



**Hilltop Securities Inc. and/or Broker/Dealers for which it Clears**  
 Hilltop Securities Inc. - Member: NYSE/ FINRA/ SIPC

New Account  
 Account Update

## SIMPLE IRA Account Application

### 1. Type of IRA (Check ONE)

SIMPLE IRA       SIMPLE IRA Rollover (Must also complete a Rollover Certification Form)

### 2. Customer Information

|  |                   |            |                   |         |               |
|--|-------------------|------------|-------------------|---------|---------------|
| Full Name of Applicant (First, Middle, Last)                             |                   |            | Social Security # |         | Date of Birth |
| Physical/ Home Address (P.O. Box is not acceptable)                      |                   | City       | State/Province    | Country | Zip           |
| Mailing Address (P.O. Box acceptable if physical address provided above) |                   | City       | State/Province    | Country | Zip           |
| Home Phone Number  | Cell Phone Number | Fax Number | Email Address     |         |               |

### 3. Customer Identification

**USA PATRIOT Act - Important Information About Opening A New Account**

To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account. What this means to you: When you open an account, we will require your name, address, date of birth and other information that will allow us to identify you. We may also ask to see your driver's license or other identifying documents.

**For Applicant:**

Driver's License     Passport/Visa     Other \_\_\_\_\_

Issuer: \_\_\_\_\_ ID Number: \_\_\_\_\_

Date of Issuance (If applicable): \_\_\_\_\_ Date of Expiration (If applicable): \_\_\_\_\_

### 4. Customer Profile

**Marital Status:**  Single     Married     Divorced     Widowed      **Number of Dependents:** \_\_\_\_\_

**Citizenship Status:**  U.S. Citizen     Resident Alien (**Note: Non-Resident Aliens are NOT permitted to open IRA Accounts.**)

**Country of Citizenship if Non-U.S. :** \_\_\_\_\_

**Please attach a copy of your employer's completed SIMPLE Prototype Adoption Agreement, which should be available to you from your SIMPLE Plan contact person.**  
**Plan Contact Person:** \_\_\_\_\_

**Employment Information:** (Please specify if self-employed, unemployed, retired, homemaker, student or other):

|   |      |                      |                    |     |
|---|------|----------------------|--------------------|-----|
| Employer (If self-employed or retired, specify type of business.) |      | Occupation/Job Title | Business Telephone |     |
| Employer's Address  | City | State/Province       | Country            | Zip |

### Customer Affiliations and Disclosures

| Indicate the affiliation of yourself, your spouse, or any other immediate family members (i.e. parents, siblings, children or in-laws) with the following (Please include name and relationship as is applicable):   |                                | Self                            | Family Member                   |
|--|--------------------------------|---------------------------------|---------------------------------|
| <b>A.</b> Employed by or associated with the securities industry or a financial regulatory agency? (If yes, please specify the entity name and address to which duplicate account mailings should be sent, as well as including a letter from employer approving this account.): | <input type="checkbox"/><br>No | <input type="checkbox"/><br>Yes | <input type="checkbox"/><br>Yes |
| <b>B.</b> An officer, director or 10% (or more) shareholder in a publicly-owned company? (If yes, please specify company name and trading symbol.):  | <input type="checkbox"/><br>No | <input type="checkbox"/><br>Yes | <input type="checkbox"/><br>Yes |
| <b>C.</b> A senior military, governmental or political official in either the U.S. or a foreign jurisdiction? (If yes, identify the name of the official, office held, and country.):  | <input type="checkbox"/><br>No | <input type="checkbox"/><br>Yes | <input type="checkbox"/><br>Yes |

Have you granted account trading authorization to another party? (If yes, please specify the agent name and provide a copy of the written agreement conferring trading and account authority.)     Yes     No \_\_\_\_\_

**Financial Institution References**

Reference 1: \_\_\_\_\_ Reference 2: \_\_\_\_\_ Reference 3: \_\_\_\_\_

**Customer Investment Objectives and Risk Tolerance**

Select the categories that best describe your investment objectives and the risk that you are willing to assume in this account. Different investment products and strategies involve different degrees of risk. The greater the expected returns of a product or strategy, the greater the risk that you could lose some or all of your investment. Investments should be chosen based on your objectives, timeframe, and tolerance for market fluctuations. (Note that a secondary investment objective is not required)

| Select One Primary Investment Objective with Your Associated Risk Tolerance (Check one box only) |                              |   |                               | Select One Secondary Investment Objective with Your Associated Risk Tolerance (Check one box only) |                              |                                   |                               |
|--|------------------------------|---|-------------------------------|--|------------------------------|-----------------------------------|-------------------------------|
| <b>Capital Preservation</b>  | <input type="checkbox"/> Low | You may not choose a secondary investment objective if you select Capital Preservation. |                               |  |                              |                                   |                               |
| <b>Income</b>  | <input type="checkbox"/> Low | <input type="checkbox"/> Moderate   | <input type="checkbox"/> High | <b>Income</b>  | <input type="checkbox"/> Low | <input type="checkbox"/> Moderate | <input type="checkbox"/> High |
| <b>Growth</b>  |                              | <input type="checkbox"/> Moderate   | <input type="checkbox"/> High | <b>Growth</b>  |                              | <input type="checkbox"/> Moderate | <input type="checkbox"/> High |
| <b>Speculation</b>   |                              |   | <input type="checkbox"/> High | <b>Speculation</b>   |                              |                                   | <input type="checkbox"/> High |

**Investment Objective Descriptions**

- **Capital Preservation:** The object of capital preservation is to protect your initial investment by choosing investments that minimize the potential of a loss of principal. The long-term risk of this strategy is that returns may not offset inflation.
- **Income:** The primary objective of the income strategy is to provide current income rather than the long-term growth of principal.
- **Growth:** The objective of the growth strategy is to increase the value of your investment over time while recognizing a high likelihood of volatility.
- **Speculation:** A speculative objective assumes a higher risk of loss in anticipation of potentially higher-than-average gains by taking advantage of expected price changes. You recognize and are able to bear the full risk of the loss of some or all principal in such investments.

