

FORM ADV

Uniform Application for Investment Adviser Registration

Part II - Page 1

OMB APPROVAL

OMB Number: 3235-0049
Expires: February 28, 2011
Estimated Average burden
Hours per response.....4.07

| | | | | | | |
|---|------------------------------|-------------|---------|------------|------------|-------------------|
| Name of Investment Adviser: Merriman, Inc. | | | | | | |
| Address: | (Number and Street) | (City) | (State) | (Zip Code) | Area Code: | Telephone Number: |
| | 800 Fifth Avenue, Suite 2900 | Seattle, WA | | 98104 | (206) | 285-8877 |

This part of FORM ADV gives information about the investment adviser and its business for the use of clients. The information has not been approved or verified by any government authority.

Table of Contents

| <u>Item Number</u> | <u>Item</u> | <u>Page</u> |
|--------------------|---|-------------|
| 1 | Advisory Services and Fees | 2 |
| 2 | Types of Clients | 2 |
| 3 | Types of Investments | 3 |
| 4 | Methods of Analysis, Sources of Information and Investment Strategies | 3 |
| 5 | Education and Business Standards | 4 |
| 6 | Education and Business Background | 4 |
| 7 | Other Business Activities | 4 |
| 8 | Other Financial Industry Activities or Affiliations | 4 |
| 9 | Participation or Interest in Client Transactions | 5 |
| 10 | Conditions for Managing Accounts | 5 |
| 11 | Review of Accounts | 5 |
| 12 | Investment or Brokerage Discretion | 6 |
| 13 | Additional Compensation | 6 |
| 14 | Balance Sheet | 6 |
| | Continuation Sheet | Schedule F |

(Schedule A, B, C, D, and E are included with Part I of this Form, for the use of regulatory bodies, and are not distributed to clients.)

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

1. A. Advisory Services and Fees. (check the applicable boxes)

For each type of service provided, state the approximate % of total advisory billings from that service. (See instruction below.)

Applicant:

- (1) Provides investment supervisory services 100 %
- (2) Manages investment advisory accounts not involving investment supervisory services..... %
- (3) Furnishes investment advice through consultations not included in either service described above... %
- (4) Issues periodicals about securities by subscription %
- (5) Issues special reports about securities not included in any service described above..... %
- (6) Issues, not as part of any service described above, any charts, graphs, formulas, or other devices which clients may use to evaluate securities..... %
- (7) On more than an occasional basis, furnishes advice to clients on matters not involving securities... %
- (8) Provides a timing service %
- (9) Furnishes advice about securities in any manner not described above..... %

(Percentages should be based on applicant's last fiscal year. If applicant has not completed its first fiscal year, provide estimates of advisory billings for that year and state that the percentages are estimates.)

- B. Does applicant call any of the services it checked above financial planning or some similar term? Yes No

C. Applicant offers investment advisory services for: (check all that apply)

- (1) A percentage of assets under management
- (2) Hourly charges
- (3) Fixed fees (not including subscription fees)
- (4) Subscription fees
- (5) Commissions
- (6) Other

D. For each checked box in A above, describe on Schedule F:

- the services provided, including the name of any publication or report issued by the adviser on a subscription basis or for a fee
- applicant's basic fee schedule, how fees are charged and whether its fees are negotiable
- when compensation is payable, and if compensation is payable before service is provided, how a client may get a refund or may terminate an investment advisory contract before its expiration date

2. Types of clients - Applicant generally provides investment advice to: (check those that apply)

- A. Individuals
- B. Banks or thrift institutions
- C. Investment companies
- D. Pension and profit sharing plans
- E. Trusts, estates, or charitable organizations
- F. Corporations or business entities other than those listed above
- G. Other (describe on Schedule F)

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1)

3. Types of Investments. Applicant offers advice on the following: (check those that apply)

- | | |
|---|---|
| <input checked="" type="checkbox"/> A. Equity securities <input checked="" type="checkbox"/> (1) exchange-listed securities <input checked="" type="checkbox"/> (2) securities traded over-the-counter <input checked="" type="checkbox"/> (3) Foreign issuers | <input checked="" type="checkbox"/> H. United States government securities |
| <input type="checkbox"/> B. Warrants | <input type="checkbox"/> I. Options contracts on: <input type="checkbox"/> (1) securities <input type="checkbox"/> (2) commodities |
| <input checked="" type="checkbox"/> C. Corporate debt securities (other than commercial paper) | <input type="checkbox"/> J. Futures contracts on: <input type="checkbox"/> (1) tangibles <input type="checkbox"/> (2) intangibles |
| <input checked="" type="checkbox"/> D. Commercial paper | <input type="checkbox"/> K. Interests in partnerships investing in: <input type="checkbox"/> (1) real estate <input type="checkbox"/> (2) oil and gas interests <input type="checkbox"/> (3) other (explain on Schedule F) |
| <input checked="" type="checkbox"/> E. Certificates of deposit | <input type="checkbox"/> L. Other (explain on Schedule F) |
| <input checked="" type="checkbox"/> F. Municipal securities | |
| <input type="checkbox"/> G. Investment company securities: <input checked="" type="checkbox"/> (1) variable life insurance <input checked="" type="checkbox"/> (2) variable annuities <input checked="" type="checkbox"/> (3) mutual fund shares | |

4. Methods of Analysis, Sources of Information, and Investment Strategies.

A. Applicant's security analysis methods include: (check those that apply)

- | | |
|---|--|
| (1) <input checked="" type="checkbox"/> Charting | (4) <input type="checkbox"/> Cyclical |
| (2) <input checked="" type="checkbox"/> Fundamental | (5) <input type="checkbox"/> Other (explain on Schedule F) |
| (3) <input checked="" type="checkbox"/> Technical | |

B. The main sources of information applicant uses include: (check those that apply)

- | | |
|---|--|
| (1) <input checked="" type="checkbox"/> Financial newspapers and magazines | (5) <input checked="" type="checkbox"/> Timing services |
| (2) <input type="checkbox"/> Inspections of corporate activities | (6) <input checked="" type="checkbox"/> Annual reports, prospectuses, filings with the Securities and Exchange Commission |
| (3) <input checked="" type="checkbox"/> Research materials prepared by others | (7) <input type="checkbox"/> Company press releases |
| (4) <input type="checkbox"/> Corporate rating services | (8) <input type="checkbox"/> Other (explain on Schedule F) |

C. The investment strategies used to implement any investment advice given to clients include: (check those that apply)

- | | |
|--|--|
| (1) <input checked="" type="checkbox"/> Long term purchases (securities held at least a year) | (5) <input checked="" type="checkbox"/> Margin transactions |
| (2) <input checked="" type="checkbox"/> Short term purchases (securities sold within a year) | (6) <input type="checkbox"/> Option writing, including covered options, uncovered options or spreading strategies |
| (3) <input checked="" type="checkbox"/> Trading (securities sold within 30 days) | (7) <input type="checkbox"/> Other (explain on Schedule F) |
| (4) <input checked="" type="checkbox"/> Short sales | |

Applicant: Merriman, Inc.

