

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 20110265211 - 01**

TO: Department of Market Regulation
Financial Industry Regulatory Authority ("FINRA")

RE: NEXT Financial Group, Inc., Respondent
Broker-Dealer
CRD No. 46214

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, NEXT Financial Group, Inc. (the "firm" or "Respondent") submits this Letter of Acceptance, Waiver and Consent ("AWC") for the purpose of proposing a settlement of the alleged rule violations described below. This AWC is submitted on the condition that, if accepted, FINRA will not bring any future actions against Respondent alleging violations based on the same factual findings described herein.

I.

ACCEPTANCE AND CONSENT

- A. Respondent hereby accepts and consents, without admitting or denying the findings, and solely for the purposes of this proceeding and any other proceeding brought by or on behalf of FINRA, or to which FINRA is a party, prior to a hearing and without an adjudication of any issue of law or fact, to the entry of the following findings by FINRA:

BACKGROUND

The firm has been a member of FINRA since June 3, 1999, and its registration remains in effect

RELEVANT DISCIPLINARY HISTORY

The firm has no prior relevant disciplinary history.

FACTS AND VIOLATIVE CONDUCT

In Matter No. 20110265211, the Fixed Income Investigations Team of the Department of Market Regulation reviewed the markups/markdowns charged by the firm in connection with transactions in exempted agency securities during the period from July 1, 2010 through December 31, 2011 (the "Review Period").

1. During the Review Period, in 19 transactions, the firm purchased agency securities for its own account from a customer or sold agency securities for its own account to a customer in the course of its business at an aggregate price that was not fair and reasonable, and in so doing failed to

observe high standards of commercial honor and just and equitable principles of trade. The transactions are identified in Exhibit A which is attached. The conduct described in this paragraph constitutes separate and distinct violations of FINRA Rule 2010.

B. Respondent also consents to the imposition of the following sanctions:

A censure, a fine of \$265,000, and restitution. Restitution is ordered to be paid to the customers listed on Exhibit A hereto in the amount of \$177,170.01 plus interest at the rate set forth in Section 6621(a) of the Internal Revenue Code, 26 U.S.C. 6621(a)(2), from the date of the violative conduct until the date this AWC is accepted by the National Adjudicatory Council.

A registered principal on behalf of the Respondent firm shall submit satisfactory proof of payment of the restitution, or of reasonable and documented efforts undertaken to effect restitution. Such proof shall be submitted to the COMPLIANCE ASSISTANT, LEGAL SECTION, MARKET REGULATION DEPARTMENT, 9509 KEY WEST AVENUE, ROCKVILLE, MD 20850, either by letter that identifies the Respondent and case number, or by email from a work-related account of the registered principal of the firm to MarketRegulationComp@finra.org. This proof shall be provided to FINRA no later than 120 days after acceptance of this AWC.

If for any reason Respondent cannot locate any customer identified in Attachment A after reasonable and documented efforts within 120 days from the date the AWC is accepted, or such additional period agreed to by a FINRA staff member in writing, Respondent shall forward any undistributed restitution and interest to the appropriate escheat, unclaimed property or abandoned property fund for the state in which the customer is last known to have resided. Respondent shall provide satisfactory proof of such action to the FINRA staff member identified above and in the manner described above, within 14 days of forwarding the undistributed restitution and interest to the appropriate state authority.

The imposition of a restitution order or any other monetary sanction herein, and the timing of such ordered payments, does not preclude customers from pursuing their own actions to obtain restitution or other remedies.

Respondent agrees to pay the monetary sanctions upon notice that this AWC has been accepted and that such payments are due and payable. It has submitted an Election of Payment form showing the method by which it proposes to pay the fine imposed.

Respondent specifically and voluntarily waives any right to claim that it is unable to pay, now or at any time hereafter, the monetary sanctions imposed in this matter.

The sanctions imposed herein shall be effective on a date set by FINRA staff.

II.

