Merriman Holdings, Inc
Form 10-K/A
April 30, 2014

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K/A

(Amendment Number 1)

(Mark One)

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

OF THE SECURITIES EXCHANGE ACT OF 1934

For the Fiscal Year ended December 31, 2013

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

MERRIMAN HOLDINGS, INC.

(Exact Name of Registrant as Specified in its Charter)

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)

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 x

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

Yes ¨ No x

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 x 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 x

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. x

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	x

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

The aggregate market value of the 120,914,125 shares of common stock of the Registrant issued and outstanding as of September 30, 2013, the last business day of the registrant’s most recently completed third fiscal quarter, was $12,091,413. This amount is based on the closing price of the common stock on OTCQX of $0.10 per share on September 30, 2013.

The number of shares of Registrant’s common stock outstanding as of April 25, 2014 was 135,475,719.

EXPLANATORY NOTE

On March 31, 2014, Merriman Holdings, Inc. (the "Company") filed its Annual Report on Form 10-K for the year ended December 31, 2013 (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

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PART III

Item 10. Directors and Executive Officers

Directors

D. Jonathan Merriman, 54, 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, 74, 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, 67, 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.

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William J. Febbo, 44, 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, 52, 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 Consensys 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, 68, 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, *43*, 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, Robert 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 has successfully launched SunGard's business efforts in new countries and regions, including previously untapped markets in Europe and the Pacific Rim. In July 2013Mr. 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). Robert 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, 54, 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.

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Michael C. Doran, 54, 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, 2013.

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. 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 2013 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, 2013, whom we refer to as our named executive officers.

Name and Principal Position	Year (b)	Salary ($) (c)	Bonus ($) (d) (1)	Stock Awards ($) (e)	Option Awards ($) (f)	Total ($) (g)
D. Jonathan Merriman	2013	224,000	-	153	-	224,153
Chief Executive Officer	2012	239,583	161,162	324,550	-	725,295
Merriman Holdings, Inc.						
William J. Febbo	2013	229,014	-	-	-	229,014
Chief Operating Officer	2012	232,365	-	-	-	232,365
Merriman Holdings, Inc.						
Michael C. Doran	2013	200,000	-	-	-	200,000

General Counsel Merriman Holdings, Inc.	2012	234,167	-	-	-	234,167

(1) 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. 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 offices.

OUTSTANDING EQUITY AWARDS AT 2013 FISCAL YEAR END

	Option Awards Number of Securities Underlying Unexercised Options (#) Exercisable (b)	Number of Securities Underlying Unexercised Options (#) Unexercisable (c)	Option Exercise Price ($/Sh) (e)	Option Expiration Date (f)	Stock Awards Number of Shares or Units of Stock That Have Not Vested (#)(g)	Market Value of Shares or Units of Stock That Have Not Vested ($) (h)
D. Jonathan Merriman	450,000	400,000	$ 0.59	03/23/22	—	—
	2,222,222	2,577,778	$ 0.12	06/03/23	—	—
William J. Febbo	1,661	—	$ 3.01	05/08/19	—	—
	218,750	531,250	$ 0.59	03/23/22	—	—
	1,111,111	1,288,889	$ 0.12	06/03/23	—	—
Michael C. Doran	18,570	—	$ 10.99	09/21/19	—	—
	39,583	60,417	$ 0.60	05/31/22	—	—
	36,458	213,542	$ 0.12	06/03/23	—	—

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DIRECTOR COMPENSATION IN 2013

The following table sets forth information about the compensation earned by members of our Board of Directors during the fiscal year ended December 31, 2013. 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, 2013, 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 2013 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 2013 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 (2)	25,000	—	—	—	25,000
D. Jonathan Merriman (3)	—	—	—	—	—
William J. Febbo (4)	—	—	—	—	—
Dennis G. Schmal	7,500	—	—	—	7,500
Jeffrey M. Soinski	7,500	—	—	—	7,500
Patrick O'Brien	7,500	—	—	—	7,500

(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, 2013 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.

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options and Warrants	Weighted-Average Exercise Price of Outstanding Options and Warrants	Number of Securities 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	82,066	5.48	-
2009 Stock Incentive Plan	83,480	2.02	-
2012 Stock Option and Incentive Plan	12,608,436	0.21	2,254,127
2006 Directors' Stock Option and Incentive Plan	14,118	3.01	-

The Company's common stock was listed on NASDAQ under the symbol MERR from February 2008 until November 2011. Since November 2011, it has been listed on the OTXQX under the same symbol.