**Risk Tolerance Descriptions**

- **Low (Conservative):** I want to preserve my initial principal in this account, with minimal risk, even if that means this account does not generate significant income or returns and may not keep pace with inflation.
- **Moderate:** I am willing to accept some risk to my initial principal and tolerate some volatility to seek higher returns, and understand I could lose a portion of the money invested.
- **High (Aggressive):** I am willing to accept high risk to my initial principal, including high volatility, to seek higher returns over time, and understand I could lose all or a substantial amount of the money invested.

**Customer Financial Information**

**Financial Information**

The more we know about you and your goals for this account, the better we can serve you. Please answer the following questions about your investment experience and financial situation to help us determine which investment products and strategies are suitable for you.

| Investment Experience<br>(Include Years of Experience) | Annual Income <sup>1</sup><br>(From all Sources) | Net Worth <sup>2</sup><br>(Exclusive of Residence) | Liquid Net Worth <sup>3</sup><br>(Cash, Securities, etc.) | Federal Tax Rate             |
|--|--|--|---|------------------------------|
| <input type="checkbox"/> Stocks _____                  | <input type="checkbox"/> Under \$25,000          | <input type="checkbox"/> Under \$50,000            | <input type="checkbox"/> Under \$50,000                   | <input type="checkbox"/> 10% |
| <input type="checkbox"/> Bonds _____                   | <input type="checkbox"/> \$25,000-\$49,999       | <input type="checkbox"/> \$50,000-\$99,999         | <input type="checkbox"/> \$50,000-\$99,999                | <input type="checkbox"/> 15% |
| <input type="checkbox"/> Options _____                 | <input type="checkbox"/> \$50,000-\$99,999       | <input type="checkbox"/> \$100,000-\$249,999       | <input type="checkbox"/> \$100,000-\$249,999              | <input type="checkbox"/> 25% |
| <input type="checkbox"/> Commodities _____             | <input type="checkbox"/> \$100,000-\$249,999     | <input type="checkbox"/> \$250,000-\$499,999       | <input type="checkbox"/> \$250,000-\$499,999              | <input type="checkbox"/> 28% |
| <input type="checkbox"/> Futures _____                 | <input type="checkbox"/> \$250,000-\$499,999     | <input type="checkbox"/> \$500,000-\$999,999       | <input type="checkbox"/> \$500,000-\$999,999              | <input type="checkbox"/> 33% |
| <input type="checkbox"/> Mutual Funds _____            | <input type="checkbox"/> \$500,000-\$999,999     | <input type="checkbox"/> \$1,000,000-\$3,000,000   | <input type="checkbox"/> \$1,000,000-\$3,000,000          | <input type="checkbox"/> 35% |
| <input type="checkbox"/> Other (List) _____            | <input type="checkbox"/> \$1,000,000-\$3,000,000 | <input type="checkbox"/> Over \$3,000,000          | <input type="checkbox"/> Over \$3,000,000                 |                              |
|  | <input type="checkbox"/> Over \$3,000,000        |  |   |                              |

**Additional Customer Information**

| Annual Expenses <sup>4</sup><br>(Recurring)                           | Special Expenses <sup>5</sup><br>(Future/ Non-Recurring) | Description of Terms  |
|---|--|---|
| <input type="checkbox"/> \$50,000 and under                           | <input type="checkbox"/> \$50,000 and under              | <sup>1</sup> <b>Annual income</b> includes income from sources such as employment, alimony, social security, investment income, etc.<br><sup>2</sup> <b>Net worth</b> is the value of your assets minus your liabilities. For purposes of this application, assets include stocks, bonds, mutual funds, other securities, bank accounts, and other personal property. Do not include your primary residence among your assets. For liabilities, include any outstanding loans, credit card balances, taxes, etc. Do not include your mortgage.<br><sup>3</sup> <b>Liquid net worth</b> is your net worth minus assets that cannot be converted quickly and easily into cash, such as real estate, business equity, personal property and automobiles, expected inheritances, assets earmarked for other purposes, and investments or accounts subject to substantial penalties if they were sold or if assets were withdrawn from them.<br><sup>4</sup> <b>Annual expenses</b> might include mortgage payments, rent, long-term debts, utilities, alimony or child support payments, etc.<br><sup>5</sup> <b>Special expenses</b> might include a home purchase, remodeling a home, a car purchase, education, medical expenses, etc. |
| <input type="checkbox"/> \$50,001-100,000                             | <input type="checkbox"/> \$50,001-100,000                |   |
| <input type="checkbox"/> \$100,001-250,000                            | <input type="checkbox"/> \$100,001-250,000               |   |
| <input type="checkbox"/> \$250,001-500,000                            | <input type="checkbox"/> Over \$250,000                  |   |
| <input type="checkbox"/> Over \$500,000                               |  |   |
| <b>The investments in this account will be:</b><br>(Check one)        | <b>Timeframe for Special Expenses</b>                    |   |
| <input type="checkbox"/> Less than 1/3 of my financial portfolio      | <b>Special Expense:</b> _____                            |   |
| <input type="checkbox"/> Roughly 1/3 to 2/3 of my financial portfolio | <input type="checkbox"/> Within 2 years                  |   |
| <input type="checkbox"/> More than 2/3 of my financial portfolio      | <input type="checkbox"/> 3-5 years                       |   |
|   | <input type="checkbox"/> 6-10 years                      |   |
|   | <input type="checkbox"/> 11 years or more                |   |

