

Merriman Holdings, Inc  
Form 10-K/A  
April 30, 2015

**UNITED STATES**

**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

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**FORM 10-K/A**

**(Amendment Number 1)**

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(Mark One)

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d)

OF THE SECURITIES EXCHANGE ACT OF 1934

For the Fiscal Year ended December 31, 2014

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)

OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

**Commission File Number 001-15831**

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**MERRIMAN HOLDINGS, INC.**

(Exact Name of Registrant as Specified in its Charter)

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**Delaware** **11-2936371**  
(State or Other Jurisdiction of (IRS Employer  
Incorporation or Organization) Identification No.)

**250 Montgomery Street, 16th Floor**

**San Francisco, CA 94104**

(Address of principal executive offices)(Zip Code)

**(415) 248-5600**

(Registrant's telephone number, including area code)

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Securities registered pursuant to Section 12(g) of the Act:

**None**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

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Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☒

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a "smaller reporting company." See definition of "accelerated filer, large accelerated filer and smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐

Accelerated filer ☐

Non-accelerated filer (Do not check if a smaller reporting company) ☐ Smaller Reporting Company ☒

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

The aggregate market value of the 4,518,633 shares of common stock of the Registrant issued and outstanding as of September 30, 2014, the last business day of the registrant's most recently completed third fiscal quarter, was \$11,522,514. This amount is based on the closing price of the common stock on OTCQX of \$2.55 per share on September 30, 2014.

The number of shares of Registrant's common stock outstanding as of April 25, 2015 was 4,518,633.

## EXPLANATORY NOTE

On March 31, 2015, Merriman Holdings, Inc. (the “Company”) filed its Annual Report on Form 10-K for the year ended December 31, 2014 (the “Original Annual Report”). That filing intended to incorporate Part III of Form 10-K by reference to the Company’s definitive proxy statement to be subsequently filed.

This Amendment No. 1 on Form 10-K/A (the “Amendment”) amends the Company’s Original Annual Report to provide the disclosure required by Part III of Form 10-K regarding disclosure of information relating to our management and board of directors, compensation of management, security ownership, section 16 matters and principal accounting fees and services. Also, this Amendment amends the cover page of the Original Annual Report to update the as of date of the number of outstanding common shares. Except for the addition of the Part III information, the update to the cover page and the filing of related certifications, no other changes have been made to the Original Annual Report. This Amendment does not reflect events occurring after the filing of the Original Annual Report or modify or update those disclosures affected by subsequent events.

In this Amendment, unless the context indicates otherwise, the terms “Company,” “we,” “us,” and “our” refer to Merriman Holdings, Inc. and its wholly owned subsidiary. Other defined terms used in this Amendment but not defined herein shall have the meaning specified for such terms in the Original Annual Report.

Information included or incorporated by reference in this Amendment may contain forward-looking statements. This information may involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements to be materially different from future results, performance or achievements expressed or implied by any forward-looking statements. Forward-looking statements which involve assumptions and describe our future plans, strategies and expectations, are generally identifiable by use of the words “may,” “should,” “expect,” “anticipate,” “estimate,” believe,” “intend,” or “project” or the negative of these words or other variations on these words or comparable terminology.

**MERRIMAN HOLDINGS, INC.**

**FORM 10-K/A**

**TABLE OF CONTENTS**

**PART III**

<u>Item 10. Directors and Executive Officers</u>	1
<u>Item 11. Executive Compensation</u>	4
<u>Item 12. Security Ownership of Certain Beneficial Owners and Management</u>	6
<u>Item 13. Certain Relationships and Related Transactions and Director Independence</u>	8
<u>Item 14. Principal Accounting Fees and Services</u>	11
<u>Signatures</u>	12
EX-31.1	
EX-31.2	
EX-32.1	

## PART III

### Item 10. Directors and Executive Officers

#### Directors

**D. Jonathan Merriman**, 55, has served as our Chief Executive Officer from October 2000 to the present and served as Chairman of the Board of Directors from February 2001 to November 2007. Prior to that period, Mr. Merriman was President and CEO of Ratexchange Corporation, the predecessor company to Merriman Holdings, Inc. Mr. Merriman and his team engineered the transition of Ratexchange, a software trading platform company, into a full-service institutional investment bank, Merriman Curhan Ford. From June 1998 to October 2000, Mr. Merriman was Managing Director and Head of the Equity Capital Markets Group and member of the Board of Directors at First Security Van Kasper. In this capacity, he oversaw the Research, Institutional Sales, Equity Trading, Syndicate and Derivatives Trading departments. From June 1997 to June 1998, Mr. Merriman served as Managing Director and Head of Capital Markets at The Seidler Companies in Los Angeles, where he also served on the firm's Board of Directors. Before Seidler, Mr. Merriman was Director of Equities for Dabney/Resnick/Imperial, LLC. In 1989, Mr. Merriman co-founded the hedge fund company Curhan, Merriman Capital Management, Inc., which managed money for high net worth individuals and corporations. Before Curhan, Merriman Capital Management, Inc., he worked in the Risk Arbitrage Department at Bear Stearns & Co. as a trader. Prior to Bear Stearns, Mr. Merriman worked at Merrill Lynch as a financial analyst and as an institutional equity salesman. Mr. Merriman received his Bachelor of Arts in Psychology from Dartmouth College and completed coursework at New York University's Graduate School of Business. Mr. Merriman has served several public and private company boards.