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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 Owned	Percent (1)	
D. Jonathan Merriman	18,479,565	13	%
Ronald L. Chez (2)	81,733,518	40	%
Dennis G. Schmal	3,613,290	3	%
Jeffrey M. Soinski	1,126,899	2	%
William J. Febbo	6,747,743	5	%
Patrick O'Brien	180,104	*	
All directors and executive officers as a group [11 persons] (3)	111,881,119	63	%
5% Owners			
Falcon Fund Management Ltd.	14,166,667	10	%

· Less than 1%.

(1) Applicable percentage ownership is based on 125,059,053 shares of common stock outstanding as of March 31, 2014. 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, 2014, including (a) shares subject to options, warrants or any other rights exercisable within 60 days March 31, 2014, 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.

(2) 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 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.

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Item 13. Certain Relationships and Related Transactions and Director Independence

Related Transactions

Sale of Note and Trade Receivables

On September 28, 2012, the Company sold a certain note receivable with a carrying value of $125,000 to the Co-Chairman of the Board of Directors for $125,000 plus all accrued but unpaid interests. The buyer assumed the risk of collection with respect to the note receivable he purchased.

On February 14, 2012, the Company sold certain trade receivables with a carrying value of $507,000 at a discount to the Co-Chairman of the Board of Directors for $500,000. The buyer assumed the risk of collection with respect to the receivables he purchased. The $7,000 discount was included in cost of underwriting capital in the Company's consolidated statements of operations.

Temporary Subordinated Borrowings

On October 30, 2012, the Company borrowed $500,000 from the Co-Chairman of the 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 $45,000, which amount was included in cost of underwriting capital in the Company's consolidated statement of operations. The loan and related fees were paid in full on December 14, 2012.

On June 13, 2012, the Company borrowed $1,600,000 from the Co-Chairman of the 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 $36,000, which amount was included in cost of underwriting capital in the Company's consolidated statement of operations. The loan and related fees were paid in full on June 25, 2012.

On January 27, 2012, the Company borrowed $2,500,000 from the Co-Chairman of the 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 $110,000, which amount was included in cost of underwriting capital in the Company's consolidated statement of operations. The loan and related fees were paid in full on February 17, 2012.

On January 31, 2011, the Company borrowed $2,800,000 from the Co-Chairman of the 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 $56,000, which amount was included in cost of underwriting capital in the Company's consolidated statement of operations. The loan and related fees were paid in full on February 7, 2011.

Subordinated Notes Payable

On September 29, 2010, the Company borrowed $1,000,000 from nine individual lenders, all of whom were directors, officers or employees of the Company at the time of issuance, pursuant to a series of unsecured promissory notes (Subordinated Notes). The Subordinated Notes are for a term of three years and provide for interest comprising two components: (i) six percent (6.0%) per annum to be paid in cash monthly; and (ii) eight percent (8.0%) per annum to be accrued and paid in cash upon maturity. Additional consideration was paid to the lenders at closing comprising a number of shares of common stock of the Company equal to: (A) 30% of the principal amount lent; divided by (B) $3.01 per share. The total effective interest on the note is approximately 21.73%. Proceeds were used to supplement underwriting capacity and working capital for MC.

The total proceeds of $1,000,000 raised in the transaction above were accounted for as an issuance of debt with stock. The total proceeds of $1,000,000 have been allocated to these individual instruments based on the relative fair values of each instrument. Based on such allocation method, the value of the stocks issued in connection with the Subordinated Notes was $206,000, which was recorded as a discount on the debt and applied against the Subordinated Notes.

As of December 31, 2012, $897,000 of the Subordinated Notes, net of $53,000 discount, remain outstanding and is included in notes payable to related parties in the Company's consolidated statements of financial condition. The remaining Subordinated Notes held by parties no longer related to the Company of $47,000, net of $3,000 discount, are included in notes payable in the Company's consolidated statements of financial condition. The discount on the note is amortized over the term of the loan using the effective interest method.

For the year ended December 31, 2012, the Company incurred $141,000 in interest on the Subordinated Notes. Total interest of $81,000 remains outstanding as of December 31, 2012 and is included in accrued expenses and other in the consolidated statements of financial condition.

2012 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 (2012 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 $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 2012 Equity Lending Note was $13,000 which was recorded as a discount on the debt and applied against the 2012 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, 2012.

August 2012 Secured Promissory Note

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 (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.

September 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 (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 2012 Secured Promissory Note.

December 2012 Secured Promissory Note

On December 13, 2012, the Co-Chairman of the Board of Directors loaned $200,000 to the Company in a six month secured promissory note at an interest rate of eight percent (8%) per annum payable at maturity. 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.