**Investment Time Horizon** - When is the earliest that you expect to need funds from this account?

- Under 3 years    3-5 years    6-10 years    11-20 years    Over 20 years    Unknown

| I plan to use this account for the following <i>(Check all that apply)</i>   | What is your source of funds for this account <i>(Check all that apply)</i>   |
|--|---|
| <input type="checkbox"/> Generate income for current or future expenses<br><input type="checkbox"/> Partially fund my retirement<br><input type="checkbox"/> Wholly fund my retirement<br><input type="checkbox"/> Steadily accumulate wealth over the long term<br><input type="checkbox"/> Preserve wealth and pass it on to my heirs<br><input type="checkbox"/> Pay for educational expenses<br><input type="checkbox"/> Market speculation<br><input type="checkbox"/> Other: _____ | <input type="checkbox"/> Income from Earnings<br><input type="checkbox"/> Investments/ Transfer from Brokerage Account<br><input type="checkbox"/> Gift<br><input type="checkbox"/> Sale of Business or Real Estate<br><input type="checkbox"/> Inheritance<br><input type="checkbox"/> Pension/ IRA/ Retirement Savings<br><input type="checkbox"/> Spouse/ Parent/ Relative<br><input type="checkbox"/> Legal/ Insurance Settlement<br><input type="checkbox"/> Lottery/Gaming<br><input type="checkbox"/> Other: _____ |

**Other Investment Information** *(Optional)* - Please consider providing us with additional information about your other investments to help us more fully understand your financial situation and the types of investments or strategies that may be appropriate for your total investment portfolio. *(Use additional pages if needed)*

| Investment Type/Description | Firm Holding Your Investment | Amount of Investment |
|-----------------------------|------------------------------|----------------------|
|                             |                              | \$                   |
|                             |                              | \$                   |
|                             |                              | \$                   |

**5. Beneficiary Designation**

| Name and Address | Birth Date | Social Security #* | Relationship | Beneficiary Type*   | Share %* |
|------------------|------------|--------------------|--------------|---|----------|
|                  |            |                    |              | <input type="checkbox"/> Primary<br><input type="checkbox"/> Contingent | ____%    |
|                  |            |                    |              | <input type="checkbox"/> Primary<br><input type="checkbox"/> Contingent | ____%    |
|                  |            |                    |              | <input type="checkbox"/> Primary<br><input type="checkbox"/> Contingent | ____%    |
|                  |            |                    |              | <input type="checkbox"/> Primary<br><input type="checkbox"/> Contingent | ____%    |

**\*Note:** Beneficiaries must have a social security number. In the event of your death, the Primary Beneficiaries will receive the proceeds of your IRA in equal shares or in the specified Share %, if indicated. If no Primary Beneficiary survives you, the Contingent Beneficiaries will receive the proceeds of your IRA in equal shares or in the specified Share %, if indicated. If the Beneficiary Type box is not checked for a beneficiary, the beneficiary will be deemed to be a Primary Beneficiary. If no beneficiary is listed, the balance in the account shall be paid to your estate. The total % of all Primary Beneficiaries must equal 100%; the total % of all Contingent Beneficiaries, if designated should also equal 100%. If you elect to have a predeceased Primary Beneficiary's proceeds distributed to contingent beneficiaries equally or in the specified Share %, if indicated, instead of equally divided among surviving Primary Beneficiaries, check here.  If you check this option, you must provide the name and social security number of the contingent beneficiary.

**Additional Guidance**

It is in your best interest to seek the guidance of your tax or legal professional before completing this form because of the potentially significant financial and estate planning consequences associated with beneficiaries naming successor IRA beneficiaries. Please see the Death Distribution information contained within your IRA adoption agreement and disclosure. For more information, refer to Internal Revenue Service (IRS) Publication 590 or visit the IRS Website at [www.irs.gov](http://www.irs.gov).

**6. Spousal Consent** *(Required if participant's spouse is not designated as the sole primary beneficiary.)*

As the spouse of the participant in the above-named Plan, I acknowledge that I understand my rights to be named the Primary Beneficiary of my spouse's account balance. I hereby consent to the designation made by my spouse to have the death benefit paid to the beneficiary(ies) named on my spouse's most current Beneficiary Designation instead of to me. I further acknowledge that I understand that the effect of my consent may be to forfeit benefits which I would be entitled to receive upon my spouse's death; that my spouse may not name a non-spouse beneficiary unless I consent to it; that the trustees may or may not permit me to revoke my consent to waiver at a later date; and that my spouse may not change beneficiary(ies) to anyone other than myself without my consent.

**X** \_\_\_\_\_  
 Spouse's Signature *(Required if not sole primary beneficiary.)* Date

## 7. Sweep Account Instructions

### For Cash Within the Account:

You must make ONE selection below. This type of account may not retain excess cash balances in Credit Interest (CIP). Excess cash balances must sweep to one of the funds or bank insured deposit options below. Applications without a selection will be rejected.

