



NEXT Financial Group, Inc. Partnership Disclosure

NEXT Financial Group, Inc (“NEXT”) offers a broad spectrum of investment products and services to the investing public through its independent Registered Representatives. These products and services include mutual funds, variable annuities, certain alternative investments (i.e., real estate, equipment leasing and oil & gas programs) and money management services. While each product or service may be referred to as a product line, typically insurance and investment companies are referred to by NEXT as sponsors or vendors. A sponsor or vendor may also be referred to as a Partner, if the sponsor or vendor has also entered into a marketing agreement with NEXT.

By agreement, a sponsor or vendor can choose to participate at one of four partnership levels offered by NEXT. Partnership levels are referred to as Silver, Regional, Gold or Premier with each offering a greater level of service than the prior. While each level offers distinct services, the cost of each progressively increases, as each successive level builds upon the services of the prior. Services range from providing website advertisement space to Representative contact information to participation in NEXT sponsored events such as NEXT’s National Educational Conference.

The following is a list of NEXT’s current Partners:

Advisors Asset Management <i>(Premier)</i>	NFISCO <i>(Premier)</i>
Allianz Life Insurance <i>(Premier)</i>	Nationwide Life Insurance <i>(Premier)</i>
American Funds <i>(Gold)</i>	Pacific Financial Group <i>(Premier)</i>
ATEL <i>(Premier)</i>	Pacific Life <i>(Premier)</i>
AXA Distributors <i>(Premier)</i>	Prudential <i>(Premier)</i>
Cole Capital <i>(Premier)</i>	Strategic Equity Management <i>(Silver)</i>
Dunham and Associates <i>(Gold)</i>	SunAmerica <i>(Premier)</i>
Foy Financial Services <i>(Regional)</i>	Strategic Capital Holdings <i>(Premier)</i>
Icon Capital <i>(Premier)</i>	The Hartford <i>(Gold)</i>
Independent Solutions Wlth Mgmt <i>(Premier)</i>	Touchstone Investments <i>(Premier)</i>
ITS Asset Management <i>(Premier)</i>	Transamerica <i>(Gold)</i>
Jackson National Life <i>(Premier)</i>	W.P. Carey <i>(Premier)</i>
John Hancock Life Insurance <i>(Gold)</i>	WE2 <i>(Premier)</i>
Lorence and Vanderzward <i>(Premier)</i>	Wells Real Estate Funds <i>(Premier)</i>
Metlife Investors <i>(Premier)</i>	

Revenue Sharing Arrangements

NEXT currently receives varying amounts of marketing revenue from our Partners. The amount of revenue received from each is based on the level of sponsorship chosen by the Partner. Partners may compensate NEXT in the form of a fixed-dollar commitment, payments based on sales or a combination of both. Though NEXT may offer some or all of the products offered by its Partners, Partners account for only a fraction of the investment products available to the investing public through NEXT's independent Registered Representatives.

To help meet the broad spectrum of client investment objectives while adhering to suitability standards, NEXT offers hundreds of investment products for its Registered Representatives and their clients to choose from. While some Partners may enter into a marketing agreement with NEXT in exchange for access to its Registered Representatives, all have agreed to provide training, education and product support to key home office personnel and NEXT Registered Representatives.

Though marketing revenue received from Partners may be used to cover the costs of non-monetary awards such as trophies in recognition of top-selling Registered Representatives, no award or special compensation is given to any NEXT Registered Representative for selling a specific product. All sales awards are given to Registered Representatives based on their total sales for all products. Moreover, marketing revenue is used almost entirely for the purpose of covering NEXT's marketing efforts.

For instance, NEXT uses marketing revenue to cover the costs of its annual National Educational Conference and Top Producers Educational Conference. NEXT uses each of these conferences as an opportunity to educate and train its Registered Representatives on new and existing products and to update Registered Representatives on industry rules and regulations. Additionally, marketing revenue may be used to cover the costs of marketing initiatives direct from the Home Office as well as certain overhead and administrative expenses.

Other Compensation and Reimbursements

While not all sponsors or vendors of NEXT are Partners, a non-Partner may also reimburse NEXT and its Registered Representatives for compliance approved marketing initiatives or due diligence trips. For specific details on allowable compensation and reimbursements from a sponsor or vendor, a client should review the investment's prospectus.

If a client attends training or educational meetings with their Registered Representative and an employee of a Partner is also in attendance, the client should assume that the Partner or non-Partner paid or reimbursed NEXT or the Registered Representative for some or all of the costs of the meeting.

The method of calculation and the amount of revenue sharing paid by each Partner may vary and is subject to change at any time. Marketing revenue received by NEXT may be in addition to commissions, advisor fees, 12b-1 fees, due diligence fees, or other fees. Clients should refer to an investment's prospectus or offering documents for more information.

Consistent with prudent product approval practices, NEXT conducts or causes to be conducted a due diligence analysis of some of the companies it makes available to the public through its independent Registered Representatives. For conducting its due diligence or further analysis, NEXT may receive a flat fee from both Partners and non-Partners.

If you have further questions about our Partners or non-Partners and the revenue they contribute, please contact your NEXT Registered Representative or email NEXT at AskCompliance@nextfinancial.com. You may also write to NEXT Financial Group, Inc., Attn: Compliance Department, 2500 Wilcrest Dr, Suite 620, Houston, TX 77042-2757.