

Hilltop Holdings Inc.
Form 424B3
May 22, 2015
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Filed pursuant to Rule 424(b)(3)

Registration No. 333-204100

PROSPECTUS

\$150,000,000

Hilltop Holdings Inc.

Offer To Exchange

5.00% Senior Notes due 2025,

Which Have Been Registered Under the Securities Act,

For Any and All Outstanding

5.00% Senior Notes due 2025

Interest Payable April 15 and October 15, Beginning on October 15, 2015

We are offering, upon the terms and subject to the conditions set forth in this prospectus and the accompanying letter of transmittal, to exchange an aggregate principal amount of up to \$150,000,000 of our 5.00% Senior Notes due 2025 (which we refer to as the exchange notes) for an

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equal principal amount of our outstanding 5.00% Senior Notes due 2025 (which we refer to as the outstanding notes). The exchange notes will represent the same debt as the outstanding notes and we will issue the exchange notes under the same indenture as the outstanding notes.

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Material Terms of the Exchange Offer

- The exchange offer will expire at 11:59 p.m., New York City time, on June 19, 2015, unless extended. However, in no event will the exchange offer be open beyond August 7, 2015 (unless required by law).

- You may withdraw tenders of outstanding notes at any time before the expiration of the exchange offer.

- We will not receive any proceeds from the exchange offer.

- You may only tender the outstanding notes in denominations of \$2,000 and whole multiples of \$1,000 in excess thereof.

- The exchange of outstanding notes for exchange notes will not be a taxable exchange for U.S. federal income tax purposes.

- The terms of the exchange notes are identical in all material respects (including principal amount, interest rate, maturity and redemption rights) to the outstanding notes for which they may be exchanged, except that the exchange notes generally will not be subject to transfer restrictions or be entitled to registration rights and the exchange notes will not have the right to earn additional interest under circumstances relating to our registration obligations.

- The exchange offer is subject to customary conditions.

- If you fail to tender your outstanding notes, you will continue to hold unregistered securities and your ability to transfer them could be adversely affected.

Please see Risk Factors beginning on page 8 for a discussion of factors that you should consider in connection with the exchange offer.

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Each broker-dealer that receives exchange notes for its own account pursuant to the exchange offer described in this prospectus must acknowledge that it will deliver a prospectus in connection with any resale of such exchange notes. The Letter of Transmittal provided in connection with the exchange offer states that by so acknowledging and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an underwriter within the meaning of the Securities Act. This prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of exchange notes received in exchange for outstanding notes where such outstanding notes were acquired by such broker-dealer as a result of market-making activities or other trading activities. We have agreed that, for a period of up to 180 days after the expiration date (as described herein), we will make this prospectus available to any broker-dealer for use in connection with any such resale. See Plan of Distribution.

We are not making this exchange offer in any state where it is not permitted.

Neither the Securities and Exchange Commission nor any state securities commission or bank regulatory agency has approved or disapproved of the notes to be exchanged in the exchange offer, nor have any of these organizations determined that this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The date of this prospectus is May 22, 2015.

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You should rely only on the information contained in this prospectus. We have not authorized anyone to provide you with different information. If anyone provides you with different information, you should not rely on it. We are not making an offer of these securities in any state where the offer is not permitted. You should not assume the information contained in this prospectus is accurate as of any date other than the date on the front of this prospectus. Our business, financial condition, results of operations and prospects may have changed since that date.

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PROSPECTUS SUMMARY

This summary highlights selected information contained elsewhere in this prospectus. Because it is a summary, it does not contain all of the information that is important to you. This summary is qualified in its entirety by the more detailed information that is contained elsewhere in this prospectus or incorporated herein by reference, including our financial statements, the notes thereto and the other financial data contained therein. Therefore, you should read the entire prospectus and the documents incorporated by reference carefully, including the section entitled Risk Factors and the Letter of Transmittal. Unless the context otherwise indicates, all references in this prospectus to the Company, we, us, our or ours or similar words are to Hilltop Holdings Inc. and its direct and indirect wholly owned subsidiaries, references to Hilltop or the issuer refer solely to Hilltop Holdings Inc., references to PlainsCapital refer to PlainsCapital Corporation (a wholly owned subsidiary of Hilltop), references to Hilltop Securities refer to Hilltop Securities Holdings LLC (a wholly owned subsidiary of Hilltop), references to Southwest Securities refer to Southwest Securities, Inc. (a wholly owned subsidiary of Hilltop Securities), references to SWS Financial refer to SWS Financial Services, Inc. (a wholly owned subsidiary of Hilltop Securities), references to the Bank refer to PlainsCapital Bank (a wholly owned subsidiary of PlainsCapital), references to FNB refer to First National Bank, references to First Southwest refer to First Southwest Holdings, LLC (a wholly owned subsidiary of Hilltop Securities) and its subsidiaries as a whole, references to FSC refer to First Southwest Company, LLC (a wholly owned subsidiary of First Southwest), references to PrimeLending refer to PrimeLending, a PlainsCapital Company (a wholly owned subsidiary of the Bank) and its subsidiaries as a whole, and references to NLC refer to National Lloyds Corporation (a wholly owned subsidiary of Hilltop) and its subsidiaries as a whole.

SUMMARY OF THE EXCHANGE OFFER

The Exchange Offer

We are offering to exchange up to \$150,000,000 in aggregate principal amount of our exchange notes, which have been registered under the Securities Act, for an equal principal amount of our outstanding notes, which were issued in a private placement in April 2015.

In order for your outstanding notes to be exchanged, you must properly tender them before the expiration of the exchange offer. All outstanding notes that are validly tendered and not validly withdrawn will be exchanged. We will issue the exchange notes promptly after the exchange offer expires.

You may tender your outstanding notes for exchange in whole or in part in denominations of \$2,000 of principal amount and integral multiples of \$1,000 in excess thereof.

Registration Rights Agreement

In connection with our sale of the outstanding notes to the initial purchasers we signed a registration rights agreement that requires us to conduct this exchange offer.

You have the right under the registration rights agreement to

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exchange your outstanding notes for exchange notes with substantially identical terms. This exchange offer is intended to satisfy this right. If we fail to comply with certain of our obligations under the registration rights agreement, we will be required to pay additional interest to the affected holders of the notes.

Consequences of Failure to Exchange Your Outstanding Notes

If you do not exchange your outstanding notes for exchange notes in the exchange offer, your ability to transfer your outstanding notes will continue to be subject to the restrictions provided in the outstanding notes and in the indenture (as defined below). In general, the outstanding notes may not be offered or sold unless registered or exempt from registration under the Securities Act, or in a transaction not subject to the Securities Act and applicable state securities laws. We do not plan to register the outstanding notes under the Securities Act.

Expiration Date

The exchange offer will expire at 11:59 p.m., New York City time, on June 19, 2015 unless extended by us, in which case the expiration date will mean the latest date and time to which the exchange offer is extended. However, in no event will the exchange offer be open beyond August 7, 2015 (unless required by law). See The Exchange Offer Expiration Date; Extensions; Amendments.

Conditions to the Exchange Offer

The exchange offer is subject to conditions which we may waive in our sole and absolute discretion. The exchange offer is not conditioned upon any minimum principal amount of outstanding notes being tendered for exchange. See The Exchange Offer Conditions to the Exchange Offer.

