



Account Safety Features

Hilliard Lyons operates as a fully disclosed SEC-registered broker-dealer and investment advisor with accounts carried and transactions cleared and settled through Wells Fargo Clearing Services, LLC. Wells Fargo Clearing Services, LLC, which does business as "First Clearing," is a registered broker-dealer, a non-bank affiliate of Wells Fargo & Company, and a leading provider of clearing and custody services to financial institutions.

Contact your
Financial
Consultant for
more details.

ACCOUNT PROTECTION

The Securities Investor Protection Corporation (SIPC), created in 1970, is a non-profit, non-government membership corporation funded by member broker-dealers. The SIPC provides limited coverage to investors on their accounts if their firm becomes insolvent. Hilliard Lyons and First Clearing are both SIPC members.

In the event of firm insolvency, SIPC would cover securities and cash in client accounts as follows:

1. SIPC coverage insures each client account, determined and aggregated by ownership capacity, up to \$500,000 (including up to \$250,000 for claims for cash). For details, visit www.sipc.org.
2. First Clearing also maintains additional protection provided through Lexington Insurance Company, ("Lexington") an AIG Company. For clients who have received the full SIPC payout limit, First Clearing's policy with Lexington provides additional coverage above the SIPC limits for any missing securities and cash in client brokerage accounts up to a clearing-firm aggregate limit of \$1 billion (including up to \$1.9 million for cash per client).

Neither SIPC nor the additional protection from Lexington protect against losses from the failure of a security, nor do they insure the quality of investments or protect against losses from fluctuating market value. All coverage is subject to the specific policy terms and conditions. First Clearing's SIPC and additional coverages apply only in the event of First Clearing's insolvency, and do not apply in the event of Hilliard Lyons' insolvency.

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At Hilliard Lyons we understand that you are concerned about the safety of your money. After all, in most cases, your funds held with us represent your life's savings and we do not take the trust you hold in us to protect your savings lightly.

FDIC PROTECTION FOR BANK DEPOSITS

For accounts enrolled in First Clearing's Bank Deposit Sweep programs, uninvested cash is automatically deposited, or "swept," to one or more affiliated banks. Currently, two affiliated banks participate in the Standard Bank Deposit Sweep program, with each providing coverage of the deposit balance up to \$250,000. Having two affiliated banks in the program allows for up to \$500,000 in coverage per account ownership category (\$1,000,000 for joint ownership accounts).

First Clearing also offers an Expanded Bank Deposit Sweep program with five participating banks. Each bank provides coverage of the deposit balance up to \$250,000, which allows for \$1,250,000 in coverage per account ownership category (\$2,500,000 for joint ownership accounts). The first two banks used in the Expanded Bank Deposit Sweep are affiliated banks and the last three are unaffiliated. To confirm which Bank Deposit Sweep applies to your accounts, please contact your financial advisor.

Balances held in either of the Bank Deposit Sweep programs would be aggregated with any deposits or certificates of deposit held at any of the affiliated banks (unrelated to your Hilliard Lyons account) in applying FDIC coverage.

For example, when deposits are in the Expanded Bank Deposit Sweep made at all five banks:

Single Accounts: Accounts owned by one person (and titled only in that person's name) are added together, and the total is insured up to \$250,000 at each Program Bank (for a total of up to \$1,250,000 when deposited at all of the Program Banks). This account category does not include joint accounts, certain trusts, and individual retirement accounts, which are protected in a separate category and discussed below.

Custodial Accounts: Funds in accounts held by a custodian (for example, under the Uniform Gifts to Minors Act or the Uniform Transfers to Minors Act) are not treated as owned by the custodian, but are added to other deposits of the minor and insured up to \$250,000 in the aggregate per Program Bank (for a total of up to \$1,250,000 when deposited at all of the Program Banks).

Joint Accounts: For accounts owned by two or more people, each person's share is insured up to \$250,000 separately at each Program Bank in addition to the \$250,000 allowed on other deposits owned individually in one or more single accounts (for a total of up to \$2,500,000 for accounts with two joint owners when deposited at all of the Program Banks). The Bank Deposit Sweep Programs can recognize joint accounts with only two joint owners.

Revocable Trust Accounts: A revocable trust account indicates an intention that the deposit will belong to one or more named beneficiaries upon the death of the owner(s). A revocable trust can be terminated at the discretion of the owner. There are two types of revocable trusts: informal trusts, known as Payable on Death (POD) or "Totten Trusts," and formal trusts, known as "living" or "family" trusts. Both informal and formal revocable trusts are insured up to \$250,000 per owner for each beneficiary if the FDIC requirements are met. All deposits that an owner holds in both informal and formal revocable trusts are added together for insurance purposes, and the insurance limit is applied to the combined total. A revocable trust account established by a husband and wife that names the husband and wife as sole beneficiaries will be treated as a joint account, and will be aggregated with other joint accounts subject to the rules described above under "Joint Accounts."

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"Hilliard Lyons considers the security and protection of client personal and financial information to be a critical priority."

Irrevocable Trust Accounts: Deposits in an account established under one or more irrevocable trust agreements created by the same person will be insured for up to \$250,000 per Program Bank for the interest of each beneficiary, provided that the beneficiary's interest in the account is non-contingent (i.e., capable of determination without evaluation of contingencies). The deposit insurance of each beneficiary's interest is separate from the coverage provided for other accounts maintained by the beneficiary, the grantor, the trustee, or other beneficiaries. A beneficiary's interest in funds held in irrevocable trust accounts created by the same person will be aggregated and insured up to \$250,000 at each Program Bank.

Individual Retirement Accounts: Deposits held in Individual Retirement Accounts, including Traditional, Roth, SEP, and SIMPLE IRAs, are eligible for FDIC insurance of up to \$250,000 in the aggregate at a bank for a total of up to \$1,250,000 when deposited at all of the Program Banks.

These deposit insurance limits refer to the total coverage that an account holder has at each bank, including any CDs. The examples above show only the most common ownership categories and assume that all FDIC requirements are met. You can get details on FDIC coverage at www.fdic.gov.

For details on the Bank Deposit Sweep Programs, refer to the Cash Sweep Program Disclosure Statement. You can get a copy from your financial advisor.

REGULATORY OVERSIGHT AND COMPLIANCE

Hilliard Lyons is subject to continuing oversight and examination by both the Securities and Exchange Commission and the Financial Industry Regulatory Authority (FINRA), our primary examining authority. FINRA conducts annual examinations of Hilliard Lyons as part of its member examination program. SEC rules also require that our financial statements be audited annually by our independent accounting firm, Crowe Horwath.

Crowe Horwath is subject to oversight by the Public Company Accounting Oversight Board, which oversees the audits of public companies and broker-dealers to promote investor protection.

Hilliard Lyons also maintains internal audit, compliance, market, and credit risk functions that continually monitor regulatory compliance and help the firm in ensuring that it meets SEC and other regulatory requirements.

ONLINE SECURITY

First Clearing, which maintains online account data and access for Hilliard Lyons' clients, uses sophisticated systems that constantly monitor the network to prevent unauthorized individuals and programs from entering its network and computer systems – and from accessing your personal information. For details, go to www.wellsfargoclearingservicesllc.com/disclosures/online-privacy-policy.htm.

At Hilliard Lyons, we are serious about the security of your assets. If you have any other questions about the safety of your funds with Hilliard Lyons, please contact your Financial Consultant.

Securities offered through J.J.B. Hilliard, W.L. Lyons, LLC | Member NYSE, FINRA & SIPC.

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