

**SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C.**

SECURITIES EXCHANGE ACT OF 1934  
Release No. 56316 / August 24, 2007

Administrative Proceeding File No. 3-12738

In the Matter of NEXT Financial Group, Inc.

The United States Securities and Exchange Commission (Commission) announced the issuance of an Order Instituting Administrative and Cease-and-Desist Proceedings Pursuant to Sections 15(b) and 21C of the Securities Exchange Act of 1934 (Order) against NEXT Financial Group, Inc. (NEXT).

The Order alleges that NEXT, a registered broker-dealer headquartered in Houston, Texas, willfully violated Regulation S-P by disclosing nonpublic personal information about its customers to nonaffiliated third parties, without allowing the customer the opportunity to opt out of such disclosure, by allowing registered representatives to take customer nonpublic personal information with them when leaving NEXT's employment. The Order also alleges that NEXT willfully aided and abetted and caused other broker-dealers' violations of Regulation S-P by encouraging, and in many cases facilitating newly employed registered representatives to bring their customers' personal nonpublic information, such as social security numbers, account numbers, passport numbers, drivers license numbers, dates of birth and customer financial information, to NEXT without proper notice to the customer and a reasonable opportunity to opt out of such disclosure.

A hearing will be scheduled before an administrative law judge to determine whether the allegations contained in the Order are true, to provide NEXT an opportunity to respond to these allegations, and to determine what sanctions, if any, are appropriate and in the public interest. The Order directs the administrative law judge to issue an initial decision within 300 days from the date of service of the Order Instituting Proceedings.