We reserve the right in our sole and absolute discretion, subject to applicable law, at any time and from time to time:

- to delay the acceptance of the outstanding notes;
- to terminate the exchange offer if specified conditions have not been satisfied;
- to extend the expiration date of the exchange offer and retain all tendered outstanding notes, subject, however, to the right of tendering holders to withdraw their tender of outstanding notes; and
- to waive any condition or otherwise amend the terms of the exchange offer in any respect.

See The Exchange Offer Expiration Date; Extensions; Amendments.

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Procedures for Tendering Outstanding Notes

If you wish to tender outstanding notes held through The Depository Trust Company, or DTC, and wish to accept the exchange offer, you must do so through DTC's Automated Tender Offer Program, or ATOP, pursuant to which you will agree to be bound by the Letter of Transmittal. See The Exchange Offer Exchange Offer Procedures; Resales of Exchange Notes.

Some brokers, dealers, commercial banks, trust companies and other nominees also may effect tenders by book-entry transfer.

By executing or agreeing to be bound by the Letter of Transmittal, you will be making a number of important representations to us, as described under the The Exchange Offer Purpose and Effect of the Exchange Offer.

Please do not send your Letter of Transmittal or certificates representing your outstanding notes to us. Those documents should be sent only to the exchange agent. Questions regarding how to tender your outstanding notes and requests for information should be directed to the exchange agent. See The Exchange Offer Exchange Agent.

Special Procedures for Beneficial Owners

If your outstanding notes are registered in the name of a broker, dealer, commercial bank, trust company or other nominee, we urge you to contact such person promptly if you wish to tender your outstanding notes. See The Exchange Offer Exchange Offer Procedures; Resales of Exchange Notes.

Withdrawal Rights

You may withdraw the tender of your outstanding notes at any time before the expiration date. To do this, you should deliver a written notice of your withdrawal to the exchange agent according to the withdrawal procedures described under the heading The Exchange Offer Withdrawal Rights.

Resale of Exchange Notes

We believe that you will be able to offer for resale, resell or otherwise transfer exchange notes issued in the exchange offer without compliance with the registration and prospectus delivery provisions of the Securities Act, *provided that*:

- you are acquiring the exchange notes in the ordinary course of your business;
- you are not participating, and have no arrangement or understanding with any person to participate, in the distribution of the exchange notes; and
- you are not an affiliate within the meaning of Rule 405 of the Securities Act.

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Our belief is based on interpretations by the staff of the SEC, as set forth in no-action letters issued to third parties unrelated to us. See *The Exchange Offer Exchange Offer Procedures; Resales of Exchange Notes*. The staff of the SEC has not considered this exchange offer in the context of a no-action letter, and we cannot assure you that the staff of the SEC would make a similar determination with respect to this exchange offer. See *The Exchange Offer Purpose and Effect of the Exchange Offer* for additional representations that are required.

If our belief is not accurate and you transfer an exchange note without delivering a prospectus meeting the requirements of the Securities Act or without an exemption from such requirements, you may incur liability under the Securities Act. We do not and will not assume, or indemnify you against, such liability.

Each broker-dealer that receives exchange notes for its own account in exchange for outstanding notes which were acquired by such broker-dealer as a result of market-making or other trading activities must acknowledge that it will deliver a prospectus meeting the requirements of the Securities Act in connection with any resale of such exchange notes. A broker-dealer may use this prospectus for an offer to sell, resale or other transfer of exchange notes. See *Plan of Distribution*.

Exchange Agent

The exchange agent for the exchange offer is U.S. Bank National Association. The address and the telephone and facsimile numbers of the exchange agent are shown in *The Exchange Offer Exchange Agent* section of this prospectus and in the Letter of Transmittal.

Use of Proceeds

We will not receive any cash proceeds from the issuance of the exchange notes offered hereby. See *Use of Proceeds*.

U.S. Federal Income Tax Consequences

The exchange of your outstanding notes for exchange notes pursuant to the exchange offer will not be a taxable exchange for U.S. federal income tax purposes. See *Certain U.S. Federal Income Tax Considerations*.

See *The Exchange Offer* for more detailed information concerning the exchange offer.

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SUMMARY OF THE TERMS OF THE EXCHANGE NOTES

The exchange offer relates to the exchange of up to \$150,000,000 principal amount of exchange notes for up to an equal principal amount of outstanding notes. The form and terms of the exchange notes are substantially identical to the form and terms of the outstanding notes, except that the exchange notes generally will not be subject to transfer restrictions or be entitled to registration rights and the exchange notes will not have the right to earn additional interest under circumstances relating to our registration obligations. The exchange notes will evidence the same debt as the outstanding notes which they replace. The outstanding notes and the exchange notes, which we refer to collectively as the notes, are governed by the same indenture.

Issuer	Hilltop Holdings Inc.
Securities Offered	\$150,000,000 aggregate principal amount of 5.00% senior notes due 2025.
Maturity	April 15, 2025.
Interest	The exchange notes will accrue interest at a rate of 5.00% per year from April 9, 2015, or from the most recent date to which interest has been paid or provided for, until maturity or earlier redemption.
Interest Payment Dates	April 15 and October 15 of each year, commencing October 15, 2015.
Optional Redemption	Hilltop may redeem the exchange notes, in whole at any time or in part from time to time, on or after January 15, 2025 (three months prior to the maturity date of the exchange notes) at its election, at a redemption price equal to 100% of the principal amount of the exchange notes to be redeemed plus accrued and unpaid interest to, but excluding, the redemption date.
Ranking	The exchange notes will be Hilltop's unsecured and unsubordinated debt obligations and will rank equally in right of payment with all of Hilltop's existing and future unsecured and unsubordinated indebtedness, and will rank senior in right of payment to any future indebtedness that is subordinated to the exchange notes. The exchange notes will be effectively subordinated to any existing and future secured indebtedness of Hilltop to the extent of the value of the collateral securing such indebtedness. Hilltop is a financial holding company and conducts substantially all of its operations through its subsidiaries. As a result, claims of the holders of the exchange notes will be structurally subordinated in right of payment to claims of creditors of Hilltop's subsidiaries, except to the extent that Hilltop may be recognized, and receive payment, as a creditor of those subsidiaries.

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Certain Covenants

We will issue the exchange notes under an indenture, dated as of April 9, 2015, by and between us and U.S. Bank National Association. The indenture includes several covenants which will, among other things, restrict Hilltop's ability and the ability of Hilltop's subsidiaries to:

- dispose of or issue voting stock of certain subsidiaries; or
- incur or permit to exist any mortgage, pledge, encumbrance or lien or charge on the capital stock of certain subsidiaries.

For more details, see Description of the Notes Covenants.

No Public Market

The exchange notes are new issues of securities for which there is no current established trading market. The initial purchasers of the outstanding notes have advised us that they intend to make a market in the exchange notes. The initial purchasers of the outstanding notes are not obligated, however, to make a market in the exchange notes, and any such market-making may be discontinued by the initial purchasers of the outstanding notes in their discretion at any time without notice. Accordingly, there can be no assurance as to the development or liquidity of any market for the exchange notes.