**Ronald L. Chez**, 75, has served as a member of our Board of Directors since September 2009. Mr. Chez is, and has been since 1971, the president and sole owner of Ronald L. Chez, Inc., a corporation that deals with financial management consulting, public and private investment, structuring of new ventures, and mergers and acquisitions. He is also the non-executive Chairman of EpiWorks, Inc. a privately held epitaxial wafer manufacturer based in Champaign, IL. Mr. Chez is the Chairman of the Advisory Board of the Ronald L. Chez Family Foundation Center for Wounded Veterans and Higher Education at the University of Illinois and a Director of the John and Carol Walter Center for Urological Health at Northshore University Health Systems. He has also served on the boards of several other public and private companies. Mr. Chez graduated from the University of Illinois (with special honors) with a Bachelors of Arts degree in Political Science and is a member of the Phi Beta Kappa Society.

**Dennis G. Schmal**, 68, has served as a member of our Board of Directors and as chair of our audit committee since August 2003. Mr. Schmal has also served as a member of our compensation committee since March 2007 and has served on the Nominations and Corporate Governance Committee since September 2005. From February 1972 to April 1999, Mr. Schmal served as a partner in the audit practice at Arthur Andersen LLP. As a senior business advisor

with special focus in finance, he has extensive knowledge of financial reporting and holds a CPA license (retired). Besides serving as chairman of the board of a private company, Mr. Schmal also serves on the board of directors of Owens Realty Mortgage Inc., a public REIT, since 2011, and on the boards of three investment complexes overseeing public investment funds (AssetMark Mutual Funds, since 2006, Well Fargo Hedge Funds, since 2008, and Cambria ETF Series Trust, since 2011). Mr. Schmal also served on the boards of a family of ETF's sponsored by Grail Advisors and for Varian Semiconductor Equipment Associates, Inc. (VSEA), a public company, until both were sold during 2011. Mr. Schmal attended California State University, Fresno where he received a Bachelor of Science degree with honors in Business Administration- Finance and Accounting Option.

**William J. Febbo**, 46, has served as a member of our Board of Directors since April 2007 and has been our Chief Operating Officer since January 2012. Mr. Febbo was Chief Executive Officer and founder of MedPanel, Inc., an online medical market intelligence firm, from January 1999 to April 2007. At MedPanel, Mr. Febbo oversaw the company's sales, marketing, technology, finance and content development organizations. We acquired MedPanel, Inc. in April 2007 (which operated as Panel Intelligence, LLC), where Mr. Febbo continued his responsibilities. Mr. Febbo and other investors formed Panel Intelligence, LLC (a Massachusetts corporation) which acquired the assets of Panel Intelligence, LLC (Delaware) from the Company on January 30, 2009. Mr. Febbo has been Treasurer on the Board of the United Nations of Greater Boston since November 2004. Prior to founding MedPanel, Inc., Mr. Febbo was Chairman of the Board of Directors of Pollone, a Brazilian manufacturing venture in the automotive industry, from January 1998 to January 1999. From January 1996 to January 1999, Mr. Febbo was with Dura Automotive working in business development and mergers and acquisition overseas. Mr. Febbo received his B.S. degree in international studies, with a focus on economics and Spanish, from Dickinson College.

**Jeffrey M. Soinski**, 53, has served as a member of our Board of Directors since August 2008. From its formation in September 2009 until the acquisition of its Unisyn business by GE Healthcare in May 2013, Mr. Soinski served as Chief Executive Officer of Medical Imaging Holdings, Inc. and its primary operating company Unisyn Medical Technologies, Inc., a national provider of technology-enabled depot repair and service solutions to the medical imaging industry. Mr. Soinski remains a Director of Medical Imaging Holdings, Inc. and its remaining operating company Consensus Imaging Service, Inc. Medical Imaging Holdings is a portfolio company of Galen Partners, a leading healthcare-focused private equity firm, which Mr. Soinski advised as a Special Venture Partner from July 2008 until June 2013. From December 2001 until its acquisition by C.R. Bard, Inc. in June 2008, Mr. Soinski was President and CEO of Specialized Health Products International, Inc., a publicly-traded manufacturer and marketer of proprietary safety medical products. In 2008, Mr. Soinski was named "Utah CEO of the Year" for small public companies by Utah Business magazine. Prior to Specialized Health Products, Mr. Soinski had been President and CEO of ViroTex Corporation, a venture-backed pharmaceutical company he sold to Atrix Laboratories, Inc. in 1998. Mr. Soinski holds a B.A. degree from Dartmouth College.

