



Penson Rule 606 Disclosure :: 2Q2010

Penson Financial Services, Inc. (Penson) has prepared this report pursuant to a U.S. Securities and Exchange Commission rule requiring all brokerage firms to make available to the public quarterly reports about their order routing practices.

The report provides information on the routing of "non-directed orders" -- any order that the customer has not specifically instructed to be routed to a particular venue for execution. For these non-directed orders, Penson has selected the execution venue on behalf of its customers.

The report is divided into four sections:

1. New York Stock Exchange listed securities
2. Nasdaq Stock Market listed securities
3. American Stock Exchange and regional exchanges listed securities
4. Exchange listed options

For each section, this report identifies the venues most often selected by Penson, sets forth the percentage of various types of orders routed to the venues, and discusses the material aspects of Penson's relationship with the venues.

This report was prepared by S3, a third party market surveillance and auditing firm. Questions regarding this report should be addressed to the Penson Compliance Department at (800) 696-3585.



1. New York Stock Exchange Securities

<i>For quarter ending 6/30/2010</i>	Non-Directed Orders	Market Orders	Limit Orders	Other Orders [*]
Orders Routed to:				
Citadel Derivatives Group LLC¹	39.62%	33.86%	43.60%	1.05%
Direct Edge ECN LLC²	26.02%	0.00%	36.09%	0.00%
Knight Capital Markets L.P.³	25.07%	47.02%	13.96%	95.95%
Total PENSON Orders	100.0%	24.0%	72.1%	3.9%

^{*} Other Orders are Stop Orders and Stop Limit Orders.

New York Stock Exchange

The chart above shows the percentages of orders placed for securities trading on the New York Stock Exchange (NYSE).

¹ Penson receives payment from Citadel Derivates Group LLC (Citadel) for directing order flow to Citadel. Payment varies based upon a number of factors including but not limited to: Size of the order, NBBO spread in the security at the time of order execution, time of order placement, whether an order is marketable at the time of order entry, whether or not an order is price improved, and the underlying price of the security. Payments received from Citadel averaged less than \$0.002 per share for the period 2Q2010.

² Penson receives payment from Direct Edge ECN LLC for orders that add liquidity to EDGX and are subsequently executed. The rate for adding liquidity to EDGX was up to \$0.0029. PFSI is charged for removing liquidity from EDGX. The rate for removing liquidity from EDGX was up to \$0.0033 per share.

³ Penson receives payment from Knight Capital Markets L.P. for directing order flow to Knight Capital Markets L.P. Payment varies based upon a number of factors including but not limited to: Size of the order, NBBO spread in the security at the time of order execution, time of order placement, whether an order is marketable at the time of order entry, whether or not an order is price improved, and the underlying price of the security. Payments received from Knight Capital Markets L.P. averaged less than \$0.002 per share for the period 2Q2010.



2. NASDAQ Stock Exchange Securities

<i>For quarter ending 6/30/2010</i>	Non-Directed Orders	Market Orders	Limit Orders	Other Orders*
Orders Routed to:				
Citadel Derivatives Group LLC¹	40.92%	27.95%	46.88%	0.74%
Knight Capital Markets L.P.²	27.19%	49.65%	16.86%	96.84%
Direct Edge ECN LLC³	21.61%	0.00%	28.82%	0.00%
Automated Trading Desk⁴	3.11%	14.70%	0.13%	0.00%
Total PENSON Orders	100.0%	20.5%	75.0%	4.5%

* Other Orders are Stop Orders and Stop Limit Orders.

Nasdaq

The chart above shows the percentages of orders placed for securities trading on the Nasdaq Stock Market (Nasdaq).

¹ Penson receives payment from Citadel Derivates Group LLC (Citadel) for directing order flow to Citadel. Payment varies based upon a number of factors including but not limited to: Size of the order, NBBO spread in the security at the time of order execution, time of order placement, whether an order is marketable at the time of order entry, whether or not an order is price improved, and the underlying price of the security. Payments received from Citadel averaged less than \$0.002 per share for the period 2Q2010.

² Penson receives payment from Knight Capital Markets L.P. for directing order flow to Knight Capital Markets L.P. Payment varies based upon a number of factors including but not limited to: Size of the order, NBBO spread in the security at the time of order execution, time of order placement, whether an order is marketable at the time of order entry, whether or not an order is price improved, and the underlying price of the security. Payments received from Knight Capital Markets L.P. averaged less than \$0.002 per share for the period 2Q2010.