Trustee

U.S. Bank National Association.

Risk Factors

Investment in the exchange notes involves a high degree of risk. See Risk Factors beginning on page 8 for a discussion of some of the factors that you should consider carefully before tendering any outstanding notes for exchange notes.

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Our historical consolidated balance sheet data at December 31, 2014 and 2013 and our consolidated statements of operations data for the years ended December 31, 2014, 2013 and 2012 have been derived from our audited historical consolidated financial statements included in our Form 10-K for the year ended December 31, 2014, which is incorporated herein by reference. Our historical consolidated balance sheet data at March 31, 2015 and 2014 and our consolidated statements of operations data for the three months ended March 31, 2015 and 2014 have been derived from our unaudited historical consolidated financial statements included in our Form 10-Q for the three months ended March 31, 2015, which is incorporated herein by reference. The following table shows our selected historical financial data for the periods indicated. Our historical consolidated balance sheet data at December 31, 2012, 2011 and 2010 and our consolidated statements of operations data for the years ended December 31, 2011 and 2010 have been derived from our audited historical consolidated financial statements not included or incorporated by reference in this prospectus. You should read our selected historical financial data, together with the notes thereto, in conjunction with the more detailed information contained in our consolidated financial statements and related notes and Management's Discussion and Analysis of Financial Condition and Results of Operations included in our Form 10-K. Our operating results for 2012 include the results from the operations acquired in the PlainsCapital acquisition for the month of December 2012 and the operations acquired in the FNB transaction are included in our operating results beginning September 14, 2013. Additionally, the operations acquired in the SWS merger are included in our operating results beginning January 1, 2015 (dollars in thousands, except per share data and weighted average shares outstanding).

	Three Months Ended March 31,		Year Ended December 31,				
	2015	2014	2014	2013	2012	2011	2010
Statement of Operations Data:							
Total interest income	\$ 107,669	\$ 91,828	\$ 388,769	\$ 329,075	\$ 39,038	\$ 11,049	\$ 8,154
Total interest expense	14,277	6,407	27,628	32,874	10,196	8,985	8,971
Net interest income (loss)	93,392	85,421	361,141	296,201	28,842	2,064	(817)
Provision for loan losses	2,687	3,242	16,933	37,158	3,800		
Net interest income (loss) after provision for loan losses	90,705	82,179	344,208	259,043	25,042	2,064	(817)
Total noninterest income	354,372	170,100	799,311	850,085	224,232	141,650	124,073
Total noninterest expense	314,476	212,629	965,353	911,735	255,517	155,254	124,811
Income (loss) before income taxes	130,601	39,650	178,166	197,393	(6,243)	(11,540)	(1,555)
Income tax expense (benefit)	15,420	14,354	65,608	70,684	(1,145)	(5,009)	(1,007)
Net income (loss)	115,181	25,296	112,558	126,709	(5,098)	(6,531)	(548)
Less: Net income attributable to noncontrolling interest	353	110	908	1,367	494		
Income (loss) attributable to Hilltop	114,828	25,186	111,650	125,342	(5,592)	(6,531)	(548)
Dividends on preferred stock and other (1)	1,426	1,426	5,703	4,327	259		12,939
Income (loss) applicable to Hilltop common stockholders	\$ 113,402	\$ 23,760	\$ 105,947	\$ 121,015	\$ (5,851)	\$ (6,531)	\$ (13,487)
Per Share Data:							
Net income (loss) - basic	\$ 1.13	\$ 0.26	\$ 1.18	\$ 1.43	\$ (0.10)	\$ (0.12)	\$ (0.24)
Weighted average shares outstanding - basic	99,741	89,707	89,710	84,382	58,754	56,499	56,492
Net income (loss) - diluted	\$ 1.13	\$ 0.26	\$ 1.17	\$ 1.40	\$ (0.10)	\$ (0.12)	\$ (0.24)
Weighted average shares outstanding - diluted	100,627	90,585	90,573	90,331	58,754	56,499	56,492
Book value per common share	\$ 16.63	\$ 13.76	\$ 14.93	\$ 13.27	\$ 12.34	\$ 11.60	\$ 11.56
Tangible book value per common share	\$ 13.44	\$ 10.21	\$ 11.47	\$ 9.70	\$ 8.37	\$ 11.01	\$ 10.95
Balance Sheet Data:							
Total assets	\$ 12,562,894	\$ 9,033,432	\$ 9,242,416	\$ 8,904,122	\$ 7,286,865	\$ 925,425	\$ 939,641

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Cash and due from banks	694,108	889,950	782,473	713,099	722,039	578,520	649,439
Securities	1,363,157	1,329,690	1,109,461	1,261,989	1,081,066	224,200	148,965
Investment in SWS common stock (2)			70,282				
Loans held for sale	1,215,308	887,200	1,309,693	1,089,039	1,401,507		
Non-covered loans, net of unearned income	4,834,687	3,646,946	3,920,476	3,514,646	3,152,396		
Covered loans	552,014	912,448	642,640	1,006,369			
Allowance for loan losses	(40,753)	(37,310)	(41,652)	(34,302)	(3,409)		
Goodwill and other intangible assets, net	319,760	319,916	311,591	322,729	331,508	33,062	34,587
Total deposits	7,129,277	6,663,176	6,369,892	6,722,918	4,700,461		
Notes payable	108,682	55,465	56,684	56,327	141,539	131,450	138,350
Junior subordinated debentures	67,012	67,012	67,012	67,012	67,012		
Total stockholders equity	1,782,319	1,355,213	1,461,239	1,311,922	1,146,550	655,383	653,055

Performance Ratios (3):

Return on average stockholders equity	27.27%	7.65%	8.01%	10.48%	-0.62%		
Return on average assets	3.72%	1.14%	1.26%	1.66%	-0.08%		
Net interest margin (taxable equivalent) (4)	3.53%	4.62%	4.74%	4.47%	4.64%		
Efficiency ratio (5)(6)(7)	41.16%	63.34%	61.17%	42.58%	NM		

Asset Quality Ratios (3):

Total nonperforming assets to total loans and other real estate (6)	3.35%	4.14%	4.14%	3.70%	NM		
Allowance for loan losses to nonperforming loans (6)	98.97%	100.83%	74.01%	136.39%	NM		
Allowance for loan losses to total loans (6)	0.76%	0.82%	0.91%	0.76%	NM		
Net charge-offs to average loans outstanding (6)	0.07%	0.01%	0.21%	0.18%	NM		

Capital Ratios:

Equity to assets ratio	14.18%	14.99%	15.80%	14.73%	15.71%	70.82%	69.50%
Tangible common equity to tangible assets	11.01%	10.56%	11.59%	10.19%	10.05%	69.74%	68.33%

Regulatory Capital Ratios (3):

Hilltop - Leverage ratio (8)	12.68%	13.12%	14.17%	12.81%	13.08%		
Hilltop - Common equity Tier 1 risk-based capital ratio (9)	18.05%						
Hilltop - Tier 1 risk-based capital ratio	20.26%	18.66%	19.02%	18.53%	17.72%		
Hilltop - Total risk-based capital ratio	20.82%	19.32%	19.69%	19.13%	17.81%		
Bank - Leverage ratio (8)	11.34%	9.53%	10.31%	9.29%	8.84%		
Bank - Common equity Tier 1 risk-based capital ratio (9)	16.46%						
Bank - Tier 1 risk-based capital ratio	16.46%	13.47%	13.74%	13.38%	11.83%		
Bank - Total risk-based capital ratio	17.19%	14.14%	14.45%	14.00%	11.93%		

Other Data (10):

Net loss and LAE ratio	47.7%	45.5%	57.4%	70.3%	74.4%	72.2%	60.5%
Expense ratio	34.1%	32.0%	31.9%	32.3%	34.4%	34.0%	36.0%
GAAP combined ratio	81.8%	77.5%	89.3%	102.6%	108.8%	106.2%	96.5%
Statutory surplus (11)	\$ 147,597	\$ 132,286	\$ 141,989	\$ 125,054	\$ 120,319	\$ 118,708	\$ 119,297
Statutory premiums to surplus ratio	111.4%	124.2%	115.8%	130.7%	125.0%	119.4%	102.0%

(1) Series A preferred stock was redeemed in September 2010.

