United States of America

Before the

SECURITIES EXCHANGE COMMISSION

Dec 12, 2017



Pursuant to:

The SECURITIES EXCHANGE ACT OF 1934, Section 19(D) (2)

Admin. Proc. File No. 3-18045

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In the Matter of the application of

MERRIMAC CORPORATE SECURITIES, INC., and ROBERT NASH

For review of action taken by FINRA

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**MERRIMACS REPLY TO FINRA'S BRIEF IN OPPOSITION TO THE APPLICATION FOR REVIEW IN THE ABOVE-CAPTIONED MATTER**

In reading the Arguments of FINRA in their opposition brief the story hasn't changed. They continue to take the same position on the remaining allegations at hand. Merrimac Violated section 5. Merrimac Failed to supervise. Merrimac provided false documents to FINRA. Merrimac failed to detect red flags and failed to have proper Policies and Procedures in place.

FINRA insists on debating these issues using irrelevant information to allege these violations. They deliberately take the reader's attention away from the facts. For example, it is irrelevant when Merrimac, Pizzuti or Nash discuss times and dates of certain meetings. Bob Nash and Merrimac were not aware of over 30 forged DSR's at any time and certainly didn't submit falsified DSR document to FINRA because they didn't exist. Contrary to FINRA's allegation of a Section 5 violation Merrimac Processed over 1000 DSR's perfectly without a single violation of Securities laws. Merrimac was able to perform at

such a high level quality control because it did in fact have Policies and Procedures in place and were activated in a timely manner as this type of business ramped up. How can FINRA take the positon that Merrimac did not have proper procedures in place with such a perfect processing performance? These very same DSR's and procedures were audited by the SEC and the SEC found no Securities law violation. So, it would have to be said that either the SEC did an inferior audit of these same transactions or FINRA is wrong.

For this brief Merrimac is providing the SEC with a copy of its submissions prior such as its original Brief (Exhibit A) submitted to FINRA Panel after the hearing as it related to the hearing Dated Junes 2, 2014; Merrimac's Rebuttal To DOE's Rebuttal Brief( Exhibit b); and, finally Merrimac's" Notice of Appeal' (Exhibit C) to the NAC. FINRA should have no problem excepting these exhibits as they are already part of the record. It is important that the SEC read and understand the scope of the allegation originally made by the DOE such as 33 forged documents down to a few duplicated signatures, etc.

There is nothing more that can be said or explained. The facts remain that Merrimac did not sell unregistered securities. There were never 30 plus forged documents and they certainly had policies procedures in place that did detect Red Flags perfectly in the processing of the very business FINRA's states Merrimac violated. The subjective nature of Regulating whether a firm properly detected Red flags and/or had sufficient compliance policies and procedures is wrong. It gives FINRA the ability to take action against its members "at will" forcing then to pay up in a settlement or Pay to fight the DOE with the real chance of losing based on this same subjective issue.

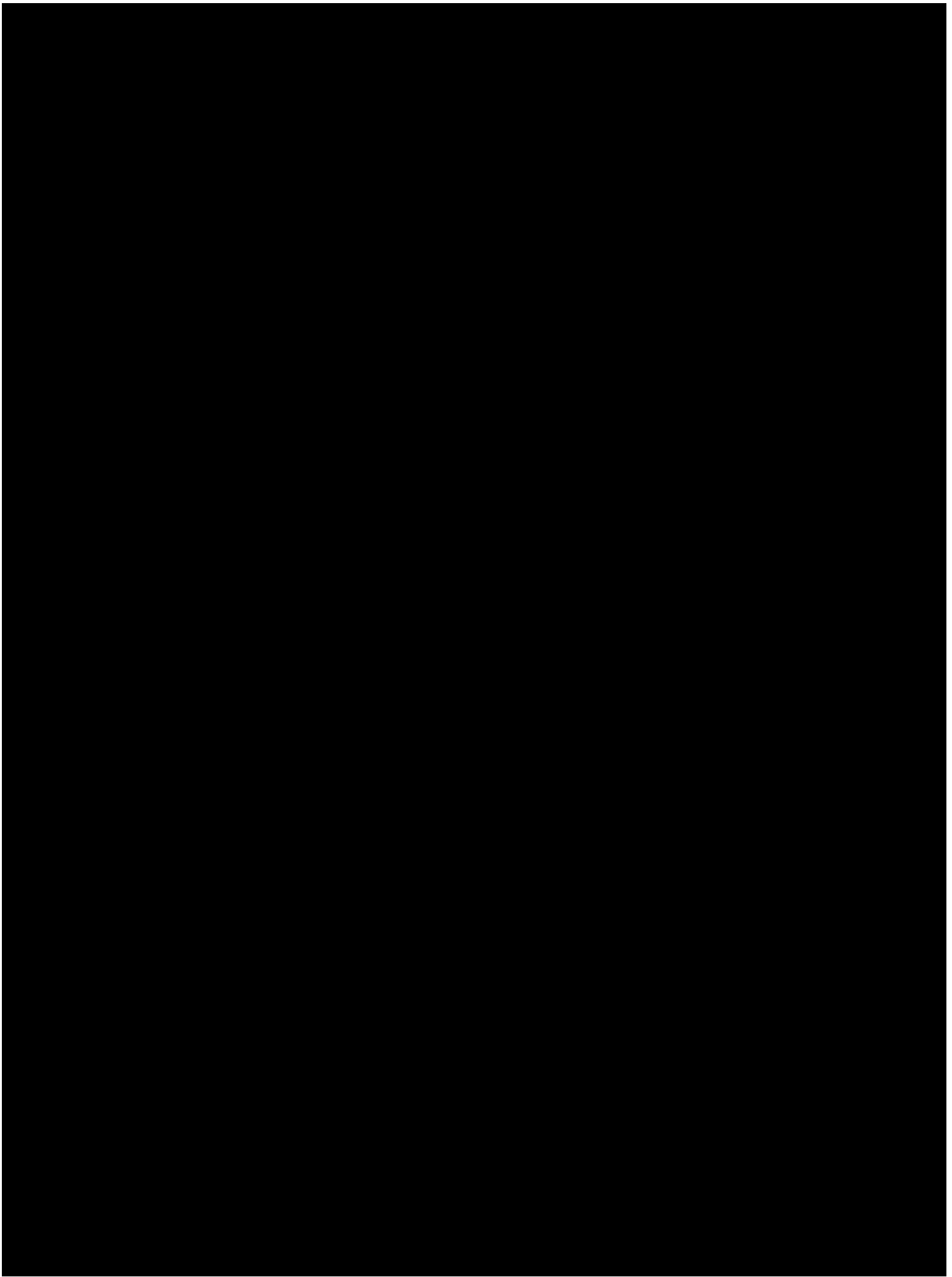
The DOE has submitted copies of Merrimac's CRD report to the SEC in their brief. This is a great opportunity for the SEC to witness FINRA's decade of deliberately fining their members until they couldn't "Pay to Play" any longer.

