

November 9, 2018

HILLTOP SECURITIES INC.
1201 ELM ST., SUITE 3500
DALLAS, TX 75270

JOHN SMITH
1 ANY ROAD
ANY CITY, ANY STATE
00000 , US

First B Notice
IMPORTANT TAX NOTICE ACTION IS REQUIRED

**Backup Withholding Warning! We need a Form W-9 from you before (12/5/2018).
Otherwise; backup withholding will begin on (12/5/2018).**

Account No: XXXXXXXXXX
Current Name/TIN on Account
JOHN SMITH

000000000

Name/TIN on IRS B-Notice
JOHN
SMITH
000000000

The Internal Revenue Service (IRS) has notified us that the taxpayer identification number (TIN) on your account with us does not match its records. The IRS considers a TIN as incorrect if either the name or number shown on an account does not match a name and number combination in their files or the files of the Social Security Administration (SSA). If you do not take appropriate action to help us correct this problem before the date shown above, the law requires us to backup withhold on interest, dividends, and certain other payments that we make to your account. The backup withholding rate is: 24%.

In addition to backup withholding, you may be subject to a \$50 penalty by the IRS for failing to give us your correct Name/TIN combination. This notice tells you how to help us make your account records accurate and how to avoid backup withholding and the penalty.

Why Your TIN May Be Considered As Incorrect.

An individual's TIN is his or her social security number (SSN). Often a TIN does not match IRS records because a name has changed through marriage, divorce, adoption, etc., and the change has not been reported to SSA, so it has not been recorded in SSA's files. Sometimes an account or transaction may not contain the correct SSN of the actual owner. For example, an account in a child's name may reflect a parent's SSN. (An account should be in the name and SSN of the actual owner.)

What You Need To Do For Individuals.

If you have never been assigned a social security number (or if you lost your social security card and do not know your SSN), call your local SSA office and find out how to obtain an original (or a replacement), social security card. Then apply for it. If you already have a social security number: Compare the name and SSN on your account with us (shown at the beginning of this notice) with the name and SSN shown on your social security card. Then use the chart below to decide what action to take.

IF

- 1. The last name and SSN on your account agree with the last name and SSN on your social security card
- 2. The SSN on your account is different from the SSN on your social security card, but the last name is the same
- 3. The last name on your account is different from the last name on your social security card, but the SSN is the same on both
- 4. Both the last name and SSN on your account are different from the last name and SSN on your social security card

Then

- 1. Contact your local SSA office to ascertain whether the information on SSA's records is different from that on your social security card, and to resolve any problem. Also, put your name and SSN on the enclosed Form W-9 following the instructions on the form. Sign the Form W-9 and send it to us.
- 2. Put your name and SSN, as shown on your social security card, on the enclosed Form W-9, following the instructions on the form, sign it, and send it to us. You do not need to contact SSA.
- 3. Take one of the following steps (but not both):
 - (a) If the last name on your account is correct, contact SSA to correct the name on your social security card. Put your SSN and name shown on your account on the enclosed Form W-9 following the instructions on the form, sign it, and send it to us. However, if you are not able to contact SSA at this time, you can provide us with both last names. Put your SSN and the name shown on your social security card plus the last name shown on your account (in that order) on the enclosed Form W-9 following the instructions on the form, sign it, and return it to us. For example, if your social security card lists your maiden name, give us your SSN and your name in the following order: First/maiden/married name. Please note, however, that you should contact SSA as soon as possible so they can correct their records.
 - (b) If the last name on your social security card is correct, put that name and your SSN on the enclosed Form W-9 following the instructions on the form. Sign it, and return it to us. You do not need to contact SSA.
- 4. (a) If the last name and SSN on your social security card are correct, put that name and SSN on the enclosed Form W-9 following the instructions on the form. Sign it, and send it to us. You do not need to contact SSA.
 - (b) If the last name on your account and the SSN on your social security card are correct, follow the procedure in section 3(a) above. Be sure to put the name shown on your account and the name on your social security card on the Form W-9.

Once you have resolved what your correct name and TIN combination is, you must provide this information to us (and all your other payers) for all of your accounts to avoid a problem in the future. If you are required to visit an SSA office, take this notice, your social security card, and any other related documents with you. Information regarding what documentation is needed to update information with the Social Security Administration is available at ssa.gov

Instructions for Nonindividuals and Certain Sole Proprietors

For most **non-individuals**(such as trusts, estates, partnerships, and similar entities), the TIN is the employer identification number (EIN). The EIN on your account may be incorrect because it does not contain the number of the actual owner of the account. For example, an account of an investment club or bowling league should reflect the organization's own EIN and name, rather than the SSN of a member. Please put the name and EIN on the enclosed Substitute Form W-9, sign it, and send it to us.

A **sole proprietor** must furnish his or her individual name and either his or her SSN or the EIN for his or her sole proprietorship. In addition to his or her individual name, the sole proprietor may also furnish the business name for the sole proprietorship, provided his or her individual name is listed before the business name. A sole proprietor must not furnish only the business name. Please put the individual name and SSN or EIN on the enclosed Substitute Form W-9, sign it, and send it to us.

Important Reminder!

YOU MUST SEND US A SIGNED IRS SUBSTITUTE FORM W-9 BEFORE THE DATE OF THIS NOTICE even if the name and number (SSN or EIN) on your account with us match the name and number (SSN or EIN) on your social security card or the document issuing you an EIN. If we do not receive your Substitute Form W-9, and any other documents that we need to change the name or TIN (or both) on your account before the date of this notice, we are required by law to backup withhold on any reportable payment that we pay to your account until we receive the necessary documents. A Substitute Form W-9 is enclosed for your convenience as well as any additional documents allowing us to change the Name/TIN combination on your account.