

# Options

## **SEC Rule 11Ac1-6 Disclosure of Order Routing Practice**

Harbour Investments Inc., directs its options order flow to its clearing broker, Pershing Division of Donaldson, Lufkin, & Jenrette Securities Corporation (Pershing), for routing and execution. Harbour Investments Inc., does not receive compensation for directing options order to Pershing. However, Pershing receives compensation pursuant to the following practices.

Pershing receives compensation for directing listed options order flow to certain option exchanges. Pershing also routes certain AMEX equity order flow to an affiliated specialist. Compensation is generally in the form of a per contract cash payment. The option exchanges pay the compensation on behalf of the specialists to whom the orders are routed except for the Philadelphia Stock Exchange (PHLX). Payment is received directly from individual specialist firms on the PHLX.

Pershing regularly reviews reports for quality of execution purposes.