SEC File Number:
801- 29500

Date:
01/13/2010

5. Education and Business Standards.

Are there any general standards of education or business experience that applicant requires of those involved in determining or giving investment advice to clients? Yes No

(If yes, please describe these standards on Schedule F)

6. Education and Business Background.

For:

- each member of the investment committee or group that determines general investment advice to be given to clients, or
- if the applicant has no investment committee or group, each individual who determines general investment advice clients (if more than five, respond only for their supervisors)
- each principal executive officer of applicant or each person with similar status or performing similar functions.

On Schedule F, give the:

- name
- formal education after high school
- year of birth
- business background for the preceding five years

7. Other Business Activities. (check those that apply)

- A. Applicant is actively engaged in a business other than giving investment advice.
- B. Applicant sells products or services other than investment advice to clients.
- C. The principal business of applicant or its principal executive officers involves something other than providing investment advice.

(For each checked box describe the other activities, including the time spent on them, on Schedule F.)

8. Other Financial Industry Activities or Affiliations. (check those that apply)

- A. Applicant is registered (or has an application pending) as a securities broker-dealer.
- B. Applicant is registered (or has an application pending) as a futures commission merchant, commodity pool operator or commodity trading adviser.
- C. Applicant has arrangements that are material to its advisory business or its clients with a related person who is a:
 - (1) broker-dealer
 - (2) investment company
 - (3) other investment adviser
 - (4) financial planning firm
 - (5) commodity pool operator, commodity trading adviser or futures commission merchant
 - (6) banking or thrift institution
 - (7) accounting firm
 - (8) law firm
 - (9) insurance company or agency
 - (10) pension consultant
 - (11) real estate broker or dealer
 - (12) entity that creates or packages limited partnerships

(For each checked box in C, on Schedule F identify the related person and describe the relationship and the arrangements.)

- D. Is applicant or a related person a general partner in any partnership in which clients are solicited to invest?.. Yes No

(If yes, describe on Schedule F the partnerships and what they invest in.)

Applicant: Merriman, Inc.

SEC File Number:
801-29500

Date:
01/13/2010

9. Participation or Interest in Client Transactions.

Applicant or a related person: (check those that apply)

- A. As principal, buys securities for itself from or sells securities it owns to any client.
- B. As broker or agent effects securities transactions for compensation for any client.
- C. As broker or agent for any person other than a client effects transactions in which client securities are sold to or bought from a brokerage customer.
- D. Recommends to clients that they buy or sell securities or investment products in which the applicant or a related person has some financial interest.
- E. Buys or sell for itself securities it also recommended to clients.

(For each box checked, describe on Schedule F when the applicant or a related person engages in these transactions and what restrictions, internal procedures, or disclosures are used for conflicts of interest in those transactions.)

Describe, on Schedule F, your code of ethics, and state that you will provide a copy of your code of ethics to any client or prospective client upon request.

- 10. Conditions for Managing Accounts.** Does the applicant provide investment advisory services, manage investment advisory accounts or hold itself out as providing financial planning or some similarly termed services *and* impose a minimum dollar value of assets or other condition for starting or maintaining an account?

Yes No

(If yes, describe on Schedule F)

- 11. Review of Accounts.** If applicant provides investment supervisory services, manages investment advisory account, or holds itself out as providing financial planning or some similarly termed services:

- A. Describe below the reviews and reviewers of the accounts. **For reviews**, include their frequency, different levels, and triggering factors. **For reviewers**, include the number of reviewers, their titles and functions, instructions they receive from applicant on performing reviews, and number of accounts assigned each.

Account reviews are conducted on an ongoing basis by Registrant's financial advisors. All investment supervisory clients are advised that it remains their responsibility to advise the Registrant of any changes in their investment objectives and/or financial situation. All clients are encouraged to comprehensively review investment objectives and account performance with the Registrant on an annual basis. There are approximately 10 financial advisors who provide reviews both in person and over the phone. There is a maximum of approximately 500 households assigned to each financial advisor.

- B. Describe below the nature and frequency of regular reports to clients on their accounts.

Clients are provided with transaction confirmation notices and regular summary account statements directly from the broker-dealer/custodian for the client accounts. Clients will also receive a quarterly report from the Registrant summarizing account activity and performance. Such reports may be provided electronically. Clients are advised to review their statements thoroughly and to alert Registrant to any inaccuracies.

| | | |
|---------------------------|-------------------------------|---------------------|
| Applicant: Merriman, Inc. | SEC File Number: 801-29500 | Date: 01/13/2010 |
|---------------------------|-------------------------------|---------------------|

12. Investment or Brokerage Discretion.

- A. Does applicant or any related person have authority to determine, without obtaining specific client consent, the:
- | | | |
|--|-------------------------------------|-------------------------------------|
| (1) securities to be bought or sold? | Yes | No |
| | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| (2) amount of securities to be bought or sold? | Yes | No |
| | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| (3) broker or dealer to be used? | Yes | No |
| | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| (4) commission rates paid? | Yes | No |
| | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

- B. Does applicant or a related person suggest brokers to clients? Yes No

For each yes answer to A describe on Schedule F any limitations on the authority. For each yes to A(3), A(4) or B, describe on Schedule F the factors considered in selecting brokers and determining the reasonableness of their commissions. If the value of products, research and services given to the applicant or a related person is a factor, describe:

- the products, research and services
- whether clients may pay commissions higher than those obtainable from other brokers in return for those products and services
- whether research is used to service all of applicant's accounts or just those accounts paying for it; and
- any procedures the applicant used during the last fiscal year to direct client transactions to a particular broker in return for product and research services received.

