

Hilltop Securities Inc. Privacy Policy

At Hilltop Securities Inc. (Hilltop Securities), we are committed to protecting your privacy and the confidentiality of your personal and financial information. The measures we take to keep your personal information private and secure are outlined below.

Hilltop Securities Inc. has multiple affiliates, including Hilltop Securities Independent Network Inc., Southwest Insurance Agency, First Southwest Company, LLC and PlainsCapital Bank. These companies, along with Hilltop Securities Inc., are wholly owned subsidiaries of Hilltop Holdings Inc., a financial holding company whose stock is listed on the New York Stock Exchange under the ticker symbol HTH. Since the affiliates are all part of one corporate family, they work with one another and may work together to service your financial needs. The sharing of your information among our affiliates enables us to serve you more efficiently and makes it more convenient for you to do business with us. We are permitted by law to share information with our affiliates about your account history and your experiences with us. All of our affiliates follow similar privacy policies.

How We Protect Confidentiality

Hilltop Securities uses procedural, physical and electronic system safeguards to store and secure information about you in compliance with federal standards. Our systems protect your information from unauthorized access, alteration, and destruction. Access is permitted only to those individuals within our organization who need the information to perform their job responsibilities.

When we enter into agreements with other companies to provide services to us or to make products and services available to you, we include a confidentiality clause. Under such an agreement, these companies may receive information about you, but they may only use it for the intended purpose - to benefit you.

Persons Covered by the Privacy Policy

The Hilltop Securities' Privacy Policy applies to anyone who is a current or former Hilltop Securities brokerage or investment advisor client or who registers with one of our services or promotional offers. We provide you with a copy of this policy when you open an account, and we send you

annual notifications thereafter. If we change our policy regarding the sharing of information, we will notify you in advance and give you the opportunity to "opt out" of such disclosure.

How We Obtain Information About You

In the normal course of business, we collect, retain and use information about you to serve your financial needs, administer your account(s) and inform you of products and services that may be of interest. This data, known as non-public personal information, may be collected from several sources, including: applications and other forms you file with us (e.g., name, assets, income), records of transactions with us, our affiliates, non-affiliated third parties and others (e.g., credit report). Because we strive to provide you with the best possible service, the accuracy and completeness of your personal information is important to us. We ask that you review your information regularly to ensure that it is correct. Please contact your financial advisor or Hilltop Securities directly if you need to correct or update your personal information.

Sharing Information-With Whom and Why

Hilltop Securities does not sell your personal information to anyone. We restrict the types of information we share and the types of entities with whom we share it. The primary reason for sharing information about you is to increase your convenience in transacting business with us and to give you more financial service choices.

We do not disclose your personal information to non-affiliated third parties, unless one of the following exceptions applies:

We disclose personal information to service providers that assist us in processing your transactions or servicing your account(s). An example would be the company that prints and mails your account statement.

We disclose or report personal information in limited circumstances when we believe in good faith that disclosure is required or permitted under law. For example, we would provide information in cooperation with securities regulators or law enforcement authorities, to resolve consumer disputes, or to perform credit evaluations and authenticate checks.

Internet Security

We do not retrieve account or personal information from visitors who browse the public (pre-logout) areas of our website. Clients who have the ability to access their accounts online are required to log on with their user name and individually selected password. Your password is known solely to you, the client, and should never be shared with anyone. You may change your password as often as you wish.

When you access your account online, it is through a Secure Socket Layer-encrypted session between your browser and our servers. We will continue to enhance security procedures as new technologies become available. Each time you access your account please don't forget to log off when you are finished. This will prevent someone else from accessing your account if you leave your computer and your session hasn't automatically shut down.

Hilltop Securities employees use information about you to respond to your needs and to provide you with information about specific products in which you may have an interest. We instruct our employees to use strict standards of care in handling the personal, confidential information of customers and remind them on a regular basis of their obligations with regard to the confidentiality of customer information.

Option to Opt Out and Change Notices

If for any reason at any time in the future, we find it necessary to disclose any of your personal information in a way that is inconsistent with this policy, we will give you advance notice of the proposed change and the opportunity to opt out of such disclosure. For your reference, this policy has been posted to our website at www.hilltopsecurities.com. If you have questions or concerns, please contact us via email at info@hilltopsecurities.com.

Special Statement to Customers Maintaining Margin Accounts

Securities purchased on margin are the firm's collateral for the loan to you. If the securities in your account decline in value, so does the value of the collateral supporting your loan and, as a result, Hilltop Securities can take action, such as issue a margin call and/or sell securities or other

assets in any of your accounts held with the member firm, in order to maintain the required equity in the account. It is important that you fully understand the risks involved in trading securities on margin. These risks include the following:

You can lose more funds than you deposit in the margin account; Hilltop Securities can force the sale of securities or other assets in your account(s); We can sell your securities or other assets without contacting you; You are not entitled to choose which securities or other assets in your account(s) are liquidated or sold to meet a margin call; We can increase its house maintenance margin requirements at any time and are not required to provide you advance written notice; You are not entitled to an extension of time on a margin call; Hilltop Securities can loan out the securities that collateralize your margin debit. If it does, you may not receive, with respect to securities that are lent, certain benefits that normally accrue to a securities owner, such as the ability to exercise voting rights, or to receive interest, dividends, or other distributions. Although you may receive substitute payments in lieu of distributions, these payments may not receive the same tax treatment as actual interest, dividends, or other distributions, and you may therefore incur additional tax liability for substitute payments. Hilltop Securities may allocate substitute payments by lottery or in any other manner permitted by law, rule, or regulation. Please note that any substitute payments we make are voluntary and may be discontinued at any time.

Callable Securities Disclosure

Hilltop Securities, in accordance with FINRA Rule 4340 (Callable Securities), has a lottery process in place which will allocate among its customers, on a fair and impartial basis, the securities to be redeemed or selected as called in the event of a partial redemption or call. You may access Hilltop Securities' allocation procedures on our website at www.hilltopsecurities.com. Hilltop Securities will provide hard copies of the allocation procedures upon request.

Disclosure of Order Routing Information

Under SEC Rule 606, Hilltop Securities is required to prepare quarterly reports of orders routed on behalf of client orders that disclose the following information: the venues to which it routes orders for execution; the percentage of

total customer orders that were non-directed; the percentage of total customer orders that were market orders, limit orders or other order types; the percentage of routed orders to each venue; and any terms of the material aspects of Hilltop Securities' relationship with each venue. These reports are made public quarterly and are published no later than one month after the end of the quarter. These reports can be accessed on our website at:

www.hilltopsecurities.com. You will have direct access to the current quarterly Rule 606 report in .PDF format. Pursuant to the rule, a client can request details from Hilltop Securities on the identity of the venue to which a client order was routed for execution.

FINRA BrokerCheck

The Financial Industry Regulatory Authority (FINRA) publishes an investor brochure that describes FINRA BrokerCheck. The FINRA BrokerCheck Hotline Number is 1-800-289-9999. The FINRA website address is www.finra.org.

Customer Complaints

Clients may submit all complaints to the Compliance Department by calling telephone 800-957-2999, or by writing Hilltop Securities Inc., Attention: Compliance Department, 1201 Elm Street, Suite 3500, Dallas, Texas 75270.

Hilltop Securities Inc.
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