

J.J.B. Hilliard, W.L. Lyons, LLC

Material Aspects of Relationships with Market Centers

J.J.B. Hilliard, W.L. Lyons, LLC, (Hilliard) 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, Hilliard has selected the execution venue on behalf of its customers.

This report identifies the venues most often selected by Hilliard, sets forth the percentage of various types of orders routed to the venues, and discusses the material aspects of Hilliard's relationship with the venues.

This report has been reviewed by S3, a third party market surveillance and auditing firm. Clients may contact their financial consultant for more detailed execution information specific to their orders.

Hilliard Lyons routes orders based on the quality of executions received.

Hilliard does not receive any payment for order flow from the above firms in Equity Transactions.

We may receive financial remuneration on option orders routed to the following market centers:

Hilliard Lyons receives payment from Citadel Execution Services for certain types of option orders routed to them for execution on an option exchange. Payments in fourth quarter 2016 averaged at or below \$0.50 per contract.

Hilliard Lyons receives payment from Susquehanna for certain types of option orders routed to them for execution on an option exchange. Payments in fourth quarter 2016 averaged at or below \$0.50 per contract.

Hilliard Lyons receives payment from Knight Capital Americas LLC for certain types of option orders routed to them for execution on an option exchange. Payments in fourth quarter 2016 averaged at or below \$0.50 per contract.