WAIVER OF PROCEDURAL RIGHTS

Respondent specifically and voluntarily waives the following rights granted under FINRA's Code of Procedure:

- A. To have a Complaint issued specifying the allegations against the firm;
- B. To be notified of the Complaint and have the opportunity to answer the allegations in writing;
- C. To defend against the allegations in a disciplinary hearing before a hearing panel, to have a written record of the hearing made and to have a written decision issued; and
- D. To appeal any such decision to the National Adjudicatory Council ("NAC") and then to the U.S. Securities and Exchange Commission and a U.S. Court of Appeals.

Further, Respondent specifically and voluntarily waives any right to claim bias or prejudgment of the Chief Legal Officer, the NAC, or any member of the NAC, in connection with such person's or body's participation in discussions regarding the terms and conditions of this AWC, or other consideration of this AWC, including acceptance or rejection of this AWC.

Respondent further specifically and voluntarily waives any right to claim that a person violated the *ex parte* prohibitions of FINRA Rule 9143 or the separation of functions prohibitions of FINRA Rule 9144, in connection with such person's or body's participation in discussions regarding the terms and conditions of this AWC, or other consideration of this AWC, including its acceptance or rejection.

III.
OTHER MATTERS

Respondent understands that:

- A. Submission of this AWC is voluntary and will not resolve this matter unless and until it has been reviewed and accepted by the NAC, a Review Subcommittee of the NAC, or the Office of Disciplinary Affairs (“ODA”), pursuant to FINRA Rule 9216;
- B. If this AWC is not accepted, its submission will not be used as evidence to prove any of the allegations against Respondent; and
- C. If accepted:
 - 1. this AWC will become part of the firm’s permanent disciplinary record and may be considered in any future actions brought by FINRA or any other regulator against the firm;
 - 2. this AWC will be made available through FINRA's public disclosure program in response to public inquiries about the firm’s disciplinary record;
 - 3. FINRA may make a public announcement concerning this agreement and the subject matter thereof in accordance with FINRA Rule 8313; and
 - 4. Respondent may not take any action or make or permit to be made any public statement, including in regulatory filings or otherwise, denying, directly or indirectly, any finding in this AWC or create the impression that the AWC is without factual basis. Respondent may not take any position in any proceeding brought by or on behalf of FINRA, or to which FINRA is a party, that is inconsistent with any part of this AWC. Nothing in this provision affects the firm’s: (i) testimonial obligations; or (ii) right to take legal or factual positions in litigation or other legal proceedings in which FINRA is not a party.
- D. Respondent may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. The firm understands that it may not deny the charges or make any statement that is inconsistent with the AWC in this Statement. This Statement does not constitute factual or legal findings by FINRA, nor does it reflect the views of FINRA or its staff.

The undersigned, on behalf of the firm, certifies that a person duly authorized to act on its behalf has read and understands all of the provisions of this AWC and has been given a full opportunity to ask questions about it; that it has agreed to the AWC's provisions voluntarily; and that no offer, threat, inducement, or promise of any kind, other than the terms set forth herein and the prospect of avoiding the issuance of a Complaint, has been made to induce the firm to submit it.

12/10/14
Date

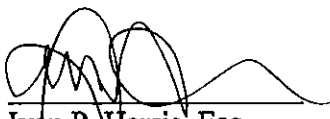
Respondent
NEXT Financial Group, Inc.

By: 

Name: John T. Unger

Title: General Counsel

Reviewed by:

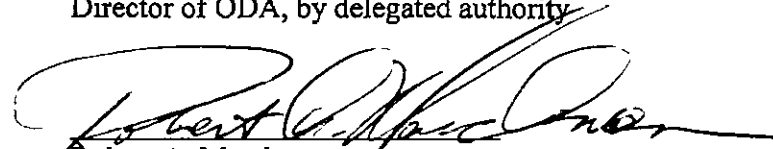


Ivan P. Harris, Esq.
Counsel for Respondent
Morgan, Lewis & Bockius LLP
200 S. Biscayne Blvd. Suite 5300
Miami, FL 33131
(305) 415-3398

Accepted by FINRA:

12/16/14
Date

Signed on behalf of the
Director of ODA, by delegated authority


Robert A. Marchman
Executive Vice President
FINRA Department of Market Regulation