- |   |  |
|---|--|
| <input type="checkbox"/> Sweep to Bank Insured Deposit (FDIC Insured Deposit Account) | <input type="checkbox"/> Sweep to Federated Florida Muni Fund    |
| <input type="checkbox"/> Sweep to Dreyfus General Money Market Fund                   | <input type="checkbox"/> Sweep to Federated California Muni Fund |
| <input type="checkbox"/> Sweep to Dreyfus General Muni Fund                           | <input type="checkbox"/> Sweep to Federated Minnesota Muni Fund  |
| <input type="checkbox"/> Sweep to Dreyfus General Government Fund                     | <input type="checkbox"/> Sweep to Federated New York Muni Fund   |
| <input type="checkbox"/> Sweep to Dreyfus General Treasury Prime Fund                 |  |

The sweep program is provided by HTS to its customers offering you the option of automatically transferring excess cash balances in your securities account to either an account at a bank whose deposits are insured by the FDIC or money market mutual fund product. A sweep of your excess cash balance allows you to earn interest on the funds while retaining the flexibility to quickly access that cash to purchase securities or withdraw it. HTS may change the products available under the sweep program. For existing accounts, please notify your Financial Advisor if you wish to sweep cash balances to the Bank Insured Deposit, Dreyfus General Money Market Fund, or other selection. Individual retirement accounts and qualified retirement plan accounts may not retain excess cash balances in CIP. Therefore, these specific types of accounts must affirmatively select either the money market fund option or Bank Insured Deposit option. For more information on Money Market Funds, please review the fund's prospectus.

The Bank Insured Deposit is a program which involves a series of FDIC-insured bank accounts maintained at various participant banks, including PlainsCapital Bank, an affiliate of Hilltop Securities Inc. (HTS). Bank deposits are generally insured up to \$250,000 per depositor, while your IRA and other qualifying self-directed retirement funds on deposit are separately insured up to \$250,000. Balances in Bank Insured Deposit up to \$5 million may be covered depending on the number of participant banks in the program. Account balances in excess of the combined coverage limits of the participant banks will be swept by HTS to a money market fund. A list of participant banks is available at [www.hilltopsecurities.com](http://www.hilltopsecurities.com). Deposits you may have directly placed with any participant bank should be taken into account when assessing your FDIC coverage. If you have a deposit with one of the participant banks that is separate from a balance in the Bank Insured Deposit, please notify your Financial Advisor if the combined deposits are in excess of \$250,000.

I acknowledge that I have been notified of the general terms and conditions of the products available through the sweep program. I acknowledge that if I have selected the Bank Insured Deposit program, the terms and conditions will be mailed to me. Information regarding FDIC coverage is available at [www.fdic.gov](http://www.fdic.gov). Cash balances invested in the Bank Insured Deposit are not covered by SIPC or excess-SIPC coverage. Please consult your Financial Advisor, as certain types of accounts may not be eligible to invest in the Bank Insured Deposit. HTS or your Financial Advisor may receive a fee or compensation with respect to the Bank Insured Deposit. For more information concerning your cash account options, please contact your Financial Advisor. For complete sweep account disclosures please see the Customer Information Brochure.

HTS may change the products available under the sweep program, however you will receive 30 days notice before certain specified changes are made.

## 8. Option Account Agreement (Please read, complete and sign below if you wish to trade options)

| Investment Objective<br>(See Descriptions on Page 2)                    | Prior Option Activity Has Been  | Prior Option Trading Frequency   | Prior Option Trading Occurred In What Account Type  |
|---|---|--|---|
| <input type="checkbox"/> Income<br><input type="checkbox"/> Speculation | <input type="checkbox"/> No Activity<br><input type="checkbox"/> Buying<br><input type="checkbox"/> Writing<br><input type="checkbox"/> Uncovered (Sales) | <input type="checkbox"/> No Trading<br><input type="checkbox"/> Infrequent<br><input type="checkbox"/> Moderate<br><input type="checkbox"/> Active | <input type="checkbox"/> Cash<br><input type="checkbox"/> Margin<br><input type="checkbox"/> Both<br><input type="checkbox"/> Neither |

### Option Strategy Levels Requested: (Check the strategy level that you wish to utilize in this account)

- Level 1:** Covered Option Writing – Writing calls fully covered by underlying stock or security convertible into underlying stock or writing puts fully covered by cash.
- Level 2:** Level 1 plus buying calls and/or puts.

By signing below, I acknowledge that I have received a copy of the HTS Option Account Agreement Section of the Customer Information Brochure and that I have read, understand and agree to be bound by the terms. I feel that I have sufficient knowledge to invest in options and I represent that I will maintain extra awareness due to the short life and price volatility of options. **I REPRESENT THAT I AM CAPABLE OF EVALUATING, CARRYING AND BEARING THE FINANCIAL RISKS AND HAZARDS OF THE OPTION STRATEGIES AS I HAVE REQUESTED.**

**X** \_\_\_\_\_  
 Applicant's Signature Date

## 9. Account Agreement and Special Instructions (Please read and sign)

You hereby request that your Financial Advisor maintain a brokerage account in the name(s) listed on this application. You acknowledge that you have received, read and understood the Hilltop Securities Inc. (HTS/Firm) Cash Account Agreement (Agreement) section of the Customer Information Brochure and that you agree to be bound by the terms and conditions of the Agreement that apply to your brokerage account, as is currently in effect and as may be amended from time to time, and that you will contact your Financial Advisor regarding any questions that may relate to your account in a timely manner.

By signing below, you authorize HTS to invest or transfer on an ongoing basis any excess cash balances to another account or institution as per the sweep account option selected above. You also acknowledge that you have read, understand, and agree to be bound by all terms as contained in the Customer Information Brochure relating to sweep accounts. You agree to notify your Financial Advisor should you wish to change your sweep account selection. You also authorize HTS to transfer your interest in the selected sweep option to another product in its sweep account program upon 30 days written notice.

