

**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, 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	87.82%
Limit orders as percentage of total non-directed orders	10.50%
Other orders as percentage of total non-directed orders	1.68%

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

1. Automated Trading Desk Financial Services, L.L.C.	32.47%
2. Knight Capital Markets, L.L.C.	27.03%
3. Citadel Derivatives Group, L.L.C.	15.71%
4. Madoff (Bernard L.) Investment Securities, L.L.C.	11.37%
5. UBS Securities, L.L.C.	6.51%
6. NYSE Euronext	4.40%
7. National Financial Services L.L.C.	1.88%
8. BATS Trading, Inc.	0.46%
9. Credit Suisse Securities (USA) L.L.C.	0.06%
10. NYSE ARCA	0.06%

**Information Concerning Significant Venues :**

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

Types of Orders Routed to Venue :

Market orders as percentage of total market orders	34.14%
Limit orders as percentage of total limit orders	22.04%
Other orders as percentage of total other orders	10.34%

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

Types of Orders Routed to Venue :

Market orders as percentage of total market orders	25.93%
Limit orders as percentage of total limit orders	28.37%
Other orders as percentage of total other orders	75.86%

3. Citadel Derivatives Group, L.L.C.		
	Types of Orders Routed to Venue :	
	Market orders as percentage of total market orders	15.72%
	Limit orders as percentage of total limit orders	17.91%
	Other orders as percentage of total other orders	1.72%
4. Madoff (Bernard L.) Investment Securities, L.L.C.		
	Types of Orders Routed to Venue :	
	Market orders as percentage of total market orders	11.70%
	Limit orders as percentage of total limit orders	9.92%
	Other orders as percentage of total other orders	3.45%
5. UBS Securities, L.L.C.		
	Types of Orders Routed to Venue :	
	Market orders as percentage of total market orders	6.82%
	Limit orders as percentage of total limit orders	3.58%
	Other orders as percentage of total other orders	8.62%
6. NYSE Euronext		
	Types of Orders Routed to Venue :	
	Market orders as percentage of total market orders	2.97%
	Limit orders as percentage of total limit orders	17.08%
	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	2.11%
	Limit orders as percentage of total limit orders	0.28%
	Other orders as percentage of total other orders	0.00%
8. BATS Trading, Inc.		
	Types of Orders Routed to Venue :	
	Market orders as percentage of total market orders	0.53%
	Limit orders as percentage of total limit orders	0.00%
	Other orders as percentage of total other orders	0.00%
9. Credit Suisse Securities (USA) L.L.C.		
	Types of Orders Routed to Venue :	
	Market orders as percentage of total market orders	0.07%
	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	0.03%
	Limit orders as percentage of total limit orders	0.28%
	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	76.99%
Limit orders as percentage of total non-directed orders	21.84%
Other orders as percentage of total non-directed orders	1.16%

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

1. Knight Equity Markets, L.P.	21.68%
2. Citadel Derivatives Group, L.L.C.	21.10%
3. Automated Trading Desk Financial Services, L.L.C.	20.93%
4. UBS Securities, L.L.C.	15.20%
5. Citigroup Global Markets, Inc.	13.70%
6. Madoff (Bernard L.) Investment Securities, L.L.C.	3.99%
7. National Financial Services L.L.C.	2.82%
8. BATS Trading, Inc.	0.33%
9. Direct Edge ECN L.L.C.	0.08%
10. Credit Suisse Securities (USA) L.L.C.	0.08%

### Information Concerning Significant Venues :

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

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

Market orders as percentage of total market orders	17.80%
Limit orders as percentage of total limit orders	34.60%
Other orders as percentage of total other orders	35.71%

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

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

Market orders as percentage of total market orders	21.57%
Limit orders as percentage of total limit orders	19.77%
Other orders as percentage of total other orders	14.29%

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

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

Market orders as percentage of total market orders	24.27%
Limit orders as percentage of total limit orders	8.75%
Other orders as percentage of total other orders	28.57%