Thank you for your consideration in this matter

Merrimac Corp Sec. Inc.

C/O Stephen Pizzuti

# EXHIBIT A



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# EXHIBIT B

# Merrimac's Rebuttal to DOE's rebuttal of Merrimac's Appeal Brief

Please accept our apologies for structure, grammar and general lack of legal expertise in this document. We are responding Pro Se and certainly not professional Attorneys.

**DOE's Defamation Spree**

The Department of Enforcements latest brief responding to Merrimac's appellate brief should bring great pause to the NAC panel and FINRA in general. In the brief the FINRA Attorneys have knowingly made false statements and perpetuated false rumors. This is now being done to specifically harm Merrimac and Robert Nash in the eyes of the NAC panel.The DOE is likely responding this way because the "real" evidence is stacking up against them. The extent of the unethical slanderous statements is so gross that the NAC should dispose of the whole case on these grounds alone. In addition, the DOE attorneys have knowingly misrepresented evidence to the panel. If they are not doing so intentionally, then the only alternative is that they are incompetent actors.

The DOE has made the following inflammatory and dishonest statements in their brief:

- "The proceeding arose out of fraudulent investments sold by Pizzuti's brother ..." (Page3 Paragraph 2)
- "they ignored red flags, including allegations that two brokers were running a Ponzi Scheme"(Page 3 Paragraph 2)

We are not going to defend the actions of Pizzuti's brother however, the statements are not true and one of them is a false rumor being spread by an embezzling tax dodging psychopath who leveled the allegations through a defamatory website well after the fact. The website's intent was to harm anyone he could with false allegations, including Stephen Pizzuti and Merrimac. In making these statements in their brief, the DOE is raising the bar on their unethical behavior. If the NAC panel cannot put the statements out of their mind they must declare a "mistrial" and dismiss the case against Merrimac.

- "Stephen Pizzuti admitted that they failed to supervise outside business activities of Pizzuti's brother and another broker as they defrauded investors." (Page 1Paragraph 2)

Stephen Pizzuti never admitted or denied anything in his settlement with DOE. Once again the DOE is leveling slanderous statements that they know are not true. How the NAC can let them get away with such grossly unethical behavior.

The DOE has also injected information on settlements with other parties that are not admissible inthis legal scenario. The settlements are all "Without Admitting or Denying" so offering them is unnecessary and done so

to defame Nash and Merrimac. Of course they didn't tell you one of the party's was undergoing a [redacted] and settled because the doctor said the stress from FINRA was going to [redacted] before they could ever get to the [redacted]. Indeed, they are trying to take advantage of Merrimac because they know we are handling the case pro se. The NAC should punish them for their unethical behavior and actions.

In their brief, the DOE has also exposed their true motives for pursuing Merrimac even in the face of overwhelming exonerating evidence we presented during Wells period. Please look at their statement in the introduction (Page 1 Paragraph 3), "He stood by as Merrimac became involved in the dubious business of liquidating penny stocks ..". This indicates their predisposed bias against firms that liquidate penny stocks. Merrimac was doomed before they picked up the first piece of paper!

**Lack of Due Process**

The NAC panel should take note in the DOE brief under "II. Procedural History" (Page 3, Paragraph 3). In the paragraph DOE states, "The case arose out of consolidated investigations initiated by several FINRA offices." [Our apologies in advance because we don't know all the correct legal lingo to put this more eloquently] What DOE should have said was, "We cobbled together a bunch of shit we collected over more than a three year period, now we threw it against the wall and we're trying to make it stick".

The information in the case was collected over a period of more than three years, which included three cycle exams and thirty to sixty (maybe more) 8210 inquiries during the same period. Allowing DOE to enforce so many years' worth exams at one hearing has severely crippled Merrimac's ability to defend itself. Allowing so many accusations into one hearing was extremely prejudicial to Nash and Merrimac. After allowing DOE almost a full week for their side of the case. The Chairperson, Maureen Delaney hurried Merrimac to get "Done" in less than two days. Now we know why. She had already made up her mind before we started and the hearing was only an annoying formality. There are so many moving parts to this case it is impossible to present all the evidence that would exonerate Nash and Merrimac, Even if we had a full week like the DOE. In many instances we simply didn't have the time to track down needed evidence while still maintaining our normal business.

We are forced to make these answers under duress for time. Because of the lack of proper Due Process it is extremely difficult to get true and correct information into both the hearing panel where most of our request were denied and now the NAC panel. We want the NAC to get and understand all the facts so they can render a true, correct and honest decision.

