



**SEC Rule 606 Disclosure of Order Routing Information  
(Formerly known as Rule 11Ac1-6)**

**3rd Quarter of 2019**

SEC Rule 606 of Regulation NMS, requires all broker-dealers, including Carnes Capital Corporation (“Carnes”), to provide statistical information on a quarterly basis regarding order routing practices pertaining to customer orders in NYSE, NASDAQ, and NYSE Amex securities as well as (when applicable) listed options. Carnes has made every attempt to prepare these statistics in compliance with the SEC’s rules. However, these statistics have not been audited and may contain errors. This report includes orders that meet the definition of a “customer order” as defined in Rule 600 of Regulation NMS. Carnes cleared through J.P. Morgan Clearing Corp. on a fully disclosed basis through June 5<sup>th</sup> 2015 and now clears through National Financial Services LLC.

Carnes takes into consideration many factors when determining where to route customer orders. These include, but are not limited to, opportunities for price improvement, speed of execution, liquidity, order confidentiality, market depth, and order size. Carnes actively monitors the primary execution venues utilized and routes orders to venues that have provided consistent, high-quality executions over time.

Carnes can receive reductions in its execution charges from Virtu Americas LLC (formerly Knight Direct) in the form of rebates for routing customer orders that add liquidity to certain market centers. Currently, the maximum rebate offered by any market center available to Carnes is \$0.003 per share. Nearly all of Carnes’ orders that are routed to Virtu are routed for execution using a smart order router or algorithmic trading tool. Consequently, Carnes is typically not aware of the market center where customer orders have been executed until the trades are completed. In no instance does Carnes preference a particular market center for the purpose of capturing rebates. In fact, Carnes’ execution charges on a monthly basis have always exceeded the rebates or credits it has received. Carnes may also receive research and/or market intelligence information from broker-dealers who receive order flow from Carnes. Carnes has no control over the routing of orders entered directly into systems provided by its clearing firm NFS.

The data below corresponds to the period July 1<sup>st</sup>, 2019, through September 30<sup>th</sup>, 2019.

<b>Network A Securities - NYSE</b>				
Non-Directed Orders as Percentage of Total Customer Orders			100%	
	Market	Limit	Other	
	10.7%	89.3%	0.0%	
<b>Routing Information Pertaining to Significant Venues</b>				
% of Orders Routed to Significant Venues	Total Non-Directed Orders	Non-Directed Market Orders	Non-Directed Limit Orders	Non-Directed Other Orders
Virtu Americas, LLC	97.1%	52.1%	95.3%	0.0%
National Financial Services	2.9%	47.9%	4.7%	0.0%

<b>NASDAQ Securities</b>				
Non-Directed Orders as Percentage of Total Customer Orders				100%
Percentage of Non-Directed Customer Orders That Were:		Market	Limit	Other
		6.1%	93.9%	0.0%
<b>Routing Information Pertaining to Significant Venues</b>				
% of Orders Routed to Significant Venues	Total Non-Directed Orders	Non-Directed Market Orders	Non-Directed Limit Orders	Non-Directed Other Orders
Virtu Americas, LLC	99.0%	91.8%	99.4%	0.0%
National Financial Services	1.0%	8.2%	0.6%	0.0%

<b>Regional Exchanges</b>				
Non-Directed Orders as Percentage of Total Customer Orders				100%
Percentage of Non-Directed Customer Orders That Were:		Market	Limit	Other
		75.0%	25.0%	0.0%
<b>Routing Information Pertaining to Significant Venues</b>				
% of Orders Routed to Significant Venues	Total Non-Directed Orders	Non-Directed Market Orders	Non-Directed Limit Orders	Non-Directed Other Orders
Virtu Americas, LLC	23.5%	98.5%	66.6%	0.0%
National Financial Services	76.5%	1.5%	33.3%	0.0%

<b>Options</b>				
Non-Directed Orders as Percentage of Total Customer Orders				100%
Percentage of Non-Directed Customer Orders That Were:		Market	Limit	Other
		0.0%	100.0%	0.0%
<b>Routing Information Pertaining to Significant Venues</b>				
% of Orders Routed to Significant Venues	Total Non-Directed Orders	Non-Directed Market Orders	Non-Directed Limit Orders	Non-Directed Other Orders
National Financial Services	100.0%	0.0%	100.0%	0.0%

If you have any questions regarding Carnes' order routing practices, please call Jano Janoyan, Carnes' CEO. He can be reached at (239) 254-2534.