



**Southwest Securities, Inc. and/or Broker/Dealers for which it clears**  
Southwest Securities, Inc. Member NYSE/NASD/SIPC

New Account  
 Update

## Coverdell Education Savings Account Application

### 1. Funding Information.

Regular Contribution for tax year: \_\_\_\_\_  ESA Rollover (Must also complete ESA Rollover Form)  Transfer from another ESA (Must also complete Account Transfer Form)

### 2. Designated Beneficiary Information.

Full Name of Applicant (First, Middle, Last) Social Security # Date of Birth

Home Address (P.O. Box unacceptable) City State/Province Country Zip

### 3. Responsible Individual's Information.

Full Name of Applicant (First, Middle, Last) Social Security # Date of Birth

Home Address (P.O. Box unacceptable) City State/Province Country Zip Length of Residence

Mailing Address (P.O. Box acceptable) City State/Province Country Zip

Home Phone Number Fax Number Email Address

The Responsible Individual  shall  shall not continue to serve as the Responsible Individual after the Designated Beneficiary attains the age of majority pursuant to section 5.02 of the Custodial Agreement.

The Responsible Individual  may  may not change the beneficiary designated under this Custodial Agreement pursuant to Section 6.01 of the Custodial Agreement. (I acknowledge that I am aware that if the designated beneficiary is changed, a new account must be set up.)

**Note:** The Responsible Individual may be the Grantor, but generally must be a parent or legal guardian of the Designated Beneficiary.

### 4. Verification Information.

#### 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.

#### Identification Provided:

##### For Individuals:

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

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

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

### 5. Client 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 ESA Accounts.

#### Credit References:

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

#### Investment Objectives (You may rank two objectives.):

**Capital Preservation:** Preserving the value of your existing assets by investing in securities with a smaller degree of risk of loss of principal. May include investment in government bonds or certificates of deposit.

**Income:** Generating current income by investing in securities with a lower degree of risk of loss of principal. May include investing in investment grade corporate bonds, bond funds or unit investment trusts.

**Growth:** Generating capital appreciation by investing in securities with a higher degree of volatility and risk of loss of principal. May include investing in stocks or mutual funds.

**Speculation:** Trading volatile securities with a higher than average possibility of loss of principal with the hope of achieving commensurate gains. May include investing in low priced securities, options, non-rated bonds or non-investment grade bonds.

**Financial Information:**

Investment Experience (# of Years)	Estimated Annual Income	Estimated Net Worth (Exclusive of Home)	Estimated Liquid Net Worth (Cash, Securities, etc)	Tax Bracket
<input type="checkbox"/> Stocks _____ <input type="checkbox"/> Bonds _____ <input type="checkbox"/> Options _____ <input type="checkbox"/> Commodities _____ <input type="checkbox"/> Futures _____ <input type="checkbox"/> Other _____	<input type="checkbox"/> Under \$25,000 <input type="checkbox"/> \$25,000-\$49,999 <input type="checkbox"/> \$50,000-\$99,999 <input type="checkbox"/> \$100,000-\$249,999 <input type="checkbox"/> \$250,000-\$499,999 <input type="checkbox"/> \$500,000-\$999,999 <input type="checkbox"/> Over \$1,000,000	<input type="checkbox"/> Under \$50,000 <input type="checkbox"/> \$50,000-\$99,999 <input type="checkbox"/> \$100,000-\$249,999 <input type="checkbox"/> \$250,000-\$499,999 <input type="checkbox"/> \$500,000-\$999,999 <input type="checkbox"/> Over \$1,000,000	<input type="checkbox"/> Under \$50,000 <input type="checkbox"/> \$50,000-\$99,999 <input type="checkbox"/> \$100,000-\$249,999 <input type="checkbox"/> \$250,000-\$499,999 <input type="checkbox"/> \$500,000-\$999,999 <input type="checkbox"/> Over \$1,000,000	<input type="checkbox"/> 10% <input type="checkbox"/> 15% <input type="checkbox"/> 25% <input type="checkbox"/> 28% <input type="checkbox"/> 33% <input type="checkbox"/> 38%

**Employment Information:** (Please specify if unemployed, retired, homemaker, or student. If self-employed, please specify industry.)