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- (2) For periods prior to October 2014, Hilltop's investment in SWS common stock was accounted for and included within its available for sale securities portfolio.
- (3) Noted measures are typically used for measuring the performance of banking and financial institutions. Our operations prior to the PlainsCapital Merger are limited to our insurance operations. Therefore, noted measures for periods prior to 2012 are not a useful measure and have been excluded.
- (4) Taxable equivalent net interest income divided by average interest-earning assets. Our operations prior to the PlainsCapital Merger are limited to our insurance operations. Therefore, noted measure for 2012 reflects the ratio for the month ended December 31, 2012.
- (5) Noninterest expenses divided by the sum of total noninterest income and net interest income for the year.
- (6) Noted measures are typically used for measuring the performance of banking and financial institutions. Our operations prior to the PlainsCapital Merger are limited to our insurance operations. Additionally, noted measure is not meaningful (NM) in 2012.
- (7) Only considers operations of banking segment.
- (8) Ratio for 2012 was calculated using the average assets for the month of December.
- (9) Ratio became effective for the Bank and Hilltop for reporting periods beginning after January 1, 2015.
- (10) Only considers operations of insurance segment.
- (11) Statutory surplus includes combined surplus of NLIC and ASIC.

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RISK FACTORS

*You should carefully consider the risks described below as well as other information and data included or incorporated by reference in this prospectus before deciding whether to participate in this exchange offer. The risks and uncertainties described below and in the incorporated documents are not the only risks and uncertainties that we face. Additional risks and uncertainties not currently known to us or that we consider to be immaterial may also materially impact our business, operations or financial condition. Any of the following risks could impair our business, financial condition or operating results, which could cause you to lose all or part of your investment in the exchange notes. The risks discussed below also include forward-looking statements, and our actual results may differ substantially from those discussed in these forward-looking statements. See the section entitled, *Cautionary Note Regarding Forward-Looking Statements*.*

Risks Related to the Exchange Notes and the Exchange Offer

Our indebtedness may affect our ability to operate our business, and may have a material adverse effect on our financial condition and results of operations. We may incur additional indebtedness, including secured indebtedness.

Our indebtedness, including the indebtedness we incurred by issuing the outstanding notes, could have important consequences, such as:

- limiting our ability to obtain additional financing to fund our working capital needs, acquisitions, capital expenditures or other debt service requirements or for other purposes;
- limiting our ability to use operating cash flow in other areas of our business because we must dedicate a substantial portion of these funds to service debt;
- limiting our ability to compete with other companies who are not as highly leveraged, as we may be less capable of responding to adverse economic and industry conditions;
- restricting us from making strategic acquisitions, developing properties or exploiting business opportunities;
- restricting the way in which we conduct our business because of financial and operating covenants in the agreements governing our and certain of our subsidiaries existing and future indebtedness, including, in the case of certain indebtedness of subsidiaries, certain covenants that restrict the ability of subsidiaries to pay dividends or make other distributions to us;

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- exposing us to potential events of default (if not cured or waived) under financial and operating covenants contained in our or our subsidiaries' debt instruments that could have a material adverse effect on our business, financial condition and operating results;

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- increasing our vulnerability to a downturn in general economic conditions or in pricing of our products; and
- limiting our ability to react to changing market conditions in our industry and in our customers' industries.

In addition to our debt service obligations, our operations require substantial investments on a continuing basis. Our ability to make scheduled debt payments, to refinance our obligations with respect to our indebtedness and to fund capital and non-capital expenditures necessary to maintain the condition of our operating assets and properties, as well as to provide capacity for the growth of our business, depends on our financial and operating performance, which, in turn, is subject to prevailing economic conditions and financial, business, competitive, legal and other factors.

Subject to the restrictions in the indenture governing the outstanding notes and exchange notes, we may incur significant additional indebtedness, including secured indebtedness. If new debt is added to our current debt levels, the risks described above could increase.

We may not be able to generate sufficient cash to service all of our indebtedness, including the exchange notes, and may be forced to take other actions to satisfy our obligations under our indebtedness that may not be successful.

Our ability to satisfy our debt obligations will depend upon, among other things:

- our future financial and operating performance, which will be affected by prevailing economic conditions and financial, business, regulatory and other factors, many of which are beyond our control; and
- our future ability to refinance the exchange notes, which depends on, among other things, our complying with the covenants in the indenture governing the outstanding notes and exchange notes.

We cannot assure you that our business will generate sufficient cash flow from operations, or that we will be able to obtain financing in an amount sufficient to fund our liquidity needs.

If our cash flows and capital resources are insufficient to service our indebtedness, including the exchange notes, we may be forced to reduce or delay capital expenditures, sell assets, seek additional capital or restructure or refinance our indebtedness, including the exchange notes. These alternative measures may not be successful and may not permit us to meet our scheduled debt service obligations, including our obligations under the exchange notes. Our ability to restructure or refinance our debt will depend on the condition of the capital markets and our financial condition at such time. Any refinancing of our debt could be at higher interest rates and may require us to comply with more onerous covenants, which could further restrict our business operations. In addition, the terms of existing or future debt agreements may restrict us from adopting some of these alternatives. In the absence of such operating results and resources, we could face substantial liquidity problems and might be

required to dispose of material assets or operations.

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sell equity and/or negotiate with our lenders and other creditors to restructure the applicable debt, in order to meet our debt service and other obligations. We may not be able to consummate those dispositions for fair market value or at all. The indenture governing the outstanding notes and exchange notes may restrict, or market or business conditions may limit, our ability to avail ourselves of some or all of these options. Furthermore, any proceeds that we could realize from any such dispositions may not be adequate to meet our debt service obligations, including under the exchange notes, then due.

The indenture governing the outstanding notes and exchange notes contains, and any instruments governing future indebtedness of ours would likely contain, restrictions that will limit our flexibility in operating our business.

The indenture governing the outstanding notes and exchange notes contains, and any instruments governing future indebtedness of ours would likely contain, a number of covenants that will impose significant operating and financial restrictions on us, including restrictions on our ability to, among other things:

- dispose of or issue voting stock of certain subsidiaries; or
- incur or permit to exist any mortgage, pledge, encumbrance or lien or charge on the capital stock of certain subsidiaries.