**Patrick W. O'Brien**, 69, has served as a member of our Board of Directors and as a member of our Audit and Compensation Committees since December 2010. In 2013, Mr. O'Brien became a member of the Board of Directors of Livevol, Inc., a private company that is a leader in equity and index options technology. Mr. O'Brien is a seasoned executive and business advisor with diverse international experience in private and public companies with an emphasis on financial analysis and business development. From 2002 to 2007 Mr. O'Brien served as a member of the Board of Directors of Factory Card & Party Outlet (FCPO: NASDAQ) until its sale to AAH Holdings. In 2005, he joined Bental-Kennedy Associates Real Estate Counsel where he was Vice President-Asset Management representing pension fund ownership interest in hotel real estate investments nationwide. In 2009, Mr. O'Brien formed Granville Wolcott Advisors where he serves as its Managing Director & Principal to provide consulting, due diligence, and asset management services. Mr. O'Brien is a graduate of the Eli Broad College of Business at Michigan State University with a BA in Hotel Management.

**Robert Ward**, 44, has served as a member of our Board of Directors since December 4, 2013, when he was appointed by the other Board members to fill a vacant seat. Mr. Ward was the chief operating officer (COO) October 2008 to October 2012 for SunGard's Wealth Management business from which includes a range of solutions and services



targeted at advisors, banks, retirement providers, broker dealers and corporations. Prior to his Wealth Management role, Mr. Ward was the COO for the SunGard Transaction Network (STN), now known as the SunGard Global Network (SGN). From September 2004 to October 2008, Mr. Ward successfully launched SunGard's business efforts in new countries and regions, including previously untapped markets in Europe and the Pacific Rim. In July 2013, Mr. Ward founded RS Advisory Services, which helps financial service providers and asset managers with distribution, business model development and technology support/development. Mr. Ward is a current board member of Envestnet Retirement Solutions (Chicago) and Finaconnect (Seattle). Mr. Ward received a B.A. degree from Colby College in Waterville, Maine, and earned his MBA with distinction from Bentley College in Waltham, Mass.

## Executive Officers

**D. Jonathan Merriman**, 55, has served as our Chief Executive Officer from October 2000 to the present and served as Chairman of the Board of Directors from February 2001 to November 2007. Prior to that period, Mr. Merriman was President and CEO of Ratexchange Corporation, the predecessor company to Merriman Holdings, Inc. Mr. Merriman and his team engineered the transition of Ratexchange, a software trading platform company, into a full-service institutional investment bank, Merriman Curhan Ford. From June 1998 to October 2000, Mr. Merriman was Managing Director and Head of the Equity Capital Markets Group and member of the Board of Directors at First Security Van Kasper. In this capacity, he oversaw the Research, Institutional Sales, Equity Trading, Syndicate and Derivatives Trading departments. From June 1997 to June 1998, Mr. Merriman served as Managing Director and Head of Capital Markets at The Seidler Companies in Los Angeles, where he also served on the firm's Board of Directors. Before Seidler, Mr. Merriman was Director of Equities for Dabney/Resnick/Imperial, LLC. In 1989, Mr. Merriman co-founded the hedge fund company Curhan, Merriman Capital Management, Inc., which managed money for high net worth individuals and corporations. Before Curhan, Merriman Capital Management, Inc., he worked in the Risk Arbitrage Department at Bear Stearns & Co. as a trader. Prior to Bear Stearns, Mr. Merriman worked at Merrill Lynch as a financial analyst and as an institutional equity salesman. Mr. Merriman received his Bachelor of Arts in Psychology from Dartmouth College and completed coursework at New York University's Graduate School of Business. Mr. Merriman has served several public and private company boards.

**William J. Febbo**, 46, has served as a member of our Board of Director since April 2007 and has been our Chief Operating Officer since January 2012. Mr. Febbo was Chief Executive Officer and founder of MedPanel, Inc., an online medical market intelligence firm, from January 1999 to April 2007. At MedPanel, Mr. Febbo oversaw the company's sales, marketing, technology, finance and content development organizations. We acquired MedPanel, Inc. in April 2007 (which operated as Panel Intelligence, LLC), where Mr. Febbo continued his responsibilities. Mr. Febbo and other investors formed Panel Intelligence, LLC (a Massachusetts corporation) which acquired the assets of Panel Intelligence, LLC (Delaware) from the Company on January 30, 2009. Mr. Febbo has been Treasurer on the Board of the United Nations of Greater Boston since November 2004. Prior to founding MedPanel, Inc., Mr. Febbo was Chairman of the Board of Directors of Pollone, a Brazilian manufacturing venture in the automotive industry, from January 1998 to January 1999. From January 1996 to January 1999, Mr. Febbo was with Dura Automotive working in business development and mergers and acquisition overseas. Mr. Febbo received his B.S. degree in international studies, with a focus on economics and Spanish, from Dickinson College.

