

Morgan Wilshire Securities, Inc.

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SEC-Required Report on Routing of Customer Orders For Quarter Ending September 30, 2016

Morgan Wilshire Securities, Inc. has prepared this report pursuant to a U.S. Securities and Exchange Commission rule requiring all brokerage firms to make publicly available quarterly reports on 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, Morgan Wilshire has selected the execution venue on behalf of its customers.

The report is divided into four sections: one for securities listed on the New York Stock Exchange and reported as a Network A eligible security; one for securities listed on The Nasdaq Stock Market; one for securities listed on the American Stock Exchange or regional exchanges and reported as a Network B eligible security; and one for exchange-listed options. For each section, this report identifies the venues most often selected by Morgan Wilshire, sets forth the percentage of various types of orders routed to the venues, and discusses the material aspects of Morgan Wilshire’s relationship with the venues.

Securities Listed on New York Stock Exchange/ Network A Eligible Security

Summary Statistics:

Non-directed orders as percentage of total customer orders	100%
Market orders as percentage of total non-directed orders	72%
Limit orders as percentage of total non-directed orders	28%
Other orders as percentage of total non-directed orders	0%

Venues Receiving Significant Percentage of Total Non-Directed Orders:

1. RBC Correspondent Services	100%
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Information Concerning Significant Venues

1. RBC Correspondent Services

Types of Orders Routed to Venue:

Market orders as percentage of total market orders	100%
Limit orders as percentage of total limit orders	100%
Other orders as percentage of total other orders	0 %

Material Aspect of Relationship with Venue:

During the period of this report RBC Correspondent Services was Morgan Wilshire’s clearing firm. Morgan Wilshire received no remuneration for these transactions.

**Securities Listed on New York Arca Stock Exchange/
Network A Eligible Security**

Summary Statistics:

Non-directed orders as percentage of total customer orders	100%
Market orders as percentage of total non-directed orders	90%
Limit orders as percentage of total non-directed orders	10%
Other orders as percentage of total non-directed orders	0%

Venues Receiving Significant Percentage of Total Non-Directed Orders:

1. RBC Correspondent Services	100%
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Information Concerning Significant Venues

1. RBC Correspondent Services

Types of Orders Routed to Venue:

Market orders as percentage of total market orders	100%
Limit orders as percentage of total limit orders	100%
Other orders as percentage of total other orders	0%

Material Aspect of Relationship with Venue:

During the period of this report RBC Correspondent Services was Morgan Wilshire's clearing firm. Morgan Wilshire received no remuneration for these transactions.

**Securities Listed on New York Market Stock Exchange/
Network A Eligible Security**

Summary Statistics:

Non-directed orders as percentage of total customer orders	100%
Market orders as percentage of total non-directed orders	94%
Limit orders as percentage of total non-directed orders	6%
Other orders as percentage of total non-directed orders	0%

Venues Receiving Significant Percentage of Total Non-Directed Orders:

1. RBC Correspondent Services	100%
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Information Concerning Significant Venues

1. RBC Correspondent Services

Types of Orders Routed to Venue:

Market orders as percentage of total market orders	100%
Limit orders as percentage of total limit orders	100%
Other orders as percentage of total other orders	0%

Material Aspect of Relationship with Venue:

During the period of this report RBC Correspondent Services was Morgan Wilshire's clearing firm. Morgan Wilshire received no remuneration for these transactions.

**Securities Listed on American Stock Exchange/
Network A Eligible Security****Summary Statistics:**

Non-directed orders as percentage of total customer orders	0%
Market orders as percentage of total non-directed orders	0%
Limit orders as percentage of total non-directed orders	0%
Other orders as percentage of total non-directed orders	0%

Venues Receiving Significant Percentage of Total Non-Directed Orders:

1. RBC Correspondent Services	0%
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Information Concerning Significant Venues

1. RBC Correspondent Services

Types of Orders Routed to Venue:

Market orders as percentage of total market orders	0%
Limit orders as percentage of total limit orders	0%
Other orders as percentage of total other orders	0%

Material Aspect of Relationship with Venue:

During the period of this report RBC Correspondent Services was Morgan Wilshire's clearing firm. Morgan Wilshire received no remuneration for these transactions.

Securities Listed on the NASDAQ Stock Market

Summary Statistics:

Non-directed orders as percentage of total customer orders	100%
Market orders as percentage of total non-directed orders	88%
Limit orders as percentage of total non-directed orders	12%
Other orders as percentage of total non-directed orders	0%

Venues Receiving Significant Percentage of Total Non-Directed Orders:

1. RBC Correspondent Services	100%
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Information Concerning Significant Venues

1. RBC Correspondent Services

Types of Orders Routed to Venue:

Market orders as percentage of total market orders	100%
Limit orders as percentage of total limit orders	100%
Other orders as percentage of total other orders	0%

Material Aspect of Relationship with Venue:

During the period of this report RBC Correspondent Services was Morgan Wilshire's clearing firm. Morgan Wilshire received no remuneration for these transactions.

Exchange-Listed Options

Summary Statistics:

Non-directed orders as percentage of total customer orders	100%
Market orders as percentage of total non-directed orders	0%
Limit orders as percentage of total non-directed orders	100%
Other orders as percentage of total non-directed orders	0%

Venues Receiving Significant Percentage of Total Non-Directed Orders:

1. RBC Correspondent Services	100%
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Information Concerning Significant Venues

1. RBC Correspondent Services

Types of Orders Routed to Venue:

Market orders as percentage of total market orders	0%
Limit orders as percentage of total limit orders	100%
Other orders as percentage of total other orders	0%

Material Aspects of Relationship with Venue:

During the period of this report RBC Correspondent Services was Morgan Wilshire's clearing firm. Morgan Wilshire received no remuneration for these transactions.