

BUYINS.NET

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KEY DATA POINTS INSIDE

Daily Short Volume

Naked Short Volume

Market Maker Friction

RECENT FRME NEWS

•FIRST MERCHANTS CORP
Files SEC form 8-K, Other Events,
Financial Statements and
ExhibitsEDGAR Online(Tue, Nov
30)

•First Merchants Corporation
Announces Cash DividendBusiness
Wire(Tue, Nov 30)

•FIRST MERCHANTS CORP
FinancialsEDGAR Online
Financials(Sat, Nov 13)

•FIRST MERCHANTS CORP
Files SEC form 10-Q, Quarterly
ReportEDGAR Online(Tue, Nov 9)

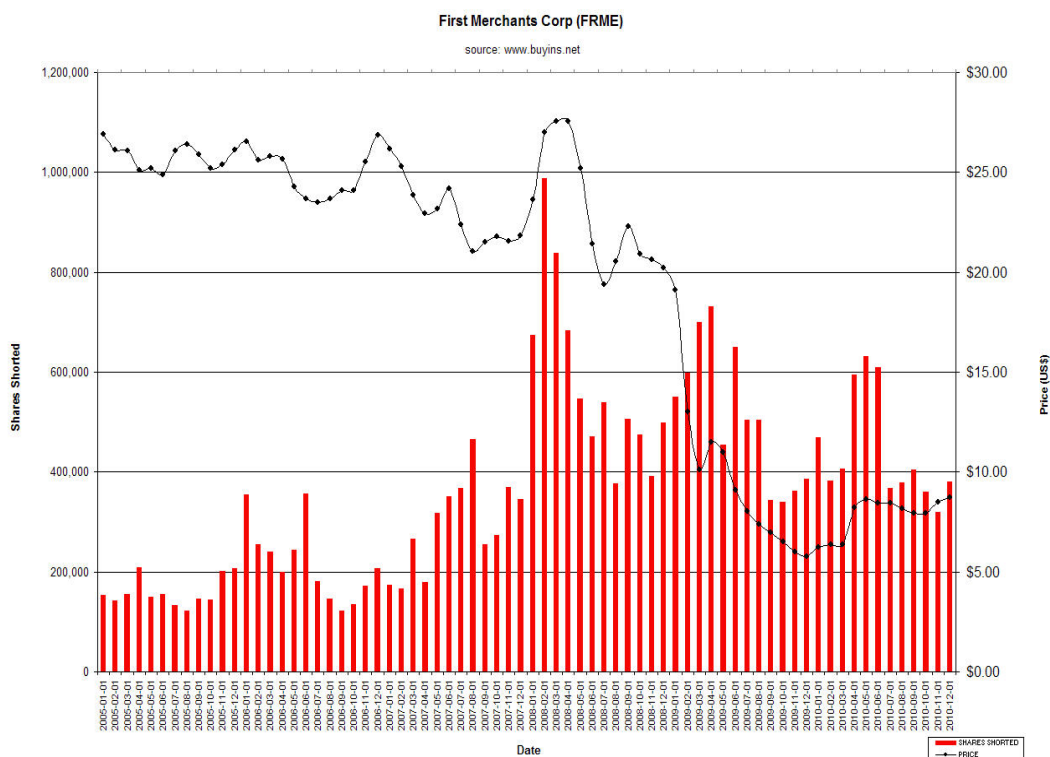
•FIRST MERCHANTS CORP
Files SEC form 8-K, Results of
Operations and Financial
Condition, Financial Statements
and ExhiEDGAR Online(Thu, Oct
28)

•First Merchants Corporation
Announces 3rd Quarter
ResultsBusiness Wire(Thu, Oct 28)

•Q3 2010 First Merchants Corp.
Earnings Release - Time Not
SuppliedCCBN(Thu, Oct 28)

BUYINS.NET offers a proprietary research and trading service uncovering illegal naked short selling in stocks on the NYSE, AMEX, NASDAQ, OTCBB and PINKSHEETS. For more information please visit www.buyins.net

FRME SHORT SELLERS



Starting in 2008 short sellers have actively shorted FRME. Shorts have continued this activity which warrants close investigation. Buyins.net will report the results of its surveillance on a monthly basis.

