders :

1. National Financial Services, L.L.C.	27.33%
2. Knight Capital Markets, L.L.C.	25.51%
3. Citadel Derivatives Group LLC	25.06%
4. UBS Securities, L.L.C.	12.98%
5. Direct Edge ECN L.L.C.	2.51%
6. Other	2.05%
7. BATS Exchange, Inc.	1.82%
8. Citigroup Global Markets, Inc.	1.59%
9. NYSE Arca	0.68%
10. Goldman, Sachs & Co.	0.23%

### Information Concerning Significant Venues :

#### 1. National Financial Services, L.L.C.

##### Types of Orders Routed to Venue :

Market orders as percentage of total market orders	28.00%
Limit orders as percentage of total limit orders	26.79%
Other orders as percentage of total other orders	0.00%

#### 2. Knight Capital Markets, L.L.C.

##### Types of Orders Routed to Venue :

Market orders as percentage of total market orders	27.20%
Limit orders as percentage of total limit orders	7.14%
Other orders as percentage of total other orders	75.00%

#### 3. Citadel Derivatives Group LLC

##### Types of Orders Routed to Venue :

Market orders as percentage of total market orders	28.00%
Limit orders as percentage of total limit orders	8.93%
Other orders as percentage of total other orders	0.00%

#### 4. UBS Securities, L.L.C.

##### Types of Orders Routed to Venue :

Market orders as percentage of total market orders	12.27%
Limit orders as percentage of total limit orders	16.07%
Other orders as percentage of total other orders	25.00%

#### 5. Direct Edge ECN L.L.C.

##### Types of Orders Routed to Venue :

Market orders as percentage of total market orders	0.00%
Limit orders as percentage of total limit orders	19.64%
Other orders as percentage of total other orders	0.00%

6. Other

Types of Orders Routed to Venue :

Market orders as percentage of total market orders	2.40%
Limit orders as percentage of total limit orders	0.00%
Other orders as percentage of total other orders	0.00%

7. BATS Exchange, Inc.

Types of Orders Routed to Venue :

Market orders as percentage of total market orders	0.00%
Limit orders as percentage of total limit orders	14.29%
Other orders as percentage of total other orders	0.00%

8. Citigroup Global Markets, Inc.

Types of Orders Routed to Venue :

Market orders as percentage of total market orders	1.60%
Limit orders as percentage of total limit orders	1.79%
Other orders as percentage of total other orders	0.00%

9. NYSE Arca

Types of Orders Routed to Venue :

Market orders as percentage of total market orders	0.00%
Limit orders as percentage of total limit orders	5.36%
Other orders as percentage of total other orders	0.00%

10. Goldman, Sachs & Co.

Types of Orders Routed to Venue :

Market orders as percentage of total market orders	0.27%
Limit orders as percentage of total limit orders	0.00%
Other orders as percentage of total other orders	0.00%

## Exchange - Listed Options

### Summary Statistics :

Non-directed orders as percentage of total customer orders	100.00%
Market orders as percentage of total non-directed orders	34.15%
Limit orders as percentage of total non-directed orders	65.85%
Other orders as percentage of total non-directed orders	0.00%

### Venues Receiving Significant Percentage of Total Non-Directed Orders :

1. The Chicago Board Options Stock Exchange	39.02%
2. The International Securities Exchange	19.51%
3. NYSE Arca Options	14.63%
4. NASDAQ OMX PHLX	12.20%
5. NYSE Amex Options	9.76%
6. The Boston Option Exchange	4.88%

### Information Concerning Significant Venues :

#### 1. The Chicago Board Options Stock Exchange

##### Types of Orders Routed to Venue :

Market orders as percentage of total market orders	50.00%
Limit orders as percentage of total limit orders	33.33%
Other orders as percentage of total other orders	0.00%

#### 2. The International Securities Exchange

##### Types of Orders Routed to Venue :

Market orders as percentage of total market orders	21.43%
Limit orders as percentage of total limit orders	18.52%
Other orders as percentage of total other orders	0.00%

#### 3. NYSE Arca Options

##### Types of Orders Routed to Venue :

Market orders as percentage of total market orders	7.14%
Limit orders as percentage of total limit orders	18.52%
Other orders as percentage of total other orders	0.00%

#### 4. NASDAQ OMX PHLX

##### Types of Orders Routed to Venue :

Market orders as percentage of total market orders	7.14%
Limit orders as percentage of total limit orders	14.81%
Other orders as percentage of total other orders	0.00%

#### 5. NYSE Amex Options

##### Types of Orders Routed to Venue :

Market orders as percentage of total market orders	7.14%
Limit orders as percentage of total limit orders	11.11%
Other orders as percentage of total other orders	0.00%

6. The Boston Option Exchange

Types of Orders Routed to Venue :

Market orders as percentage of total market orders	7.14%
Limit orders as percentage of total limit orders	3.70%
Other orders as percentage of total other orders	0.00%