³ Penson receives payment from Direct Edge ECN LLC for orders that add liquidity to EDGX and are subsequently executed. The rate for adding liquidity to EDGX was up to \$0.0032. PFSI is charged for removing liquidity from EDGX. The rate for removing liquidity from EDGX was up to \$0.0028 per share.

⁴ Penson receives payment from Automated Trading Desk for directing order flow to Automated Trading Desk. Payment varies based upon a number of factors including but not limited to: Size of the order, NBBO spread in the security at the time of order execution, time of order placement, whether an order is marketable at the time of order entry, whether or not an order is price improved, and the underlying price of the security. Payments received from Automated Trading Desk averaged less than \$0.002 per share for the period 2Q2010.



3. American / Regional Stock Exchange Securities

For quarter ending 6/30/2010	Non-Directed Orders	Market Orders	Limit Orders	Other Orders*
Orders Routed to:				
Citadel Derivatives Group LLC¹	37.81%	31.20%	43.38%	0.57%
Knight Capital Markets L.P.²	26.77%	49.13%	12.82%	96.41%
Direct Edge ECN LLC³	25.06%	0.00%	36.16%	0.00%
Surge Trading Inc.⁴	3.27%	8.15%	1.55%	3.00%
Total PENSON Orders	100.0%	24.8%	69.3%	5.9%

* Other Orders are Stop Orders and Stop Limit Orders.

AMEX/Other

The chart above shows the percentages of orders placed for securities trading on the American Stock Exchange (AMEX) and regional exchanges.

¹ Penson receives payment from Citadel Derivates Group LLC (Citadel) for directing order flow to Citadel. Payment varies based upon a number of factors including but not limited to: Size of the order, NBBO spread in the security at the time of order execution, time of order placement, whether an order is marketable at the time of order entry, whether or not an order is price improved, and the underlying price of the security. Payments received from Citadel averaged less than \$0.002 per share for the period 2Q2010.

² Penson receives payment from Knight Capital Markets L.P. for directing order flow to Knight Capital Markets L.P. Payment varies based upon a number of factors including but not limited to: Size of the order, NBBO spread in the security at the time of order execution, time of order placement, whether an order is marketable at the time of order entry, whether or not an order is price improved, and the underlying price of the security. Payments received from Knight Capital Markets L.P. averaged less than \$0.002 per share for the period 2Q2010.

³ Penson receives payment from Direct Edge ECN LLC for orders that add liquidity to EDGX and are subsequently executed. The rate for adding liquidity to EDGX was up to \$0.0032. PFSI is charged for removing liquidity from EDGX. The rate for removing liquidity from EDGX was up to \$0.0028 per share.

⁴ Penson receives payment from Surge Trading Inc. for directing order flow to Surge Trading Inc. Payment varies based upon a number of factors including but not limited to: Size of the order, NBBO spread in the security at the time of order execution, time of order placement, whether an order is marketable at the time of order entry, whether or not an order is price improved, and the underlying price of the security. Payments received from Surge Trading Inc. averaged less than \$0.002 per share for the period 2Q2010.



4. Exchange Listed Options

For quarter ending 6/30/2010	Non-Directed Orders	Market Orders	Limit Orders	Other Orders*
Orders Routed to:				
Citadel Derivatives Group LLC¹	48.52%	73.60%	45.43%	85.77%
NYSE Arca Options²	35.70%	0.00%	39.72%	4.79%
Susquehanna Capital Group³	13.16%	20.21%	12.57%	7.33%
International Securities Exchange⁴	2.48%	6.06%	2.14%	1.62%
Total PENSON Orders	100.0%	6.3%	89.7%	1.5%

* Other Orders are Stop Orders and Stop Limit Orders.

Exchange Listed Options

The chart above shows the percentages of orders placed for securities trading as Exchange Listed Options.

Penson routes options orders to the CBOE, ISE, PHLX, PCX, AMEX, BOX, ARCA, CitiGroup and Citadel. It is common for these venues to make payments to brokerage firms for orders they execute at those venues; while Penson has participated in discussions with a few of these specialists, in many cases payments are made to Penson on a basis determined solely by the specialists and does not know how the payments were computed. In other cases, recipients such as Penson are advised by the specialist of the basis for payments, but those terms are set unilaterally by the specialist.

The nature of these relationships by destination are as follows:

¹ Citadel Derivatives Group LLC	\$0.00 to \$0.85 per contract
² NYSE Arca Options	PFSI receives a rebate of up to \$0.25 per contract that adds liquidity and pays up to \$0.45 for execution of contracts that take liquidity from the execution center.
³ Susquehanna Capital Group	\$0.00 to \$0.75 per contract
⁴ International Securities Exchange	\$0.00 to \$0.85 per contract