PENSON

Penson Rule 606 Disclosure :: 3Q2008

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 Matching Technologies, 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

For quarter ending 9/30/08	Non-Directed Orders	Market Orders	Limit Orders	Other Orders*
Orders Routed to:				
Nasdaq Execution Services, LLC[1]	**31.90%**	**0.01%**	**48.66%**	**0.00%**
Citadel Derivatives Group LLC[2]	**30.16%**	**58.68%**	**18.82%**	**16.20%**
Knight Equity Markets[3]	**26.36%**	**19.03%**	**25.33%**	**75.84%**
UBS Capital Markets[4]	**5.63%**	**12.22%**	**2.56%**	**7.52%**
Total PENSON Orders	**100.00%**	**28.80%**	**65.60%**	**5.60%**

* 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 the NASDAQ Stock Market, Inc. for orders that add liquidity to the NASDAQ Stock Market, Inc. and are subsequently executed. The rate for adding liquidity to The NASDAQ Stock Market, Inc. for 3Q2008 was $0.00 to $0.0028 per share. PFSI is charged for removing liquidity from The NASDAQ Stock Market, Inc. The rate for removing liquidity from The NASDAQ Stock Market, Inc. for 3Q2008 was $0.00 to $0.003 per share.

[2] Penson receives payment from Citadel Derivates Group LLC (Citadel) for directing NYSE 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 $0.001 per share for the period 3Q2008.

[3] Penson receives payment from Knight Capital Markets L.P. for directing NYSE 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 $0.001 per share for the period 3Q2008.

[4] Penson receives payment from UBS for directing order flow to UBS. 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 UBS average less than $0.001 per share.

2. NASDAQ Stock Exchange Securities

For quarter ending 9/30/08	Non-Directed Orders	Market Orders	Limit Orders	Other Orders*
Orders Routed to:				
Nasdaq Execution Services, LLC[1]	**33.22%**	**0.01%**	**48.97%**	**0.00%**
Citadel Derivatives Group LLC[2]	**31.44%**	**66.05%**	**19.78%**	**16.81%**
Knight Equity Markets[3]	**25.36%**	**13.38%**	**25.04%**	**75.58%**
UBS Capital Markets[4]	**5.19%**	**11.61%**	**2.57%**	**7.20%**
Total PENSON Orders	**100.0%**	**25.6%**	**67.8%**	**6.5%**

* 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 The NASDAQ Stock Market, Inc. for orders that add liquidity to The NASDAQ Stock Market, Inc. and are subsequently executed. The rate for adding liquidity to The NASDAQ Stock Market, Inc. for 3Q2008 was $0.00 to $0.0028 per share. PFSI is charged for removing liquidity from The NASDAQ Stock Market, Inc. The rate for removing liquidity from The NASDAQ Stock Market, Inc. for 3Q2008 was $0.00 to $0.003 per share.

[2] Penson receives payment from Citadel Derivatives Group LLC (Citadel) for directing Nasdaq 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 $.001 per share for the period 3Q2008.

[3] Penson receives payment from Knight Equity Markets L.P. for directing Nasdaq order flow to Knight Equity 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 Equity Markets L.P. averaged less than $.001 per share for the period 3Q2008.

[4] Penson receives payment from UBS Capital Markets (UBS) for directing Nasdaq order flow to UBS. 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 UBS averaged less than $.001 per share for the period 3Q2008.

3. American / Regional Stock Exchange Securities

For quarter ending 9/30/08	Non-Directed Orders	Market Orders	Limit Orders	Other Orders*
Orders Routed to:				
Citadel Derivatives Group LLC[1]	**33.16%**	**59.51%**	**21.50%**	**12.62%**
Nasdaq Execution Services, LLC[2]	**27.29%**	**0.01%**	**44.89%**	**0.00%**
Knight Equity Markets[3]	**27.24%**	**18.33%**	**25.67%**	**82.42%**
UBS Capital Markets[4]	**5.83%**	**12.60%**	**2.37%**	**4.56%**
Total PENSON Orders	**100.0%**	**32.3%**	**60.8%**	**6.9%**

* 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 Derivatives 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 $.001 per share for the period 3Q2008.

[2] Penson receives payment from the NASDAQ Stock Market, Inc. for orders that add liquidity to the NASDAQ Stock Market, Inc. and are subsequently executed. The rate for adding liquidity to The NASDAQ Stock Market, Inc. for 3Q2008 was $0.00 to $0.0028 per share. PFSI is charged for removing liquidity from The NASDAQ Stock Market, Inc. The rate for removing liquidity from The NASDAQ Stock Market, Inc. for 3Q2008 was $0.00 to $0.003 per share.

[3] Penson receives payment from Knight Capital Markets L.P. for directing AMEX 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 $.001 per share for the period 3Q2008.

[4] Penson receives payment from UBS for directing order flow to UBS. 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 UBS average less than $0.001 per share.

4. Exchange Listed Options

For quarter ending 9/30/08	Non-Directed Orders	Market Orders	Limit Orders	Other Orders*
Orders Routed to:				
Citadel Derivatives Group LLC[1]	**31.14%**	**32.26%**	**31.04%**	**29.51%**
Susquehanna Capital Group[2]	**29.55%**	**49.93%**	**27.42%**	**49.06%**
NYSE Arca Options[3]	**20.83%**	**1.19%**	**22.86%**	**5.79%**
Chicago Board Options Exchange[4]	**12.50%**	**11.05%**	**12.65%**	**10.92%**
Total PENSON Orders	**100.0%**	**8.9%**	**90.5%**	**0.6%**

* 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] Susquehanna Capital Group	$0.00 to $0.75 per contract
[3] NYSE Arca Options	$0.00 to $0.50 per contract
[4] Chicago Board Options Exchange	$0.00 to $0.65 per contract