**Michael C. Doran**, 55, has served as General Counsel and Corporate Secretary since September 2009. From May 2009 to September 2009, Mr. Doran practiced law as a solo practitioner. From September 2005 to May 2009, Mr. Doran was a partner in the Silicon Valley office of Fish & Richardson PC and previously practiced with Brobeck Phleger and Harrison LLP. He holds a B.A. in economics from Drury University *magna cum laude* and a J.D. from Stanford Law School.

There are no family relationships among any of the foregoing officers or between any of the foregoing executive officers and any Director of the Company.

### **Section 16(a) Beneficial Ownership Reporting Compliance**

Section 16(a) of the Securities Exchange Act of 1934 requires the Company's executive officers and directors, and persons who own more than 10% of any publicly traded class of our equity securities, to file reports of ownership and changes in ownership of our equity securities with the SEC. Officers, directors, and greater than ten percent shareholders are required by SEC regulations to furnish the Company with copies of all Section 16(a) forms that they file.

Based solely on the reports received and on the representations of the reporting persons, we believe that these persons have complied with all applicable filing requirements of Section 16(a) of the Exchange Act during the year ended December 31, 2014.

## **Financial Code of Ethics**

The Company has adopted and annually reviews its “Code of Ethics for Senior Financial Officers,” a code of ethics that applies to our Chief Executive Officer and Principal Financial Officer. The finance code of ethics is publicly available on our website at [www.merrimanco.com](http://www.merrimanco.com). If we make any substantive amendments to the finance code of ethics or grant any waiver, including any implicit waiver, from a provision of the code to our Chief Executive Officer or Principal Financial Officer, we will disclose the nature of such amendment or waiver on that website or in a report on Form 8-K.

## **Audit Committee**

The Company has a standing audit committee whose members are Dennis G. Schmal, Patrick W. O’Brien, and Jeffrey M. Soinski.

## **Audit Committee Financial Expert**

The Board of Directors has determined that Dennis G. Schmal is an “audit committee financial expert” and “independent” as defined under applicable SEC and NASDAQ rules. The Board’s affirmative determination for Dennis G. Schmal was based, among other things, upon his 27 years at Arthur Andersen LLP, most of those years as a partner in the audit practice.

## **Item 11. Executive Compensation**

### **SUMMARY 2014 COMPENSATION TABLE**

The following table sets forth the compensation earned by our Chief Executive Officer and our two other most highly compensated executive officers for the two years ended December 31, 2014, whom we refer to as our named executive officers.

Year	Benefit	Total (\$)
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Name and Principal Position	(b)	Salary (\$)		Supplement	Bonus (\$)		Stock Awards (\$)	
		(c)			(d)	(1)	(e)	(f)
D. Jonathan Merriman	2014	300,000	16,000		35,000	-		351,000
Chief Executive Officer	2013	200,000	24,000		-		153	224,153
Merriman Holdings, Inc.								
William J. Febbo	2014	250,000	16,000		25,000	-		291,000
Chief Operating Officer	2013	200,000	29,014		-	-		229,014
Merriman Holdings, Inc.								
Michael C. Doran	2014	215,000	-		-	-		215,000
General Counsel	2013	200,000	-		-	-		200,000
Merriman Holdings, Inc.								

The amounts included in column (d) are bonuses awarded under Executive and Management Bonus Plan (“EMB”), designed to reward our named executive officers and other employees to the extent that the Company achieves or exceeds its business plan for a particular year. The EMB provides for a bonus pool to be established based on achieving the Company’s annual business plan, with the Committee retaining discretion to allocate the bonus pool.

(1) If the Company’s business plan with respect to a calendar year is not met, only small amounts will be paid under the EMB for that year. While the amount of the total bonus pool that is available for awards under the EMB is based on the Company achieving certain performance targets, the actual amount to be paid to each of our named executive officers is determined by the Compensation Committee of our Board and our Board, based on their discretion.

Compensation awarded to our named executive officers was determined by the compensation committee of our Board.

Pursuant to its practice, the Company provides Mr. Merriman and Mr. Doran with parking at garages near the Company's principal office.