On December 28, 2012, the Co-Chairman of the Board of Directors loaned $500,000 to the Company in a six month secured promissory note at an interest rate of eight percent (8%) per annum payable at maturity. 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.

2011 Chez Secured Promissory Note

On April 7, 2011, the Company’s Co-Chairman of the Board of Directors loaned $330,000 to the Company in a three year secured promissory note (2011 Chez Secured Promissory Note) at an interest rate of six percent (6%) per annum payable quarterly. 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. Also, beginning on the date which is one year from the issuance date, if there is an equity financing of the Company resulting in gross proceeds of at least $15,000,000 in new money, holders shall have the option to put 50% of Secured Promissory Notes originally purchased back to the Company, for an amount equal to the principal plus accrued but unpaid interest, on 30 days written notice.

On November 16, 2011, the 2011 Chez Secured Promissory Note plus accrued interest of $3,000 was exchanged for 445,299 shares of common stock of the Company calculated as (i) the total amount of principal plus accrued but unpaid interest divided by (ii) an amount equal to 80% of the average closing price per share of common stock as quoted on the exchange on which it principally trades for the 30 day period ending two days prior to the closing date.

The Company accounted for this transaction in accordance with ASC 470, *Debt*, as an extinguishment of debt, whereby a gain or loss was calculated as the difference between the reacquisition price and net carrying value of the debt. The reacquisition price was determined as the sum of the fair value of the common stock and new warrants. The warrants were valued using the Black-Scholes fair value model. A loss of $157,000 was recorded on the transaction based on a reacquisition price of $490,000 and net carrying value, including interest, of $333,000.

Series E Convertible Preferred Stock

On December 30, 2011, the Company issued 2,531,744 shares of Series E Convertible Preferred Stock at $0.63 per share plus warrants to purchase 1,265,874 shares of the Company's common stock with an exercise price of $0.63 per share. The warrants expire five years from the effective date. The total proceeds of $1,595,000 were allocated between the Series E Convertible Preferred Stock and the related warrants based on the relative fair values of each instrument at the time of issuance. All these Series E Convertible Preferred shareholders are directors of the Company.

The Series E Convertible Preferred Stock carries a dividend rate of 9% per annum, such dividends will be paid only when, if and as declared by the Board of Directors. The Company is prohibited from paying any dividends on the Common Stock until all accrued dividends on the Series D and Series E Convertible Preferred Stock are first paid. The Series E Convertible Preferred Stock is convertible into common stock at $0.63 per share.

The holders of Series E Convertible Preferred Stock are entitled to a "liquidation preference payment" of $0.63 per share of Series E Convertible Preferred Stock plus all accrued but unpaid dividends on such shares prior and in preference to any payment to holders of the Common Stock upon a merger, acquisition, sale of substantially all the assets, or certain other liquidation events of the Company. Any proceeds after payment of the "liquidation preference payment" shall be paid pro rata to the holders of the Series D and E Convertible Preferred Stock and Common Stock on an as converted to Common Stock basis.

Series D Convertible Preferred Stock

Three of the investors in the Series D Convertible Preferred Stock transaction joined the Company's Board of Directors. In January 2011, two left as members of the Board of Directors. In addition, the Company's Chief Executive Officer and former Chief Financial Officers, along with 11 other executives and senior managers of MC, were also investors in the Series D Convertible Preferred Stock transaction. Finally, all five members of the Company's Board of Directors prior to the transaction were investors in the Series D Convertible Preferred Stock transaction.

Other Related Party Transactions

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.

It is the policy for the Board to review all related party transactions and to secure approval by a majority of disinterested directors. Applying such policy is the responsibility of each disinterested director for each transaction. Such policy regarding related party transactions is not in writing; as such, the General Counsel and the Corporate Secretary are responsible for advising on the application of such policies.

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, 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.

Sale of Note and Trade Receivables

On September 28, 2012, the Company sold a certain note receivable with a carrying value of $125,000 to the Co-Chairman of the Board of Directors for $125,000 plus all accrued but unpaid interests. The buyer assumed the risk of collection with respect to the note receivable he purchased.

On February 14, 2012, the Company sold certain trade receivables with a carrying value of $507,000 at a discount to the Co-Chairman of the Board of Directors for $500,000. The buyer assumed the risk of collection with respect to the receivables he purchased. The $7,000 discount was included in cost of underwriting capital in the Company's condensed consolidated statement of operations.