We never thought we had the time or written space to mention in our previous briefs, that at the beginning of the hearing the DOE had six employees on their side of the room. Five attorneys and one paralegal. Merrimac started with four persons and one was immediately kicked out (Page One Transcript). Merrimac had an attorney that stepped in at the last minute with minimal knowledge of the case, Bob Nash (Defendant), Stephen Pizzuti (Defendant and Corporate Rep) and Mark Thomes (Corporate Rep and Evidential Technician'). Mark Thomes was kicked out in the first few minutes. If FINRA and the DOE were truly interested in Due Process and the Truth,

an additional person would have been allowed. There was plenty of space for the extra person and DOE was allowed to stack their side of the room. Merrimac was not allowed to have one additional person in the hearing and that action severely damaged their ability to defend themselves. The DOE had no reason to object to the additional person except to strengthen their case with less chance of opposition.

At the same time Mr Thomes was being kicked out of the hearing the Chairperson Ms. Delaney allowed DOE to keep their primary witness in the hearing room through the duration of the hearing. This would be unheard of in a setting where proper Due Process was of any concern. Mr. Wong was able to listen to all the other witnesses and see all the exhibits allowing him to adjust his testimony in ways that was unavailable to Merrimac.

When DOE falls back on excuses like evidence was not submitted please remember that against all odds we are looking for the truth and trying to get the truth into someone's hands that will pay attention.

The DOE wants the NAC to regard certain portions of SEC filings as gospel and disregard other portions because "you can't rely on what the company says in the filings". This type of schizophrenia is what caused us to contact the citizen who is the subject of DOE's unregistered security Fourth Cause of Action. He was not our client so we had to threaten him with possible SEC action to get him to talk to us. He put us in touch with his attorney who provided us with (MERRA-4001 Pages 1-61) which are the actual "Conversion Notices" and "Stock Purchase Agreements" for the "so called" unregistered security Merrimac handled and three others that were referenced in SEC filings. The other three were not deposited into Merrimac accounts. We will provide more detail in Cause of Action section below.

With all FINRA's new public disclosure efforts it is very important for the DOE to get accusations correct before proceeding forward. We are cringing at the thought of how many person's lives have been ruined by incorrect, exaggerated, irresponsible and unethical claims made by the DOE. Under the current regime, exposing persons to public ridicule on "Broker Check" without proper Due Process is going to become problematic for FINRA. It is already happening at the SEC with their "Private" judges and courts. It would be in the best interest of FINRA to start getting it's ducks in a row now. We would like to remain private and would rather not become the poster child for a movement, however we do plan on releasing our privacy rights to the media if this case reaches the SEC.

The way FINRA and the DOE behaves, it's no wonder why so many members are dropping FINRA to become investment advisers.

**The Case**

Throughout this process Merrimac has felt like the "Burden of Proof' was on us, not the DOE. That makes no sense and as we stated in the previous section that FINRA's hearing process lacks proper Due Process. If we eliminate core accusations with real hard facts on paper not willy-nilly testimony, then the accusation and everything connected should be disposed. Even if the panel thinks DOE might be wrong about an accusations

the accusation should be disposed. The NAC panel should not re-write the actions and fit the evidence to those actions.

In some cases we have added new evidence or brought evidence that was already part of discovery to the panel's attention. In our last case, we found out that one of DOE's go to methods is to leave out evidence then claim "not in evidence" when we tried to get to the truth. So we ask that you allow all the new evidence because it is exculpatory in nature.

We are asking the NAC panel to please read the FULL transcript of the hearing. In the transcript you will find the multiple moving targets Merrimac was defending and what we called "Wongisms". That is when examiner Wong kept changing his answer/opinion and didn't even know simple things like what was the "Patriot Act". How can an examiner level AML actions against a firm without knowing what the patriot act is? We are fairly certain the DOE used Wong because he was the only examiner who would "tote the line" for DOE. It also explains why DOE objected and the panel denied all of our request for the actual examiners to appear as witnesses. Even witnesses that DOE said were "Out of Town" then miraculously appeared in the hallways of FINRA. I guess in the minds of DOE it is OK to lie when you're with a recidivist firm.

Please take the time to review the references the DOE has made. Please be sure to read everything above and below their references because they are taking many things out of context and many times they are only referring to portions of text that support their case when the whole text will nullify their reference.

**The Remaining Actions**

**Third Cause of Action: Nash Production of DSR's bearing forged signatures**

DOE's list of 37 forged DSR cannot be trusted. We have provided new evidence that FINRA collected during exams and had in their possession at all times. The new evidence shows that of the 37 entries on the list 12 had good signatures (MERRA-3001 Pages 1-22), 6 were for shares that were never deposited (paper work not submitted), 4 were duplicate entries, and 10 were for additional shares for same customer and same securities, same class. That leaves only 9 items that couldn't be traced. With this many errors how can you trust the DOE and Wong's list?

We have also found evidence that disputes the claim that Nash knowingly provided the forged documents. The documents show a timeline as follows:

- Jan 6th, 2011 (Thursday) Micah Ferranti of FINRA makes 8210 Request to Merrimac (MERRA-701 Pages 4 -7) Due Date: Jan 20, 2011.
- Jan 10th, 2011 (Monday) After unsuccessfully searching for local copy of DSRQ's Bob Nash request them from Cecilia Schiffer by email (MERRA-701 Pages 8 -10) also MERRA-1001 to MERRA 1036 Page 1 of each Exhibit shows the file names of attachments in the emails.

- Jan 14th, 2011 (Friday) Cecilia Scans Documents using her office copy machine. The Date/Time is in filenames created by copier. (MERRA-701 Page 1& 12)

- Jan 20th, 2011 (Thursday) 8210 Request is due!!

- Jan 21st, 2011(Friday) Merrimac receives copies of DSRQ from Cecilia via email late in the afternoon. (MERRA-1001to MERRA 1036 All Pages)

- Jan 24th, 2011(Monday) Cecilia's Scanned files land on FINRA computers (MERRA-701 Page 12) See screenshot of file dates from evidence disk supplied by FINRA.

