

Date: XX/XX/19

<<HTS address>>

<<Customer Name>>  
<<Customer Address Line 1>>  
<<Customer City, State Zip>>  
<<Customer Address Line 2>>

Financial Advisor  
<<Financial Advisor's Name>>  
<<Financial Advisor's phone #>>

<<Office Code: XX>>  
<<Rep Code: XXXX>>

RE: Hilltop Securities Inc. Account Ending in XXXX

**Your 1099 information will be processed at the beginning of March  
and is scheduled to be mailed prior to the March 15, 2019 postmark deadline.**

Dear Investor:

As custodian of your investment account HilltopSecurities Inc. (HTS) is responsible for preparing and issuing certain tax forms related to your investment account(s). The IRS requires that we provide you a consolidated 1099 Composite Tax Statement. Your tax information, including your 1099 forms, will be delivered by (HTS) as early as possible in 2019 depending on the holdings in your account(s). Your tax statements may consist of the following: 1099-DIV, Dividends and Distributions, 1099-INT, Interest Income, 1099-OID, Original Issue, Discount, 1099-B, Proceeds From Broker and Barter Exchange Transactions, 1099-MISC, Miscellaneous Income.

While HTS strives to limit the number of corrections issued, there are circumstances that require corrections based on the type of investments held. HTS has applied for and received an extension from the IRS for mailing 1099s until March 15, 2019. You are receiving this letter because your account(s) held one or more of the following investments known to result in a corrected 1099:

- A security identified to receive a reallocation that has not been received by HTS from the issuer as of the date of this letter
- A Unit Investment Trust (UIT) that has not issued its final reallocation file to HTS
- A Regulated Investment Company (RIC) or Real Estate Investment Trust (REIT) identified as receiving a reallocation
- A Real Estate Mortgage Investment Conduit (REMIC)/Collateralized Mortgage Obligation (CMO), Collateralized Debt Obligations (CDO) or Widely Held Mortgage Trust (WHMT) and are scheduled to receive an additional tax form on March 15 (Taxable transactions related to these tax forms will now be combined onto your consolidated tax form in order to reduce the number of paper forms distributed to you.)
- Other situations where HTS has identified your account as potentially receiving a corrected tax form.

Your 1099 information will be processed at the beginning of March and is currently scheduled to be mailed prior to the March 15, 2019 postmark deadline. This allows HTS to capture more accurate and complete information from the issuers and will allow you to file your tax return in a more efficient manner. If you have any additional questions, please contact your Financial Advisor listed above.

Your satisfaction is paramount as we strive to provide superior service and we appreciate the continued opportunity to serve you, our valued customer.

Sincerely,

**Hilltop Securities Inc. (HTS)**