

**SEC Rule 607 Disclosure**

SEC Rule 607 requires all registered broker-dealers to provide disclosures to customers of payment for order flow practices upon the opening of a new account and annually thereafter. TradeStation sends certain equity orders to exchanges, electronic communication networks, or broker-dealers during normal business hours and during extended trading sessions. Some of those market centers provide payments to TradeStation, or charge access fees depending upon the characteristics of the order and any subsequent execution. Information on these payments can be found by viewing the TradeStation SEC Rule 606 Quarterly Routing Disclosure below. Further details of these payments and fees are available upon written request. TradeStation receives compensation from routing orders in exchange-listed options to broker-dealer intermediaries, which in turn use smart order routing technology to seek the best execution available in the market. Compensation is generally in the form of a per-option contract cash payment.

**TradeStation SEC Rule 606 Quarterly Routing Disclosure: Q4 2018**

TradeStation Securities, Inc. ("TradeStation") has prepared this report pursuant to U.S. Securities and Exchange Commission rule requiring all brokerage firms make available to the public a quarterly report about their order routing practices. The report provides information on the routing of "nondirected orders" -- any order that the customer has not specifically instructed to be routed to a particular venue for execution. For these non-directed orders, TradeStation 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. NYSE MKT or any other Regional Exchange Listed Securities
4. Exchange Listed Options

For each section, this report identifies the venues most often selected by TradeStation, sets forth the percentage of non-directed orders and the various types of orders routed to the venues. The report also discusses the material aspects of TradeStation's relationship with each venue. Questions regarding this report should be addressed to the TradeStation Compliance Department.

1. New York Stock Exchange Listed Securities

Routed Venue	Non-Directed Orders	Market Orders	Limit Orders	Other Orders
Citadel Securities, LLC	26.08%	17.16%	28.84%	18.06%
Virtu Financial, LLC	25.13%	13.02%	28.90%	13.98%
G1 Execution Services, LLC	25.42%	31.29%	23.60%	30.72%
Two Sigma Securities, LLC	16.22%	38.18%	9.37%	36.53%
Total TradeStation Orders	94.51%	18.46%	75.91%	5.63%

**Discussion of the material aspects of TradeStation's relationship with each venue identified in the report, including a description of any arrangement regarding payment for order flow:**

Citadel Securities, LLC - Payments received averaged less than \$0.0020 per share

Virtu Financial, LLC - Payments received averaged less than \$0.0020 per share

G1 Execution Services, LLC - Payments received averaged less than \$0.0020 per share

Two Sigma Securities, LLC - Payments received averaged less than \$0.0020 per share

**2. NASDAQ Stock Market Listed Securities**

Routed Venue	Non-Directed Orders	Market Orders	Limit Orders	Other Orders
Citadel Securities, LLC	34.72%	37.94%	33.73%	37.91%
Virtu Financial, LLC	25.29%	13.11%	29.01%	13.64%
G1 Execution Services, LLC	19.35%	16.61%	20.17%	17.05%
Two Sigma Securities, LLC	12.69%	32.30%	6.75%	30.83%
Total TradeStation Orders	93.69%	18.34%	76.45%	5.22%

**Discussion of the material aspects of TradeStation's relationship with each venue identified in the report, including a description of any arrangement regarding payment for order flow:**

Citadel Securities, LLC - Payments received averaged less than \$0.0020 per share

Virtu Financial, LLC - Payments received averaged less than \$0.0020 per share

G1 Execution Services, LLC - Payments received averaged less than \$0.0020 per share

Two Sigma Securities, LLC - Payments received averaged less than \$0.0020 per share

3. NYSE MKT or any other Regional Exchange Listed Securities

Routed Venue	Non-Directed Orders	Market Orders	Limit Orders	Other Orders
Citadel Securities, LLC	35.36%	38.10%	34.38%	37.94%
Virtu Financial, LLC	24.69%	13.21%	28.81%	13.65%
G1 Execution Services, LLC	18.81%	16.59%	19.59%	16.83%
Two Sigma Securities, LLC	14.12%	32.08%	7.68%	31.35%
Total TradeStation Orders	96.59%	21.69%	73.44%	4.87%

**Discussion of the material aspects of TradeStation's relationship with each venue identified in the report, including a description of any arrangement regarding payment for order flow:**

Citadel Securities, LLC - Payments received averaged less than \$0.0020 per share

Virtu Financial, LLC - Payments received averaged less than \$0.0020 per share

G1 Execution Services, LLC - Payments received averaged less than \$0.0020 per share

Two Sigma Securities, LLC - Payments received averaged less than \$0.0020 per share

#### 4. Exchange Listed Options

Routed Venue	Non-Directed Orders	Market Orders	Limit Orders	Other Orders
Citadel Securities, LLC	33.63%	33.35%	33.65%	34.17%
Dash Financial Technologies	29.82%	30.05%	29.79%	30.21%
Morgan Stanley & Co., LLC	16.54%	16.80%	16.52%	16.12%
Wolverine Execution Services, LLC	10.01%	10.00%	10.01%	9.82%
Susquehanna International Group	10.00%	9.79%	10.02%	9.68%
Total TradeStation Orders	99.22%	8.80%	90.06%	1.14%

**Discussion of the material aspects of TradeStation’s relationship with each venue identified in the report, including a description of any arrangement regarding payment for order flow:**

TradeStation routes orders in exchange-listed options to broker-dealer intermediaries, which in turn use smart order routing technology to seek the best execution available in the market.

Payments received from these broker-dealer intermediaries averaged less than \$0.42 per contract.