Nobody is sure who sent the files to FINRA, however there is an unlabeled thumb drive in the FINRA discovery (MERRA-701 Page 11)that might have been sent to FINRA by Cecilia. The NAC panel can also glean from the timeline above that Merrimac did not receive their copy of the files until Friday Jan 21st, a day after the duee date. We could not possibly have known about forged signatures at any time before that date because we didn'te have copies until then. If by chance we did send the documents to FINRA, we couldn't possibly have knowingly forwarded DSR's bearing forged signatures because we received them on the 21st then they appeared on FINRAe hard drive by the 24th. If we did send them, there was no time to review them because we had to forward theme right away since the 8210 due date of the 20th had passed.

The DOE's makes a mountain out of a mole hill about mistakes and errors on DSRQ's. But that is the wholee purpose of the DSRQ. Get information from the client then verify accuracy. If client made a mistake, correct it and move on. As anybody who has been in the business for an iota knows,most clients won't even try to fill oute the form. Some will actually sign the form and send back to the rep for completion. The rep will complete thee form for them, then return it to the client for inspection before submitting.

The DOE's justification for this being such a horrible event is that it caused a single "Unregistered Security" to bee sold due to Schiffer "skirting" compliance. Even if true, it was one deposit out of dose to one-thousand betweene 2010 and 2012. New evidence in the Fourth cause of action will eliminate the "one".

**Fourth Cause of Action: Sale of Unregistered Securities**

We have provided new evidence as (MERRA-4001 Pages 1-61) that proves "once and for all" the securities were converted in tranches of 100 Million shares. Not all 400 million at one time as DOE has absurdly contended. Of course any halfwit without an agenda could have figured this out using common sense and all the other information in evidence and SEC filings. The conversion notices also state the 144 exemptions that were relied upon and that the certificates were being issued unrestricted. The transactions executed as follows:

- July 12th, 2010 Jeff Turnbull signs a Stock Purchase Agreement with Kandee Coleman of Amber Sunset toe buy 100 Million Shares of USOG (MERR-4001 Pages 6-16)

- July 13th, 2010 Jeff Turnbull files Notice of Conversion with USOG for 100 million shares (MERRA-4001 Pagese 2-5)e
- July 14th, 2010 Jeff Turnbull signs a Stock Purchase Agreement with Michael McDonald of The Good One Inc. to buy 100 Million Shares of USOG (MERR-4001 Pages 21-31)
- July 14th, 2010 Jeff Turnbull files Notice of Conversion with USOG for another 100 million shares. (MERRA-4001 Pages 17-20)e
- July 15th, 2010 Jeff Turnbull signs a Stock Purchase Agreement with Kristen Perry of Acadia LLC to buy 100 Million Shares of USOG {MERR-4001 Pages 51-61)e
- July 15th, 2010 Jeff Turnbull files Notice of Conversion with USOG for another 100 million shares. (MERRA-4001 Pages 47-50)e
- August 31st, 2010 Jeff Turnbull signs a Stock Purchase Agreement with Barbara Farr of Kaleidoscope Inc. toe buy 100 Million Shares of USOG (MERR-4001 Pages 36-46)e
- August 31st, 2010 Jeff Turnbull files Notice of Conversion with USOG for another 100million shares.e (MERRA-4001 Pages 32-35)e

It is abundantly obvious that Jeff Turnbull was exercising his conversion rights inconformity with his contract, s as to not pass the 10% threshold to become an affiliate.

DOE's contention that Turnbull was an officer of USOG, like many of their claims iswrong. They reference CX67 and CX67B. Those filings list him as President of "Turnbull Oil", the company he sold to USOG. Of course DOE's claims are so absurd they will ask you rely on SEC filings in their side of the case but they can't be trusted in Merrimac's side. With the new evidence the NAC panel has absolutely no choice but to dispose of this action and any related actions.

Sixth Cause of Action: AML Supervisory Failures

Imagine you're driving down the road at the speed limit in a sports car with some serious horsepower. You get pulled over by a police officer whom accuses you of having a car that can go over the speed limit and writes you a speeding ticket. Crazy right? No not crazy, FINRA does this every day!! This cause of action does not really offer any real failures, just the possibility of a failure. In reality, there were no failures to justify the claim. There were only opinions of possible red flags by examiner Wong who didn't even know what was the Patriot Act. They somehow connected the unregistered security to the AML claim but even that turned out to be wrong. The NAC should instruct the DOE to stop claiming supervisory failures unless there was a bona fide failure, not someone's opinin of a failure. The NAC should dispose of this action for these reascins and because you are disposing of the Fourth Cause of Action.

## Seventh Cause of Action: Failure to Supervise

### Tuttle/Dubrule Private Security Transactions

When Dubrule and Tuttle were approved to continue operating their hedge fund, a fund that they were alread operating for many years, Merrimac had two simple requirements. First, no new members should invest in the fund. Second, no members of the hedge fund can ever be clients of Merrimac. As DOE has made clear, we had an issue with this type of outside arrangement in the past. We wanted to completely eliminated exposure of Merrimac to the fund by keeping everything as pre-Merrimac and keep the effort of tracking the activity to a minimum or from becoming a full time job for Dave Matthews. Although the DOE has a different opinion, Dubrule and Tuttle conformed to the requirement. The only activity that occurred while the reps were at Merrimac was existing clients of the fund that temporally borrowed from their investment then returned the money to the fund. The DOE is stretching reality when they say it was new money. The DOE offered no investment documents to validate their claim that the members made a new investment in the fund.

All of the claims the DOE made regarding various injustices in the fund have turned out to be wrong. Currently the "at par" loans the DOE was haranguing about appear to have all converted to a publicly traded stock. In this cause the DOE did the equivalent of yelling "Fire!!" in a crowded movie theatre. The DOE's false claims could have caused a panic and collapsed of an otherwise perfectly good fund. Thankfully, the members were all extremely wealthy and smart individuals that were not easily panicked by FINRA attorneys. Maybe we should recall DOE's witness, Mr. Vargo to see what he says now. He was FINRA's star witness in the matter who showe up because his boss, the actual member/investor had no desire to deal with the morons in the DOE. The NAC should dispose of this action because FINRA had no jurisdiction and they came damn close to ruining the hedge fund member's investment. The opposite of what they are supposed to do.