By signing this Application, you confirm your intention to reinvest cash credit balances held by HTS in your name, and you further confirm that this cash credit balance is being maintained in your account solely for the purpose of reinvestment. You acknowledge your understanding that cash balances of up to \$250,000 are protected by the Securities Investor Protection Corporation (SIPC), but that SIPC coverage is not available for funds maintained solely for the purpose of earning interest.

Under rule 14b-1(c) of the Securities Exchange Act, a broker is required to disclose to an issuer the name, address, and securities positions of our customers who are beneficial owners of that issuer's securities unless the customer objects. If you object to the disclosure of such information, please check this box:

- Yes, I object to the disclosure of such information.

**Tax Withholding Certifications**

Please check all boxes that apply, and sign and date below in Section 10:

| Account Applicant        |  |
|--------------------------|--|
| <input type="checkbox"/> | <b>U.S. Person:</b> Under penalties of perjury, I certify that: <b>(1)</b> the number shown on this form is my correct taxpayer identification number; <b>(2)</b> I am not subject to backup withholding because: (a) I am exempt from backup withholding; or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends; or (c) the IRS has notified me that I am no longer subject to backup withholding; (3) I am a U.S. person (including a U.S. resident alien); and (4) the Foreign Account Tax Compliance Act (FATCA) code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct. |
| <input type="checkbox"/> | <b>Certification Instructions:</b> You must check this box if you cannot certify to item <b>(2)</b> above, meaning that you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return.  |
| <input type="checkbox"/> | <b>Non-Resident Alien:</b> I certify that I am not a U.S. citizen, U.S. resident alien, or other U.S. person for U.S. tax purposes, and I am submitting the applicable Form W-8BEN with this form to certify my foreign status and, if applicable, claim tax treaty benefits.  |

Under penalties of perjury, I certify that the above information (including my social security number) is correct. I hereby agree to participate in the IRA offered by the Custodian. I acknowledge receipt of a copy of the plan document under which this IRA is established and a copy of the Disclosure Statement with respect to this IRA. I direct that all benefits upon my death be paid as indicated above. In the event that this is a rollover contribution, the undersigned hereby irrevocably elects, pursuant to the requirements of Section 1.402(a)(5)-IT of the IRS regulations, to treat this contribution as a rollover contribution. The Custodian of this account is Hilltop Securities Inc. Notice of revocation must be delivered or mailed to Hilltop Securities Inc. / 1201 Elm Street, Suite 3500 / Dallas, TX 75270 / Phone #: (214) 859-1800.

By signing and dating this form, all applicants authorize the disclosure of their names, security position(s) and contact information, for purposes of receiving official communications concerning municipal securities, if relevant, to (a) an issuer of municipal securities; (b) a trustee for an issue of municipal securities in its capacity as trustee; (c) a state or federal tax authority; or (d) a custody agent for a stripped coupon municipal securities program in its capacity as custody agent. (For additional information, please see MSRB Rules G-8(a)(xi) and G-15(g)(iii)(A).)

"Power of Attorney" not related to limited trading authorization will be accepted if it complies with the POA standards established by Hilltop Securities Inc.

**The Internal Revenue Service does not require your consent to any provision of this document other than the certifications required to avoid backup and FATCA withholding. For IRS Form W-9 instructions please use the following link: <http://www.irs.gov/pub/irs-pdf/iw9.pdf>.**

In consideration of the firm accepting this account, I acknowledge that I have read, understand and agree to be bound by the HTS Cash Account Agreement terms as contained in the Customer Information Brochure, that I acknowledge receiving at the time the account was opened. **I further acknowledge that I have read and understand the pre-dispute arbitration clause contained in the Cash Account Agreement section of the Customer Information Brochure and agree to resolve any disputes arising out of my account by arbitration.** I certify that the foregoing client information is accurate and I am aware that the information is relied upon by the financial advisor in servicing my account, and as such, I agree to notify the Firm in writing of any material changes, including those to my financial situation or investment objectives.

**10. Customer Signature**

X \_\_\_\_\_  
 Applicant's Signature                                      Date                                      Applicant's Printed Name

| <b>FOR BROKERAGE USE ONLY</b>   |  |
|---|--|
| Characteristics and Risks of Standardized Options Delivered: _____ / _____ / _____<br>Special Statement for Uncovered Option Writers Delivered: _____ / _____ / _____<br>In my capacity as Registered Options Principal, I have reviewed the client's financial condition, investment objective(s) and investment experience, and on that basis feel the following level of trading is suitable for this client:<br><input type="checkbox"/> Level 1 <input type="checkbox"/> Level 2 <input type="checkbox"/> None<br><br>X _____<br>Registered Options Principal Signature                                      Date<br><br>_____<br>Registered Options Principal Printed Name<br><br>Office #: _____ Rep #: _____ Account #: _____ | Customer Information Brochure Delivered: _____ / _____ / _____<br>Privacy Policy Delivered: _____ / _____ / _____<br>Copies of all Written Agreements Delivered: _____ / _____ / _____<br><br>X _____<br>Financial Advisor's Signature                                      _____<br>_____<br>Financial Advisor's Printed Name<br><br>X _____<br>Principal's Signature                                      Date<br>_____<br>Principal's Printed Name<br><br>X _____<br>Authorized Signature of Custodian                                      Date<br>_____<br>Authorized Printed Name of Custodian |

**PROTOTYPE SIMPLE RETIREMENT PLAN  
ADOPTION AGREEMENT**

The undersigned Employer hereby establishes on the date indicated, the Sponsoring Organization's Prototype SIMPLE Retirement Plan and agrees that the following elections and terms shall be part of such Plan.