Any of these restrictions could limit our ability to plan for or react to market conditions and could otherwise restrict corporate activities. Any failure to comply with these covenants could result in a default under the indenture governing the outstanding notes and the exchange notes. Upon a default, holders of the outstanding notes and exchange notes would have the ability ultimately to force us into bankruptcy or liquidation, subject to the indenture governing the outstanding notes and exchange notes. In addition, a default under the indenture governing the outstanding notes and exchange notes could trigger a cross default under the agreements governing our existing and future indebtedness. Our operating results may not be sufficient to service our indebtedness or to fund our other expenditures and we may not be able to obtain financing to meet these requirements. See Description of the Notes and Description of Certain Indebtedness.

There are limited covenants in the indenture governing the outstanding notes and exchange notes.

Neither Hilltop nor any of its subsidiaries is restricted from incurring additional debt or other liabilities, including additional senior debt, under the indenture governing the outstanding notes and exchange notes. If we incur additional debt or liabilities, Hilltop's ability to pay its obligations on the exchange notes could be adversely affected. We expect that we will from time to time incur additional debt and other liabilities. In addition, we are not restricted under the indenture governing the outstanding notes and exchange notes from granting security interests over our assets, except to the extent described under Description of the Notes Limitations upon Liens on Capital Stock of Certain Subsidiaries in this prospectus, or from paying dividends, making investments or issuing or repurchasing our securities.

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In addition, there are no financial covenants in the indenture governing the outstanding notes and exchange notes. You are not protected under the indenture governing the outstanding notes and exchange notes in the event of a highly leveraged transaction, reorganization, restructuring, merger or similar transaction that may adversely affect you, except to the extent described under Description of the Notes Merger, Consolidation or Sale of Assets in this prospectus.

Hilltop will depend on dividends and distributions from its direct and indirect subsidiaries to fulfill its obligations under the exchange notes. The creditors of these subsidiaries are entitled to amounts payable to them by the subsidiaries before the subsidiaries may pay any dividends or distributions to Hilltop.

Substantially all of Hilltop's assets are held through its subsidiaries. Hilltop depends on the Bank (as defined below) and its other subsidiaries for substantially all of its cash flow. The creditors of each of Hilltop's direct and indirect subsidiaries (including depositors) are entitled to payment of that subsidiary's obligations to them, when due and payable, before distributions may be made by that subsidiary to Hilltop. Thus, Hilltop's ability to service its debt obligations, including its ability to pay principal, premium, if any, and interest on the exchange notes when due, depends on its subsidiaries' ability first to satisfy their obligations to their creditors and then to make distributions to Hilltop. Hilltop's subsidiaries are separate and distinct legal entities and have no obligations to make any funds available to Hilltop. Importantly, regulatory rules or authorities may prohibit our subsidiaries from paying dividends to Hilltop, which would limit our ability to service Hilltop's obligations.

If we default on our obligations to pay our other indebtedness, we may not be able to make payments on the exchange notes.

Any default under the agreements governing our other indebtedness that is not waived by the required holders of such indebtedness, could leave Hilltop unable to pay principal, premium, if any, or interest on the exchange notes and could substantially decrease the market value of the exchange notes. If we are unable to generate sufficient cash flow and are otherwise unable to obtain funds necessary to meet required payments of principal, premium, if any, or interest on our other indebtedness, or if we otherwise fail to comply with the various covenants, including financial and operating covenants, in the instruments governing our other indebtedness, we could be in default under the terms of the agreements governing such indebtedness. In the event of such default, the holders of such indebtedness could elect to declare all the funds borrowed thereunder to be due and payable and we could be forced into bankruptcy or liquidation.

The exchange notes will be effectively subordinated to any existing and future secured obligations of Hilltop and to the obligations of its subsidiaries.

The exchange notes will be unsecured unsubordinated obligations of Hilltop and will rank equally in right of payment with all of its other unsecured and unsubordinated indebtedness (including the outstanding notes to the extent not exchanged in the exchange offer). The exchange notes will be effectively subordinated to any of Hilltop's existing and future secured indebtedness to the extent of the value of the assets securing that indebtedness. The indenture governing the outstanding notes and exchange notes does not limit the incurrence of additional indebtedness by Hilltop, including indebtedness senior to the notes, or by its subsidiaries.

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The exchange notes will be obligations of Hilltop only, are not obligations of or deposits in the Bank or any of Hilltop's other subsidiaries, and are not insured by any government or private agency. Because Hilltop is a holding company, its rights and the rights of its creditors, including the holders of the exchange notes, to participate in any distribution of the assets of any of Hilltop's subsidiaries (including the Bank) (either as a shareholder or as a creditor), upon a liquidation, reorganization, or insolvency of any such subsidiary (and the consequent right of the holders of the exchange notes to participate in those assets) will be subject to the claims of the creditors of such subsidiaries (including, in the case of the Bank, depositors). If Hilltop is a creditor of any such subsidiary, the claims of Hilltop would be subject to any prior security interest in the assets of such subsidiary and any indebtedness of such subsidiary senior to that of Hilltop.

The exchange notes are also effectively subordinated to all of the liabilities of Hilltop's subsidiaries, to the extent of their assets, since they are separate and distinct legal entities with no obligation to pay any amounts due under Hilltop's indebtedness, including the exchange notes, or to make any funds available to make payments on the exchange notes, whether by paying dividends or otherwise. Hilltop's subsidiaries may incur additional debt and liabilities in the future, all of which would rank structurally senior to the exchange notes.

The exchange notes are not insured or guaranteed by the FDIC.

The exchange notes are not savings accounts, deposits or other obligations of any bank and are not insured or guaranteed by the FDIC or any other governmental agency.

There is no established trading market for the exchange notes. If an actual trading market does not develop for the exchange notes, you may not be able to resell them quickly, for the price that you paid or at all.

The exchange notes will constitute new issues of securities and there is no established trading market for the exchange notes. We do not intend to apply for the exchange notes to be listed on any securities exchange or to arrange for quotation of the exchange notes on any automated dealer quotation systems. The initial purchasers of the outstanding notes have advised us that they intend to make a market in the exchange notes, but they are not obligated to do so. The initial purchasers of the outstanding notes may discontinue any market making in the exchange notes, at any time, in their sole discretion, without notice. As a result, we cannot assure you as to the liquidity of any trading market for the exchange notes.

We also cannot assure you that you will be able to sell your exchange notes at a particular time or at all, or that the prices that you receive when you sell them will be favorable. If no active trading market develops, you may not be able to resell your exchange notes at their fair market value, or at all. The liquidity of, and trading market for, the exchange notes, may also be adversely affected by, among other things:

- prevailing interest rates;
- our operating performance and financial condition;

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- the interest of securities dealers in making a market;
- the market for similar securities; and
- other factors beyond our control, including general economic conditions.

It is possible that the market for the exchange notes will be subject to disruptions. Any disruptions may have a negative effect on holders of the exchange notes regardless of our prospects and financial performance.

Our credit ratings may not reflect all risks of an investment in the exchange notes.