#### OUTSTANDING EQUITY AWARDS AT 2014 FISCAL YEAR-END

	Option Awards				Stock Awards	
	Number of Securities Underlying Unexercised Options (#) Exercisable (b)	Number of Securities Underlying Unexercised Options (#) Unexercisable (c)	Option Exercise Price (\$/Sh) (e)	Option Expiration Date (f)	Number of Shares or Units of Stock That Have Not Vested (#)(g)	Market Value of Shares or Units of Stock That Have Not Vested (\$) (h)
D. Jonathan Merriman	—	67,000	\$ 1.50	09/04/24	—	—
	15,000	13,333	\$ 17.70	03/23/22	—	—
	109,629	50,370	\$ 3.60	06/03/23	—	—
William J. Febbo	—	50,000	\$ 1.50	09/04/24	—	—
	55	—	\$ 90.30	05/08/19	—	—
	11,458	13,541	\$ 17.70	03/23/22	—	—
	54,814	25,185	\$ 3.60	06/03/23	—	—
Michael C. Doran	—	50,000	\$ 1.50	09/04/24	—	—
	—	3,333	\$ 4.20	03/17/24	—	—
	619	—	\$ 329.70	09/21/19	—	—
	2,152	1,180	\$ 18.00	05/31/22	—	—
	3,298	5,034	\$ 3.60	06/03/23	—	—

#### DIRECTOR COMPENSATION IN 2014

The following table sets forth information about the compensation earned by members of our Board of Directors during the fiscal year ended December 31, 2014. Mr. D. Jonathan Merriman who served as Chief Executive Officer and as Co-Chairman of the Board of Directors, and Mr. William J. Febbo who served as Chief Operating Officer and director did not receive any compensation for their service as directors.

For the year ended December 31, 2014, directors did not receive any compensation in the form of participation in non-equity incentive or pension plans, or any other form of compensation other than awards of cash, stock, and stock options. The Company's director compensation program for 2014 took into consideration service on committees of the Board. For service on the Board and attendance at the four scheduled quarterly meetings, each of our independent directors was awarded, on an annual basis, a cash award. Additional meetings (whether by phone or in person) were scheduled as necessary for which no additional compensation was awarded.

Accordingly, the compensation earned by our Directors in 2014 was as follows:

Name (a)	Fees Earned or Paid in Cash (\$ (b)	Stock Awards (\$ (c) (1)	Option Awards (\$ (d)	All Other Compensation (\$ (e)	Total (\$ (f)
Ronald L. Chez, Chair (1)	—	—	70,000	—	70,000
D. Jonathan Merriman (2)	—	—	—	—	—
William J. Febbo (3)	—	—	—	—	—
Dennis G. Schmal	—	—	50,000	—	50,000
Jeffrey M. Soinski	—	—	50,000	—	50,000
Patrick W. O'Brien	—	—	50,000	—	50,000
Robert K. Ward	—	—	20,000	—	20,000

(1) Mr. Chez has served as Co-Chairman of the Board of Directors since September 2010.

(2) Mr. Merriman is also the Chief Executive Officer of the Company for which compensation is not included in this table. In accordance to Company practice, employees of the Company and its subsidiaries do not receive additional compensation for service on the Board. Mr. Merriman has served as Co-Chairman of the Board of Directors since September 2010.

(3) Mr. Febbo also serves as the Chief Operating Officer since January 2012.

The Board of Directors annually reviews the Company's director compensation program.

## Item 12. Security Ownership of Certain Beneficial Owners and Management

### EQUITY COMPENSATION PLAN INFORMATION

The following table gives information about the Company's common stock that may be issued upon the exercise of options and warrants under all of our existing equity compensation plans as of December 31, 2014 including the 2001 Stock Option and Incentive Plan, the 2003 Stock Option and Incentive Plan, the 2009 Stock Incentive Plan, the 2006 Directors' Stock Option and Incentive Plan, and the 2012 Stock Option and Incentive Plan.

Number of	Number of
Securities	Securities



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Plan Category	Securities to be Issued Upon Exercise of Outstanding Options and Warrants	Weighted- Average Exercise Price of Outstanding Options and Warrants	Remaining Available For Future Issuance Under Equity Compensation Plans
Equity compensation plans approved by shareholders:			
2001 Stock Option and Incentive Plan	-	-	-
2003 Stock Option and Incentive Plan	2,691	157.43	-
2009 Stock Incentive Plan	2,247	63.59	-
2012 Stock Option and Incentive Plan	859,918	3.96	75,137
2006 Directors' Stock Option and Incentive Plan	468	90.30	-

The Company's common stock was listed on NASDAQ under the symbol MERR from February 2008 until November 2011. From November 2011 until February 2015, it was listed on the OTXQX, and since February 2015, it was listed on the OTCQB, under the same symbol.

## SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth information regarding beneficial ownership of each class of our voting securities as of March 31, 2014, by (a) each person who is known by us to own beneficially more than five percent of each of our outstanding classes of voting securities, (b) each of our directors, (c) each of the named executive officers and (d) all directors and executive officers as a group.

