

Note: Broker-dealers are required to disclose any material arrangements with the venues listed in each section below, including, but not limited to, any internalization or payment for order flow arrangements.

**PKS
PURSHE KAPLAN STERLING
INVESTMENTS
18 CORPORATE WOODS BLVD
ALBANY, NY 12211**

SEC Rule 606 (formerly 11AC 1-6) Quarterly Report for the Quarter Ending Dec. 31, 2006

Securities Listed on The New York Stock Exchange

Summary Statistics :

Non-directed orders as percentage of total customer orders	100.00%
Market orders as percentage of total non-directed orders	74.52%
Limit orders as percentage of total non-directed orders	11.82%
Other orders as percentage of total non-directed orders	13.66%

Venues Receiving Significant Percentage of Total Non-Directed Orders :

1. Knight Capital Markets, L.L.C.	26.28%
2. The New York Stock Exchange	14.53%
3. National Financial Services Corporation	14.24%
4. Madoff (Bernard L.) Investment Securities, L.L.C.	11.49%
5. Automated Trading Desk Financial Services, L.L.C.	10.51%
6. The Chicago Stock Exchange	9.35%
7. UBS Securities LLC	6.31%
8. Citadel Derivatives Group, L.L.C.	4.10%
9. The Boston Stock Exchange	2.97%
10. Nasdaq Execution Services, L.L.C.	0.14%

Information Concerning Significant Venues :

1. Knight Capital Markets, L.L.C.

Types of Orders Routed to Venue :

Market orders as percentage of total market orders	20.57%
Limit orders as percentage of total limit orders	21.47%
Other orders as percentage of total other orders	61.54%

2. The New York Stock Exchange

Types of Orders Routed to Venue :

Market orders as percentage of total market orders	15.13%
Limit orders as percentage of total limit orders	19.02%
Other orders as percentage of total other orders	7.43%

3. National Financial Services Corporation		
	Types of Orders Routed to Venue :	
	Market orders as percentage of total market orders	16.97%
	Limit orders as percentage of total limit orders	12.27%
	Other orders as percentage of total other orders	1.06%
4. Madoff (Bernard L.) Investment Securities, L.L.C.		
	Types of Orders Routed to Venue :	
	Market orders as percentage of total market orders	13.28%
	Limit orders as percentage of total limit orders	11.66%
	Other orders as percentage of total other orders	1.59%
5. Automated Trading Desk Financial Services, L.L.C.		
	Types of Orders Routed to Venue :	
	Market orders as percentage of total market orders	10.89%
	Limit orders as percentage of total limit orders	14.11%
	Other orders as percentage of total other orders	5.31%
6. The Chicago Stock Exchange		
	Types of Orders Routed to Venue :	
	Market orders as percentage of total market orders	10.12%
	Limit orders as percentage of total limit orders	5.83%
	Other orders as percentage of total other orders	8.22%
7. UBS Securities LLC		
	Types of Orders Routed to Venue :	
	Market orders as percentage of total market orders	5.20%
	Limit orders as percentage of total limit orders	9.20%
	Other orders as percentage of total other orders	9.81%
8. Citadel Derivatives Group, L.L.C.		
	Types of Orders Routed to Venue :	
	Market orders as percentage of total market orders	3.84%
	Limit orders as percentage of total limit orders	5.21%
	Other orders as percentage of total other orders	4.51%
9. The Boston Stock Exchange		
	Types of Orders Routed to Venue :	
	Market orders as percentage of total market orders	3.70%
	Limit orders as percentage of total limit orders	1.23%
	Other orders as percentage of total other orders	0.53%
10. Nasdaq Execution Services, L.L.C.		
	Types of Orders Routed to Venue :	
	Market orders as percentage of total market orders	0.19%
	Limit orders as percentage of total limit orders	0.00%
	Other orders as percentage of total other orders	0.00%

Securities Listed on The Nasdaq Stock Market

Summary Statistics :