**EMPLOYER INFORMATION**

- 1. Name: \_\_\_\_\_ 3. Phone: \_\_\_\_\_
- 2. Address: \_\_\_\_\_ 4. EIN: \_\_\_\_\_
- 5. Contact Person: \_\_\_\_\_

**PLAN INFORMATION**

- 6. Effective Date:  January 1, \_\_\_\_\_; or  \_\_\_\_\_ (For initial Plan Year enter a date between January 1 and October 1.)
- 7. Sponsoring Organization: \_\_\_\_\_

The Sponsoring Organization will inform the Employer of any amendments to the SIMPLE or if the Sponsoring Organization no longer sponsors this Prototype.

**ELIGIBILITY REQUIREMENTS**

- 8. All Employees of the Employer shall be eligible to participate under the Plan except:
  - a. Employees included in a unit of employees covered under a collective bargaining agreement described in section 2.02(a) of the Plan. (NOTE: This box is deemed checked if the special rule for the one-plan requirement in section 1.03(a) applies.)
  - b. Non-resident alien employees who did not receive US source income described in section 2.02(b) of the Plan.
  - c. If the Employer has been involved in an acquisition, or similar transaction, by checking the box below, the following Employees are not Eligible Employees, but only for the calendar year of the transaction and the following calendar year (the following 2 calendar years, if permitted by section 408(p)):
    - Employees who would be employed by another employer involved in the \_\_\_\_\_ (insert date of transaction) transaction with the Employer had the transaction not occurred. (NOTE: This box is deemed checked if section 1.03(a) of the Plan applies.)
- 9.  a. Full eligibility. All Employees are eligible.
- b. Limited eligibility. Eligibility is limited to each Eligible Employee who is described in both (i) and (ii) below:
  - (i) Prior year compensation. An Eligible Employee who has received at least \$5,000, or \_\_\_\_\_, if lesser, in Compensation during any 2, or \_\_\_\_\_ (insert 0 or 1), if less, preceding calendar years (need not be consecutive); and
  - (ii) Current year compensation. An Eligible Employee who is reasonably expected to receive at least \$5,000, or \_\_\_\_\_, if lesser, in Compensation during the current calendar year.

**WRITTEN ALLOCATION FORMULA - EMPLOYER CONTRIBUTIONS**

- 10. The Employer shall contribute on behalf of each Participant for each Plan Year in accordance with one of the following as indicated in the Summary Description.
  - a. Matching Contribution in the amount of the Participant's Elective Deferral. Employer Matching Contributions must meet the requirements of section 3.03(b) of the Plan.
  - b. Nonelective Contribution of 2% of each Eligible Employee's Compensation, who receives at least \$5,000, or \_\_\_\_\_, if lesser, in Compensation from the Employer for the Plan Year.

**WRITTEN ALLOCATION FORMULA - ELECTIVE DEFERRALS**

- 11. An Eligible Employee may elect to have his/her Compensation reduced by a percentage as specified on the Deferral Form (including a "catch-up" contribution.).
- 12. If a Participant elects to stop deferring during a Plan Year, such Participant:
  - a. may not begin Elective Deferrals until January 1 of the next Plan Year; or
  - b. may resume Elective Deferrals at any time provided another Deferral Form is filed with the Employer.
- 13. An Eligible Employee will be permitted to make or modify his deferral election: \_\_\_\_\_ (insert date(s) which will apply to all Eligible Employees).

**INVESTMENT PROVISIONS**

- 14. The IRA accounts of each Participant shall be established and maintained with:
  - a. A Trustee/Custodian of each Participant's choice if indicated on the Deferral Form; or
  - b. The "DFI" Trustee/Custodian named by the Employer is: (insert name and address of DFI)

**SIGNATURES**

Employer: \_\_\_\_\_ Trustee (optional): \_\_\_\_\_

By (Authorized Signature): \_\_\_\_\_ By (Authorized Signature): \_\_\_\_\_

Date: \_\_\_\_\_ Date: \_\_\_\_\_

# SIMPLE PLAN DEFERRAL FORM

## SECTION I - GENERAL PLAN INFORMATION

Participant's Name: \_\_\_\_\_

Participant's Address: \_\_\_\_\_ SSN: \_\_\_\_\_

Name of Employer: \_\_\_\_\_

Trustee/Custodian: \_\_\_\_\_

## SECTION II - SALARY REDUCTION DEFERRAL ELECTION

Subject to the requirements of the SIMPLE Retirement Plan of the above-named employer, I authorize the following amount or percentage of my compensation to be withheld from each of my paychecks and contributed to my SIMPLE IRA:

- a. \_\_\_\_\_ percent of my salary (not in excess of 100%); OR
- b. \$ \_\_\_\_\_ per pay period; OR
- c. \$ \_\_\_\_\_ as of \_\_\_\_\_ [insert amount and date of single-sum deferral payment].

I elect not to participate in my Employer's SIMPLE Plan with respect to Salary reduction contributions.

This salary reduction authorization shall remain in effect until I give a written modification or termination of its terms to my employer.

## SECTION III - AMOUNT OF DEFERRAL

- a. If I will be under age 50 by the end of the relevant year, I understand that the total amount of my salary reduction contributions cannot exceed a specified dollar amount explained in the Summary Description.
- b. If I will be age 50 or over by the end of the relevant year, I understand that the total amount of my age 50 catch-up salary reduction contributions cannot exceed a specified dollar amount explained in the Summary Description.
- c. I understand that the total amount I defer in any calendar year to this SIMPLE may not exceed the lesser of:  
\_\_\_\_\_ % of my compensation; or the dollar limitation indicated in (a) or (b) above.

