

**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 March 31, 2008**

**Securities Listed on NYSE Euronext**

**Summary Statistics :**

|  |         |
|--|---------|
| Non-directed orders as percentage of total customer orders | 100.00% |
| Market orders as percentage of total non-directed orders   | 85.71%  |
| Limit orders as percentage of total non-directed orders    | 12.73%  |
| Other orders as percentage of total non-directed orders    | 1.56%   |

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

|  |        |
|--|--------|
| 1. Knight Capital Markets, L.L.C.                    | 29.69% |
| 2. Automated Trading Desk Financial Services, L.L.C. | 22.92% |
| 3. Citadel Derivatives Group, L.L.C.                 | 15.43% |
| 4. Madoff (Bernard L.) Investment Securities, L.L.C. | 12.65% |
| 5. NYSE Euronext                                     | 11.51% |
| 6. UBS Securities, L.L.C.                            | 6.01%  |
| 7. National Financial Services L.L.C.                | 1.79%  |

**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 | 30.34% |
| Limit orders as percentage of total limit orders   | 17.37% |
| Other orders as percentage of total other orders   | 94.55% |

2. Automated Trading Desk Financial Services, L.L.C.

Types of Orders Routed to Venue :

|  |        |
|--|--------|
| Market orders as percentage of total market orders | 23.92% |
| Limit orders as percentage of total limit orders   | 18.71% |
| Other orders as percentage of total other orders   | 1.82%  |

3. Citadel Derivatives Group, L.L.C.

Types of Orders Routed to Venue :

|  |        |
|--|--------|
| Market orders as percentage of total market orders | 16.64% |
| Limit orders as percentage of total limit orders   | 9.13%  |
| Other orders as percentage of total other orders   | 0.00%  |

4. Madoff (Bernard L.) Investment Securities, L.L.C.

Types of Orders Routed to Venue :

|  |        |
|--|--------|
| Market orders as percentage of total market orders | 13.80% |
| Limit orders as percentage of total limit orders   | 6.24%  |
| Other orders as percentage of total other orders   | 1.82%  |

5. NYSE Euronext

Types of Orders Routed to Venue :

|  |        |
|--|--------|
| Market orders as percentage of total market orders | 7.28%  |
| Limit orders as percentage of total limit orders   | 41.20% |
| Other orders as percentage of total other orders   | 1.82%  |

6. UBS Securities, L.L.C.

Types of Orders Routed to Venue :

|  |       |
|--|-------|
| Market orders as percentage of total market orders | 6.49% |
| Limit orders as percentage of total limit orders   | 3.56% |
| Other orders as percentage of total other orders   | 0.00% |

7. National Financial Services L.L.C.

Types of Orders Routed to Venue :

|  |       |
|--|-------|
| Market orders as percentage of total market orders | 1.52% |
| Limit orders as percentage of total limit orders   | 3.79% |
| 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   | 78.69%  |
| Limit orders as percentage of total non-directed orders    | 20.28%  |
| Other orders as percentage of total non-directed orders    | 1.03%   |

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

|  |        |
|--|--------|
| 1. Citadel Derivatives Group, L.L.C.                 | 26.33% |
| 2. Knight Equity Markets, L.P.                       | 22.05% |
| 3. UBS Securities, L.L.C.                            | 21.46% |
| 4. Automated Trading Desk Financial Services, L.L.C. | 16.59% |
| 5. Madoff (Bernard L.) Investment Securities, L.L.C. | 8.26%  |
| 6. Citigroup Global Markets, Inc.                    | 2.06%  |
| 7. National Financial Services L.L.C.                | 1.92%  |
| 8. Lehman Brothers, Inc.                             | 0.88%  |
| 9. Smith Hayes Financial Services Corporation        | 0.29%  |
| 10. Bear, Stearns & Co. Inc.                         | 0.07%  |