13. Additional Compensation.

Does the applicant or a related person have any arrangements, oral or in writing, where it:

- | | | |
|---|-------------------------------------|--------------------------|
| A. is paid cash by or receives some economic benefit (including commissions, equipment or non-research services) from a non-client in connection with giving advice to clients? | Yes | No |
| | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| B. directly or indirectly compensates any person for client referrals? | Yes | No |
| | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

(For each yes, describe the arrangements on Schedule F.)

14. Balance Sheet. Applicant must provide a balance sheet for the most recent fiscal year on Schedule G if applicant:

- has custody of client funds or securities (unless applicant is registered or registering only with the Securities and Exchange Commission); or
 - requires prepayment of more than \$500 in fees per client and 6 or more months in advance
- Has applicant provided a Schedule G balance sheet?..... Yes No

**Schedule F of
FORM ADV
Continuation Sheet for Form ADV Part II**

| | | |
|------------------------------|------------------------------------|-------------------------|
| Applicant: Merriman, Inc. | SEC File Number: 801- 29500 | Date: 01/13/2010 |
|------------------------------|------------------------------------|-------------------------|

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other Schedules)

| | |
|---|---|
| 1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: Merriman, Inc. | IRS Empl. Ident. No.: 91-1206407 |
|---|---|

| Item of Form (identify) | Answer |
|----------------------------|--|
| Item 1.D | <p>As discussed below, Merriman, Inc. provides its clients (individuals, pension and profit sharing plans, trusts, estates, charitable organizations and corporations) with discretionary investment management services.</p> <p>INVESTMENT MANAGEMENT</p> <p>Merriman, Inc. provides investment management services on a fee only basis except for the Leveraged Global Opportunity Fund (LGO) which charges a Preferred Profit Participation fee. Advisory services encompass a wide range of investment objectives, from conservative to aggressive, which gives the client and the advisor the flexibility to design a custom program and asset allocation that meets the client's specific investment needs. Each investment program is continuously managed based on the program's strategy. However, clients have the opportunity to place reasonable restrictions on the types of investments to be held in their accounts.</p> <p>Merriman, Inc.'s programs have been designed to comply with the requirements of Rule 3a-4 of the Investment Company Act of 1940. Rule 3a-4 provides similarly managed investment programs with a non-exclusive safe harbor from the definition of an investment company. In accordance with Rule 3a-4. Merriman, Inc. investment programs comply with the following requirements:</p> <ol style="list-style-type: none"> 1. Initial Interview - at the opening of the account a designated representative shall obtain from the client information sufficient to determine the client's financial situation and investment objectives; 2. Individual Treatment - the client's account is managed on the basis of the client's financial situation and investment objectives; 3. Quarterly Notice - at least quarterly, clients are reminded that they need to notify Merriman, Inc. if their financial situation or investment objectives have changed, or if they want to impose and/or modify any reasonable restrictions on the management of their accounts; 4. Annual Contact - at least annually, clients will be contacted to determine whether their financial situation or investment objectives have changed, or if they want to impose and/or modify any reasonable restrictions on the management of their accounts; it is up to each client to schedule a review with his/her advisor after the annual contact is made by Merriman, Inc.; 5. Consultation Available - Merriman, Inc. is reasonably available to consult with clients regarding the status of their accounts; 6. Quarterly Statements - clients are provided with a quarterly account report for the preceding period; 7. Ability to Impose Restrictions - clients have the ability to impose reasonable restrictions on the management of their accounts, 8. No Pooling - clients have a direct and beneficial interest in the securities in their accounts rather than an undivided interest in all the securities in the investment program; the only exception is LGO which is a pooled account; 9. Separate Account - a separate account is maintained for each client with the Custodian; and 10. Ownership - each client retains indicia of ownership of the account (e.g. right to withdraw securities or cash, exercise or delegate proxy voting, and receive transaction confirmations). |

(Complete amended pages in full, circle amended items and file with execution page (page 1).)

**Schedule F of
FORM ADV
Continuation Sheet for Form ADV Part II**

| | | |
|------------------------------|------------------------------------|-------------------------|
| Applicant: Merriman, Inc. | SEC File Number: 801- 29500 | Date: 01/13/2010 |
|------------------------------|------------------------------------|-------------------------|

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other Schedules)

| | |
|---|---|
| 1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: Merriman, Inc. | IRS Empl. Ident. No.: 91-1206407 |
|---|---|

| Item of Form (identify) | Answer |
|----------------------------|--|
| Item 1.D. (continued) | <p>Investment Programs</p> <p>Merriman, Inc. employs passive management strategies with accounts in the Buy and Hold Program, and proprietary active risk management systems using technical market analysis in the Global Diversification Program accounts. Our goal is to produce market long-term returns while controlling risk and volatility.</p> <p><u>Buy-and-Hold Strategies - DFA Portfolios</u></p> <p>Buy-and-Hold Strategies are designed for investors who seek long-term growth in a tax-efficient, core portfolio. These strategies do not rely on active management. Merriman, Inc. has limited authorization from clients to issue trading instructions to the custodians on behalf of the client. The strategy does not call for trading, so it is equally well suited to taxable accounts and qualified retirement plans such as IRAs. In taxable accounts, we use tax-managed funds for greater tax efficiency.</p> <p>The program is based on the work of Nobel Prize winning and other top academic researchers including Eugene Fama of the University of Chicago and Kenneth French of Dartmouth College. The objective of this program is to seek higher returns while controlling portfolio risks, consistent with each client's individual risk tolerance and return objective. This program adjusts the relative levels of equity and fixed-income investments in each account to provide the appropriate level of risk for each client.</p> <p>This strategy uses asset-class (non-actively managed) mutual funds created by Dimensional Fund Advisors that are available only to institutional clients or through registered investment advisors, as well as mutual funds offered by Vanguard. The program uses U.S. and international equity funds that include the following major asset classes: U.S. large-cap, U.S. large-cap value, U.S. mid-cap, U.S. mid-cap value, U.S. small-cap, U.S. small-cap value, international large-cap, international large-cap value, international mid-cap, international mid-cap value, international small-cap, international small-cap value, U.S. REITs, international REITs, and emerging markets. Many portfolios also include anywhere from 10 to 90 percent of holdings in short-term and intermediate bond funds to help limit the portfolio's risk.</p> <p><u>Global Diversification Program (GDP)</u></p> <p>GDP uses active risk management and asset allocation to seek benchmark returns at reduced risk. Clients have a variety of choices that range from lower-risk, all bond portfolios to aggressive all equity portfolios. All GDP accounts use our proprietary active risk management systems to determine invested positions. Individual mutual fund and other security selections are made using proprietary relative strength rankings.</p> <p>Our active risk management systems are mechanical and are based on identifying and following price-based market trends. They are purely objective and not based on market or economic forecasts nor predictions.</p> <p>The mutual funds in GDP accounts are either no-load or are purchased on a no-load basis at net asset value. GDP accounts also use Exchange Traded Funds (ETFs). Clients may choose from all equity, all bonds, or a balance of equities and bonds.</p> |