Name of Beneficial Owner	Common Stock Beneficially Percent Owned (1)	
D. Jonathan Merriman	615,982	13.37 %
Ronald L. Chez	2,771,116	51.75 %
Dennis G. Schmal	153,773	3.38 %
Jeffrey M. Soinski	70,894	1.57 %
William J. Febbo	252,699	5.55 %
Robert K. Ward	64,100	1.42 %
Patrick W. O'Brien	39,336	*
All directors and executive officers as a group [11 persons] (2)	3,967,900	71.97 %
5% Owners		
Falcon Fund Management Ltd.	989,165	19.64 %
James Ross Byrne	258,333	5.69 %

\*Less than 1%.

(1) Applicable percentage ownership is based on 4,518,633 shares of common stock outstanding as of March 31, 2015. Pursuant to the rules of the Securities and Exchange Commission, shares shown as "beneficially" owned include all shares of which the persons listed have the right to acquire beneficial ownership within 60 days of March 31, 2015, including (a) shares subject to options, warrants or any other rights exercisable within 60 days of March 31, 2015, even if these shares are not currently outstanding, (b) shares attainable through conversion of other securities, even if these shares are not currently outstanding, (c) shares that may be obtained under the power to revoke a trust, discretionary account or similar arrangement and (d) shares that may be obtained pursuant to the automatic termination of a trust, discretionary account or similar arrangement. This information is not necessarily

indicative of beneficial ownership for any other purpose. Our directors and executive officers have sole voting and investment power over the shares of common stock held in their names, except as noted in the following footnotes.

Mr. Chez and the Company are parties to a Voting Agreement dated March 28, 2013 which provides that Mr. Chez will vote all of his shares of common stock of the Company in excess of 24.99% of the total outstanding (2) shares of Company common stock in the same proportion as all shares of common stock not held by Mr. Chez. This has the effect of limiting Mr. Chez' voting control to 24.99%. The Voting Agreement was filed with the Company's Current Report on Form 8-K dated March 28, 2013.

(3) All directors and executive officers have the business address of 250 Montgomery Street, 16th Floor, San Francisco, CA 94104.

## **Item 13. Certain Relationships and Related Transactions and Director Independence**

### **Related Transactions**

#### ***Notes Payable –Related Party***

##### *Unsecured Promissory Notes*

Of the \$2,065,600 Unsecured Promissory Notes, \$840,000 was originally loaned from the Co Chairman of the Board of Directors, Ronald L. Chez. On September 29, 2013, the principal, together with \$201,600 accrued interest were consolidated into an Unsecured Promissory Note maturing on March 29, 2014. The new note bears interest at nine percent (9%) per annum payable monthly and five percent (5%) per annum payable at maturity. On March 27, 2014, the terms of the \$1,041,600 Unsecured Promissory Note were modified for the note to mature on December 31, 2014 at the same interest rates plus warrants to purchase 111,190 shares of the Company's common stock at \$2.40 per share. On December 30, 2014, this note was further modified to mature on August 31, 2015 under the same terms.

The Company accounted for this transaction as a modification of debt, whereby a gain or loss was calculated as the difference between the fair value of the modified debt and net carrying value of the old debt. The fair value of the modified debt was determined as the sum of the face value of the debt and fair value of the warrants using the Black-Scholes fair value model. For the year ended December 31, 2014, a loss of approximately \$262,000 was recorded on the transaction, representing the fair value of the warrants.

For the years ended December 31, 2014 and 2013, interest expenses incurred on this Unsecured Promissory Note were \$146,000 and \$146,000, respectively. Total interests of \$73,000 and \$21,000 remain outstanding as of December 31, 2014 and 2013, respectively, and are included in accrued expenses and other in the condensed consolidated statements of financial condition.

##### *Unsecured Convertible Promissory Notes*

On November 1, 2013, the Company's Chief Executive Officer loaned \$30,000 to the Company in an unsecured convertible promissory note maturing on April 1, 2014. The note bears interest rate at five percent (5%) per annum payable at maturity. At any time following the date of issue and prior to repayment, the outstanding principal and

accrued interest are convertible to common shares of the Company at \$1.80 per share. On March 30, 2014, the maturity date was extended to December 31, 2014 under the same terms. On December 30, 2014, the maturity date was extended to August 31, 2015 under the same terms.

On January 15, 2014, a common shareholder who is also an employee loaned \$35,000 to the Company in an unsecured convertible promissory note maturing on January 15, 2016. The note bears interest rate at five percent (5%) per annum payable at maturity. At any time following the date of issue and prior to repayment, the outstanding principal and accrued interest are convertible to common shares of the Company at \$1.80 per share.