Employer (If self-employed, please specify name of business.) _____	Occupation _____	Business Telephone _____
Employer's Address _____	City _____	State/Province _____
	Country _____	Zip _____

**Employment Affiliation:**

Yes  No Are you or your spouse an employee of or affiliated with a securities firm, exchange or any of its affiliated companies?  
If yes, please specify the company name and address to which duplicate statements and confirmations should be sent.

Yes  No Are you or your spouse a director, officer, or 10% shareholder of any publicly traded company?  
If yes, please specify company name & symbol.

Yes  No Does any other person have Trading Authorization over this account? If yes, please specify name.  
(We must have a copy of the agreement conferring authority, their name, relationship to you and their investment experience.)

**6. Beneficiary Designation.**

Name and Address	Birth Date	Social Security #*	Relationship	Beneficiary Type*	Share %*
				<input type="checkbox"/> Primary <input type="checkbox"/> Contingent	_____%
				<input type="checkbox"/> Primary <input type="checkbox"/> Contingent	_____%
				<input type="checkbox"/> Primary <input type="checkbox"/> Contingent	_____%
				<input type="checkbox"/> Primary <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 ESA 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%.

**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).

**7. Account Instructions.**

**Cash Investment: (CHECK ONLY ONE BELOW. IF YOU DO NOT MAKE A SELECTION, YOUR FUNDS WILL BE INVESTED IN THE PC2 BANK INSURED FUNDS.)**

PC2 Bank Insured Funds (FDIC Insured deposit account)

**Dreyfus Funds**

- General Money Market Funds, Class B Shares
- General Government Securities Money Market Fund, Class B Shares
- General Municipal Money Market Fund, Class B Shares

**Federated Funds**

- Florida Municipal Cash Trust
- Minnesota Municipal Cash Trust
- California Municipal Cash Trust
- NY Municipal Trust

For new accounts, if you are eligible and no selection of a money fund is made, your account will default to sweep cash balances up to \$99,000 to the PC2 Bank Insured Fund. Any amount over \$99,000 will sweep to the Dreyfus General Money Market Fund. For existing accounts, please notify your broker if you wish to sweep cash balances to the PC2 Bank Insured Fund or other selection. Eligible accounts are typically those where the beneficial owner is a person. If your account is ineligible it will be set to sweep to Credit Interest. For your convenience, Southwest Securities, Inc. ("SWST") will hold all securities you purchase through your broker in "street name". Please contact your broker if you wish to have securities transferred and shipped to you.

I acknowledge that I am aware that if I elect or otherwise have cash swept to the PC2 Bank Insured Funds ("Funds"), the Truth in Savings document will be mailed to me. The Funds are a FDIC-insured NOW account maintained at Southwest Securities Bank, Arlington, Texas, an affiliate of SWST. The Funds provide investors with up to \$100,000 of FDIC-insured deposits. Any amounts, including interest, in excess of \$100,000 are not covered by FDIC insurance. Deposits you may have directly placed with Southwest Securities Bank should be taken into account when assessing your FDIC coverage. Information regarding FDIC coverage is available at www.fdic.gov. Cash balances invested in the Funds are not covered by SIPC or excess-SIPC coverage. Please consult your broker, as certain types of accounts, including corporations, partnerships and employee benefit plans, are not eligible to invest in the Funds, unless the entire beneficial interest in the account is operated primarily for religious, philanthropic, charitable, educational, or similar purposes, and is not operated for profit or contains public funds. Your broker may receive a fee with respect to the PC2 Bank Insured Funds. For more information concerning your cash account options, please contact your broker. For complete sweep account disclosures please see our Customer Information Brochure.

**8. Option Account Agreement.**

Investment Objectives (See definitions above.)	Option Activity Has Been	Trade Frequency	Trading Occurred In
<input type="checkbox"/> Income <input type="checkbox"/> Speculation	<input type="checkbox"/> No Activity <input type="checkbox"/> Buying <input type="checkbox"/> Writing <input type="checkbox"/> Uncovered (sales)	<input type="checkbox"/> No Trading <input type="checkbox"/> Infrequent <input type="checkbox"/> Moderate <input type="checkbox"/> Active	<input type="checkbox"/> Cash <input type="checkbox"/> Margin <input type="checkbox"/> Both <input type="checkbox"/> Neither

**Option Strategy Levels:** (Check the strategy level you wish to employ.)

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

**By signing below, I acknowledge that I have received a copy of the Southwest Securities, Inc. ("SWST") 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 THAT I HAVE REQUESTED.** I further acknowledge that I have read and understand the pre-dispute arbitration clause located on page 7, paragraph 35 of the Cash Account Agreement Section of the Customer Information Brochure and agree to resolve any disputes arising out of my account by arbitration.