Our credit ratings are an assessment of our ability to pay our obligations as they become due. Consequently, real or anticipated changes in our credit ratings will generally affect the trading value of the exchange notes. Our credit ratings, however, may not reflect the potential risks related to the market or other factors on the value of the exchange notes. Furthermore, because your return on the exchange notes depends upon factors in addition to our ability to pay our obligations, an improvement in our credit ratings will not reduce the other investment risks related to the exchange notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

You may not receive the exchange notes in the exchange offer if the exchange offer procedures are not properly followed.

We will issue the exchange notes in exchange for your outstanding notes only if you properly tender, and do not validly withdraw, the outstanding notes before the expiration time of the exchange offer. Neither we nor the exchange agent are under any duty to give notification of defects or irregularities with respect to the tenders of the outstanding notes for exchange. If you are the beneficial holder of outstanding notes that are held through your broker, dealer, commercial bank, trust company or other nominee, and you wish to tender such notes in the exchange offer, you should promptly contact the person through whom your outstanding notes are held and instruct that person to tender on your behalf.

Broker-dealers may become subject to the registration and prospectus delivery requirements of the Securities Act and any profit on the resale of the exchange notes may be deemed to be underwriting compensation under the Securities Act.

Any broker-dealer that acquires exchange notes in the exchange offer for its own account in exchange for outstanding notes which it acquired through market-making or other trading activities must acknowledge that it will comply with the registration and prospectus delivery requirements of the Securities Act in connection with any resale transaction by that broker-dealer. Any profit on the resale of the exchange notes and any commission or concessions received by a broker-dealer may be deemed to be underwriting compensation under the Securities Act.

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If you do not exchange your outstanding notes, they may be difficult to resell.

It may be difficult for you to sell outstanding notes that are not exchanged in the exchange offer, since any outstanding notes not exchanged will continue to be subject to the restrictions on transfer described in the legend on the global security representing the outstanding outstanding notes. These restrictions on transfer exist because we issued the outstanding notes pursuant to an exemption from the registration requirements of the Securities Act and applicable state securities laws. Generally, the outstanding notes that are not exchanged for exchange notes will remain restricted securities. Accordingly, those outstanding notes may not be offered or sold, unless registered under the Securities Act and applicable state securities laws, except pursuant to an exemption from, or in a transaction not subject to, the Securities Act and applicable state securities laws.

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus and the documents incorporated by reference herein include forward-looking statements within the meaning of Section 27A of the Securities Act, and Section 21E of the Securities Exchange Act of 1934 (the Exchange Act), as amended by the Private Securities Litigation Reform Act of 1995. All statements, other than statements of historical fact, included in this prospectus that address results or developments that we expect or anticipate will or may occur in the future, and statements that are preceded by, followed by or include, words such as anticipates, believes, could, estimates, expects, forecasts, goal, intends, may, might, probable, projects, seeks, should, view or words and phrases or similar words or phrases, including such things as our business strategy, our financial condition, our litigation, our efforts to make strategic acquisitions, our recent acquisition of SWS Group, Inc. (SWS) and integration thereof, our revenue, our liquidity and sources of funding, market trends, operations and business, expectations concerning mortgage loan origination volume, expected losses on covered loans and related reimbursements from the Federal Deposit Insurance Corporation (FDIC), projected losses on mortgage loans originated, anticipated changes in our revenues or earnings, the effects of government regulation applicable to our operations, the appropriateness of our allowance for loan losses and provision for loan losses, and the collectability of loans are forward-looking statements.

These forward-looking statements are based on our beliefs, assumptions and expectations of our future performance taking into account all information currently available to us. These beliefs, assumptions and expectations are subject to risks and uncertainties and can change as a result of many possible events or factors, not all of which are known to us. If an event occurs, our business, business plan, financial condition, liquidity and results of operations may vary materially from those expressed in our forward-looking statements. Certain factors that could cause actual results to differ include, among others:

- risks associated with merger and acquisition integration, including the diversion of management time on acquisition-related issues and our ability to promptly and effectively integrate our businesses with those of SWS and achieve the synergies and value creation contemplated by the acquisition;
- our ability to estimate loan losses;
- changes in the default rate of our loans;
- risks associated with concentration in real estate related loans;
- our ability to obtain reimbursements for losses on acquired loans under loss-share agreements with the FDIC;
- changes in general economic, market and business conditions in areas or markets where we compete;

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- severe catastrophic events in Texas and other areas of the southern United States;
- changes in the interest rate environment;

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- cost and availability of capital;
- changes in state and federal laws, regulations or policies affecting one or more of our business segments, including changes in regulatory fees, deposit insurance premiums, capital requirements and the Dodd-Frank Wall Street Reform and Consumer Protection Act (the Dodd-Frank Act);
- our ability to use net operating loss carry forwards to reduce future tax payments;
- approval of new, or changes in, accounting policies and practices;
- changes in key management;
- competition in our banking, broker-dealer, mortgage origination and insurance segments from other banks and financial institutions as well as investment banking and financial advisory firms, mortgage bankers, asset-based non-bank lenders, government agencies and insurance companies;
- failure of our insurance segment reinsurers to pay obligations under reinsurance contracts; and
- our ability to use excess cash in an effective manner, including the execution of successful acquisitions.

For a more detailed discussion of these and other factors that may affect our business and that could cause the actual results to differ materially from those anticipated in these forward-looking statements, see "Risk Factors" beginning on page 8 of this prospectus, the factors described under the heading "Risk Factors" and Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Annual Report on Form 10-K for the year ended December 31, 2014 incorporated herein by reference and the factors described under the heading "Risk Factors" and Item 2, "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Quarterly Report on Form 10-Q for the three months ended March 31, 2015 incorporated herein by reference. We caution that the foregoing list of factors is not exhaustive, and new factors may emerge, or changes to the foregoing factors may occur, that could impact our business. All subsequent written and oral forward-looking statements concerning our business attributable to us or any person acting on our behalf are expressly qualified in their entirety by the cautionary statements above. We do not undertake any obligation to update any forward-looking statement, whether written or oral, relating to the matters discussed in this prospectus or any document incorporated by reference herein except to the extent required by federal securities laws.

MARKET AND INDUSTRY DATA

Market and industry data and other statistical information and forecasts used throughout this prospectus and in the documents incorporated by reference herein are based on independent industry publications, government publications and reports by market research firms or other published independent sources. Neither we nor the initial purchasers have independently verified such third-party information, and neither we nor the initial purchasers can assure you of the accuracy or completeness of any such data, statistical information or forecasts. We have not sought or obtained the approval or endorsement of the use of this third-party information. Some data also is based on our good faith estimates, which are derived from our review of internal surveys, as well as independent sources. Forecasts are particularly likely to be inaccurate, especially over long periods of time.

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The following unaudited table contains our consolidated ratio of earnings to fixed charges for the periods presented, as defined in Item 503(d) of Regulation S-K. This table should be read in conjunction with Exhibit 12.1 filed as an exhibit to the registration statement of which this prospectus is a part and our consolidated financial statements and notes incorporated in this prospectus by reference.