### Penny Stock Activity Procedures

The NAC panel should take notice that the DOE has made no claim of supervision failures on any penny stock activity dated past October of 2010. That is because by the date and for the six months leading up to the date, Merrimac was busy supercharging their policies and procedures. We began the procedure overhaul in April of 2010 because there were signs that it could become a substantial part of the business. Rather than being honest with the NAC and to exaggerate their claim, the DOE states that the penny stock revenue was 18 percent by 2010 (Page 2 Paragraph 3). That is deceptive and even Ms. Delaney regurgitates this misinformation in her decision. They do so even though all sides seemed to agree that Merrimac's numbers presented during the hearing were accurate. Merrimac's revenue percentage of penny stocks were as follows:

2008 = Less Than 1 Percent (.00711)

2009_ = le!;.S than 3 Percent (.025389) -..

2010 Jan through May= Less than 3 Percent (.025353)

2010 June through December = Less than 15 Percent (.149342)

2011 = Less than 24 Percent (.231397)

2012 = Less than 19 Percent (.189612)

As you can see, the business did not ramp up until the middle of 2010. The procedures were put into place very quickly even though they were quite extensive. DOE makes a big deal about the procedures only being one page. As far as procedures go, a single page is way above average for a single subject. Most procedures are only a paragraph or two. That single page spawns into a tall stack of documentation concerning the transaction. They also opine about Merrimac executing trades for individuals barred from the securities business. They state it as if the person were barred from opening an account and trading stocks. What they are trying to do is circumvent the individual's civil rights and deny them access through unethical regulatory pressure. They are also imposing the same unethical pressure in the area of red flags. FINRA and the DOE seems to want to inject all their wants and desires to stop all the business they believe "dubious",into the simple "Anti Laundering" requirements of the Bank Secrecy Act and the Patriot Act.

FINRA rules do not require perfection. The above numbers represent the deposit and clearance of close to one-thousand stock certificates. After disposing DOE's "unregistered" claim, all were done without any major problems. This cause of action should be disposed of because the supervision was reasonable and its core basis is the claim of Unregistered Securities being sold and a bunch of non-expert unqualified opinions.

**Pizzuti Web Site**

Due to the electronic nature of websites we have had a difficult time presenting static information in a way that is understandable to person without web knowledge. We are sure the problem we had presenting to the hearing panel will also exist presenting to the NAC panel. We have determined that the only way to properly present our information is with working copies of the sites in question. We will have the sites available at the "in person" hearing.

We are having trouble getting across our point that there were actually three websites. Two of the sites are publishing sites, one of them evaluvest.com has been around since 2001. The newer version of evaluvest.com (PI) is called evaluvestp4.com (P4). Even though P4 was meant to replace PI,many subscribers preferred to old version, so it was left in service until late 2011. It was pulled out of service because of a lightning strike. Once a decision was made to not revive the site, web designers were contracted to build a new site using the abandoned web address (evaluvest.com). In approximately November of 2011 the new site began to take shape. About once a week the web designers would activate the site so we could take a look. The designers were supposed to maintain a password on the site but would deactivate the feature to "show off" their work from time to time. During a routine exam FINRA examiners somehow got into the site. In one of his responses to FINRA, Rick Barrett stated that he had given the examiners a password (our claim all along). It is possible they

just happened to go to the web address at a time when the site was accessible. Both remaining sites were shut down after the FINRA examiners inquiry because we weren't sure what was going on. We didn't even realize that FINRA had gotten access to the new evaluvest.com site until a short time before the hearing. That site was incomplete and if it was out to the public, it was for a very short amount of time. The probability that anybody happened by the site is very slim. The DOE will have you believe that websites suddenly attract hordes of visitors as soon as they hit the web. Nothing can be farther from the truth. Of course the site had not been through a compliance review, it was still being designed. In fact, most of the links on the site did not work any links that worked in the middle tab that displayed information about Merrimac were referral links back to Merrimac's corporate site. The web designers had essentially embedded merrimac-corp.com into the middle tab of evaluvest.com site. The toll free number at the top was fake. So if anybody was interested and tried to call,they would get a number not in service error.

**Foreign Finders**

Out of Time. Please refer to Bob Nash Brief.

**Eight Cause of Action: Transactions while Suspended**

If anything,this cause of action should prove the lengths that the DOE will go to "Pack Mule" this case to the point where it was indefensible by Merrimac. It also shows how far the Chairperson, Ms. Delaney will go in order to find a way to rule in favor of her previous coworkers at the DOE. This cause should not have been allowed to go forward because so much time had passed that the information Merrimac needed to defend themselve properly was no longer available from Fedex.

On the morning Merrimac found out about the suspension (Sept 17th, 2009) we called FINRA collections speaking to June Hackshaw. She immediately sent us a fax with the tracking number for the notice. The tracking results stated "Signature Release on File" (CX 62 Page 8) which was ambiguous so we immediately called Fedex to get more details. On the call, the Fedex operator stated that the driver's notes indicated that he had left it outside the door at the address because nobody was present. At the time, we didn't realize it would be needed, so we didn't get the information in writing. Four years later, after the DOE filed this action we tried to get the same information. Unfortunately the Fedex operator stated that the tracking had already been reused multiple times so it was no longer available.

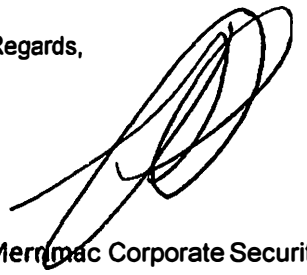
In her decision Ms. Delaney rambles on about invoices and other means by which we could know the membership Fee was past due. None of which matters in this cause of action because the charge is "Executing Transactions While Suspended". The only thing that matters is whether or not Merrimac was properly notified about the impending suspension. FINRA Rule 9134 requires that the notice is sent to and received by a key person on Form.BD using certified mail or equivalent. FINRA sent the notice via "Fedex Priority Overnight". That was a suitable method. However the "Priority Overnight" selection is what likely caused the problem. In all likelihood the letter arrived early in the morning before anyone was at the office to sign.