**X** \_\_\_\_\_  
 Responsible Individual's Signature Date

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

You hereby request that Your Broker maintain a Brokerage Account in the name(s) listed on this Application. You acknowledge that you have received, read and understood the SWST Cash Account Agreement Section of the Customer Information Brochure and you agree to be bound by the terms and conditions of the Agreement that apply to your Brokerage Account, as amended and that you will contact Your Broker regarding any questions that may relate to your account.

**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 box:**

By signing this Application, you confirm your intention to reinvest cash credit balances held by SWST 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 \$100,000 are protected by the Securities Investor Protection Corporation (SIPC), but SIPC coverage is not available for funds maintained solely for the purpose of earning interest.

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

**Certification of Taxpayer ID Number (Substitute W-9):** Under penalty of perjury, you certify that (1) the number shown on this form is your correct taxpayer identification number, (or you are waiting for a number to be issued) and (2) you are not subject to backup withholding because (a) you are exempt from backup withholding, or (b) you have not been notified by the Internal Revenue Service (IRS) that you are subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified you that you are no longer subject to backup withholding (does not apply to real estate transactions, mortgage interest paid, the acquisition or abandonment of secured property, contributions to an individual retirement arrangement (IRA), and payments other than interest and dividends), and (3) you are a U.S. person (including a U.S. resident alien). You understand that you must cross out item (2) above if you have been notified by the IRS that you are currently subject to backup withholding because of underreporting interest or dividends on your tax return.

The Internal Revenue Service does not require your consent to any provision of this document other than the certifications required to avoid backup withholding.

In consideration of the firm accepting an account for me/us, I/We ("I") acknowledge that I have read, understand and agree to be bound by the SWST Cash Account Terms 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 located on page 7, paragraph 35 of 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 on by the broker in servicing my account. If I experience a material change in circumstances, I will provide my broker with an updated Application.

Under penalties of perjury, I certify that the above information (including my social security number and the Designated Beneficiary's and Responsible Individual's social security number) is correct. I hereby agree to participate in the Coverdell Education Savings Custodial Account offered by the Custodian. I acknowledge receipt of a copy of the plan document under which this Coverdell Education Savings Custodial Account is established and a copy of the Disclosure Statement with respect to this Coverdell Education Savings Custodial Account. In the event that this is a rollover contribution, the undersigned hereby irrevocably elects to treat this contribution as a rollover contribution. If the Responsible Individual Information is completed above, I appoint the above-named person as Responsible Individual with the rights, powers, and responsibilities set out in the Coverdell Education Savings Custodial Account Agreement. The Custodian of this account is Southwest Securities, Inc. Notice of revocation must be delivered or mailed to Southwest Securities, Inc. / 1201 Elm Street, Suite 3500 / Dallas, TX 75270 / Phone #: (214) 859-1800.

**X** \_\_\_\_\_  
 Responsible Individual' Signature Date

**FOR BROKER USE ONLY**

I have received this application and believe the ESA Account is suitable for:  Level 1  Level 2  None

Characteristics and Risks of Standardized Options Delivered: \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_

Customer Information Brochure Delivered: \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_

Privacy Policy Delivered: \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_

Account #: \_\_\_\_\_ SSN: \_\_\_\_\_

Verify receipt of original: \_\_\_\_\_

Office #: \_\_\_\_\_ Rep #: \_\_\_\_\_

**X** \_\_\_\_\_  
 Investment Representative's Signature Date

Investment Representative's Printed Name

Copies of all Written Agreements Delivered: \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_

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

Principal's Printed Name

**X** \_\_\_\_\_  
 Registered Option Principal's Signature Date

**X** \_\_\_\_\_  
 Registered Option Principal Printed Name Date

**X** \_\_\_\_\_  
 Authorized Signature of Custodian Date

**X** \_\_\_\_\_  
 Authorized Printed Name of Custodian