### Information Concerning Significant Venues :

#### 1. Citadel Derivatives Group, L.L.C.

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

|  |        |
|--|--------|
| Market orders as percentage of total market orders | 27.37% |
| Limit orders as percentage of total limit orders   | 23.64% |
| Other orders as percentage of total other orders   | 0.00%  |

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

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

|  |        |
|--|--------|
| Market orders as percentage of total market orders | 19.78% |
| Limit orders as percentage of total limit orders   | 29.45% |
| Other orders as percentage of total other orders   | 50.00% |

#### 3. UBS Securities, L.L.C.

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

|  |        |
|--|--------|
| Market orders as percentage of total market orders | 19.68% |
| Limit orders as percentage of total limit orders   | 28.00% |
| Other orders as percentage of total other orders   | 28.57% |

#### 4. Automated Trading Desk Financial Services, L.L.C.

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

|  |        |
|--|--------|
| Market orders as percentage of total market orders | 18.09% |
| Limit orders as percentage of total limit orders   | 10.91% |
| Other orders as percentage of total other orders   | 14.29% |

#### 5. Madoff (Bernard L.) Investment Securities, L.L.C.

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

|  |       |
|--|-------|
| Market orders as percentage of total market orders | 9.93% |
| Limit orders as percentage of total limit orders   | 2.18% |
| Other orders as percentage of total other orders   | 0.00% |

6. Citigroup Global Markets, Inc.

Types of Orders Routed to Venue :

|  |       |
|--|-------|
| Market orders as percentage of total market orders | 1.22% |
| Limit orders as percentage of total limit orders   | 5.45% |
| Other orders as percentage of total other orders   | 0.00% |

7. National Financial Services L.L.C.

Types of Orders Routed to Venue :

|  |       |
|--|-------|
| Market orders as percentage of total market orders | 2.44% |
| Limit orders as percentage of total limit orders   | 0.00% |
| Other orders as percentage of total other orders   | 0.00% |

8. Lehman Brothers, Inc.

Types of Orders Routed to Venue :

|  |       |
|--|-------|
| Market orders as percentage of total market orders | 1.12% |
| Limit orders as percentage of total limit orders   | 0.00% |
| Other orders as percentage of total other orders   | 0.00% |

9. Smith Hayes Financial Services Corporation

Types of Orders Routed to Venue :

|  |       |
|--|-------|
| Market orders as percentage of total market orders | 0.28% |
| Limit orders as percentage of total limit orders   | 0.00% |
| Other orders as percentage of total other orders   | 7.14% |

10. Bear, Stearns & Co. Inc.

Types of Orders Routed to Venue :

|  |       |
|--|-------|
| Market orders as percentage of total market orders | 0.09% |
| Limit orders as percentage of total limit orders   | 0.00% |
| Other orders as percentage of total other orders   | 0.00% |

**Securities Listed on The American Stock Exchange 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   | 64.23%  |
| Limit orders as percentage of total non-directed orders    | 16.26%  |
| Other orders as percentage of total non-directed orders    | 19.51%  |

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

|  |        |
|--|--------|
| 1. Knight Capital Markets, L.L.C.                    | 65.85% |
| 2. Citadel Derivatives Group, L.L.C.                 | 19.11% |
| 3. Archipelago Trading Services, Inc.                | 7.72%  |
| 4. American Stock Exchange                           | 2.03%  |
| 5. Automated Trading Desk Financial Services, L.L.C. | 2.03%  |
| 6. Madoff (Bernard L.) Investment Securities, L.L.C. | 1.22%  |
| 7. UBS Securities, L.L.C.                            | 1.22%  |
| 8. National Financial Services L.L.C.                | 0.81%  |

