



1251 Waterfront Place, Suite 510
Pittsburgh, PA 15222-4235
(800) 693-7800 Fax: (412) 391-7220
www.macg.com

March 21, 2019

To Whom It May Concern:

Pursuant to your request, below is a description of the Best Execution practices for Mid Atlantic Capital Corporation (MACC). The following is described in our Written Supervisory Procedures.

L. Best Execution

1. Duty of Best Execution

As set forth by FINRA and the SEC, the “duty of best execution” requires MACC to seek to obtain for our customers’ orders the most favorable terms reasonably available under the circumstances. The Rules require MACC to use “*reasonable diligence*” to ascertain the best inter-dealer market for a security and to buy or sell in such market so that the resultant price to the customer is as favorable as possible under prevailing market conditions. We must examine our practices in light of market and technology changes, and to modify our practices as necessary.

In furtherance of this duty of best execution, MACC’s traders and Trading Manager conduct a continuous daily review of each trade placed with our firm, using several automated systems in the trading room.

In the case of securities with limited quotation or pricing information, both domestic and foreign, the trader processing the order reviews NASDAQ Bulletin Broad and may call additional broker dealers to determine the best price. Order may be entered at a limit in order to protect the customer order.

In the event the Trading Manager determines that a particular trade has been executed improperly or unfairly, he will contact the trade’s executor for discussion of details. This typically results in the modification of the trade in our favor.

Factors

FINRA Rule 5310 sets forth the following factors to be considered when applying the “reasonable diligence” requirement, the determination of which will ultimately involve a “facts and circumstances” analysis for each particular case:



1251 Waterfront Place, Suite 510
Pittsburgh, PA 15222-4235
(800) 693-7800 Fax: (412) 391-7220
www.macg.com

- The character of the market for the security (*e.g.*, price, volatility, relative liquidity, and pressure on available communications);
- The size and type of transaction;
- The number of markets checked;
- Accessibility of the quotation, and
- The terms and conditions of the order which result in the transaction, as communicated to the member and persons associated with the member.

2. Duty of Examination

In order to fulfill our duty of best execution, the SEC requires broker/dealers, on at least a quarterly basis; to “*regularly and rigorously*” conduct an examination to assess the quality of competing markets to assure that our order flow is directed to Markets providing the most beneficial terms for our customers’ orders. The analysis should determine whether any “material” differences in execution quality exist, and if so, to modify our routing arrangements or to justify why we have not done so.

Accordingly, the Trading Manager and Compliance Officer will review a sampling of transactions a least quarterly to evaluate whether opportunities exist for obtaining improved executions of customer orders. The SEC mandates that the review must be conducted on a security-by-security, type-of-order basis. A written report of their findings will be prepared and distributed to the firm’s CCO.

a. Factors

In reviewing and comparing the execution quality of our current order routing and execution arrangements to the quality of others, the following factors should be considered:

- Material differences in execution quality, including price improvement opportunities;
- Material differences in price disimprovement;
- The likelihood of execution of limit orders;
- Other material differences in execution quality, such as the speed of execution, size of execution and transaction cost;
- Customer needs and expectations; and
- The existence of internalization or payment for order flow arrangements (which must not be allowed to interfere with our best execution obligation).



1251 Waterfront Place, Suite 510
Pittsburgh, PA 15222-4235
(800) 693-7800 Fax: (412) 391-7220
www.macg.com

b. Sources of Information

The following reports will be consulted in our regular review of execution quality:

- Monthly Execution reports received from outside executing market centers containing a detailed execution analysis for all trades placed that month.
- Quarterly reports produced pursuant to Exchange Act Rule 11Ac1-6 which identifies the venues to which non-directed orders are routed for execution. It also discloses the nature of any relationship with those venues, and any payment for order flow arrangements. This report is produced for us by NFS Market Trader and Sterling and can be found on Mid Atlantic's website, www.macg.com, under the 'Trading and Execution' heading, 'SEC disclosure' link.

Additionally, National Financial Services, LLC (our clearing firm) prepares a Trade Execution Quality overview for trades executed through the Streetscape program. This can be viewed at National Financial's website: www.nationalfinancial.com.