

In consideration of NEXT Financial Group, Inc. (“Company”) effecting a transaction for the undersigned, and for other good and valuable consideration, the undersigned represents and agrees as follows:

1. I am of legal age in the State of my domicile.
2. This Client Agreement (“Agreement”) and all transactions made in my account shall be governed by the laws of the state of Texas.
3. All transactions executed in the account shall be subject to the rules, regulations, customs, and usages of the exchange, market, or clearing house where executed, and to all applicable federal and state laws and regulations and to the rules of the Financial Industry Regulatory Authority (“FINRA”).
4. The Company is not bound to execute any orders until accepted by the Company at an authorized Office of Supervisory Jurisdiction (“OSJ”).
5. If this is a joint account, the following applies:
  - A. the liability of the undersigned with respect to this account shall be joint and several, and any accounts owned by one or more of the undersigned shall be subject to a lien in the Company’s favor for the discharge of the joint account, such lien to be in addition to, and not in substitution of, the rights and remedies the Company otherwise would have.
  - B. if we have not notified the Company in writing otherwise and provided such documentation as the Company required, this account shall be held by us jointly with rights of survivorship. Each joint tenant irrevocably appoints the other as attorney-in-fact to take all action on his or her behalf and to represent him or her in all aspects in connection with this Agreement. The Company shall be fully protected in acting upon the instructions of either of us.
6. The Company is authorized, in its discretion and without notice, to cancel any outstanding orders in order to close out the accounts of the undersigned, in whole or in part, or to close out any commitment made on my behalf, in the event of the death of any of the undersigned or for any reason whatsoever, if the Company deems it necessary.
7. If I do not pay in full for any security purchased for this account or do not deliver any security sold for this account on or before the settlement date, the Company is authorized to take the steps necessary to complete the transaction, in which event I will reimburse the Company for all costs, losses, or liabilities it incurs.
8. Any securities I request the Company to sell will be fully and freely marketable and free from infirmity of any kind, unless advice to the contrary is given to the Company in writing at the time such order is placed.
9. In the event I become indebted to the Company in the course of operation of this account, I will repay such indebtedness upon demand. If after demand I fail to pay the indebtedness, the Company may close my account and liquidate the assets in my account on a pro rata basis in an amount sufficient to pay my indebtedness. I shall reimburse the Company for the reasonable costs of the collection of any debit balance and any unpaid deficiency in my account, including attorney’s fees.
10. Communications mailed to me at the address specified herein shall be deemed to have been personally delivered to me, and I agree to waive all claims resulting from failure to receive such communications.
11. This Agreement may not be modified except in writing signed by an officer of the Company. The signing of this Agreement revokes any prior Agreement made with the Company or any of its predecessors.
12. This Agreement and its provisions shall be continuous and shall inure to the benefit of the Company and any successor or assigns and shall be binding upon me and/or my estate, heirs, executors, administrators, and assigns.
13. The Company shall not be liable for any loss caused directly or indirectly by war, natural disasters, government restrictions, exchange or market rulings, or other conditions beyond the control of the Company.
14. For our mutual protection, the Company may electronically record any of our telephone conversations.
15. Important Information about Procedures for Opening a New Account. To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions (including broker-dealers) to obtain, verify, and record information that identifies each person who opens an account. Therefore, when I open an account, I will be asked for my name, address, date of birth, and other information that will allow the Company to identify me. My Registered Representative may also ask to see my driver’s license or other identifying documents.
16. For some mutual funds and variable annuities, the Company receives compensation in addition to the sales concession. The amount of compensation is based on the Company’s total sales of these products. For more information, I may ask my Registered Representative for an explanatory brochure or visit the Clients section of <http://www.nextfinancial.com>.
17. The Company is committed to safeguarding the confidential information of its clients. A complete privacy notice is included with this document. A replacement or additional copy is available from my Registered Representative or by visiting the Clients section of <http://www.nextfinancial.com>.
18. The Company has developed a Business Continuity Plan on how it will respond to events that significantly disrupt its business. A Business Continuity Plan Disclosure is included with this document. A replacement or additional copy is available from my Registered Representative or by visiting the Client section of <http://www.nextfinancial.com>.
19. Accounts that are carried by Pershing, LLC (“Pershing”), member NYSE/FINRA/SIPC, are covered by the Securities Investor Protection Corporation (“SIPC”). SIPC coverage is not the same as FDIC insurance. In the event of a firm’s failure, SIPC protects securities clients of its members up to \$500,000 (including \$100,000 for claims for cash). An explanatory brochure is available by contacting SIPC at (202) 371-8300, by visiting SIPC’s website at [www.sipc.org](http://www.sipc.org), or by contacting your registered representative. Each client account carried by Pershing also receives excess SIPC protection up to Pershing’s net equity for cash and securities. Neither SIPC coverage nor excess SIPC coverage applies to market losses.
20. **Arbitration: This agreement contains a pre-dispute arbitration clause. By signing an arbitration agreement, the parties agree as follows:**
  - A. All parties to this agreement are giving up the right to sue each other in court, including the right to a trial by jury, except as provided by the rules of the arbitration forum in which a claim is filed.
  - B. Arbitration awards are generally final and binding; a party’s ability to have a court reverse or modify an arbitration award is very limited.
  - C. The ability of the parties to obtain documents, witness statements, and other discovery is generally more limited in arbitration than in court proceedings.
  - D. The arbitrators do not have to explain the reason(s) for their award.