(Complete amended pages in full, circle amended items and file with execution page (page 1).)

**Schedule F of
FORM ADV
Continuation Sheet for Form ADV Part II**

| | | |
|------------------------------|------------------------------------|-------------------------|
| Applicant: Merriman, Inc. | SEC File Number: 801- 29500 | Date: 01/13/2010 |
|------------------------------|------------------------------------|-------------------------|

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other Schedules)

| | |
|---|---|
| 1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: Merriman, Inc. | IRS Empl. Ident. No.: 91-1206407 |
|---|---|

| Item of Form (identify) | Answer |
|----------------------------|---|
| Item 1.D. (continued) | <p><u>Aggressive Strategies</u> <u>Fidelity Sector Program (FSP)</u> FSP invests exclusively in Fidelity mutual funds, including sector funds, which are chosen based on current relative strength rankings. The portfolio is normally invested in four funds, and trades are made monthly.</p> <p><u>Leveraged Global Opportunity Fund (LGO)</u> The LGO is designed for investors who can tolerate above average risks (price volatility) in order to seek unusually high returns. This program uses various aggressive tools including margin, active risk management, sector fund selection and specialized securities that are designed to magnify (and in some cases produce the inverse of) the performance of the Standard & Poor's 500 Index or other market indices. This investment program may involve above average portfolio turnover, which could have a negative impact on after-tax gains in taxable accounts. This strategy is restricted to accredited investors.</p> <p>Publications Merriman, Inc. from time to time produces investment-related articles and distributes them to clients via email. Many of these articles, along with online tools and investment recommendations for the public, are published on Merriman, Inc.'s educational web site, www.FundAdvice.com. Twice a year, clients also receive "Merriman on More Than Money," a newsletter containing non-investment-related articles and features. Merriman, Inc. also publishes audio and video products on various aspect of investing. These, as well as Paul Merriman's book "Live It Up Without Outliving Your Money!," published by John Wiley & Sons, Inc., are available for purchase by clients and non-clients. Merriman, Inc. also hosts an investment-oriented podcast, "Sound Investing," and an online video, "Sound Investing TV."</p> <p>Events From time to time Merriman, Inc. invites selected clients and/or prospective clients to events that may include a meal and/or an educational presentation on investment-related topics. Prospective clients are under no obligation to Merriman, Inc. as a result of their attendance.</p> <p>Investment Advisory Agreement Prior to engaging Merriman, Inc. to provide investment advisory services, clients are required to enter into a formal <i>Investment Advisory Agreement</i> setting forth the terms and conditions under which the client's assets will be managed. Neither Merriman, Inc. nor the client may assign the <i>Investment Advisory Agreement</i> without the prior consent of the other party. Transactions that do not result in a change of actual control or management of Merriman, Inc. shall not be considered an assignment.</p> <p>The <i>Investment Advisory Agreement</i> between Merriman, Inc. and the client will continue in effect until terminated by either party by written notice in accordance with the terms of the <i>Investment Advisory Agreement</i>. The fee will be prorated through the date of termination. The final fee will be charged directly to the account or invoiced to the client, depending on the terms of the <i>Investment Advisory Agreement</i>. A copy of Merriman, Inc.'s written disclosure statement as set forth on Part II of Form ADV (or an equivalent brochure) shall be provided to each client prior to or contemporaneously with the execution of the <i>Investment Advisory Agreement</i>. Any client who has not received a copy of Merriman, Inc.'s written disclosure statement at least forty-eight (48) hours prior to executing the <i>Agreement</i> or <i>Investment Advisory</i> shall have five (5) business days subsequent to executing the agreement to terminate Merriman, Inc.'s services without penalty.</p> |

(Complete amended pages in full, circle amended items and file with execution page (page 1).)

**Schedule F of
FORM ADV
Continuation Sheet for Form ADV Part II**

| | | |
|------------------------------|------------------------------------|-------------------------|
| Applicant: Merriman, Inc. | SEC File Number: 801- 29500 | Date: 01/13/2010 |
|------------------------------|------------------------------------|-------------------------|

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other Schedules)

| | |
|---|---|
| 1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: Merriman, Inc. | IRS Empl. Ident. No.: 91-1206407 |
|---|---|