#### *Secured Demand Notes*

On June 30, 2014, MC entered into two three-year secured demand notes with the Company's Chief Executive Officer and a director of the Company, Dennis G. Schmal, in the amount of \$100,000 and \$364,000, respectively. The notes bear interest at 8% per annum, payable quarterly. The notes comply with FINRA's prescribed regulations and are accounted for as equity subordination in accordance with SEC Rule 15c3-1(d). The notes are subordinated to the claims of present and future creditors of MC and cannot be repaid, if such repayment will cause MC to fail to meet its minimum net capital requirements in accordance with SEC Rule 15c3-1.

The notes and their corresponding liabilities are included notes receivable and notes payable to related parties, respectively, in the consolidated statements of financial condition.

For the years ended December 31, 2014 and 2013, interest expenses incurred on these secured demand notes were \$19,000 and \$0, respectively. Total interests of \$9,000 remain outstanding as of December 31, 2014 and are included in accrued expenses and other in the consolidated statements of financial condition.

#### *Temporary Subordinated Borrowings*

On December 30, 2014, MC borrowed \$495,000 from the Co-Chairman of the Company's Board of Directors. The loan was in the form of a temporary subordinated loan in accordance with Rule 15c3-1 of the Securities Exchange Act of 1934. Total fees incurred through December 31, 2014 were \$2,970 and included in cost of underwriting capital in the consolidated statements of operations. The loan and related fees were paid in full on February 3, 2015.

On October 23, 2014, MC borrowed \$300,000 from the Co-Chairman of the Company's Board of Directors. The loan was in the form of a temporary subordinated loan in accordance with Rule 15c3-1 of the Securities Exchange Act of 1934. Total fees incurred were \$7,800 and were included in cost of underwriting capital in the consolidated statements of operations. The loan and related fees were paid in full on November 5, 2014.

#### *Equity Lending Note*

On August 31, 2012, the Company's Chief Executive Officer loaned \$175,000 to the Company in a three year secured equity lending note (the "Equity Lending Note") at an interest rate of eight percent (8%) per annum payable quarterly in arrears. This note is secured by a security interest in and right of setoff against all of the Company's right, title and interest in and to all of the capital stock of Merriman Capital Inc., together with all proceeds, rents, profits and returns of and from any of the foregoing. Additional consideration in the form of 69,444 warrants to purchase common shares of the Company at \$18.90 per share was issued to the lender. The warrants expire on August 31, 2015.

This transaction was accounted for as an issuance of debt with warrants and the proceeds were allocated to the individual instruments based on the relative fair values of each instrument at the time of issuance. Based on the fair value allocation method, the value of the warrants issued in connection with the Equity Lending Note was \$13,000 which was recorded as a discount on the debt and applied against the Equity Lending Note. The note collateral has a carrying value of \$175,000 and is included in other assets in the consolidated statement of financial condition as of December 31, 2014.

*Secured Promissory Notes*

On August 31, 2012, the Company's Co-Chairman of the Board of Directors loaned \$250,000 to the Company in a three year secured promissory note (the "August 2012 Secured Promissory Note") at an interest rate of eight percent (8%) per annum payable quarterly in arrears. This note is secured by a security interest in and right of setoff against all of the Company's right, title and interest in and to all of the capital stock of Merriman Capital Inc., together with all proceeds, rents, profits and returns of and from any of the foregoing. Additional consideration in the form of 99,206 warrants to purchase common shares of the Company at \$0.63 per share was issued to the lender. The warrants expire on August 31, 2015.

This transaction was accounted for as an issuance of debt with warrants and the proceeds were allocated to the individual instruments based on the relative fair values of each instrument at the time of issuance. Based on the fair value allocation method, the value of the warrants issued in connection with the August 2012 Secured Promissory Note was \$19,000 which was recorded as a discount on the debt and applied against the August 2012 Secured Promissory Note.

On September 27, 2012, the Company's Co-Chairman of the Board of Directors loaned \$125,000 to the Company in a three year secured promissory note (the "September 2012 Secured Promissory Note") at an interest rate of eight percent (8%) per annum payable quarterly in arrears. This note is secured by a security interest in and right of setoff against all of the Company's right, title and interest in and to all of the capital stock of Merriman Capital Inc., together with all proceeds, rents, profits and returns of and from any of the foregoing. Additional consideration in the form of 236,250 warrants to purchase common shares of the Company at \$0.63 per share was issued to the lender. The warrants expire on September 27, 2015.

This transaction was accounted for as an issuance of debt with warrants and the proceeds were allocated to the individual instruments based on the relative fair values of each instrument at the time of issuance. Based on the fair value allocation method, the value of the warrants issued in connection with the September 2012 Secured Promissory Note was \$45,000 which was recorded as a discount on the debt and applied against the September 2014 Secured Promissory Note.