Temporary Subordinated Borrowings

On March 4, 2013, the Company borrowed $400,000 from the Co-Chairman of the 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 $24,800, which amount was included in cost of underwriting capital in the Company's consolidated statement of operations. The loan and related fees were paid in full on April 5, 2013.

On January 31, 2013, the Company borrowed $1,200,000 from the Co-Chairman of the 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 $52,800, of which $21,600 was included in cost of underwriting capital in the Company's consolidated statement of operations. The remaining balance was charged against banking deal expenses. The loan and related fees were paid in full on February 22, 2013.

On October 30, 2012, the Company borrowed $500,000 from the Co-Chairman of the 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 $45,000, which amount was included in cost of underwriting capital in the Company's consolidated statement of operations. The loan and related fees were paid in full on December 14, 2012.

On June 13, 2012, the Company borrowed $1,600,000 from the Co-Chairman of the 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 $36,000, which amount was included in cost of underwriting capital in the Company's consolidated statement of operations. The loan and related fees were paid in full on June 25, 2012.

On January 27, 2012, the Company borrowed $2,500,000 from the Co-Chairman of the 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 $110,000, which amount was included in cost of underwriting capital in the Company's consolidated statement of operations. The loan and related fees were paid in full on February 17, 2012.

Subordinated Notes Payable

On September 29, 2010, the Company borrowed $1,000,000 from nine individual lenders, all of whom were directors, officers or employees of the Company at the time of issuance, pursuant to a series of unsecured promissory notes (Subordinated Notes). The Subordinated Notes are for a term of three years and provide for interest comprising two components: (i) six percent (6.0%) per annum to be paid in cash monthly; and (ii) eight percent (8.0%) per annum to be accrued and paid in cash upon maturity. Additional consideration was paid to the lenders at closing comprising a number of shares of common stock of the Company equal to: (A) 30% of the principal amount lent; divided by (B) $3.01 per share. The total effective interest on the note is approximately 21.73%. Proceeds were used to supplement underwriting capacity and working capital for MC.

The total proceeds of $1,000,000 raised in the transaction above were accounted for as an issuance of debt with stock. The total proceeds of $1,000,000 have been allocated to these individual instruments based on the relative fair values of each instrument. Based on such allocation method, the value of the stocks issued in connection with the Subordinated Notes was $206,000, which was recorded as a discount on the debt and applied against the Subordinated Notes.

In connection with the March 28, 2013 sale of common stock, $110,000 of the Subordinated Notes converted to equity. See Debt Conversion.

On September 29, 2013, $840,000 of the Subordinated Notes, together with $201,600 accrued interest were rolled 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 $1,041,600 Subordinated Notes, together with $25,826 accrued interest were rolled into a new Unsecured Promissory Note maturing on December 31, 2014 at the same interest rates plus warrants to purchase 3,335,706 shares of the Company’s common stock at $0.10 per share.

The remaining $50,000 of the subordinated notes payable were paid off in full on October 31, 2013 and November 1, 2013.

As of December 31, 2012, $897,000 of the Subordinated Notes, net of $53,000 discount, are outstanding and is included in notes payable to related parties in the Company’s consolidated statements of financial condition. The remaining Subordinated Notes held by parties no longer related to the Company of $47,000, net of $3,000 discount, are included in notes payable in the Company’s consolidated statements of financial condition. The discount on the note is amortized over the term of the loan using the effective interest method.

For the years ended December 31, 2013 and 2012, the Company incurred $134,000 and $141,000 in interest on the Subordinated Notes, respectively. Total interests of $35,000 and $81,000 remain outstanding as of December 31, 2013 and 2012, respectively, and are included in accrued expenses and other in the consolidated statements of financial condition.

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 $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 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, 2013.

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 2012 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. On September 13, 2013, the December 2012 Secured Promissory Note was extended to July 8, 2013 at the same terms. On July 8, 2013, while interest rate remains unchanged, the Secured Note's maturity date was extended as follows:

	Maturity Dates	
Principal	**31-Oct-13**	**31-Dec-13**
$200,000	$66,667	$133,333

On September 26, 2013, the December 2012 Secured Promissory Note was further extended to mature on March 31, 2014 with the interest rate increased to ten percent (10%) per annum payable at maturity. On March 24, 2014, it was extended to mature on December 31, 2014 at the same interest rate plus 625,000 warrants to purchase the Company common stock at $0.08 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.