| Item of Form (identify) | Answer | | | | | | | | | | | | | | | | | | | | | | | | |
|-------------------------------|--|-------------------------------|-----------------|-----|-----------------|------------------|-------|-------|-------|------------------------|-------|-------|-------|--------------------------|-------|-------|-------|----------------------------|-------|-------|-------|-----------------------|-------|-------|-------|
| Item 1 D. (continued) | <p>Investment Advisory Fees</p> <p>Merriman, Inc. charges an investment management fee based on a percentage of the market value of the client's accounts under management. <i>Management Fees</i> are payable monthly, in arrears, and are based upon the average daily balance of the preceding month. Household Management Fees are calculated on an aggregate basis per program at the following annual rates:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Household Assets per Program:</th> <th style="text-align: center;">Buy and Hold</th> <th style="text-align: center;">GDP</th> <th style="text-align: center;">Fidelity Sector</th> </tr> </thead> <tbody> <tr> <td>\$0 to \$250,000</td> <td style="text-align: center;">1.00%</td> <td style="text-align: center;">1.80%</td> <td style="text-align: center;">2.00%</td> </tr> <tr> <td>\$250,001 to \$500,000</td> <td style="text-align: center;">1.00%</td> <td style="text-align: center;">1.35%</td> <td style="text-align: center;">2.00%</td> </tr> <tr> <td>\$500,001 to \$1,000,000</td> <td style="text-align: center;">1.00%</td> <td style="text-align: center;">0.90%</td> <td style="text-align: center;">1.50%</td> </tr> <tr> <td>\$1,000,001 to \$2,000,000</td> <td style="text-align: center;">0.50%</td> <td style="text-align: center;">0.90%</td> <td style="text-align: center;">1.00%</td> </tr> <tr> <td>\$2,000,001 and above</td> <td style="text-align: center;">0.25%</td> <td style="text-align: center;">0.90%</td> <td style="text-align: center;">1.00%</td> </tr> </tbody> </table> <p>* Minimum annual fee of \$2,000 per household. Minimum assets under management per household is \$200,000 unless otherwise authorized by Merriman, Inc.</p> <p>All advisory fees will be charged automatically monthly in arrears directly to clients' accounts, except by prior written agreement. The deduction of the fees will be reflected in the account statement sent by the custodian directly to the client. For clients that do not have their advisory fees deducted from their custodian accounts, advisory fees are due within 15 days of receipt of the billing statements. Clients will be charged a one percent monthly penalty for overdue accounts plus reasonable collection costs if necessary.</p> <p>Account Termination</p> <p>Upon receipt of a termination notice, Merriman, Inc. will ascertain, to the best of its ability, any final management actions requested by the client. If the client's request is unclear and the client cannot be reached for clarification, no action will be taken in relation to assets in Buy and Hold accounts. Assets in active risk management accounts will be converted to one or more money market funds.</p> <p>Brokers and Custodians</p> <p>All investment management accounts will be maintained at an independent qualified custodian. In addition to the <i>Investment Advisory Agreement</i>, the client may be required to execute a separate agreement with the specific custodian and mutual fund. Both Merriman, Inc.'s <i>Investment Advisory Agreement</i> and the custodial agreement may authorize the custodian to debit the client's account for the amount of the investment advisory fees due and to directly remit that advisory fee to Merriman, Inc.</p> <p>Factors that are considered in recommending a broker-dealer and/or custodian to clients include financial strength, reputation, execution, pricing, research, historical relationship and service. Although the commissions and/or transaction fees that may be paid by clients shall comply with its duty to obtain best execution, a client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where Merriman, Inc. determines, in good faith, that the commission is reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not</p> | Household Assets per Program: | Buy and Hold | GDP | Fidelity Sector | \$0 to \$250,000 | 1.00% | 1.80% | 2.00% | \$250,001 to \$500,000 | 1.00% | 1.35% | 2.00% | \$500,001 to \$1,000,000 | 1.00% | 0.90% | 1.50% | \$1,000,001 to \$2,000,000 | 0.50% | 0.90% | 1.00% | \$2,000,001 and above | 0.25% | 0.90% | 1.00% |
| Household Assets per Program: | Buy and Hold | GDP | Fidelity Sector | | | | | | | | | | | | | | | | | | | | | | |
| \$0 to \$250,000 | 1.00% | 1.80% | 2.00% | | | | | | | | | | | | | | | | | | | | | | |
| \$250,001 to \$500,000 | 1.00% | 1.35% | 2.00% | | | | | | | | | | | | | | | | | | | | | | |
| \$500,001 to \$1,000,000 | 1.00% | 0.90% | 1.50% | | | | | | | | | | | | | | | | | | | | | | |
| \$1,000,001 to \$2,000,000 | 0.50% | 0.90% | 1.00% | | | | | | | | | | | | | | | | | | | | | | |
| \$2,000,001 and above | 0.25% | 0.90% | 1.00% | | | | | | | | | | | | | | | | | | | | | | |

(Complete amended pages in full, circle amended items and file with execution page (page 1).)

**Schedule F of
FORM ADV
Continuation Sheet for Form ADV Part II**

| | | |
|------------------------------|------------------------------------|-------------------------|
| Applicant: Merriman, Inc. | SEC File Number: 801- 29500 | Date: 01/13/2010 |
|------------------------------|------------------------------------|-------------------------|

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other Schedules)

| | |
|---|---|
| 1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: Merriman, Inc. | IRS Empl. Ident. No.: 91-1206407 |
|---|---|

| Item of Form (identify) | Answer |
|----------------------------|---|
| Item 1 D. (continued) | <p>the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although Merriman, Inc. will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client account transactions.</p> <p>Certain broker-dealers/custodians enable Merriman, Inc. to obtain many no-load mutual funds without transaction charges and other no-load and load waived funds at nominal transaction charges. In addition to the investment advisory fee, brokerage commissions and/or transaction fees, the client will also incur, relative to all mutual fund and exchange traded fund purchases, charges imposed at the fund level (e.g. management fees and other fund expenses). The brokerage commissions and/or transaction fees charged by the broker-dealers/custodians for client accounts are exclusive of, and in addition to, Merriman, Inc.'s investment advisory fee.</p> <p>Merriman, Inc.'s best execution responsibility is qualified by the fact that the majority of securities that it purchases for client accounts are mutual funds that trade at net asset value as determined at the daily market close. In addition, Merriman, Inc. diligently seeks favorable prices on ETF trades.</p> <p>Trade Errors</p> <p>From time-to-time Merriman, Inc. may make an error in submitting a trade order on a client's behalf. When this occurs, Merriman, Inc. may place a correcting trade with the broker-dealer which has custody of the account. If an investment gain results from the correcting trade, the gain will remain in the account unless the same error involved other client account(s) that should have received the gain, it is not permissible for the client to retain the gain, or Merriman, Inc. confers with the client and he/she decides to forego the gain (e.g., due to tax reasons). If the gain does not remain in the account and Charles Schwab & Co. Inc. is the custodian, Schwab will donate the amount of any gain \$100 and over to charity. If a loss occurs greater than \$100, Merriman, Inc. will pay for the loss. Schwab will maintain the loss or gain (if such gain is not retained in the account) if it is under \$100 to minimize and offset its administrative time and expense. Generally, if related trade errors result in both gains and losses in the account, they may be netted.</p> <p>Miscellaneous</p> <p>In performing its services, Merriman, Inc. is not required to verify any information received from the client or from the client's agents, and is expressly authorized to rely thereon. The client is free to accept or reject any recommendation made by Merriman, Inc. Moreover, clients are advised that it remains their responsibility to promptly notify Merriman, Inc. if there is ever any change in their financial situation or investment objectives for the purpose of reviewing/evaluating/revising previous recommendations and/or services.</p> <p>Merriman, Inc.'s clients are advised to promptly notify Merriman, Inc. if they wish to impose any reasonable restrictions upon its management services.</p> |

(Complete amended pages in full, circle amended items and file with execution page (page 1).)