On December 13, 2012, the Co-Chairman of the Board of Directors loaned \$200,000 to the Company in a secured promissory note (the "December 2012 Secured Promissory Note") maturing on September 13, 2013 and bearing interest rates at eight percent (8%) per annum payable at maturity. The December 2012 Secured Promissory Note was extended a few times maturing on August 31, 2015. Effective on September 26, 2013, interest rate increased to ten percent (10%) per annum payable at maturity. Additional consideration included 625,000 warrants to purchase the Company common stock at \$2.40 per share.

On September 12, 2013 the Co-Chairman of the Board of Directors loaned \$166,028 to the Company in a secured promissory note maturing on February 7, 2014, bearing interest rates at ten percent (10%) per annum payable at maturity. Principal amount and accrued interest were paid in full on January 23, 2014.

### ***Software Platform Purchase***

In December 2013, the Company purchased a software platform called Digital Capital Network ("DCN"), an online capital marketplace, from an entity owned by a member of the Board of Directors, Robert K. Ward. The purchase price consisted of \$160,000 cash and 88,164 shares of the Company's common stock valued at \$1.80 per share at the



time of issuance.

The Company also entered into a licensing agreement to pay the entity owned by Robert K. Ward \$18,000 a month.

For the years ended December 31, 2014 and 2013, cash payments made to the entity owned by Robert K. Ward were \$218,000 and \$184,000, respectively.

***Other Related Party Transactions***

On June 17, 2014, MC sold 1 share of common stock each to the Company's Chief Executive Officer and Chairman of the Audit Committee for \$96 per share.

From time to time, officers and employees of the Company may invest in private placements which the Company arranges and for which the Company charges investment banking fees. The Company's employees may, at times, provide certain services and supporting functions to its affiliate entities. The Company is not reimbursed for any costs related to providing those services.

## **Director Independence**

The listing standards of The NASDAQ Stock Market, which the Company was listed on until November 2011, require that a majority of our Board of Directors be comprised of independent directors. The Board has determined that the following Board members are independent, consistent with the guidelines of The NASDAQ Stock Market: Dennis G. Schmal, Jeffrey M. Soinski, Robert K. Ward, Patrick O'Brien and Ronald L. Chez. The Board based this determination primarily on a review of the responses of our directors and executive officers to questions regarding employment and compensation history, affiliations, and family and other relationships, as well as on discussions with the directors. Accordingly, only independent members of the Board constitute its Audit Committee, Nominating and Corporate Governance Committee and its Compensation Committee.

## **Item 14. Principal Accounting Fees and Services**

### **INDEPENDENT REGISTERED PUBLIC ACCOUNTANTS' FEES**

Marcum LLP ("Marcum") served as the Company's independent registered public accounting firm for the fiscal year ended December 31, 2014 and 2013.

The aggregate fees billed by Marcum for professional services to the Company were \$206,700 in 2014 and \$201,500 in 2013, respectively.

**Audit Fees.** The aggregate fees billed by Marcum for professional services rendered for the audit of the Company's annual financial statements, the review of the Company's quarterly financial statements, and services that are normally provided in connection with statutory and regulatory filings or engagements were \$178,700 in 2014 and \$176,500 in 2013.

***Audit Related Fees.*** There were no aggregate fees billed by Marcum for 2014 and 2013 for professional assurance and related services reasonably related to the performance of the audit of the Company's financial statements, but not included under Audit Fees.

***Tax Fees.*** The aggregate fees billed by Marcum for professional services for tax Preparation, tax compliance, tax advice and tax planning were \$28,000 in 2014 and \$25,000 in 2013.

***All Other Fees.*** None.

***Audit Committee Policies and Procedures***

The Audit Committee has formal policies and procedures in place with regard to the approval in advance of all professional services provided to the Company by its independent registered public accountants. With regard to audit fees, the Audit Committee reviews the annual audit plan and approves the estimated annual audit budget in advance. With regard to tax services, the Audit Committee reviews the description and estimated annual budget for tax services to be provided by the Company's tax consultants in advance. During 2014, the Audit Committee approved all of the independent registered public accountants' fees in advance.

## SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

### **Merriman Holdings, Inc.**

April 30, 2015 By: /s/ D. Jonathan Merriman  
D. Jonathan Merriman,  
Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

<b>Signature</b>	<b>Title</b>	<b>Date</b>
/s/ D. Jonathan Merriman D. Jonathan Merriman	Chief Executive Officer, and Co-Chairman of the Board of Directors	April 30, 2015
/s/ Ronald L. Chez Ronald L. Chez	Co-Chairman of the Board of Directors	April 30, 2015
/s/ Patrick W. O'Brien Patrick W. O'Brien	Director	April 30, 2015
/s/ William J. Febbo William J. Febbo	Director	April 30, 2015
/s/ Dennis G. Schmal Dennis G. Schmal	Director	April 30, 2015
/s/ Jeffrey M. Soinski Jeffrey M. Soinski	Director	April 30, 2015
/s/ Robert Ward Robert Ward	Director	April 30, 2015