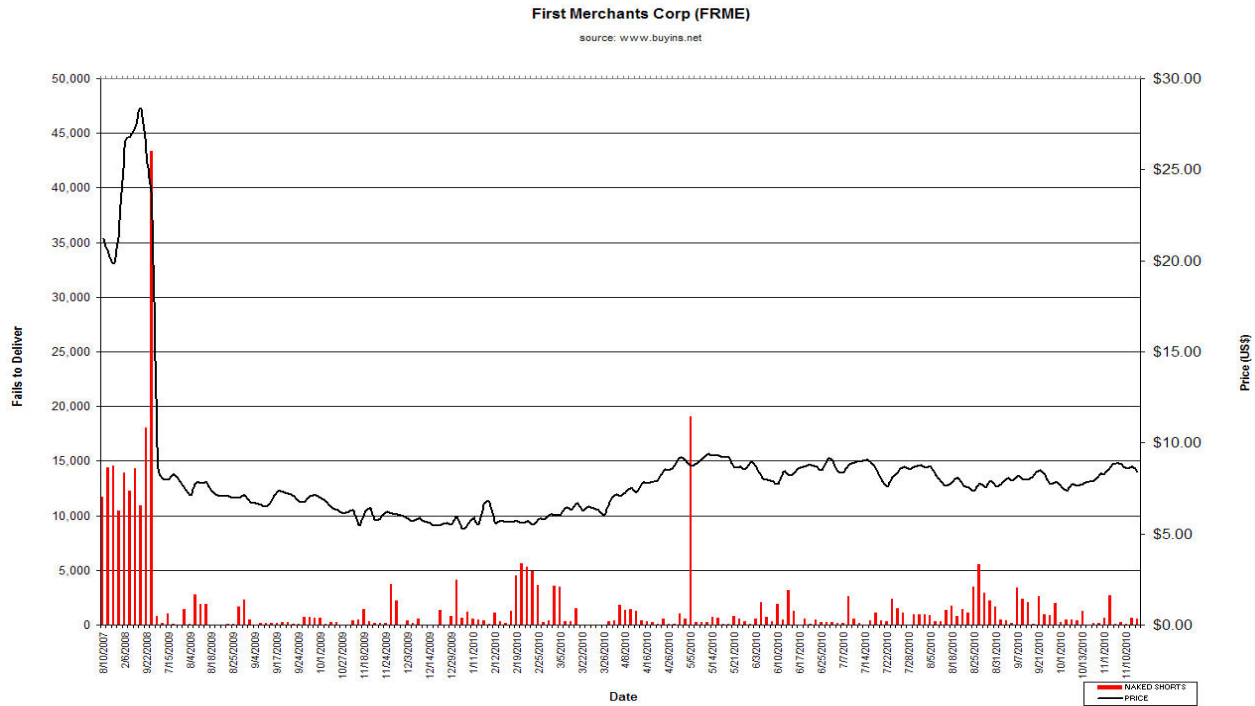
OVERVIEW OF FRME SHORT SALE DATA

After careful analysis of FRME short sale, naked short sale and market maker friction factor data it is clear that FRME has recently had issues with short sellers who have consistently shorted the stock. Short sellers have been building a sizable

position in shares of FRME and market makers have made a bearish market lately. New evidence of daily short sellers shorting shares of FRME has now come to light as the SEC has finally given Buyins.net access to

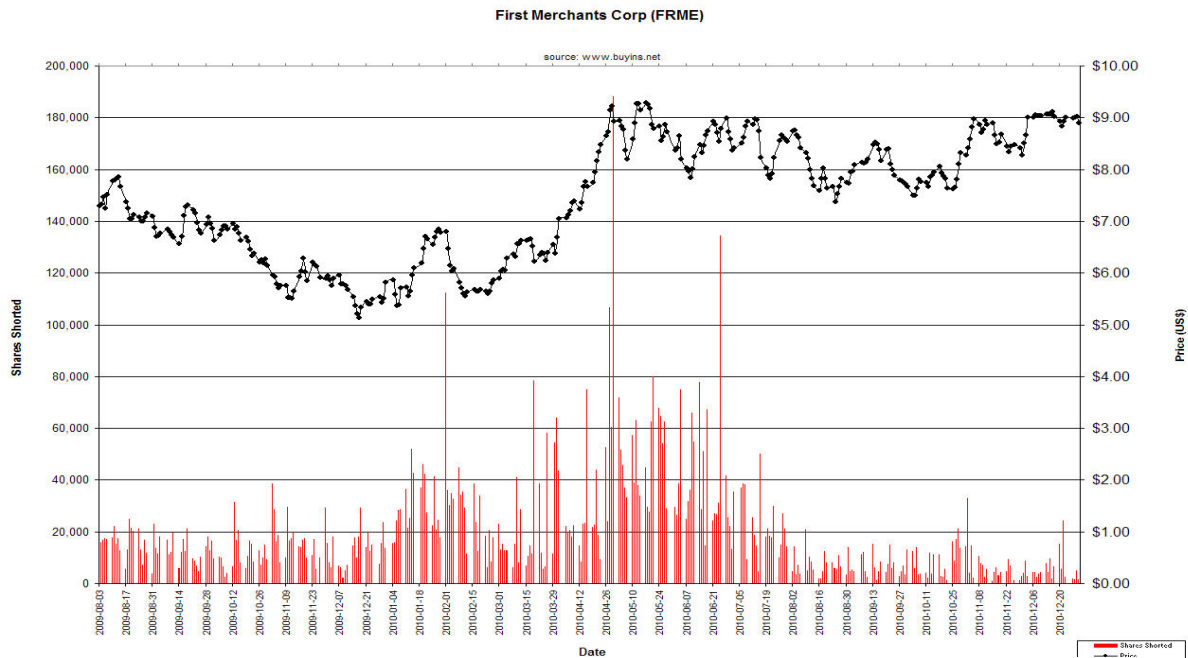
DAILY short sale data which is updated every night. Protecting FRME from abusive shorting is a high priority.

