# PROCESSING SECURITIES CERTIFICATES

*(Series 7 or 62 Representatives)*

Processing customer securities certificates requires careful handling. KCD has specific procedures in place to provide the safe and consistent processing of these certificates:

- For new clearing firm accounts, securities certificates (stocks, bonds, mutual funds) will be forwarded to the supervisory office of the Representative, along with the appropriate new account forms, after the certificates have been prepared as follows:

    - Ensure certificate is in "good delivery":
      ~ Irrevocable stock power signed properly.
      ~ Hilltop Securities is appointed as the attorney in fact.
      ~ Client questionnaire in some instances; and
      ~ Representative questionnaire in some instances

    - Certificate(s) are recorded on the RR's *Securities Received Blotter.*

    - Copies of certificates are placed in the customer file.

- For existing clearing firm accounts, securities certificates received by a Representative from a Customer may be forwarded promptly to the clearing firm, or to the supervisory office, after the certificates have been prepared as follows:

    - Ensure certificate is in "good delivery":
      ~ Irrevocable stock power signed properly.
      ~ Hilltop Securities is appointed as the attorney in fact.
      ~ Client questionnaire in some instances; and
      ~ Representative questionnaire in some instances

    - Certificate(s) are recorded on the RR's *Securities Received Blotter*.

    - Copies of certificates are placed in the customer file.

    - Cover letter including clear instructions to Hilltop Securities, including the appropriate customer account numbers, accompanies the request.

- Representatives and Company personnel will utilize traceable shipping methods whenever customer securities certificates are forwarded to the supervisory office and/or to the clearing firm. Traceable shipping methods include but may not be limited to Registered US Mail (USPS), UPS, FedEx, or other shipping services.

  Please feel free to call the home office if you have any questions about these procedures.

  *(Series 6 Representatives)*
  If you encounter a client who has individual equities and would like to have our home office assist them, please contact our home office to coordinate the proper handling of customer securities certificates.