## SECTION IV - COMMENCEMENT OF DEFERRAL

The deferral election specified in Section II above shall not become effective before \_\_\_\_\_ (Specify a date no earlier than the first day of the first pay period beginning after you sign this agreement.)

## SECTION V - DISTRIBUTIONS FROM SIMPLE IRA

I understand that any amounts withdrawn from my SIMPLE IRA are includible in my gross income and may be subject to a 25% additional income tax if withdrawn within 2 years of the day I first participated in this SIMPLE Plan.

## SECTION VI - EMPLOYEE SELECTION OF SIMPLE IRA TRUSTEE OR CUSTODIAN

I select the following financial institution to serve as the trustee, custodian, or issuer of my SIMPLE IRA.

Name of Financial Institution: \_\_\_\_\_

Address: \_\_\_\_\_

SIMPLE IRA Account Name/Number: \_\_\_\_\_

I understand that I must establish a SIMPLE IRA to receive any contributions made on my behalf under this SIMPLE IRA Plan. If the information regarding my SIMPLE IRA is incomplete when I first submit my salary reduction agreement, I realize that it must be completed by the date contributions must be made under the SIMPLE IRA Plan. If I fail to update my agreement to provide this information by that date, I understand that my employer may select a financial institution for my SIMPLE IRA.

Date: \_\_\_\_\_ Signature of Participant: \_\_\_\_\_

## SECTION VII - TERMINATION OF ELECTIVE DEFERRALS

I understand that my Employer may restrict me from resuming Elective Deferrals until the January 1st of the next Plan Year, if so indicated on the Adoption Agreement.

I wish to stop my Elective Deferrals as of \_\_\_\_\_. (Fill in the date you want your salary reduction contributions to end. The date must be after you sign this agreement).

Employee Initials \_\_\_\_\_.

## SECTION VIII - DURATION OF ELECTION

This salary reduction agreement replaces any earlier agreement and will remain in effect as long as I remain an Eligible Employee under the SIMPLE IRA Plan or until I provide my Employer with a new salary reduction agreement as permitted under this SIMPLE IRA Plan.



**ANNUAL SUMMARY DESCRIPTION**  
**(For Existing SIMPLE Plan)**

**EMPLOYER INSTRUCTIONS:**

We are required to provide you with an Annual Summary Description for your SIMPLE Plan. You, the employer, must complete the information in items 1 through 9 below, prior to providing this Summary Description to your employees. A completed Annual Summary Description must be given to each eligible employee within a reasonable time prior to November 2nd of each year. Therefore, this description is providing information on your SIMPLE Plan with respect to the following calendar year. If you are not the Employer, please provide this to your Employer for completion.

**PLAN INFORMATION**

1. Name of Employer: \_\_\_\_\_

Address of Employer: \_\_\_\_\_

2. Name of Trustee/Custodian: \_\_\_\_\_

Address of Trustee/Custodian: \_\_\_\_\_

The Trustee/Custodian named above is a  non-DFI;  DFI

(If the "DFI" (Designated Financial Institution) box is checked, the Trustee/Custodian must provide information regarding procedures for, and effects of, withdrawals (including rollovers) from the SIMPLE IRA.)

**ELIGIBILITY REQUIREMENTS**

3. All Employees of the Employer shall be eligible to participate under the Plan except:
- a. Employees included in a unit of employees covered under a collective bargaining agreement.
  - b. Non-resident alien employees who did not receive US source income.
  - c. Employees who are not reasonably expected to earn \$\_\_\_\_\_ (not to exceed \$5,000) during the Plan Year for which the contribution is being made.
  - d. There are no eligibility requirements. All Employees are eligible to participate upon the later of the plan's effective date or the employee's date of hire.
4. Each Eligible Employee will be eligible to become a Participant after having worked for the Employer during any prior years (not to exceed 2) and received at least \$\_\_\_\_\_ in compensation (not to exceed \$5,000), during each of such prior years.

**WRITTEN ALLOCATION FORMULA**

5. The Employer has agreed to provide contributions for the \_\_\_\_\_ Plan Year as follows (complete only one choice):
- a. Matching Contribution - The amount of the Participant's Elective Deferral not in excess of 3% of such Participant's Compensation.
  - b. Matching Contribution - The amount of the Participant's Elective Deferral not in excess of \_\_\_\_\_% (not less than 1% nor more than 3%) of such Participant's Compensation.
  - c. Nonelective Employer Contribution - 2% of each Eligible Employee's Compensation, if the Eligible Employee earns at least \$\_\_\_\_\_ in compensation (not to exceed \$5,000) during the calendar year.
6. Catch-up Elective Deferral Contributions shall not exceed \$2,500 (subject to cost-of-living adjustments) and may only be made by Eligible Employees who have attained or who will attain the age of 50 on or before December 31.

**TIMING OF ELECTION**

7. If a Participant elects to stop deferring during a Plan Year, such Participant:
- a. may not resume Elective Deferrals until January 1 of the next Plan Year; or
  - b. may resume Elective Deferrals at the next change date permitted under Item 8 below.
8. An Eligible Employee will be permitted to make or modify his deferral election: \_\_\_\_\_ (insert date(s) which will apply to all Eligible Employees).

**ADDITIONAL INFORMATION**

9. The Employer has designated \_\_\_\_\_ (insert Name & Title) to provide additional information to Eligible Employees about the Employer's SIMPLE Plan.



## GENERAL INFORMATION

The following information explains what a Savings Incentive Match Plan for Employees ("SIMPLE") is how contributions are made, and how to treat these contributions for tax purposes. For more specific information, refer to the SIMPLE Retirement Plan document itself, the completed Adoption Agreement and the accompanying disclosure information.