**Schedule F of
FORM ADV
Continuation Sheet for Form ADV Part II**

| | | |
|------------------------------|------------------------------------|-------------------------|
| Applicant: Merriman, Inc. | SEC File Number: 801- 29500 | Date: 01/13/2010 |
|------------------------------|------------------------------------|-------------------------|

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other Schedules)

| | |
|--|--|
| 1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: Merriman, Inc. | IRS Empl. Ident. No.: 91-1206407 |
|--|--|

| Item of Form (identify) | Answer |
|----------------------------|---|
| Item 5 | The registrant requires those determining or giving investment advice to clients to have a 4-yr college degree. |
| Item 6 | <p>Education and Business Background</p> <p>The following is a summary of the education and business experience of Merriman, Inc.'s advisory and management personnel:</p> <p>Jeffrey A. Merriman-Cohen, Chief Executive Officer, Merriman, Inc. Year of Birth: 1965 Formal Education: City University, 2002, B.S. Business Administration Five Year Business Background: 2007-Present: Chief Executive Officer, Merriman, Inc. 2003-2007: Managing Partner, Chief Executive Officer, Merriman, Inc. Examinations and Professional Designations NASD Series 2 12/27/1995 NASD Series 24 09/11/1992 NASD Series 65 12/09/1992 NASD Series 6 01/18/1991 NASD Series 63 01/10/1989</p> <p>Colleen J. Lindstrom, Chief Financial Officer, Merriman, Inc. Year of Birth: 1964 Formal Education: University of Washington, 1987, Bachelor of Arts Five Year Business Background: 2009-present: Chief Financial Officer, Merriman, Inc. 2007-2009: Chief Financial Officer/Chief Compliance Officer, Merriman, Inc. 2006-2007: Representative, Shareholder & Officer, Merriman, Inc. 2006-Present: Principal, Berkman Lindstrom Attest Services, LLC 2000-2003, Investment Adviser Representative, Berkman Lindstrom Financial Planning, LLC 1992-2006, CPA, Berkman Burgher Purdy & Lindstrom, PS Examinations and Professional Designations NASD Series 65 12/05/2000</p> <p>Gregory B. Berkman, Chief Operating Officer, Merriman, Inc. Year of Birth: 1964 Formal Education: University of Washington, 1987, Bachelor of Arts Five Year Business Background: 2007-Present: Chief Operating Officer, Merriman, Inc. 2006-2007: Representative, Shareholder & Officer, Merriman, Inc.</p> |

(Complete amended pages in full, circle amended items and file with execution page (page 1).)

**Schedule F of
FORM ADV
Continuation Sheet for Form ADV Part II**

| | | |
|------------------------------|------------------------------------|-------------------------|
| Applicant: Merriman, Inc. | SEC File Number: 801- 29500 | Date: 01/13/2010 |
|------------------------------|------------------------------------|-------------------------|

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other Schedules)

| | |
|--|--|
| 1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: Merriman, Inc. | IRS Empl. Ident. No.: 91-1206407 |
|--|--|

| Item of Form (identify) | Answer |
|----------------------------|--|
| Item 6 (continued) | <p>Larry Katz, CFA, Director of Research, Merriman, Inc. Year of Birth: 1958 Formal Education: SUNY at Binghamton, 1978, B.A. Economics University of Chicago, 1982, MBA Finance Five Year Business Background: 2008-Present: Director of Research, Merriman, Inc. 2007-2008: Senior Research Analyst, Merriman, Inc. 2005-2007: Strategic Development, Washington Mutual 2002-2005: Director of Business Valuation, Getty Images Examinations and Professional Designations CFA Designation - Certified Financial Analyst® - 1996</p> <p>David S. Spratt, Client Experience Director and Client Services Manager, Merriman, Inc. Year of Birth: 1969 Formal Education: Washington State University, 1992, B.A. Business Administration Five Year Business Background: 2007-Present: Client Experience Director and Client Services Manager, Merriman, Inc. 2001-2007: Director of Portfolio, Chief Compliance Officer, Merriman, Inc. Examinations and Professional Designations NASD Series 65 10/26/1994 NASD Series 63 09/29/1992 NASD Series 6 09/29/1992</p> <p>Elaine D. Scoggins, CFP®, ChFC, Client Experience Director and Managing Advisor, Merriman, Inc. Year of Birth: 1957 Formal Education: Armstrong Atlantic State University, 1979, B.A. Business Administration Stonier Graduate School of Banking, University of Delaware 1991-1993 Five Year Business Background: 2007-Present: Client Experience Director and Managing Advisor, Merriman, Inc. 2006-2007: Managing Advisor, Merriman, Inc. 2004-2006: President, Scoggins Financial LLC Examinations and Professional Designations CFP Designation - CERTIFIED FINANCIAL PLANNER™ - 2005 ChFC Designation - Chartered Financial Consultant - 2004</p> |

(Complete amended pages in full, circle amended items and file with execution page (page 1).)