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

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

Market orders as percentage of total market orders	15.21%
Limit orders as percentage of total limit orders	14.83%
Other orders as percentage of total other orders	21.43%

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

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

Market orders as percentage of total market orders	13.16%
Limit orders as percentage of total limit orders	16.35%
Other orders as percentage of total other orders	0.00%

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

Types of Orders Routed to Venue :

Market orders as percentage of total market orders	4.64%
Limit orders as percentage of total limit orders	1.90%
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	3.13%
Limit orders as percentage of total limit orders	1.90%
Other orders as percentage of total other orders	0.00%

8. BATS Trading, 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	1.52%
Other orders as percentage of total other orders	0.00%

9. 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	0.38%
Other orders as percentage of total other orders	0.00%

10. Credit Suisse Securities (USA) L.L.C.

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%

## 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	84.94%
Limit orders as percentage of total non-directed orders	13.86%
Other orders as percentage of total non-directed orders	1.20%

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

1. Knight Capital Markets, L.L.C.	42.17%
2. Citadel Derivatives Group, L.L.C.	18.67%
3. Automated Trading Desk Financial Services, L.L.C.	15.06%
4. Madoff (Bernard L.) Investment Securities, L.L.C.	6.02%
5. Archipelago Trading Services, Inc.	4.82%
6. American Stock Exchange	4.22%
7. UBS Securities, L.L.C.	4.22%
8. Domestic Securities Inc.	3.61%
9. BATS Trading, Inc.	0.60%
10. National Financial Services L.L.C.	0.60%

### 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	40.43%
Limit orders as percentage of total limit orders	47.83%
Other orders as percentage of total other orders	100.00%

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

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

Market orders as percentage of total market orders	21.28%
Limit orders as percentage of total limit orders	4.35%
Other orders as percentage of total other orders	0.00%

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

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

Market orders as percentage of total market orders	13.48%
Limit orders as percentage of total limit orders	26.09%
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	7.09%
Limit orders as percentage of total limit orders	0.00%
Other orders as percentage of total other orders	0.00%

#### 5. Archipelago Trading Services, Inc.

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

Market orders as percentage of total market orders	5.67%
Limit orders as percentage of total limit orders	0.00%
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	4.26%
Limit orders as percentage of total limit orders	4.35%
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	2.84%
Limit orders as percentage of total limit orders	13.04%
Other orders as percentage of total other orders	0.00%

8. Domestic Securities Inc.

Types of Orders Routed to Venue :

Market orders as percentage of total market orders	4.26%
Limit orders as percentage of total limit orders	0.00%
Other orders as percentage of total other orders	0.00%

9. BATS Trading, 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	4.35%
Other orders as percentage of total other orders	0.00%

10. National Financial Services L.L.C.

Types of Orders Routed to Venue :

Market orders as percentage of total market orders	0.71%
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	40.23%
Limit orders as percentage of total non-directed orders	59.77%
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 Exchange	35.63%
2. The Philadelphia Stock Exchange	28.74%
3. The Boston Option Exchange	12.64%
4. The International Securities Exchange	10.34%
5. NYSE ARCA	10.34%
6. American Stock Exchange	2.30%

### Information Concerning Significant Venues :

#### 1. The Chicago Board Options Exchange

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

Market orders as percentage of total market orders	34.29%
Limit orders as percentage of total limit orders	36.54%
Other orders as percentage of total other orders	0.00%

#### 2. The Philadelphia Stock Exchange

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

Market orders as percentage of total market orders	22.86%
Limit orders as percentage of total limit orders	32.69%
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	22.86%
Limit orders as percentage of total limit orders	5.77%
Other orders as percentage of total other orders	0.00%

#### 4. The International Securities Exchange

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

Market orders as percentage of total market orders	11.43%
Limit orders as percentage of total limit orders	9.62%
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	2.86%
Limit orders as percentage of total limit orders	15.38%
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	5.71%
Limit orders as percentage of total limit orders	0.00%
Other orders as percentage of total other orders	0.00%