Convertible Secured Promissory Notes

On February 22, 2013 and December 28, 2012, the Co-Chairman of the Board of Directors loaned $600,000 and $500,000 to the Company in two convertible secured promissory notes (the “Convertible Notes”) maturing on November 22, 2013 and September 28, 2013, respectively, bearing interest rates at eight percent (8%) per annum payable at maturity. Each Convertible Note is secured pursuant to a certain Stock Pledge Agreement dated December 13, 2012 and includes a conversion feature which provides for the note to automatically convert into the Company’s common shares upon the consummation of a “Qualified Financing,” defined as an equity investment in one or a series of related transactions resulting in not less than $2,000,000, including the amount converted under the Convertible Notes. The number of common shares issued will be equal to the Convertible Notes’ principal divided by the price per share paid by the investors in the Qualified Financing. (See Note 5)

Convertible Unsecured Promissory Note

On November 1, 2013, the Company's C.E.O. loaned $30,000 to the Company in a convertible unsecured promissory note (the "Convertible Note") maturing on April 1, 2014 bearing 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 $0.06 per share.

As of December 31, 2013, the Convertible Note remains outstanding and is included in notes payable to related parties in the Company's consolidated statements of financial condition. The Convertible Note is currently under negotiation for further extension.

Debt Conversion

a. Conversion of Convertible Secured Promissory Notes

The March 28, 2013 sale of common stock (see Note 6) was the catalyst to the Qualified Financing specified in the Convertible Notes, triggering an automatic conversion of the Convertible Notes into the Company's common shares at $0.03 per share. For each common share purchased by means of surrender of the Convertible Notes, the holder received a warrant to purchase 0.50 share of common stock at $0.04 per share, for a term of five years. A total of 36,666,666 common shares and 18,333,333 warrants were issued.

The Company accounted for this transaction in accordance with ASC 470, *Debt*, as an extinguishment of debt, whereby a gain or loss was calculated as the difference between the reacquisition price and net carrying value of the debt. The reacquisition price was determined as the sum of the fair value of the common stock and new warrants. The warrants were valued using the Black-Scholes fair value model.

For the year ended December 31, 2013, a loss of approximately $267,000 was recorded on the transaction based on a reacquisition price of approximately $1,367,000 and fair value of the debt exchanged of approximately $1,100,000.

b. Conversion of Subordinated Notes Payable

On March 28, 2013, certain subordinated notes payable holders, all of whom are directors and officers of the Company, agreed to convert $110,000 subordinated notes payable into the Company’s common shares at $0.03 per share. For each common share purchased by means of surrender of the subordinated notes payable, the holders received a warrant to purchase 0.25 share of common stock at $0.04 per share, for a term of five years. A total of 3,666,665 common shares and 916,665 warrants were issued.

The Company accounted for this transaction in accordance with ASC 470, *Debt*, as an extinguishment of debt, whereby a gain or loss was calculated as the difference between the reacquisition price and net carrying value of the debt. The reacquisition price was determined as the sum of the fair value of the common stock and new warrants. The warrants were valued using the Black-Scholes fair value model.

For the year ended December 31, 2013, a loss of approximately $26,000 was recorded on the transaction based on a reacquisition price of approximately $136,000 and fair value of the debt exchanged of approximately $106,000.

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 an advisory board member. The purchase price consisted of $160,000 cash and 2,644,929 shares of the Company’s common stock valued at $0.06 per share at the time of issuance, plus a $20,500 ongoing monthly payment.

Other Related Party Transactions

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.

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, 2013 and 2012.

The aggregate fees billed by Marcum for professional services to the Company were $201,500 in 2013 and $199,500 in 2012, 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 $176,500 in 2013 and $158,500 in 2012.

Audit Related Fees. There were no aggregate fees billed by Marcum for 2013 and 2012 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. Aggregate fees billed by Marcum for 2013 and 2012 for professional services for tax compliance, tax advice and tax planning in 2013 and 2012 were $25,000 and $41,000 respectively.

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 2013, the Audit Committee approved all of the independent registered public accountants’ fees in advance.

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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, 2014 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.

Signature	**Title**	**Date**
/s/ D. Jonathan Merriman D. Jonathan Merriman	Chief Executive Officer, and Co-Chairman of the Board of Directors	April 30, 2014
/s/ Ronald L. Chez Ronald L. Chez	Co-Chairman of the Board of Directors	April 30, 2014
/s/ Patrick O'Brien Patrick O'Brien	Director	April 30, 2014
/s/ William J. Febbo William J. Febbo	Director	April 30, 2014
/s/ Dennis G. Schmal Dennis G. Schmal	Director	April 30, 2014
/s/ Jeffrey M. Soinski Jeffrey M. Soinski	Director	April 30, 2014
/s/ Robert Ward Robert Ward	Director	April 30, 2014