

Auld quits NEXT Financial, Joins Rival

by Bruce Kelly and featured in [Investment News](#)
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New York – Jeff Auld, who has played a pivotal role in establishing NEXT Financial Group Inc. as one of the nation's fastest-growing independent broker-dealers, is leaving to join rival Berthel Fisher & Company Financial Services Inc.

Mr. Auld, who is president of Houston-based NEXT Financial Group, will depart Aug. 31 to become president of Berthel Fisher in Marion, Iowa.

Mr. Auld, 48, joined NEXT Financial Group in 2000 and is credited with almost single-handedly driving its growth, largely through his ability to recruit new representatives. His impending departure comes as NEXT Financial Group, like many other independent-contractor broker-dealers, is scrambling to find an executive to lead its recruiting efforts (InvestmentNews, Aug. 7).

Gordon D'Angelo, chairman and CEO of NEXT Financial Group Holding Co., will serve as interim president of the broker-dealer. The company hopes to name a replacement for Mr. Auld within 60 days. In a letter to the firm's more than 750 reps last Tuesday, Mr. Auld said he was leaving Next Financial Group for personal reasons.

"It's a quality-of-life thing," he said when reached by telephone last Wednesday. Mr. Auld's family and that of his wife are from Iowa, and his daughter recently was married to a native Iowan, he said.

"I feel [that the new job] was tailor-made for me," said Mr. Auld, who will begin his job at Berthel Fisher on Sept. 1.

"I've got the opportunity to create another success story and play golf with my son-in-law on the weekends."

Mr. Auld said that his departure is not an indication of trouble at NEXT Financial Group. "There's nothing wrong with NEXT," he said, noting that he had heard many kind words from advisers. "I'm going to what I think is a better fit for me."

Even so, it remains to be seen how Mr. D'Angelo will perform in his role as interim president of the brokerdealer, some industry observers said.

Despite Mr. Auld's looming departure, NEXT Financial Group remains committed to its goal of doubling its gross dealer concession – the total fees and commission brokers and advisers generate before the firm takes its cut – every two years, said Mr. D'Angelo, who characterized himself as "driven and ambitious."

"We'd love to have Jeff around, but we won't skip a beat," he said.

NEXT Financial, which Mr. D'Angelo started in 1999 with a group of advisers from Advantage Capital Corp. of Atlanta, has seen some of the strongest growth among independent-contractor broker-dealers under Mr. Auld's leadership.

Last year, the firm reported \$56.6 million in gross revenue, almost five times what it reported in 2001.

NEXT Financial Group, which ranks as No. 35 on InvestmentNews' list of the top 50 independent-contractor broker-dealers in gross revenue, is unique in that it is owned by its reps and advisers.

Mr. D'Angelo is NEXT Financial Group's largest shareholder, but his ownership stake is capped at 7%, he said.

"I'm driven to give the company to the reps," he said. The firm has built "a very strong recruiting department."

So far this year, NEXT Financial Group has added 27 employees to its home office, an increase of 50%, said Mr. D'Angelo.

In addition, the firm is planning to roll out additional services to its affiliated reps, he said. Those programs, which it hopes to unveil before yearend, will feature a more centralized product offering for advisers in such areas as insurance products and fee-based products, Mr. D'Angelo said.

NEXT Financial Group also plans to bolster its management team by naming an executive to become vice president of the broker-dealer – a new position.

Meanwhile, Berthel Fisher, with gross revenue of \$48.1 million in 2005, ranked 42nd among independent contractor broker-dealers, according to InvestmentNews' annual ranking.

Mr. Auld has some ties to Berthel Fisher. In 1977, the firm's executive vice president, Fred Fisher, offered him his first job in the securities business at Edward D. Jones & Co. of St. Louis. "That was right out of college, when I didn't know a thing," Mr. Auld said.

Insiders at NEXT Financial group are sad to see him go.

"Jeff was just an excellent closer" when it came to recruiting reps and advisers, said David Holtz, a member of the board of directors and an adviser with \$44 million in client assets. "It will be hard to replace him," said Mr. Holtz, who is based in Altoona, Pa.

Mr. Auld has the right touch with recruits, industry observers noted.

"The reps felt flattered that the president of a broker-dealer would spend time with them," said Jonathan Henschen, president of Henschen & Associates, a recruiting firm in Marine on St. Croix, Minn., who was surprised by news of Mr. Auld's departure. "I thought he was a great asset there."