Non-directed orders as percentage of total customer orders	100.00%
Market orders as percentage of total non-directed orders	65.98%
Limit orders as percentage of total non-directed orders	23.84%
Other orders as percentage of total non-directed orders	10.18%

Venues Receiving Significant Percentage of Total Non-Directed Orders :

1. National Financial Services Corporation	52.73%
2. Knight Equity Markets, L.P.	20.61%
3. UBS Securities LLC	9.02%
4. Automated Trading Desk Financial Services, L.L.C.	5.71%
5. Citadel Derivatives Group, L.L.C.	3.81%
6. Madoff (Bernard L.) Investment Securities, L.L.C.	2.57%
7. Knight Execution Partners, L.L.C.	1.99%
8. Morgan Stanley & Co. Incorporated	1.74%
9. Lehman Brothers, Inc.	1.08%
10. Bear, Stearns & Co. Inc.	0.41%

Information Concerning Significant Venues :

1. National Financial Services Corporation

Types of Orders Routed to Venue :

Market orders as percentage of total market orders	53.83%
Limit orders as percentage of total limit orders	47.92%
Other orders as percentage of total other orders	56.91%

2. Knight Equity Markets, L.P.

Types of Orders Routed to Venue :

Market orders as percentage of total market orders	17.06%
Limit orders as percentage of total limit orders	26.39%
Other orders as percentage of total other orders	30.08%

3. UBS Securities LLC

Types of Orders Routed to Venue :

Market orders as percentage of total market orders	8.91%
Limit orders as percentage of total limit orders	11.81%
Other orders as percentage of total other orders	3.25%

4. Automated Trading Desk Financial Services, L.L.C.

Types of Orders Routed to Venue :

Market orders as percentage of total market orders	7.65%
Limit orders as percentage of total limit orders	2.78%
Other orders as percentage of total other orders	0.00%

5. Citadel Derivatives Group, L.L.C.

Types of Orders Routed to Venue :

Market orders as percentage of total market orders	2.76%
Limit orders as percentage of total limit orders	4.17%
Other orders as percentage of total other orders	9.76%

6. Madoff (Bernard L.) Investment Securities, L.L.C.

Types of Orders Routed to Venue :

Market orders as percentage of total market orders	2.01%
Limit orders as percentage of total limit orders	5.21%
Other orders as percentage of total other orders	0.00%

7. Knight Execution Partners, L.L.C.

Types of Orders Routed to Venue :

Market orders as percentage of total market orders	2.76%
Limit orders as percentage of total limit orders	0.69%
Other orders as percentage of total other orders	0.00%

8. Morgan Stanley & Co. Incorporated

Types of Orders Routed to Venue :

Market orders as percentage of total market orders	2.63%
Limit orders as percentage of total limit orders	0.00%
Other orders as percentage of total other orders	0.00%

9. Lehman Brothers, Inc.

Types of Orders Routed to Venue :

Market orders as percentage of total market orders	1.25%
Limit orders as percentage of total limit orders	1.04%
Other orders as percentage of total other orders	0.00%

10. Bear, Stearns & Co. Inc.

Types of Orders Routed to Venue :

Market orders as percentage of total market orders	0.63%
Limit orders as percentage of total limit orders	0.00%
Other orders as percentage of total other orders	0.00%

Securities Listed on The American Stock Exchange or Regional Exchanges

Summary Statistics :

Non-directed orders as percentage of total customer orders	100.00%
Market orders as percentage of total non-directed orders	56.84%
Limit orders as percentage of total non-directed orders	28.21%
Other orders as percentage of total non-directed orders	14.95%

Venues Receiving Significant Percentage of Total Non-Directed Orders :

1. American Stock Exchange Clearing L.L.C./ASE	58.53%
2. Knight Capital Markets, L.L.C.	20.84%
3. The Chicago Stock Exchange	9.68%
4. UBS Securities LLC	3.58%
5. Automated Trading Desk Financial Services, L.L.C.	2.32%
6. National Financial Services Corporation	2.32%
7. Citadel Derivatives Group, L.L.C.	1.68%
8. The Boston Stock Exchange	1.05%

