

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 62150 / May 21, 2010

INVESTMENT ADVISERS ACT OF 1940
Release No. 3029 / May 21, 2010

ADMINISTRATIVE PROCEEDING
File No. 3-13910

In the Matter of

DAVID F. MERRICK,

Respondent.

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

I.

The Securities and Exchange Commission (“Commission”) deems it appropriate and in the public interest that public administrative proceedings be, and hereby are, instituted pursuant to Section 15(b) of the Securities Exchange Act of 1934 (“Exchange Act”) and Section 203(f) of the Investment Advisers Act of 1940 (“Advisers Act”) against David F. Merrick (“Respondent”).

II.

In anticipation of the institution of these proceedings, Respondent has submitted an Offer of Settlement (the “Offer”) which the Commission has determined to accept. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission, or to which the Commission is a party, and without admitting or denying the findings herein, except as to the Commission’s jurisdiction over him and the subject matter of these proceedings, and the findings contained in Section III.7 below, which are admitted, Respondent consents to the entry of this Order Instituting Administrative Proceedings Pursuant to Section 15(b)

of the Securities Exchange Act of 1934 and Section 203(f) of the Investment Advisers Act of 1940, Making Findings, and Imposing Remedial Sanctions (“Order”), as set forth below.

III.

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

1. David F. Merrick, 61 years old, resides in Apopka, Florida and is the president of Traders International Return Network (“TIRN”), an unregistered foreign investment company. Respondent does not hold any securities licenses and has never been registered with the Commission in any capacity.

2. TIRN is an entity headquartered in Panama City, Panama and purportedly has offices located in Switzerland, Kuala Lumpur, Malaysia and Dubai. TIRN is not a corporation or business registered in the United States. TIRN has never been registered with the Commission.

3. From at least July 2008 through October 2009, Respondent and TIRN operated a Ponzi scheme through the offer and sale of securities in TIRN in the form of investment contracts to investors. Respondent and TIRN raised at least \$22 million from at least 2,500 investors. No registration statement has been filed or is in effect with the Commission in connection with the offer or sale of the TIRN securities.

4. From at least July 2008 through October 2009, Respondent and TIRN were engaged in the business of effecting transactions in securities for the accounts of others, and Respondent held himself out as being in the business of making investment decisions for TIRN.

5. On October 14, 2009, the Commission filed an emergency Complaint for Orders of Preliminary and Permanent Injunction and Other Equitable Relief in the United States District Court for the Middle District of Florida, Orlando Division, captioned Securities and Exchange Commission v. David F. Merrick, et al., Civil Action Number 09-cv-01744, against Merrick and others.

6. The Commission’s Complaint alleges as follows: From at least July 2008 to the date of the Complaint, Respondent and the other defendants engaged in a Ponzi scheme by defrauding investors through the offer and sale of investment contracts. Respondent and TIRN represented to prospective and actual investors that TIRN is a private investment club that pools investors’ funds and uses “multiple investment companies, proprietary computer software programs and professional investment partners and individual traders” to invest TIRN’s funds “on a global basis and diversified into many different types of investments such as International Bonds, International Currency Exchange, International Stock Markets and many other types of investment vehicles,” including currency trading (Forex), precious metals, retail real estate and energy investments. However, none of the investors’ funds are invested in any securities or other investments described on the TIRN website. Rather, Respondent has misappropriated at least \$3.7 million of the \$22 million in investor funds for his personal use and transferred other investor funds to entities he controls, colleagues and/or entities under these individuals’ direct control, for

their own benefit. Respondent has also used investors' funds to repay other investors. The Complaint further alleges that Respondent violated the antifraud provisions of the federal securities laws and that Respondent and TIRN violated the broker-dealer registration provisions of the federal securities laws.

7. On May 11, 2010, a final judgment was entered by consent against Respondent. Respondent, without admitting or denying the allegations of the Commission's Complaint, except as to jurisdiction, consented to the entry of an order permanently enjoining him from future violations of Sections 5(a), 5(c), and 17(a) of the Securities Act of 1933; Sections 10(b) and 15(a)(1) of the Exchange Act and Rule 10b-5 thereunder, Sections 206(1), 206(2) and 206(4) of the Advisers Act and Rule 206(4)-8 thereunder; and Section 7(d) of the Investment Company Act of 1940.

IV.

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

Accordingly, it is hereby ORDERED:

Pursuant to Section 15(b)(6) of the Exchange Act and Section 203(f) of the Advisers Act, that Respondent be, and hereby is barred from association with any broker, dealer, or investment adviser.

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

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

Elizabeth M. Murphy
Secretary

Service List

Rule 141 of the Commission's Rules of Practice provides that the Secretary, or another duly authorized officer of the Commission, shall serve a copy of the Order Instituting Administrative Proceedings Pursuant to Section 15(b) of the Securities Exchange Act of 1934 and Section 203(f) of the Investment Advisers Act of 1940, Making Findings, and Imposing Remedial Sanctions ("Order"), on the Respondent and his legal agent.

The attached Order has been sent to the following parties and other persons entitled to notice:

Honorable Brenda P. Murray
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