For a calendar year, you may make or modify a salary reduction election during the 60-day period immediately preceding January 1 of that year. However, for the year in which you first become eligible to make salary reduction contributions, the period during which you may make or modify the election is a 60 day period that includes either the date you become eligible or the day before. If indicated on the Adoption Agreement, you may have additional opportunities during a calendar year to make or modify your salary reduction election.

**SIMPLE Retirement Plan and SIMPLE IRA Defined:** A SIMPLE Retirement Plan is a retirement income arrangement established by your employer. Under this SIMPLE Plan, you may choose to defer compensation to your own SIMPLE Individual Retirement Account or Annuity ("SIMPLE IRA"). You may base these "elective deferrals" on a salary reduction basis that, at your election, may be contributed to a SIMPLE IRA or received in cash. This type of plan is available only to an employer with 100 or fewer employees who earned at least \$5,000 during the prior calendar year.

A SIMPLE IRA is a separate IRA plan that you establish with an eligible financial institution for the purpose of receiving contributions under this SIMPLE Retirement Plan. Your employer must provide you with a copy of the SIMPLE agreement containing eligibility requirements and a description of the basis upon which contributions may be made. All amounts contributed to your SIMPLE IRA belong to you, even after you quit working for your employer.

**Elective Deferrals - Not Required:** You are not required to make elective deferrals under this SIMPLE Retirement Plan. However, if the Employer is matching your elective deferrals, no Employer contribution will be made on your behalf unless you elect to defer under the plan.

**Elective Deferrals - Annual Limitation:** The maximum amount that you may defer under this SIMPLE Plan for any calendar year is limited to the lesser of the percentage of your compensation indicated in the Deferral Form or the maximum deferral limit permitted under law, subject to cost-of-living adjustments. For 2014, this amount is \$12,000 (subject to cost of living adjustments).

**Allowance of Catch-Up Contributions:** All Employees who are eligible to make Elective Deferrals under this Plan and who have attained age 50 before the close of the Plan Year shall be eligible to make Catch-Up Contributions for 2014 up to \$2,500, (subject to cost of living adjustments.)

**Tax Treatment of Elective Deferrals:** The amount that you may elect to contribute to your SIMPLE IRA is excludible from gross income, subject to the limitations discussed above, and is not includible as taxable wages on Form W-2. However, these amounts are subject to FICA and FUTA taxes.

If you work for other employers (unrelated to this Employer) who also maintain a salary deferral plan, there is an overall limit on the maximum amount that you may defer in each calendar year to all elective SEPs, cash or deferred arrangements under section 401(k) of the Code, other SIMPLE plans and 403(b) plans regardless of how many employers you may have worked for during the year.

This limitation is referred to as the §402(g) limit. The section 402(g) limit on elective deferrals is currently \$17,500, subject to cost of living adjustments.

When "excess elective deferrals" (i.e., amounts in excess of the SIMPLE elective deferral limit or the section 402(g) limit) are made, you are responsible for calculating whether you have exceeded these limits in the calendar year. Excess elective deferrals are includible in your gross income in the calendar year of deferral. Income on the excess elective deferrals is includible in your income in the year of withdrawal from the SIMPLE IRA. You should withdraw excess elective deferrals and any allocable income, from your SIMPLE IRA by April 15 following the year to which the deferrals relate. These amounts may not be transferred or rolled over tax-free to another SIMPLE IRA. The trustee or custodian of your SIMPLE IRA will inform you of the income allocable to such excess amounts.

**SIMPLE IRA Distributions:** You may withdraw from your SIMPLE IRA at any time. However, any distributions will be includible in your gross income and may also be subject to a 25% additional income tax or a 10% additional income tax depending upon how long you have participated in the SIMPLE Plan. For more information refer to the SIMPLE IRA disclosure statement which was provided to you when you established your SIMPLE IRA.

**Rollover or Transfer to Another IRA:** You may not roll over or transfer from your SIMPLE IRA any SIMPLE contributions (or income on these contributions) made during the plan year to another IRA (other than a SIMPLE IRA) until the 2 years following the date you first participated in the SIMPLE plan. You may, however, remove excess elective deferrals and income allocable to such excess amounts from your SIMPLE IRA before this time, but you may not roll over or transfer these amounts to another IRA.

If the Adoption Agreement indicates that all initial SIMPLE contributions will be made to a Designated Financial Institution, you may be able to transfer your SIMPLE IRA without cost or penalty to another SIMPLE IRA (if within the 2 year period) or thereafter to any other IRA. The DFI may impose a deadline for electing no cost or penalty free transfers and if the employee so elects, may also limit your choice of investments.

After the restriction described above no longer applies, you may withdraw, or receive, funds from your SIMPLE IRA, and no more than 60 days later, place such funds in another IRA or SIMPLE IRA. This is called a "rollover" and may not be done more frequently than at 12-month intervals. However, there are no restrictions on the number of times that you may make "transfers" if you arrange to have such funds transferred between the trustees so that you never have possession of the funds. You may not, however, roll over or transfer excess elective deferrals and income allocable to such excess amounts from your SIMPLE IRA to another IRA. These excess amounts generally may be reduced only by a distribution to you.

**Conversions to a Roth IRA:** After the 2-year restriction described above no longer applies, you may convert your SIMPLE IRA to a Roth IRA. Such conversion is taxable to you but is not subject to the 10% additional income tax if you are under age 59½.

**Cost of Living Adjustments/or COLAS:** COLAs are announced by the IRS during the last calendar quarter of a calendar year relating to the following calendar year.