Information Concerning Significant Venues :

1. American Stock Exchange Clearing L.L.C./ASE

Types of Orders Routed to Venue :

Market orders as percentage of total market orders	54.81%
Limit orders as percentage of total limit orders	76.12%
Other orders as percentage of total other orders	39.44%

2. Knight Capital Markets, L.L.C.

Types of Orders Routed to Venue :

Market orders as percentage of total market orders	20.37%
Limit orders as percentage of total limit orders	13.43%
Other orders as percentage of total other orders	36.62%

3. The Chicago Stock Exchange

Types of Orders Routed to Venue :

Market orders as percentage of total market orders	10.74%
Limit orders as percentage of total limit orders	1.49%
Other orders as percentage of total other orders	21.13%

4. UBS Securities LLC

Types of Orders Routed to Venue :

Market orders as percentage of total market orders	4.81%
Limit orders as percentage of total limit orders	2.99%
Other orders as percentage of total other orders	0.00%

5. Automated Trading Desk Financial Services, L.L.C.

Types of Orders Routed to Venue :

Market orders as percentage of total market orders	2.22%
Limit orders as percentage of total limit orders	2.24%
Other orders as percentage of total other orders	2.82%

6. National Financial Services Corporation

Types of Orders Routed to Venue :

Market orders as percentage of total market orders	3.33%
Limit orders as percentage of total limit orders	1.49%
Other orders as percentage of total other orders	0.00%

7. Citadel Derivatives Group, L.L.C.

Types of Orders Routed to Venue :

Market orders as percentage of total market orders	1.85%
Limit orders as percentage of total limit orders	2.24%
Other orders as percentage of total other orders	0.00%

8. The Boston Stock Exchange

Types of Orders Routed to Venue :

Market orders as percentage of total market orders	1.85%
Limit orders as percentage of total limit orders	0.00%
Other orders as percentage of total other orders	0.00%

Exchange - Listed Options

Summary Statistics :

Non-directed orders as percentage of total customer orders	100.00%
Market orders as percentage of total non-directed orders	26.32%
Limit orders as percentage of total non-directed orders	73.68%
Other orders as percentage of total non-directed orders	0.00%

Venues Receiving Significant Percentage of Total Non-Directed Orders :

1. CBOE	57.02%
2. ISE	19.30%
3. PHLX	12.28%
4. PCSE	6.14%
5. BOX	2.63%
6. American Stock Exchange Clearing L.L.C./ASE	1.75%
7. UNKN	0.88%

Information Concerning Significant Venues :

1. CBOE

Types of Orders Routed to Venue :

Market orders as percentage of total market orders	56.67%
Limit orders as percentage of total limit orders	57.14%
Other orders as percentage of total other orders	0.00%

2. ISE

Types of Orders Routed to Venue :

Market orders as percentage of total market orders	3.33%
Limit orders as percentage of total limit orders	25.00%
Other orders as percentage of total other orders	0.00%

3. PHLX

Types of Orders Routed to Venue :

Market orders as percentage of total market orders	20.00%
Limit orders as percentage of total limit orders	9.52%
Other orders as percentage of total other orders	0.00%

4. PCSE

Types of Orders Routed to Venue :

Market orders as percentage of total market orders	10.00%
Limit orders as percentage of total limit orders	4.76%
Other orders as percentage of total other orders	0.00%

5. BOX

Types of Orders Routed to Venue :

Market orders as percentage of total market orders	3.33%
Limit orders as percentage of total limit orders	2.38%
Other orders as percentage of total other orders	0.00%

6. American Stock Exchange Clearing L.L.C./ASE

Types of Orders Routed to Venue :

Market orders as percentage of total market orders	3.33%
Limit orders as percentage of total limit orders	1.19%
Other orders as percentage of total other orders	0.00%

7. UNKN

Types of Orders Routed to Venue :

Market orders as percentage of total market orders	3.33%
Limit orders as percentage of total limit orders	0.00%
Other orders as percentage of total other orders	0.00%