

June 30th 2008

**SEC-Required Report on Routing of Customer Orders for Quarter ending
June 30th, 2008**

Monarch Capital Group, 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, Monarch Capital 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 Monarch Capital, sets forth the percentage of various types of orders routed to the venues, and discusses the material aspects of Monarch Capital’s relationship with the venues.

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

Summary Statistics:

Non-directed orders as % of total customer orders	100%
Market orders as % of total non-directed orders	9%
Limit orders as % of total non-directed orders	91%
Other orders as % of total non-directed orders	0%

Venues Receiving Significant Percentage of Total Non-Directed Orders:

1. Bear Stearns & Co	9%
2. Archipelago ECN	91%

Information Concerning Significant Venues:

1. Bear Stearns & Co

Types of Orders Routed to Venue:

Market orders as % of total market orders	89%
Limit orders as % of total limit orders	11%
Other orders as % of total other orders	0%

Material aspects of Relationship with Venue:

Bear Stearns Securities Corp is the clearing firm for Monarch Capital Group, LLC. As such, Monarch enters orders electronically into BearTrade, a proprietary trading system developed and owned by Bear Stearns & Co. BearTrade then routes orders internally and independent of Monarch Capital Group, LLC.

2. Archipelago ECN

Types of Orders Routed to Venue:

Market orders as % of total market orders	0%
Limit orders as % of total limit orders	91%
Other orders as % of total other orders	0%

Material aspects of Relationship with Venue:

Archipelago will charge Monarch Capital Group LLC \$0.003 per share on round lot orders that take liquidity from the non-ArcaEx Book.

Securities Listed on the Nasdaq Stock Market

Summary Statistics:

Non-directed orders as % of total customer orders	100%
Market orders as % of total non-directed orders	5%
Limit orders as % of total non-directed orders	95%
Other orders as % of total non-directed orders	0%

Venues Receiving Significant Percentage of Total Non-Directed Orders:

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|----------------------|-----|
| 1. Bear Stearns & Co | 8% |
| 2. Archipelago ECN | 92% |

Information Concerning Significant Venues:

1. Bear Stearns & Co

Types of Orders Routed to Venue:

Market orders as % of total market orders	100%
Limit orders as % of total limit orders	8%
Other orders as % of total other orders	0%

Material aspects of Relationship with Venue:

Bear Stearns Securities Corp is the clearing firm for Monarch Capital Group, LLC. As such, Monarch enters orders electronically into BearTrade, a proprietary trading system developed and owned by Bear Stearns & Co. BearTrade then routes orders internally and independent of Monarch Capital Group, LLC.

2. Archipelago ECN

Types of Orders Routed to Venue:

Market orders as % of total market orders	0%
Limit orders as % of total limit orders	92%
Other orders as % of total other orders	0%

Material aspects of Relationship with Venue:

Archipelago will charge Monarch Capital Group LLC \$0.003 per share on round lot orders that take liquidity from the ArcaEx Book and will pay Monarch Capital Group LLC \$0.002 per share on round lot orders residing in the ArcaEx Book that execute against inbound marketable orders.

Securities Listed on American Stock Exchange or Regional Exchanges/Network B Eligible Security

Summary Statistics:

Non-directed orders as % of total customer orders	0%
Market orders as % of total non-directed orders	9%
Limit orders as % of total non-directed orders	91%
Other orders as % of total non-directed orders	0%

Venues Receiving Significant Percentage of Total Non-Directed Orders:

1. Bear Stearns & Co	8%
2. Archipelago ECN	92%

Information Concerning Significant Venues:

1. Bear Stearns & Co

Types of Orders Routed to Venue:

Market orders as % of total market orders	100%
Limit orders as % of total limit orders	9%
Other orders as % of total other orders	0%

Material aspects of Relationship with Venue:

Bear Stearns Securities Corp is the clearing firm for Monarch Capital Group, LLC. As such, Monarch enters orders electronically into BearTrade, a proprietary trading system developed and owned by Bear Stearns & Co. BearTrade then routes orders internally and independent of Monarch Capital Group, LLC.

2 Archipelago ECN

Types of Orders Routed to Venue:

Market orders as % of total market orders	0%
Limit orders as % of total limit orders	91%
Other orders as % of total other orders	0%

Material aspects of Relationship with Venue:

Archipelago will charge Monarch Capital Group LLC \$0.003 per share on round lot orders that take liquidity from the ArcaEx Book and will pay Monarch Capital Group LLC \$0.002 per share on round lot orders residing in the ArcaEx Book that execute against inbound marketable orders.

Exchange-Listed Options

Summary Statistics:

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

Venues Receiving Significant Percentage of Total Non-Directed Orders:

1. Bear Stearns & Co	100%
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Information Concerning Significant Venues:

1. Bear Stearns & Co

Types of Orders Routed to Venue:

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

Material aspects of Relationship with Venue:

Bear Stearns Securities Corp is the clearing firm for Monarch Capital Group, LLC. As such, Monarch enters orders

electronically into BearTrade, a proprietary trading system developed and owned by Bear Stearns & Co. BearTrade then routes orders internally and independent of Monarch Capital Group, LLC.