

NEXT Financial Partner Disclosure

Your Registered Representative and NEXT Financial Group, Inc. (“NEXT”) are providing you this information regarding NEXT’s revenue-sharing arrangements with its product Sponsors to comply with the rules of the Securities and Exchange Commission (“SEC”), the Financial Industry Regulatory Association (“FINRA”), and the Municipal Securities Rulemaking Board (“MSRB”).

What is revenue sharing?

Revenue sharing means that NEXT accepts money from product sponsors such as; mutual fund companies, third party money managers, insurance companies, real estate investment trust (“REIT”) companies and registered broker dealers (collectively “Partners”) which provide platform services to NEXT, including custody services of customer assets and the sales concession it earns when a customer purchases one of these products.

How is the amount of revenue determined?

The amount of revenue NEXT receives from each Partner may be based on a fixed amount, the volume of sales NEXT Representatives transact with each Partner and/or a fee from broker dealers based on a percentage of assets custodied for customers.

Who are NEXT’s Partners?

NEXT’s Partners are those product sponsors that provide NEXT money in addition to the sales concession for selling their products or who provide platform or custodial services for customer assets. Still, not all product sponsors are Partners. For a current list of Partners, please visit the Client section of <http://www.nextfinancial.com>.

Why do the Partners participate in revenue-sharing with NEXT?

Revenue sharing is a way for Partners to advertise and potentially increase sales. To further assist Representatives with product

information, Partners are also featured on NEXT’s Representative-only website <http://nextrep.com> and in NEXT newsletters.

Does my NEXT representative receive a reward or bonus for selling shares of one of the Partners?

While Representatives recommend products based on each customer’s needs and objectives, rewards in the form of trophies may be given to Representatives. However, the primary intent of the additional revenue is to support our marketing efforts. For example, the money is used for our National Educational Conference.

Who receives the additional revenue?

NEXT receives the revenue from its Partners; the revenue is not paid to NEXT Representatives.

How does NEXT use additional revenue?

The money is used for our National Educational Conference and other NEXT sponsored events. Each conference or event is used as an opportunity to educate and communicate new product ideas to NEXT representatives, train Representatives and their assistants, and keep Representatives abreast of regulatory requirements.

Who can I contact if I still have questions?

If you still have questions, you may contact your NEXT Representative.

You may also email the NEXT Compliance Department at AskCompliance@nextfinancial.com or write us at:

NEXT Financial Group, Inc.
Attn: Compliance Department
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