**Schedule F of
FORM ADV
Continuation Sheet for Form ADV Part II**

| | | |
|------------------------------|------------------------------------|-------------------------|
| Applicant: Merriman, Inc. | SEC File Number: 801- 29500 | Date: 01/13/2010 |
|------------------------------|------------------------------------|-------------------------|

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other Schedules)

| | |
|---|---|
| 1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: Merriman, Inc. | IRS Empl. Ident. No.: 91-1206407 |
|---|---|

| Item of Form (identify) | Answer |
|----------------------------|--|
| Items 8D, 9D and 9E | <p>Merriman, Inc. is the General Partner of Leveraged Global Opportunity Fund, L.P. (“the Fund”). The Fund is a limited partnership that invests in extremely aggressive and highly speculative strategies. The Fund is open only to qualified investors with at least \$750,000 under management or a minimum net worth of \$1,500,000 (including assets held jointly with a spouse) because the General Partner's compensation is partially based on the Fund's performance. Merriman, Inc. does not solicit clients for the Leveraged Global Opportunity Fund, L.P. unless it is certain that they are qualified investors.</p> <p>Merriman, Inc. has implemented an investment policy relative to personal securities transactions. This investment policy is part of an overall Code of Ethics which establishes a standard of business conduct for all associated persons that is based upon fundamental principles of openness, integrity, honesty and trust, a copy of which is available upon request. Merriman, Inc. will, at all times, place the interests of its clients first.</p> <p>In accordance with Section 204A of the Investment Advisers Act of 1940, Merriman, Inc. also maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by any person associated with Merriman, Inc.</p> |
| Item 10 | <p>Please see the responses set forth on this Schedule F to Item 1D relating to Registrant's conditions for managing accounts.</p> |
| Items 12A and 12B | <p>Please see responses on this Schedule F to Item 1D and 13A. In addition, in seeking best execution through a broker-dealer and/or custodian, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of broker-dealer services, including historical relationship, reputation, financial strength, the value of research provided, execution capability, commission rates, and responsiveness. Merriman, Inc.'s best execution responsibility is qualified by the fact that the majority of securities that it purchases for client accounts are mutual funds that trade at net asset value as determined at the daily market close. In addition, Merriman, Inc. diligently seeks favorable prices on ETF trades.</p> <p>Proxy Voting Policy. Merriman, Inc. does not vote client proxies, except for Leveraged Global Opportunity Fund L.P. (see response to Item 3K(3), 8D and 9D above) and/or in the limited event that an ERISA plan requires Merriman, Inc. to do so. Therefore, although Merriman, Inc. provides investment advisory services relative to client investment assets, clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other events pertaining to the client's investment assets. Merriman, Inc. and/or the client shall instruct each custodian of the assets to forward to the client copies of all proxies and shareholder communications relating to the client's investment assets.</p> <p>To the limited extent that Merriman, Inc. does vote proxies, Merriman, Inc. shall maintain the corresponding records required pursuant to Rule 204-2 (c)(2) under the Investment Advisers Act of 1940. Information pertaining to how the Registrant voted on any specific proxy issue is also available to any affected client upon written request.</p> |

(Complete amended pages in full, circle amended items and file with execution page (page 1).)

**Schedule F of
FORM ADV
Continuation Sheet for Form ADV Part II**

| | | |
|------------------------------|------------------------------------|-------------------------|
| Applicant: Merriman, Inc. | SEC File Number: 801- 29500 | Date: 01/13/2010 |
|------------------------------|------------------------------------|-------------------------|

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other Schedules)

| | |
|---|---|
| 1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: Merriman, Inc. | IRS Empl. Ident. No.: 91-1206407 |
|---|---|

| Item of Form (identify) | Answer |
|----------------------------|--|
| Item 13A | <p>Dimensional Fund Advisors (DFA), through its contractual relationship with CEG Worldwide, provides Merriman, Inc. with partially or fully discounted rates for CEG coaching. DFA, through a web-based service, provides referrals of investor clients to Merriman, Inc. DFA makes such referrals to many investment advisors based on the geographic location of the prospective client. DFA does not provide help to Merriman, Inc. in recruiting investor clients in any other way, and does not receive compensation from Merriman, Inc. for such referrals.</p> <p>Merriman, Inc. may recommend that clients establish brokerage accounts with the Schwab Institutional division of Charles Schwab & Co., Inc. (Schwab), a registered broker-dealer, Member SIPC, to maintain custody of clients' assets and to effect trades for their accounts. Merriman, Inc. is independently owned and operated and not affiliated with Schwab. Schwab provides Merriman, Inc. with access to its institutional trading and custody services, which are typically not available to Schwab retail investors. These services generally are available to independent investment advisors on an unsolicited basis, at no charge to them so long as a total of at least \$10 million of the advisor's clients' assets are maintained in accounts at Schwab Institutional, and are not otherwise contingent upon Advisor committing to Schwab any specific amount of business (assets in custody or trading). Schwab's services include brokerage, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment. For Merriman, Inc.'s client accounts maintained in its custody, Schwab generally does not charge separately for custody but is compensated by account holders through commissions or other transaction-related fees for securities trades that are executed through Schwab or that settle into Schwab accounts.</p> <p>Although not a material consideration when determining whether to recommend that a client utilize the services of a particular broker-dealer/custodian, Schwab also makes available to Merriman, Inc. other products and services that benefit Merriman, Inc. but may not benefit its clients' accounts. Some of these other products and services assist Merriman, Inc. in managing and administering clients' accounts. These include software and other technology that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts), provide research, pricing information and other market data, facilitate payment of Merriman, Inc.'s fees from its clients' accounts, and assist with back-office functions, recordkeeping and client reporting. Many of these services generally may be used to service all or a substantial number of Merriman, Inc.'s accounts, including accounts not maintained at Schwab Institutional. Schwab Institutional also makes available to Merriman, Inc. other services intended to help Merriman, Inc. manage and further develop its business enterprise. These services may include consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, and marketing. In addition, Schwab may make available, arrange and/or pay for these types of services rendered to Merriman, Inc. by independent third parties. Schwab Institutional may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to Merriman, Inc. While as a fiduciary, Merriman, Inc. endeavors to act in its clients' best interests, Merriman, Inc.'s recommendation that clients maintain their assets in accounts at Schwab may be based in part on the benefit to Merriman, Inc. of the availability of some of the foregoing products and services and not solely on the nature, cost or quality of custody and brokerage services provided by Schwab, which may create a potential conflict of interest.</p> |

(Complete amended pages in full, circle amended items and file with execution page (page 1).)

