

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 77136 / February 12, 2016

INVESTMENT ADVISERS ACT OF 1940
Release No. 4334 / February 12, 2016

ADMINISTRATIVE PROCEEDING
File No. 3-17117

In the Matter of

GREGORY L. MERRICK,

Respondent.

**ORDER INSTITUTING
ADMINISTRATIVE PROCEEDINGS
PURSUANT TO SECTION 15(b)(6) OF THE
SECURITIES EXCHANGE ACT OF 1934
AND SECTION 203(f) OF THE
INVESTMENT ADVISERS ACT OF 1940
AND NOTICE OF HEARING**

I.

The Securities and Exchange Commission (“Commission”) deems it appropriate and in the public interest that public administrative proceedings be, and hereby are, instituted pursuant to Section 15(b)(6) of the Securities Exchange Act of 1934 (“Exchange Act”) and Section 203(f) of the Investment Advisers Act of 1940 (“Advisers Act”) against Gregory L. Merrick (“Respondent” or “Merrick”).

II.

After an investigation, the Division of Enforcement alleges that:

A. RESPONDENT

1. Merrick was an Ohio-licensed investment adviser representative with SICOR Securities, Inc. (“SICOR”) from October 6, 1998 to March 24, 2014, and with Signature Investments, Inc. (“Signature”) from January 3, 2006 to January 2, 2015. From January 2, 1998 to October 29, 2013, Merrick was an Ohio-licensed securities salesperson with SICOR, a broker-dealer that had been registered with the Commission during the relevant period.

B. ENTRY OF THE CEASE-AND-DESIST ORDER

1. On January 2, 2015, SICOR and Merrick consented to the issuance of an order by the Ohio Department of Commerce, Division of Securities in the matter of *Gregory Lunar Merrick and SICOR Securities, Inc.*, Order No. 15-001 (the “Order”) that (1) ordered SICOR and Merrick to cease and desist from acts and practices that constituted a violation of the securities chapter of the Ohio Revised Code and (2) revoked Merrick’s investment adviser representative license and SICOR’s investment adviser license.

2. The Order found that from at least January 18, 2011 to February 22, 2013, SICOR and Merrick operated a program called the Controlled Asset Transfer System (“CATS”), which Merrick marketed to insurance agents who sought to have their clients or prospective clients liquidate existing securities in order to sell the clients insurance products. Merrick advised each insurance agent to use the CATS program to avoid acting as a securities salesperson without a license. The Order concluded that, through this program, SICOR and Merrick liquidated the clients’ securities without conducting a reasonable inquiry into the clients’ investment objectives and financial situation and without sufficient information to determine if the liquidation was suitable. The Order found that, based on this conduct, SICOR and Merrick breached the fiduciary duty owed to their clients and violated Ohio Administrative Code (“O.A.C.”) § 1301:6-3-19(A)(5).

III.

In view of the allegations made by the Division of Enforcement, the Commission deems it necessary and appropriate in the public interest that public administrative proceedings be instituted to determine:

A. Whether the allegations set forth in Section II hereof are true and, in connection therewith, to afford Respondent an opportunity to establish any defenses to such allegations; and

B. What, if any, remedial action is appropriate in the public interest against Respondent pursuant to Section 203(f) of the Advisers Act and Section 15(b)(6) of the Exchange Act; and

IV.

IT IS ORDERED that a public hearing for the purpose of taking evidence on the questions set forth in Section III hereof shall be convened at a time and place to be fixed, and before an Administrative Law Judge to be designated by further order as provided by Rule 110 of the Commission’s Rules of Practice, 17 C.F.R. § 201.110.

IT IS FURTHER ORDERED that Respondent shall file an Answer to the allegations contained in this Order within twenty (20) days after service of this Order, as provided by Rule 220 of the Commission’s Rules of Practice, 17 C.F.R. § 201.220.

If Respondent fails to file the directed answer, or fails to appear at a hearing after being duly notified, the Respondent may be deemed in default and the proceedings may be determined against

him upon consideration of this Order, the allegations of which may be deemed to be true as provided by Rules 155(a), 220(f), 221(f) and 310 of the Commission's Rules of Practice, 17 C.F.R. §§ 201.155(a), 201.220(f), 201.221(f) and 201.310.

This Order shall be served forthwith upon Respondent as provided for in the Commission's Rules of Practice.

IT IS FURTHER ORDERED that the Administrative Law Judge shall issue an initial decision no later than 210 days from the date of service of this Order, pursuant to Rule 360(a)(2) of the Commission's Rules of Practice.

In the absence of an appropriate waiver, no officer or employee of the Commission engaged in the performance of investigative or prosecuting functions in this or any factually related proceeding will be permitted to participate or advise in the decision of this matter, except as witness or counsel in proceedings held pursuant to notice. Since this proceeding is not "rule making" within the meaning of Section 551 of the Administrative Procedure Act, it is not deemed subject to the provisions of Section 553 delaying the effective date of any final Commission action.

By the Commission.

Brent J. Fields
Secretary