

Southwest Rule 606 Disclosure:: 2014Q3

Southwest Securities, Inc. (Southwest) 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, Southwest 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 Exchange and regional exchanges listed securities
4. Exchange listed options

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

This report has been reviewed by S3, a third party market surveillance and auditing firm. Questions regarding this report should be addressed to the Southwest Securities Compliance Department.

1. New York Stock Exchange Securities

| <i>For quarter ending 9/30/2014</i> | Non-Directed Orders | Market Orders | Limit Orders | Other Orders* |
|-------------------------------------|--------------------------------|--------------------------|-------------------------|--------------------------|
| Orders Routed to: | | | | |
| New York Stock Exchange | 25.04% | 16.18% | 28.32% | 26.43% |
| NYSE Arca | 18.00% | 3.86% | 27.41% | 17.73% |
| Citadel Securities LLC | 16.88% | 18.28% | 12.12% | 19.19% |
| KCG Americas, LLC | 8.63% | 26.73% | 9.49% | 1.29% |
| Automated Trading Desk | 7.30% | 1.23% | 4.04% | 11.53% |
| Southwest Securities, Inc. | 6.06% | 0.33% | 0.24% | 11.70% |
| UBS Capital Markets | 6.00% | 21.49% | 4.58% | 1.00% |
| Direct Edge ECN LLC | 5.95% | 0.00% | 9.14% | 6.30% |
| Total SOUTHWEST Orders | 99.9% | 19.1% | 30.2% | 50.7% |

* Orders for which the customer requests special handling.

New York Stock Exchange

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

Southwest's agency trading may receive financial remuneration for orders routed to any of the market centers listed above. In addition, certain exchanges offer cash credits for orders that provide liquidity to their books and charge explicit fees for orders that extract liquidity from their books. There are times when the amount of the credit that Southwest receives from one or more of these exchanges exceeds the amount that Southwest is charged. Such payment may also constitute payment for order flow.

2. NASDAQ Stock Exchange Securities

| <i>For quarter ending 9/30/2014</i> | Non-Directed Orders | Market Orders | Limit Orders | Other Orders* |
|-------------------------------------|--------------------------------|--------------------------|-------------------------|--------------------------|
| Orders Routed to: | | | | |
| Citadel Securities LLC | 29.06% | 28.57% | 30.92% | 28.32% |
| Nasdaq | 17.26% | 11.20% | 3.91% | 31.57% |
| KCG Americas, LLC | 14.86% | 21.87% | 23.96% | 2.38% |
| UBS Capital Markets | 9.45% | 13.91% | 13.42% | 2.67% |
| Automated Trading Desk | 7.05% | 0.81% | 2.44% | 15.91% |
| Southwest Securities, Inc. | 5.49% | 0.15% | 0.06% | 14.04% |
| Credit Suisse Securities LLC | 5.23% | 8.49% | 8.19% | 0.25% |
| New York Stock Exchange | 4.17% | 11.07% | 0.49% | 0.00% |
| Total SOUTHWEST Orders | 99.8% | 36.6% | 24.8% | 38.6% |

* Orders for which the customer requests special handling.

Nasdaq

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

Southwest's agency trading may receive financial remuneration for orders routed to any of the market centers listed above. In addition, certain exchanges offer cash credits for orders that provide liquidity to their books and charge explicit fees for orders that extract liquidity from their books. There are times when the amount of the credit that Southwest receives from one or more of these exchanges exceeds the amount that Southwest is charged. Such payment may also constitute payment for order flow.

3. NYSE MKT / Regional Stock Exchange Securities

| <i>For quarter ending 9/30/2014</i> | Non-Directed Orders | Market Orders | Limit Orders | Other Orders* |
|-------------------------------------|--------------------------------|--------------------------|-------------------------|--------------------------|
| Orders Routed to: | | | | |
| | | | | |
| NYSE Arca | 23.08% | 5.59% | 24.01% | 35.90% |
| Citadel Securities LLC | 19.64% | 31.33% | 15.36% | 14.51% |
| KCG Americas, LLC | 13.99% | 27.20% | 16.05% | 1.71% |
| New York Stock Exchange | 11.08% | 4.24% | 23.95% | 4.30% |
| UBS Capital Markets | 8.61% | 20.73% | 5.77% | 1.81% |
| Direct Edge ECN LLC | 6.09% | 0.00% | 5.77% | 11.16% |
| Automated Trading Desk | 4.54% | 0.81% | 3.57% | 8.36% |
| Nasdaq | 3.68% | 0.00% | 0.04% | 10.00% |
| Total SOUTHWEST Orders | 99.8% | 28.7% | 34.6% | 36.7% |

* Orders for which the customer requests special handling.

NYSE MKT/Other

The table above shows the percentages of orders placed for securities trading on the NYSE MKT and regional exchanges.

Southwest's agency trading may receive financial remuneration for orders routed to any of the market centers listed above. In addition, certain exchanges offer cash credits for orders that provide liquidity to their books and charge explicit fees for orders that extract liquidity from their books. There are times when the amount of the credit that Southwest receives from one or more of these exchanges exceeds the amount that Southwest is charged. Such payment may also constitute payment for order flow.

4. Exchange Listed Options

| <i>For quarter ending 9/30/2014</i> | Non-Directed Orders | Market Orders | Limit Orders | Other Orders* |
|---|------------------------|------------------|-----------------|------------------|
| Orders Routed to: | | | | |
| | | | | |
| Susquehanna Capital Group | 31.01% | 33.39% | 29.61% | 54.69% |
| Citadel Securities LLC | 21.14% | 18.09% | 21.46% | 23.16% |
| Wolverine Execution Services LLC | 19.26% | 15.40% | 20.66% | 0.00% |
| KCG Americas, LLC | 14.60% | 19.17% | 13.98% | 14.55% |
| CitiGroup Global Markets Inc. | 13.28% | 13.88% | 13.49% | 7.04% |
| Total SOUTHWEST Orders | 98.9% | 11.4% | 84.7% | 3.9% |

* Orders for which the customer requests special handling.

Exchange Listed Options

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

Southwest may receive financial remuneration for options orders routed to any of the market centers listed above.