FINRA is trying to charge Merrimac with an event that they manufactured. Exhibit (CX62 page 8) shows an email that was sent from Fedex to June Hackshaw at FINRA on August 13th 2009. The notice received by Ms. Hackshaw clearing indicates a problem with the delivery in the "Sign for by:" line. A person is not listed. By this notice, FINRA knew or should have known that there was a problem with the notice the very next day. FINRA should have resent the notice to insure proper delivery. The suspension of Merrimac should have never began until proper notice had been given.

This cause of action should be disposed of because FINRA had a procedural failure and Merrimac should never have been suspended without giving proper notice pursuant to Rule 9134.

In this case, Merrimac has been left with the daunting decision of, what do we have time and space to defend? Please do the right thing,don't decide this case with cherry picked testimony and evidence like Ms. Delaney. Decide on the facts and the reasonableness that they are correct.

Regards,



Merrimac Corporate Securities

# EXHIBIT C

**NOTICE OF APPEAL**

**Department of enforcement vs Merrimac Corporate Securities, Inc.**

**CRD no. 35463**

**Disciplinary Processing No 2011027666902**

**Appeal is being filed by Merrimac Corp. Sec Inc.**

**Oral arguments requested**

Merrimac would like to start this by saying that the egregiously biased award should give pause to all members of FINRA. How can members be expected to abide by the code of fair and equitable practice when FINRA enforcement blatantly does not. This case needs to be thoroughly reviewed by the NAC to show just how damaging that exaggerated, unfounded, baseless allegation can be once a firm has been targeted by FINRA enforcement. The small member B/D will lose when enforcement wants them to.

Before and during the actual hearing the entire enforcement process was void of any Due Process. Merrimac was never provided an equitable opportunity to be heard. Merrimac was never able to speak to any key FINRA examiners that actually compiled key aspects to these violations. The record will show that the hearing panel officer ruled in favor of FINRA on every matter and against the defendants on all critical issues of this case.

A. For example, the Defendants had requested all 8210 request letters from FINRA to Merrimac during the relevant time periods of the complaint and were turned down for no valid reason. These are easily accessible by FINRA and should have been turned over. The defendant believes this information was vital to validate its case for dealing with excessive 8210 request from numerous departments and location simultaneously that would have substantiated Merrimac case for selective prosecution.

B. Defendants requested Blake Snyder, a FINRA supervisor involved in nearly all every aspects of the complaint and the main protagonist against Merrimac, to be a witness . Blake Snyder, as a FINRA investigator should have been present. Simultaneously, during the hearing Mr. Snyder was requested by the Defendants to testify and once again was turned down. The FINRA attorneys including Susan Light told the hearing officer that Snyder was in New York and unavailable. Enforcement misrepresented to the panel the truth {THEY LIED}. Mr. Snyder was actually on the same floor as the hearing as it was taking place. In fact, during the breaks it was obvious FINRA attorneys were taking their breaks right alongside him and at times passing remarks in the hallway etc. Defendant believes that this was deliberately done to avoid Merrimac's claim of selective prosecution.

C. The next item was relative to exhibits 66, 66a and 66b. They should not have been allowed into evidence as they were never part of Enforcement's entire discovery file pursuant to Rule 9251. Nor was the issue relative to these exhibits part of the original complaint. They were added to give a false impression of the actual facts and left the Defendant powerless to defend itself for several reasons. For example, on page 17 of the panels decision they state "Although Merrimac developed Penny Stock Procedures, it failed to ensure that its registered representative properly used the DSR

Forms" Indeed, at least three registered representatives were sent clients pre-sign blank DSR Forms" by their clients. Once the defendant's realized that enforcement was allowed to put this into evidence during the hearing they objected and vehemently opposed it. It was once again overridden by the panel and was allowed into evidence. So, in response to this Defendants attempted to allow a listed witness testify on behalf of Merrimac in rebuttal of this claim and was denied once again. The panel would not allow Harry Stone, who was set to testify actually testify in defense of this inappropriate evidence. The panel decided his testimony wasn't necessary as he had nothing to add. This was outrageous. He had plenty to add to defend this allegation. As you can see it became a critical problem for the defendant based on the final comments on page 17. In addition, prior to the hearing, FINRA's Wong had OTR's with all three brokers and never discussed these items. This had a horrific impact on the panel's decision against Merrimac.

D. The simple fact that throughout the hearing enforcement was able to extend the parameters of the complaint on key causes of actions such as the AML procedures they alleged were lacking between 2009 through 2011. Merrimac was accused during the hearing of lacking proper AML procedures as far back as 2007 forcing Merrimac to defend a claim they were not previously accused of. Therefore, exhausting their limited resources throughout the hearing. The NAC needs to consider that Merrimac processed over 1000 DSR's properly and undisputed. FINRA enforcement, once the case actually came to pass found only one DSR stock sale to hang their case on regarding the section s issue and that should never have ever been included. In fact, the testimony of Jason Wong changed so many times it was sad to see how far Enforcement was willing to go to prove the only DSR left to question had a violation that warranted the power and magnitude of a section 5 violation. It was critical they prove this. The blatant contradictions in WONGS testimony was obvious collusion by Wong with FINRA enforcement counsel throughout his testimony from one day to the next. He came into the hearing with one theory and left with several other possible theories on why section 5 violations happened because enforcement realized early on in the hearing Wong's original premise for this violation was wrong. He had to have been inappropriately counseled each day. This was a deliberate attempt by FINRA to prove something at all cost exhausting Merrimac defensive r·esources at the hearing. If the NAC simply looked at the fact that Merrimac had only one attorney present and was not permitted to have more than one corporate representative to assistant Merrimac vs enforcements ability to have unlimited staff and counsel and familiar technology this was crazy. There were six attorneys, which included Susan light, participating throughout the hearing.

