

**UNITED STATES OF AMERICA**  
**Before the**  
**SECURITIES AND EXCHANGE COMMISSION**

**SECURITIES EXCHANGE ACT OF 1934**  
**Release No. 77598 / April 13, 2016**

**INVESTMENT ADVISERS ACT OF 1940**  
**Release No. 4366 / April 13, 2016**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-17117**

**In the Matter of**

**Gregory L. Merrick,**

**Respondent.**

**ORDER MAKING FINDINGS AND  
IMPOSING REMEDIAL SANCTIONS  
PURSUANT TO SECTION 15(b)(6) OF  
THE SECURITIES EXCHANGE ACT OF  
1934 AND SECTION 203(f) OF THE  
INVESTMENT ADVISERS ACT OF 1940**

**I.**

On February 12, 2016, the Securities and Exchange Commission (“Commission”) instituted proceedings against Gregory L. Merrick (“Merrick” or “Respondent”) pursuant to Section 15(b) of the Securities Exchange Act of 1934 (“Exchange Act”) and Section 203(f) of the Investment Advisers Act of 1940 (“Advisers Act”).

**II.**

Merrick has submitted an Offer of Settlement (“Offer”) which the Commission has determined to accept. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission, or to which the Commission is a party, Respondent consents to the entry of this Order Making Findings and Imposing Remedial Sanctions Pursuant to Section 15(B)(6) of the Securities Exchange Act of 1934 and Section 203(f) of the Investment Advisers Act of 1940 (“Order”), as set forth below.

**III.**

On the basis of this Order and Respondent’s Offer, the Commission finds that:

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. Merrick, 52 years old, is a resident of Tipp City, Ohio.

2. 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 “Ohio 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.

3. The Ohio 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 Ohio 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 Ohio 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). In connection with the Ohio Order, Respondent admitted liability for breaching the fiduciary duty owed to his clients and for violations of O.A.C. § 1301:6-3-19(A)(5), which prohibits a dealer or salesperson from selling, purchasing or recommending the sale or purchase of any securities without reasonable grounds to believe that the transaction or recommendation is suitable for the customer based upon reasonable inquiry concerning the customer’s investment objectives, financial situation and needs, and any other relevant information known to the dealer or salesperson.

#### IV.

In view of the foregoing, the Commission deems it appropriate and in the public interest to impose the sanctions agreed to in Respondent Merrick’s Offer.

Accordingly, it is hereby ORDERED pursuant to Section 15(b)(6) of the Exchange Act, and Section 203(f) of the Advisers Act, that Respondent Merrick be, and hereby is:

barred from association with any broker, dealer, investment adviser, municipal securities dealer, municipal advisor, transfer agent, or nationally recognized statistical rating organization; and

barred from participating in any offering of a penny stock, including: acting as a promoter, finder, consultant, agent or other person who engages in activities with a broker, dealer or

issuer for purposes of the issuance or trading in any penny stock, or inducing or attempting to induce the purchase or sale of any penny stock.

Any reapplication for association by the Respondent will be subject to the applicable laws and regulations governing the reentry process, and reentry may be conditioned upon a number of factors, including, but not limited to, the satisfaction of any or all of the following: (a) any disgorgement ordered against the Respondent, whether or not the Commission has fully or partially waived payment of such disgorgement; (b) any arbitration award related to the conduct that served as the basis for the Commission order; (c) any self-regulatory organization arbitration award to a customer, whether or not related to the conduct that served as the basis for the Commission order; and (d) any restitution order by a self-regulatory organization, whether or not related to the conduct that served as the basis for the Commission order.

For the Commission, by its Secretary, pursuant to delegated authority.

Brent J. Fields  
Secretary