



ROACH HOWARD SMITH & BARTON

...an Assurex Global Partner

December 17, 2007

Penson Financial Services, Inc.
1700 Pacific Avenue, Suite 1400
Dallas, TX 75201

EXCESS OF SIPC SECURITIES COVERAGE

To Whom It May Concern:

Penson Financial Services, Inc. is a member of the Securities Investor Protection Corporation (SIPC), which provides customers with insurance protection for amounts up to \$500,000 each, with a limitation of \$100,000 on claims for cash balances. For important information regarding SIPC, please visit www.sipc.org.

Penson Financial Services, Inc. has also acquired "Excess SIPC" insurance from a third party insurer to protect client accounts up to their net equity for loss of securities and cash held at Penson Financial Services, Inc., up to an overall firm aggregate of US \$200,000,000 over all customer accounts. This "Excess SIPC" protection is in addition to the protection provided by the Securities and Investors Protection Act, which is administered by SIPC, and is subject to certain conditions and limitations, details of which are available upon request. The above coverage does not protect against loss of the market value of securities.

Sincerely,

Tom A. Hughston
Senior Vice President
Roach Howard Smith & Barton

Local Traditions
Global Connections