E. Several defendants's never had the opportunity to defend themselves. Due to the extreme sanctions imposed, the number of allegation, limited resources, and conversations with Susan Light in NY in an attempt to explain to enforcement Merrimac's position Mr. Pizzuti realized that FINRA enforcement wanted to close Merrimac down. Due to his lack of confidence in getting a fair hearing and lack of resources he chose to settle their allegations against him to focus his efforts and resources on defending the firm without any conflicts. John Dubrule , another defendant, was forced to settle because he was unable to defend himself. Mr. Dubrule had a [redacted] by receiving a [redacted] and a true inability to economically and timely defend the allegations against him. In fact, when he requested an extension of time to respond to enforcement 8210 requests he was denied, despite providing them with requested medical proof. The last and most blatant abuse of FINRAS powers was with David Matthews. Mr. Matthew [redacted] Besides being in

[redacted] Mr. Matthews [redacted] him to OTR's. Mr. Matthew was a member for well over SO years. FINRA showed him no common courtesy or respect as a human being by destroying his honor and dignity by forcing him to go to OTR's in [redacted] and then banning him in a settlement agreement for the entire wor ld to see when he offered never to work as a member again do to his eminent demise.They bullied him to settle based on his [redacted] properly.

Merrimac believes that this was because FINRA enforcement needed to file their action prior to them no longer having jurisdiction over Kevin Tuttle.The NAC will,without a doubt find that FINRAs original allegations were full of misleading,inaccurate, exaggerated and defamatory claims void of any proof based on their haste to file this complaint under this deadline.

Therefore,Pizzuti and Dabrule and Matthews never had the opportunity to defend their allegations yet FINRA enforcement,despite these settlements utilized these allegations to substantiate their other causes of action. For example enforcement relied upon indirect claims of an FINRA agent whom no longer worked with FINRA to say that Stephen Pizzuti,the CEO had provided misleading securities related communications to the public. Yet Merrimac was not allowed to have prior 8210 requests that showed that the actual sites were reviewed by FINRA prior and were not in any violation. In fact- the sites referenced in the complaint were not even up during the relevant time frame. Therefore, how could Mr. Nash and the firm be in violation of advertising oversight on someth ing that didn't exist?

Enforcement did not prove that Dubrule and Tuttle inflated investment values, misappropriated funds or withheld material facts of investment. No transactions took place while the fund in question was approved as a 3040 by Merrimac for any Merrimac client. Therefore Merrimac could not be in violation of failure to establish,maintain and enforce reasonable supervision on them.

Third cause of action

Merrimac did not knowingly provide false documents to FINRA. There were never 37 falsified DSR forms.Therefore, relative to this,Merrimac did not fail to maintain and implement an effective AML system and by default had reasonable supervisory systems. Merrimac did not Violate Rules 8210 and 2010.

Forth cause of action

It was enforcements claim that because Merrimac did not review falsified DSR forms that this allowed unregistered sales of securities into the Market. Merrimac proved that there were never 37 falsified documents and that they did not sell a single unregistered security that created any section 5 violations. The record will show that enforcement changed their case for the sale of unregistered securities so many times that the panel got confused. JT never owned 38% of the outstanding shares of USOG ever. Despite the deva stating original claims that multiple securities and millions of shares of stock were sold unregistered simply to bully Merrimac with penalties that included expulsion enforcement failed to proof any. The NAC should consider the fact the FINRA enforcement original complaint was so devastating that Merrimac with limited financial resources was crippled. Merrimac loss most of its reps and could no longer recruit with such a claim.

Sixth cause of action

The panel concluded that Merrimac failed to establish,and implement an effective AML system. Once again,the time period in the original complaint was between 2009 and 2011,yet enforcement expanded their complaint at the hearing as far back as 2007 through 2012. We clearly proved that we had implemented and increased our procedures throughout 2009 into 2011when Merrimac anticipated a jump in low price securities sales.So, they forced Merrimac's resources and the panel's attention to earlier years. The subjective nature by which this cause was brought appears to be typical of enforcements tactics.There are no actual written procedures as to what FINRA specifically wants to see when commencing an audit on a firm. Unfortunately, this allows the panel discretion as to what they decide is a red flag or not: what's good and what's not good enough. When coupled with a panel that has limited experience dealing with red flag issues over many different cases this poses a real problem.This goes toward the original concerns of the nature and amplitude of the risk and exposure of taking this case to a hearing.

The fact that Merrimac had no customer complaints, sold no unregistered securities and had no violations or complaints by any regulatory body for aiding and abetting any illegal activity should speaks volumes more than the discretion of an inexperienced and/or biased panel. The fact that no clients in questions were accused of selling security's inappropriately says we should have gotten the benefit of the doubt. They did not. There should have been the solid proof the firm did not do their job. There was no proof. The Burden of proof should be on the Enforcement and not the accused broker dealer. It isn't.

**Seventh cause of action**

Once again, this cause of action was expanded back to 2007 when the complaint was through 2009 to 1011. First,there was no activity that could be referenced as even being done in 2007 that includes the Tuttle and Dabrule private securities transaction, Penny stock deposits of any size or relevance or the websites that never existed in the form the complaint.The Foreign finders issue was a piling on issue that should not have even been included.

Relative to Tuttle /Dabrule there were no transaction's by any new investors since the approval of the fund of any Merrimac client. The hedge fund was reviewed. The issue,once again is subject to debate on what constitutes placing these transactions on the books and records of the firm. What transaction and how would that apply in this case. There was no transaction.They should not apply.

Once again,Merrimac did not sell any unregistered securities and that any scope of misconduct relative to DSR falsification was substantially misrepresented. Therefore,there was no contravention of section 5 based on this. Merrimac has proved it did not have a section 5 violation.