	Three Months Ended March 31, 2015	2014	2013	Year Ended December 31,		2011	2010
				2012			
Ratio of Earnings to Fixed Charges:							
Excluding interest on deposits (B)	10.80	8.97	8.11	(A)	(A)	(A)	(A)
Including interest on deposits (B)	8.40	5.68	5.63	(A)	(A)	(A)	(A)

Notes:

- (A) The ratios of earnings to fixed charges for both excluding and including interest on deposits were less than one-to-one for each of the years ended December 31, 2012, 2011 and 2010. Earnings were insufficient to cover fixed charges, excluding interest on deposits, by \$5.2 million, \$11.5 million and \$1.6 million for the years ended December 31, 2012, 2011 and 2010, respectively. Earnings were insufficient to cover fixed charges, including interest on deposits, by \$6.2 million, \$11.5 million and \$1.6 million for the years ended December 31, 2012, 2011 and 2010, respectively. In each period during which earnings were insufficient to cover fixed charges, we met all financial obligations and preferred stock dividends, as applicable.
- (B) For purposes of calculating the ratio of earnings to fixed charges, earnings represent income (loss) before income taxes plus fixed charges. Fixed charges, excluding interest on deposits, include interest expense and one-third (the proportion deemed representative of the interest factor) of our rental expense. Fixed charges, including interest on deposits, include the foregoing items plus interest on deposits.

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USE OF PROCEEDS

The exchange offer is intended to satisfy our obligations under the registration rights agreement that we entered into with the initial purchasers of the outstanding notes (the registration rights agreements). We will not receive any cash proceeds from the issuance of the exchange notes. In consideration for issuing the exchange notes as contemplated in this prospectus, we will receive, in exchange, an equal number of outstanding notes in like principal amount. The form and terms of the exchange notes are identical in all material respects to the form and terms of the outstanding notes, except as otherwise described in the section entitled The Exchange Offer Terms of the Exchange Offer. The outstanding notes tendered in exchange for the exchange notes will be retired and cancelled by us and cannot be reissued.

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THE EXCHANGE OFFER

Purpose and Effect of the Exchange Offer

In connection with the sale of the outstanding notes, we entered into a registration rights agreement with the initial purchasers. Pursuant to the registration rights agreement, we agreed to use commercially reasonable efforts to file and to cause to become effective with the SEC a registration statement with respect to the exchange of the outstanding notes for exchange notes with terms identical in all material respects to the terms of the outstanding notes. A copy of the registration rights agreement has been filed as an exhibit to the registration statement of which this prospectus is a part. The exchange offer is being made to satisfy our contractual obligations under the registration rights agreement.

By tendering outstanding notes in exchange for exchange notes, each holder represents to us that:

- (1) the holder of the outstanding notes is not an affiliate, as such term is defined under the Securities Act, of us, or if the holder is an affiliate, it will comply with the registration and prospectus delivery requirements of the Securities Act, if applicable (we may require a holder to deliver a legal opinion confirming it is not such an affiliate);
- (2) the exchange notes acquired pursuant to the exchange offer are being obtained in the ordinary course of business of the holder;
- (3) the holder is not engaging in or intending to engage in a distribution, as such term is defined under the Securities Act, of such exchange notes;
- (4) the holder has no arrangement or understanding with any person to participate in a distribution of such exchange notes;
- (5) the holder acknowledges and agrees that any person who is a broker-dealer registered under the Exchange Act and who receives exchange notes for its own account in exchange for outstanding notes pursuant to the exchange offer, by tendering outstanding notes and executing the Letter of Transmittal, represents and agrees that such outstanding notes were acquired by such broker-dealer for its own account as a result of market-making activities or other trading activities and that it will deliver a prospectus meeting the requirements of the Securities Act in connection with any resale of exchange notes, *provided* that, by so acknowledging and by delivering a prospectus, such broker-dealer will not be deemed to admit that it is an underwriter within the meaning of the Securities Act (see Plan of Distribution);
- (6) the holder acknowledges and agrees that any person who is participating in the exchange offer for the purpose of distributing the exchange notes must comply with the registration and prospectus delivery requirements of the Securities Act in connection with a secondary resale transaction of the exchange notes or interests therein acquired by such person and cannot rely on the position of the staff of the SEC set forth in certain no-action letters;

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(7) the holder understands that a secondary resale transaction described in the representation above and any resales of exchange notes or interests therein obtained by such holder in exchange for outstanding notes or interests therein originally acquired by such holder directly from us should be covered by an effective registration statement containing the selling securityholder information required by Item 507 or Item 508, as applicable, of Regulation S-K of the SEC;

(8) the holder has full power and authority to tender, exchange, sell, assign and transfer the outstanding notes tendered hereby and that, when the same are accepted for exchange, we will acquire good, marketable and unencumbered title thereto, free and clear of all liens, restrictions, charges and encumbrances; and

(9) the outstanding notes tendered hereby are not subject to any adverse claims or proxies.

The exchange offer is not being made to, nor will we accept tenders for exchange from, holders of outstanding notes in any state or jurisdiction in which the exchange offer or the acceptance of the exchange notes would be in violation of the securities laws of that state or jurisdiction.

Unless the context requires otherwise, the term holder with respect to the exchange offer means any person in whose name the outstanding notes are registered on our books or any other person who has obtained a properly completed bond power from the registered holder, or any participant in DTC, whose name appears on a security position listing as a holder of outstanding notes (which, for purposes of the exchange offer, include beneficial interests in the outstanding notes held by direct or indirect participants in DTC and outstanding notes held in definitive form).

We may be required to file with the SEC a shelf registration statement for a continuous offer in connection with the outstanding notes. Pursuant to the registration rights agreement and subject to the terms and conditions of the registration rights agreement, we will be required to file a shelf registration statement if (1) we are not permitted to consummate the exchange offer because the exchange offer is not permitted by applicable law or SEC policy, or (2) any holder notifies us prior to the 20th business day following consummation of the exchange offer that (A) such holder is prohibited by law or SEC policy from participating in the exchange offer, (B) such holder may not resell the exchange notes acquired by it in the exchange offer to the public without delivering a prospectus and this prospectus is not appropriate or available for such resales or (C) such holder is a broker-dealer and holds outstanding notes acquired directly from us or any of our affiliates.

Terms of the Exchange Offer

We hereby offer, upon the terms and subject to the conditions shown in this prospectus and in the accompanying Letter of Transmittal, to exchange an aggregate principal amount of up to \$150,000,000 of exchange notes for an equal principal amount of outstanding notes properly tendered before the expiration date and not properly withdrawn according to the procedures described below. Holders may tender their outstanding notes in whole or in part in denominations of \$2,000 in principal amount or in integral multiples of \$1,000 principal amount in excess thereof.

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The form and terms of the exchange notes are the same as the form and terms of the outstanding notes except that the exchange notes generally will not be subject to transfer restrictions or be entitled to registration rights and the exchange notes will not have the right to earn additional interest under circumstances relating to our registration obligations. The exchange notes evidence the same indebtedness as the outstanding notes (which they replace) and will be issued pursuant to, and entitled to the benefits of, the indenture.

The exchange offer is not conditioned on any minimum principal amount of outstanding notes being tendered for exchange. We reserve the right in our sole discretion to purchase or make offers for any outstanding notes that remain outstanding after the expiration date in the exchange offer or, as shown under Conditions to the Exchange Offer, to terminate the exchange offer and, to the extent permitted by applicable law, purchase outstanding notes in the open market, in privately negotiated transactions or otherwise. The terms of any such purchases or offers could differ from the terms of the exchange offer. As of the date of this prospectus, \$150,000,000 principal amount of outstanding notes are outstanding.