- E. The panel of arbitrators will typically include a minority of arbitrators who were or are affiliated with the securities industry.
- F. The rules of some arbitration forums may impose time limits for bringing a claim in arbitration. In some cases, a claim that is ineligible for arbitration may be brought in court.
- G. The rules of the arbitration forum in which the claim is filed, and any amendments thereto, shall be incorporated into this agreement.
- H. This agreement to arbitrate constitutes a waiver of the right to seek a judicial forum unless such a waiver would be void under the Federal securities laws.
- I. Any controversy arising out of or relating to my accounts, to transactions with you, your officers, directors, agents, employees, clearing agent, this Agreement, or the breach thereof, whether such transaction or agreement was entered in prior, on, or subsequent to the date hereof, shall be settled by arbitration in accordance with the rules then in effect of the Financial Industry Regulatory Authority ("FINRA"). I understand that the FINRA eligibility requirement bars claims brought more than six (6) years after the event giving rise to the claim. Judgment upon any award rendered by the arbitrators may be entered in any court having jurisdiction thereof.
- J. No person shall bring a punitive or certified class action to arbitration, nor seek to enforce any pre-dispute arbitration agreement against any person who has initiated in court a punitive class action; or who is a member of a punitive class action who has not opted out of the class with respect to any claims encompassed by the punitive class action until: (i) the class certification is denied; or (ii) the class is decertified; or (iii) the client is excluded from the class by the court. Such forbearance to enforce an agreement to arbitrate shall not constitute a waiver of any rights under this agreement except to the extent stated herein.
21. I confirm that I understand the following features of my account and that my Registered Representative has disclosed these features to me, both verbally and in writing:
- A. Securities offered through **NEXT Financial Group, Inc.**, member FINRA/SIPC, are not insured by the FDIC, the NCUSIF, or any government agency. They are not deposits or obligations of, nor guaranteed by, any financial institution, and are subject to investment risks, including possible loss of the principal amount invested.
- B. Investment returns are not guaranteed, and past performance does not guarantee future results.
- C. My Registered Representative does not provide tax advice. I am responsible for consulting my tax advisor regarding the tax consequences of investing in securities products.
- D. My Registered Representative makes recommendations based on information I provide regarding my financial situation and objectives. Therefore, I am responsible for providing truthful information on the account information form and for notifying my Registered Representative of any changes in my financial situation or objectives.
- E. Under Section 1972(1) of the Bank Holding Company Act Amendments of 1970 ("BHCA"), I am not required to purchase insurance, participate in a fee program, apply for a loan, or obtain any other service as a condition of investing with NEXT Financial Group.
- F. The Company does not accept cash, money orders, cashier's checks, third-party checks, or temporary checks for payment. When remitting payment, I will make my check payable to "Pershing," "NEXT Financial Group," or to the investment/insurance company, whichever is applicable.
22. In accordance with Securities and Exchange Commission ("SEC") regulations, the Company is providing the following investment objective definitions. These definitions are provided for informational purposes and do not imply that any investment will achieve its objective.
- A. Conservation of Capital – seeking to preserve principal; willing to accept low potential income and little or no capital appreciation in exchange for greater safety of principal.
- B. Income – seeking current income through investments in interest-bearing or dividend-paying instruments. Willing to accept some risk in exchange for income.
- C. Growth and Income – seeking capital appreciation and dividend or interest income. Willing to accept some risk to principal for potential appreciation and income.
- D. Long-Term Growth – seeking capital appreciation, with dividend income as a secondary objective. Willing to accept more risk to principal for potential appreciation.
- E. Growth – seeking capital appreciation. Willing to accept higher risk to principal for greater potential appreciation.
- F. Speculation – seeking capital appreciation. Willing to accept extremely high volatility in exchange for potentially higher profits. Client has the experience and financial resources to withstand loss of entire principal invested.
- G. Tax Advantages – seeking to avoid current federal and/or state and local taxes.
- Please review this document carefully. If you disagree with any transaction, or if there are any errors or omissions on this document, you must notify the Company or your Registered Representative in writing within 30 days of your receipt of this document. This document will otherwise be deemed conclusive.**
- Inquiries or complaints may be sent to:
- NEXT Financial Group, Inc.  
Attn: Compliance  
2500 Wilcrest Drive, Suite 620  
Houston, TX 77042-2757  
Phone (713)-789-7122