The alleged violation of advertising relative to 2 Evaluvest websites should be thrown out. The websites in question were stated to be pre-approved beta sites. They were not on the web as indicated by enforcement. Had the original investigator been present the panel would have realized that,In addition,it was obvious that no one at FINRA actual saw the sites live that testified. The evidence is clear and should not of been subject to any enforcement action at all.

Foreign finder's situation was explained in detail and had extenuating circumstance that the panel should have recognized. FINRA enforcement had no witness to corroborate this allegation.The

panel did not take into account the action the firm did take during this period of time to monitor this activity prior to having procedures.

**Eighth cause of action**

The fact is that Merrimac did fail to pay the annual fees on time. The allegation that it was done on purpose is outrageous. Since 2003 Merrimac had no history of not paying its fees on time--- ever. The Panel should have considered that it was a single issue of one late payment in almost two decades. If Merrimac had a prior history of this then Enforcement would have a reason to pile this on as a legitimate added cause of action to inflame the potential panel award. This was not the case at all. Infact, as soon as the problem hit the CRD system and Merrimac became aware of the issue it was paid that morning instantly. This was an obvious attempt by FINRA to pile on a tangible issue to inflame the case. In this case both FINRA and Merrimac should have taken equal responsibility for this oversight based on the facts presented. That is not the case. FINRA took this issue from 2009 that enforcement never took issue with and suddenly piled it on to the enforcement case.

**In conclusion**

The devastating nature of the original complaint was a clear attempt by enforcement to bully Merrimac into closing its doors due to its limited capital to pay any future fines imposed. The phrase that comes to mind is "if you can't pay-you can't play. What does that mean? If FINRA realizes a firm cannot pay for any potential fines imposed by them by fining its members to overcome their own financial shortfalls each year then they bully and target that firm into 8210 requests and allegations until the firm is closed. This way FINRA doesn't have to expend capital to audit and review them in the future. Makes sense because each member gets accessed fees based on the amount of business each firm does each year. The clients and brokers will simply go to another firm that is open to do their business For FINRA it's a win-win. If you take this argument to a logical conclusion the NAC should consider the amount of firms that have closed vs the increase in fines imposed on brokerage firms and notice the obvious correlation. If you then look at the massive financial losses of FINRA just a few years ago and compare them to the amount of fines collected these last few years you will find another incredible similarity in the numbers. Suddenly, FINRA is no longer losing a lot of money. It is in direct correlation with the reduction of firms and the increase in fines. The only possible argument against this theory is that firms have done such a lousy compliance job the last several years to warrant such increased sanctions and expulsions. We all know that's not the case. Can this be just a coincidence? If FINRA -dare say the word" Conspiring" to close small firms to save money because those firms can't afford to risk playing the enforcement roulette game. With no due process and the subjective nature of how the process has been set up it's like shooting ducks in a barrel against a small firm.

The NAC will notice that the magnitude of all the allegations within this original complaint vs's even the panel's disturbingly inaccurate findings were a fraction of the original allegation. Also, the NAC needs to consider the devastating nature of the original claims and understand that these claims already put a dagger in Merrimac's future. Merrimac went from 70 reps to 20 before this ruling even came out. No Broker will stay at a small firm with such allegations and certainly no broker will join such a firm. FINRA is well aware of what the outcome of one single allegation can do to small firms, yet they proceed with these allegations by giving them out like water with little consideration of the merits or the ramifications of them. This is wrong. We are confident that once the NAC reviews the

proof of this case they will be shocked at the outcome and what was finally ruled upon against the firm.

Merrimac adamantly believes it was targeted by Enforcement. However,with the NACS help Merrimac is confident that the NA will have to question the merits of what FINRA did. At some point the pendulum will swing back to a fair and ethical FINRA with due process for the small broker dealers. How about we start now? Merrimac will not stop till someone listens.

Merrimac Corporate Sec. Inc.

December 14th, 2017



Brent J. Fields, Secretary
Securities and Exchange Commission 100 F St., NE
Room 10915
Washington, DC 20549-1090
**RE: Administrative Proceeding No. 3-18045**

**Merrimac Corporate Securities, Inc. and Robert Nash**

Dear Mr. Fields:

Enclosed please find an original and three copies of Merrimac's reply to FINRA's Brief in Opposition To The Application for review In the above captioned Matter

Very Truly Yours,

/s/ Stephen Pizzuti

Enclosures

CC: Cecilia Passaro
Associate General Counsel
FINRA - Office of General Counsel
1735 K Street, NW
Washington, DC 20006

Robert G. Nash (Index Only)
[redacted]
Deltona, FL[redacted]
[redacted]@hotmai1.com - Electronic Mail

**CERTIFICATE OF SERVICE**

I, Stephen Pizzuti, certify that on December 14, 2017, I caused an original and three copies of our Reply to FINRA'S Motion to Strike Documents to the certified record in the matter of Applications for Review of Merrimac Corporate Securities, Inc. and Robert Nash, Administrative Proceeding No. 3-18045, to be served by Mail to:

Brent J. Fields, Secretary
Securities and Exchange Commission 100 F St., NE
Room 10915
Washington, DC 20549-1090

And via Email on December 17th of 2017 to:

Celia Passaro
Associate General Counsel
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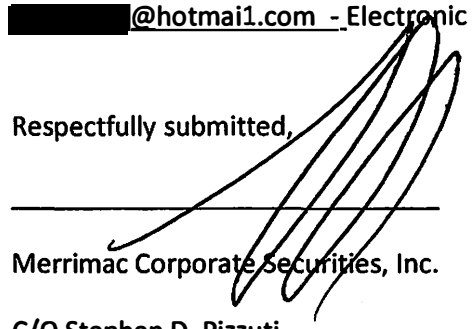
Respectfully submitted,



Merrimac Corporate Securities, Inc.

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