**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   | 63.92% |
| Limit orders as percentage of total limit orders     | 37.50% |
| Other orders as percentage of total other orders     | 95.83% |
| 2. Citadel Derivatives Group, L.L.C.                 |        |
| Types of Orders Routed to Venue :                    |        |
| Market orders as percentage of total market orders   | 18.99% |
| Limit orders as percentage of total limit orders     | 42.50% |
| Other orders as percentage of total other orders     | 0.00%  |
| 3. Archipelago Trading Services, Inc.                |        |
| Types of Orders Routed to Venue :                    |        |
| Market orders as percentage of total market orders   | 11.39% |
| Limit orders as percentage of total limit orders     | 2.50%  |
| Other orders as percentage of total other orders     | 0.00%  |
| 4. American Stock Exchange                           |        |
| Types of Orders Routed to Venue :                    |        |
| Market orders as percentage of total market orders   | 0.63%  |
| Limit orders as percentage of total limit orders     | 10.00% |
| Other orders as percentage of total other orders     | 0.00%  |
| 5. Automated Trading Desk Financial Services, L.L.C. |        |
| Types of Orders Routed to Venue :                    |        |
| Market orders as percentage of total market orders   | 1.90%  |
| Limit orders as percentage of total limit orders     | 0.00%  |
| Other orders as percentage of total other orders     | 4.17%  |

6. Madoff (Bernard L.) Investment Securities, L.L.C.

Types of Orders Routed to Venue :

|  |       |
|--|-------|
| Market orders as percentage of total market orders | 1.90% |
| Limit orders as percentage of total limit orders   | 0.00% |
| Other orders as percentage of total other orders   | 0.00% |

7. UBS Securities, 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   | 7.50% |
| Other orders as percentage of total other orders   | 0.00% |

8. National Financial Services L.L.C.

Types of Orders Routed to Venue :

|  |       |
|--|-------|
| Market orders as percentage of total market orders | 1.27% |
| 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   | 59.09%  |
| Limit orders as percentage of total non-directed orders    | 40.91%  |
| Other orders as percentage of total non-directed orders    | 0.00%   |

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

|   |        |
|---|--------|
| 1. The Philadelphia Stock Exchange        | 32.95% |
| 2. The Chicago Board Options Exchange     | 25.00% |
| 3. The Boston Option Exchange             | 17.05% |
| 4. The International Securitites Exchange | 15.91% |
| 5. NYSE ARCA                              | 6.82%  |
| 6. American Stock Exchange                | 2.27%  |

### Information Concerning Significant Venues :

|  |        |
|--|--------|
| 1. The Philadelphia Stock Exchange                 |        |
| Types of Orders Routed to Venue :                  |        |
| Market orders as percentage of total market orders | 23.08% |
| Limit orders as percentage of total limit orders   | 47.22% |
| Other orders as percentage of total other orders   | 0.00%  |
| 2. The Chicago Board Options Exchange              |        |
| Types of Orders Routed to Venue :                  |        |
| Market orders as percentage of total market orders | 25.00% |
| Limit orders as percentage of total limit orders   | 25.00% |
| Other orders as percentage of total other orders   | 0.00%  |
| 3. The Boston Option Exchange                      |        |
| Types of Orders Routed to Venue :                  |        |
| Market orders as percentage of total market orders | 26.92% |
| Limit orders as percentage of total limit orders   | 2.78%  |
| Other orders as percentage of total other orders   | 0.00%  |
| 4. The International Securitites Exchange          |        |
| Types of Orders Routed to Venue :                  |        |
| Market orders as percentage of total market orders | 11.54% |
| Limit orders as percentage of total limit orders   | 22.22% |
| Other orders as percentage of total other orders   | 0.00%  |
| 5. NYSE ARCA                                       |        |
| Types of Orders Routed to Venue :                  |        |
| Market orders as percentage of total market orders | 9.62%  |
| Limit orders as percentage of total limit orders   | 2.78%  |
| Other orders as percentage of total other orders   | 0.00%  |

6. American Stock Exchange

Types of Orders Routed to Venue :

|  |       |
|--|-------|
| Market orders as percentage of total market orders | 3.85% |
| Limit orders as percentage of total limit orders   | 0.00% |
| Other orders as percentage of total other orders   | 0.00% |