Holders of outstanding notes do not have any appraisal or dissenters' rights in connection with the exchange offer. Outstanding notes which are not tendered for, or are tendered but not accepted in connection with the exchange offer will remain outstanding. See Risk Factors Risks Related to the Exchange Notes and the Exchange Offer If you do not exchange your outstanding notes, they may be difficult to resell.

If any tendered outstanding notes are not accepted for exchange because of an invalid tender, the occurrence of particular other events described herein or otherwise, certificates for any such unaccepted outstanding notes will be returned, without expense, to the tendering holder thereof promptly after the expiration date or termination of the exchange offer, as applicable.

Holders who tender outstanding notes in connection with the exchange offer will not be required to pay brokerage commissions or fees or, subject to the instructions in the Letter of Transmittal, transfer taxes with respect to the exchange of the outstanding notes in connection with the exchange offer. We will pay all charges and expenses, other than specified applicable taxes. See Fees and Expenses.

HILLTOP MAKES NO RECOMMENDATION TO THE HOLDERS OF THE OUTSTANDING NOTES AS TO WHETHER TO TENDER OR REFRAIN FROM TENDERING ALL OR ANY PORTION OF THEIR OUTSTANDING NOTES IN THE EXCHANGE OFFER. IN ADDITION, NO ONE HAS BEEN AUTHORIZED TO MAKE ANY SUCH RECOMMENDATION. HOLDERS OF THE OUTSTANDING NOTES MUST MAKE THEIR OWN DECISION WHETHER TO TENDER PURSUANT TO THE EXCHANGE OFFER, AND, IF SO, THE AGGREGATE AMOUNT OF OUTSTANDING NOTES TO TENDER AFTER READING THIS PROSPECTUS AND THE LETTER OF TRANSMITTAL AND CONSULTING WITH THEIR ADVISERS, IF ANY, BASED ON THEIR FINANCIAL POSITION AND REQUIREMENTS.

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Expiration Date; Extensions; Amendments

The expiration date for the exchange offer is 11:59 p.m., New York City time, on June 19, 2015 unless we extend the exchange offer. If we extend the exchange offer, the expiration date will be the latest date and time to which the exchange offer is extended. However, in no event will the exchange offer be open past August 7, 2015 (unless required by law).

We expressly reserve the right in our sole and absolute discretion, subject to applicable law, at any time and from time to time,

(1) to delay the acceptance of the outstanding notes for exchange,

(2) to terminate the exchange offer (whether or not any outstanding notes have theretofore been accepted for exchange) if we determine, in our sole and absolute discretion, that any of the events or conditions referred to under **Conditions to the Exchange Offer** has occurred or exists or has not been satisfied with respect to the exchange offer,

(3) to extend the expiration date of the exchange offer and retain all outstanding notes tendered pursuant to the exchange offer, subject, however, to the right of holders of outstanding notes to withdraw their tendered outstanding notes as described under **Withdrawal Rights**, and

(4) to waive any condition or otherwise amend the terms of the exchange offer in any respect. If the exchange offer is amended in a manner determined by us to constitute a material change, or if we waive a material condition of the exchange offer, we will promptly disclose such amendment or waiver by means of a prospectus supplement that will be distributed to the registered holders of the outstanding notes, and we will extend the exchange offer to the extent required by Rule 14e-1 under the Exchange Act.

Any such delay in acceptance, termination, extension or amendment will be followed promptly by oral or written notice thereof to the exchange agent (any such oral notice to be confirmed promptly in writing) and by making a public announcement, and such announcement in the case of an extension will be made no later than 9:00 a.m., New York City time, on the next business day after the previously scheduled expiration date. Without limiting the manner in which we may choose to make any public announcement, and subject to applicable laws, we shall have no obligation to publish, advertise or otherwise communicate any such public announcement other than by issuing a release to an appropriate news agency.

Acceptance for Exchange and Issuance of Exchange Notes

Upon the terms and subject to the conditions of the exchange offer, we will exchange, and will issue to the exchange agent, exchange notes for outstanding notes validly tendered and not withdrawn (pursuant to the withdrawal rights described under **Withdrawal Rights**) promptly after the expiration date.

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In all cases, delivery of exchange notes in exchange for outstanding notes tendered and accepted for exchange pursuant to the exchange offer will be made only after timely receipt by the exchange agent of:

- (1) a book-entry confirmation of a book-entry transfer of outstanding notes into the exchange agent's account at DTC,
- (2) an electronic message agreeing to be bound by the Letter of Transmittal properly transmitted through DTC's ATOP for a book-entry transfer, and
- (3) any other documents required by the Letter of Transmittal.

Accordingly, the delivery of exchange notes might not be made to all tendering holders at the same time, and will depend upon when outstanding notes, book-entry confirmations with respect to outstanding notes and other required documents are received by the exchange agent.

Subject to the terms and conditions of the exchange offer, we will be deemed to have accepted for exchange, and thereby exchanged, outstanding notes validly tendered and not withdrawn, if and when we give oral or written notice to the exchange agent (any such oral notice to be confirmed promptly in writing) of our acceptance of such outstanding notes for exchange pursuant to the exchange offer. Our acceptance for exchange of outstanding notes tendered pursuant to any of the procedures described below will constitute a binding agreement between the tendering holder and us upon the terms and subject to the conditions of the exchange offer. The exchange agent will act as agent for us for the purpose of receiving tenders of outstanding notes, Letters of Transmittal and related documents, and as agent for tendering holders for the purpose of receiving outstanding notes, Letters of Transmittal and related documents and transmitting exchange notes to holders who validly tendered outstanding notes. Such exchange will be made promptly after the expiration date of the exchange offer. If for any reason the acceptance for exchange or the exchange of any outstanding notes tendered pursuant to the exchange offer is delayed (whether before or after our acceptance for exchange of outstanding notes), or we extend the exchange offer or are unable to accept for exchange or exchange outstanding notes tendered pursuant to the exchange offer, then, without prejudice to our rights set forth herein, the exchange agent may, nevertheless, on our behalf and subject to Rule 14e-1(c) under the Exchange Act, retain tendered outstanding notes and such outstanding notes may not be withdrawn except to the extent tendering holders are entitled to withdrawal rights as described under **Withdrawal Rights**.

Exchange Offer Procedures; Resales of Exchange Notes

The tender by a holder of outstanding notes pursuant to the procedures set forth below will constitute the tendering holder's acceptance of the terms and conditions of the exchange offer. Our acceptance for exchange of outstanding notes tendered pursuant to the procedures described below will constitute a binding agreement between such tendering holder and us in accordance with the terms and subject to the conditions of the exchange offer. Only holders are authorized to tender their outstanding notes. The procedures by which outstanding notes may be tendered by beneficial owners that are not holders will depend upon the manner in which the outstanding notes are held. All of the outstanding notes were issued in book-entry form, and all of the outstanding notes are currently represented by global certificates registered in the name of Cede & Co., the nominee of DTC.

