



SEC Rule 606 and 607:

Disclosure of Order Handling Practices and Payment for Order Flow

The U.S. Securities and Exchange Commission (“SEC”) adopted Rule 606 of Regulation National Market System (“Regulation NMS”) requiring broker-dealers to disclose information regarding their respective order handling practices. Karmeq transmits all orders exclusively to its clearing firm, Apex Clearing, which is required to seek best execution.

Pursuant to SEC Rule 606(a), Apex Clearing makes publicly available quarterly reports regarding its routing of non-directed orders. Apex Clearing has entered into an agreement with Quantum5 Market Surveillance (a division of S3 Matching Technologies) to disclose all required information pertaining to this Rule. This information can be accessed at: <https://public.s3.com/rule606/apex/>.

Pursuant to SEC Rule 606(b), broker-dealers must disclose to their respective customers, upon request, the identity of the venue to which a customer’s orders had been routed for execution within the six months prior to the request, whether the orders were directed orders or non-directed orders, and the time of transactions, if any, that resulted from such orders.

Pursuant to SEC Rule 607, Karmeq is required to disclose, at the time a customer account is opened and annually thereafter, its payment for order flow practices. Apex Clearing may receive remuneration for routing orders to particular broker-dealers or market centers for execution (i.e., payment for order flow), and Karmeq may share in such remuneration.