**Schedule F of
FORM ADV
Continuation Sheet for Form ADV Part II**

| | | |
|------------------------------|------------------------------------|-------------------------|
| Applicant: Merriman, Inc. | SEC File Number: 801- 29500 | Date: 01/13/2010 |
|------------------------------|------------------------------------|-------------------------|

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other Schedules)

| | |
|---|---|
| 1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: Merriman, Inc. | IRS Empl. Ident. No.: 91-1206407 |
|---|---|

| Item of Form (identify) | Answer |
|----------------------------|--|
| Item 13A (Continued) | <p>Merriman, Inc.'s clients do not pay more for investment transactions effected and/or assets maintained at Schwab as result of this arrangement. Merriman, Inc., consistent with its best execution obligation, has negotiated favorable transaction fee arrangements with Schwab for the benefit of all clients (a substantial portion of trading activities involve the purchase and sale of no-load mutual funds without corresponding transaction fees, thereby negating a best execution determination as to such investment transactions).</p> <p>There is no corresponding commitment made by Merriman, Inc. to Schwab or any other any entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as result of the above arrangement.</p> <p>Merriman, Inc.'s Chief Compliance Officer remains available to address any questions that a client or prospective client may have regarding the above arrangement and any corresponding perceived conflict of interest any such arrangement may create. See disclosure at 13B below relative to <i>SchwabAdvisor Network</i>.</p> |
| Item 13B | <p>If a client is introduced to Merriman, Inc. by either an unaffiliated or an affiliated solicitor, Merriman, Inc. may pay that solicitor a referral fee in accordance with the requirements of Rule 206(4)-3 of the Investment Advisers Act of 1940, and any corresponding state securities law requirements. Any such referral fee shall be paid solely from Merriman, Inc.'s investment management fee, and shall not result in any additional charges to the client. If the client is introduced to Merriman, Inc. by an unaffiliated solicitor, the solicitor, at the time of the solicitation, shall disclose the nature of his/her/its solicitor relationship, and shall provide each prospective client with a copy of Merriman, Inc.'s written disclosure statement as same is set forth in Part II of Form ADV, including this Schedule F, together with a copy of the written disclosure statement from the solicitor to the client disclosing the terms of the solicitation arrangement between Merriman, Inc. and the solicitor, including the compensation to be received by the solicitor from Merriman, Inc. Any affiliated solicitor of Merriman, Inc. shall disclose the nature of his/her relationship to prospective clients at the time of the solicitation.</p> <p>Merriman, Inc. asks its clients from time to time for referrals of potential new clients. No client shall receive any referral fee in connection with any such referral.</p> <p><u>Schwab Referrals</u></p> <p>Merriman, Inc. previously received referrals from Charles Schwab & Co. Inc., (“Schwab”) through participation in Schwab Advisor Network (the “Service”). The Service was designed to help investors find an independent investment advisor. Schwab is a broker-dealer independent and unaffiliated with Merriman, Inc.. Schwab does not supervise Merriman, Inc. and has no responsibility for Merriman, Inc.'s management of the clients' portfolios or other advice or services.</p> <p>Merriman, Inc. is no longer receiving referrals from the Service; however Merriman, Inc. continues to pay Schwab a Participation Fee on all referred clients' accounts that are maintained in custody at Schwab and a Non-Schwab Custody Fee on all accounts that are maintained at, or transferred to, another custodian. The Participation Fee paid is based on a percentage of the value of the assets in the client's account, subject to a minimum Participation Fee.</p> |

(Complete amended pages in full, circle amended items and file with execution page (page 1).)

**Schedule F of
FORM ADV
Continuation Sheet for Form ADV Part II**

| | | |
|------------------------------|------------------------------------|-------------------------|
| Applicant: Merriman, Inc. | SEC File Number: 801- 29500 | Date: 01/13/2010 |
|------------------------------|------------------------------------|-------------------------|

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other Schedules)

| | |
|---|---|
| 1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: Merriman, Inc. | IRS Empl. Ident. No.: 91-1206407 |
|---|---|

| Item of Form (identify) | Answer |
|----------------------------|---|
| Item 13B (continued) | <p>Merriman, Inc. will pay Schwab the Participation Fee for as long as the referred client's account remains in custody at Schwab. The Participation Fee is paid by Merriman, Inc. and not by the client. Merriman, Inc. has agreed not to charge clients referred through the Service fees or costs greater than the fees or costs Merriman, Inc. charges clients with similar portfolios who were not referred through the Service.</p> <p>Merriman, Inc. generally pays Schwab a Non-Schwab Custody Fee if custody of a referred client's account is not maintained at, or assets in the account are transferred from Schwab. This Fee does not apply if the client was solely responsible for the decision not to maintain custody at Schwab. The Non-Schwab Custody Fee is a one-time payment equal to a percentage of the assets transferred from Schwab to another custodian. The Non-Schwab Custody Fee is higher than the Participation Fees Merriman, Inc. generally would pay in a single year for the account in question. The Participation and Non-Custody Fees are based on assets in accounts of Merriman, Inc.'s clients who were referred by Schwab and those referred clients' family members living in the same household. This creates a conflict of interest because Merriman, Inc. has an incentive to recommend that client accounts remain in custody at Schwab.</p> <p>For client accounts custodied at Schwab, Schwab does not charge the client separately for custody but receives compensation from the client in the form of commissions or other transaction-related compensation on securities trades executed through Schwab. Although not required by the Service, advisors participating in the Service are likely to execute transactions for their advisory clients referred through the Service with Schwab. Schwab also receives a fee (generally lower than the applicable commission on trades it executes) for clearance and settlement of trades executed through broker-dealers other than Schwab. Schwab's fees for trades executed at other broker-dealers are in addition to the other broker-dealer's fees. Thus, Merriman, Inc. may have an incentive to cause trades to be executed through Schwab rather than another broker-dealer. Merriman, Inc. nevertheless acknowledges its duty to seek best execution and will execute trades through Schwab only if consistent with its duty to seek best execution.</p> <p>Trades for client accounts held in custody at Schwab may be executed through a different broker-dealer than trades for Merriman, Inc.'s other clients. Thus, trades for accounts custodied at Schwab may be executed at different times and different prices than trades for other accounts that are executed at other broker-dealers.</p> |

(Complete amended pages in full, circle amended items and file with execution page (page 1)).