NEXT Financial Group, Inc. ("NEXT") (CRD No. 46214)
Matter No. 20110265211
Restitution

EXHIBIT A

#	Item No.	Date	Bond	CUSIP ID	Quantity	Contra 1*	Trade 1 Time	Trade 1 Price	Firm	Contra 2*	Trade 2 Time	Trade 2 Price	Markup	Mark Down	Restitution
1	1	7/2/2010	FFCD.BXY	31331JLA9	930	B-D (S)	11:29:01	104.225	NEXT	C (B)	11:29:01	106.975	2.64%		\$ 8,224.66
		9/2/2010	FFCD.CEZ	31331JXG3	1,000	B-D (S)	15:20:12	102.000	NEXT			105.06	3.00%		
2	2				440					C (B)	15:20:12				\$ 5,430.48
3	3				560					C (B)	15:20:12				\$ 6,911.52
		8/2/2010	FHLN.ILT	313370CV80	1,390	B-D (S)	12:47:32	100.240	NEXT			102.89	2.64%		
4	4				625					C (B)	12:47:32				\$ 5,348.15
5	5				765					C (B)	12:47:32				\$ 6,546.14
6	6	11/22/2010	FMCC.BDA	3137EACA5	505	B-D (S)	12:06:03	107.108	NEXT	C (B)	12:06:03	110.321	3.00%		\$ 6,544.03
7	7	01/31/2011	FMCC.BDA	3137EACA5	505	B-D (B)	11:36:19	103.500	NEXT	C (S)	11:36:19	100.500		2.90%	\$ 5,794.12
8	9	02/22/2011	FNMA.GQL	3136FP6L6	2,500	B-D (S)	9:34:38	99.656	NEXT	C (B)	9:34:38	102.172	2.52%		\$ 18,294.45
9	10	03/07/2011	FHLN.WGR	313372TS3	1,000	B-D (S)	13:54:42	99.766	NEXT	C (B)	13:54:42	102.776	3.02%		\$ 12,241.89
10	11	03/08/2011	FHLN.WGR	313372TS3	1,460	B-D (S)	14:35:46	99.815	NEXT	C (B)	14:35:46	102.809	3.00%		\$ 17,626.88
11	12	05/04/2011	FFCD.HQW	31331KGP9	625	B-D (S)	11:54:58	101.980	NEXT	C (B)	11:54:58	104.835	2.80%		\$ 6,437.49
12	13	06/06/2011	FFCD.CLJ	31331J3Z4	1,700	B-D (S)	13:39:49	98.958	NEXT	C (B)	13:39:49	101.927	3.00%		\$ 20,355.49
13	15	07/06/2011	FNMA.FDQ	3136FPTQ0	900	B-D (S)	11:40:33	98.499	NEXT	C (B)	11:40:33	100.999	2.54%		\$ 6,631.81
14	16	08/15/2011	FHLN.ZWY	313375AF4	25	B-D (S)	10:58:46	100.150	NEXT	C (B)	10:58:46	103.155	3.00%		\$ 303.08
15	17	09/07/2011	FFCD.CJR	31331JN90	575	B-D (S)	16:17:37	103.500	NEXT	C (B)	16:17:37	106.605	3.00%		\$ 7,201.01
16	18	09/07/2011	FFCD.HOI	31331J7G2	709	B-D (S)	16:20:22	108.212	NEXT	C (B)	16:20:22	111.458	3.00%		\$ 9,280.85
17	19	09/19/2011	FFCD.ICR	31331KYN4	1,735	B-D (S)	11:56:01	99.800	NEXT	C (B)	11:56:01	102.594	2.80%		\$ 17,481.51
18	20	10/25/2011	FHLN.VCQ	313371U79	840	B-D (S)	16:23:07	104.620	NEXT	C (B)	16:23:07	107.620	2.87%		\$ 9,469.34
19	21	12/05/2011	FMCC.BDA	3137EACA5	860	B-D (S)	12:46:57	112.825	NEXT	C (B)	12:46:57	115.664	2.52%		\$ 7,047.12
Total Restitution Owed															\$ 177,170.01