FAILURES TO DELIVER (NAKED SHORTS) IN FRME SINCE 2004



Failures to Deliver in FRME were an issue in 2007 and 2008, but have not been a significant issue since then as short sellers have, for the most part, complied with the locate requirements of Regulation SHO in the recent past.

NEW DAILY SHORT SALE TRADING VOLUME STARTING 8-3-09



Shorts have been consistently shorting FRME on nearly a daily basis. An average of 25% of daily trading volume is short selling.

MARKET MAKER SURVEILLANCE SYSTEM (FRICTION FACTOR)

Date	Change	BuyVol	SellVol	NetVol	Friction
12/30/2010	-\$0.11	22,871	39,438	-16,567	-1,506
12/29/2010	\$0.00	29,178	58,313	-29,135	Bullish Bias
12/28/2010	-\$0.03	11,447	17,713	-6,266	-2,089
12/27/2010	\$0.03	22,068	32,167	-10,099	Bullish Bias
12/23/2010	\$0.02	13,415	32,590	-19,175	Bullish Bias
12/22/2010	\$0.10	45,983	36,821	9,162	916
12/21/2010	\$0.04	19,867	20,398	-531	Bullish Bias
12/20/2010	-\$0.14	38,340	64,069	-25,729	-1,838
12/17/2010	-\$0.09	26,769	108,058	-81,289	-9,032
12/16/2010	\$0.06	29,168	16,962	12,206	2,034
12/15/2010	-\$0.05	18,199	50,323	-32,124	-6,425
12/14/2010	\$0.15	19,292	25,300	-6,008	Bullish Bias
12/13/2010	-\$0.03	43,450	41,739	1,711	Bearish Bias
12/10/2010	-\$0.08	23,472	21,320	2,152	Bearish Bias
12/9/2010	\$0.11	19,077	40,721	-21,644	Bullish Bias
12/8/2010	-\$0.02	18,291	51,999	-33,708	-16,854
12/7/2010	-\$0.02	35,529	33,407	2,122	Bearish Bias
12/6/2010	-\$0.02	37,756	46,194	-8,438	-4,219
12/3/2010	\$0.02	37,403	25,662	11,741	5,871
12/2/2010	\$0.47	46,746	40,217	6,529	139
12/1/2010	\$0.30	38,039	26,838	11,201	373
11/30/2010	-\$0.15	46,443	25,600	20,843	Bearish Bias
11/29/2010	-\$0.11	20,404	24,067	-3,663	-333
11/26/2010	-\$0.06	3,673	4,512	-839	-140
11/24/2010	\$0.18	32,116	15,357	16,759	931
11/23/2010	-\$0.04	20,484	25,423	-4,939	-1,235
11/22/2010	-\$0.28	14,075	24,829	-10,754	-384
11/19/2010	-\$0.07	31,898	25,555	6,343	Bearish Bias
11/18/2010	\$0.56	50,285	24,568	25,717	459
11/17/2010	-\$0.46	74,331	42,948	31,383	Bearish Bias
11/16/2010	-\$0.25	16,451	28,044	-11,593	-464
11/15/2010	\$0.05	7,207	9,731	-2,524	Bullish Bias
11/12/2010	-\$0.08	13,471	28,009	-14,538	-1,817
11/11/2010	\$0.00	12,719	12,773	-54	Bullish Bias
11/10/2010	\$0.14	39,921	39,071	850	61
11/9/2010	-\$0.27	17,507	38,030	-20,523	-760
11/8/2010	-\$0.01	30,760	21,242	9,518	Bearish Bias
11/5/2010	-\$0.22	25,277	22,811	2,466	Bearish Bias

The above data is used to calculate if a fair market is being made in the shares of FRME. 42% of recent trading days are positive or bullishly biased and 58% of trading days are negative or bearishly biased. There is a bearish market being made in FRME in the past 38 trading days where shares traded.

Friction Factor determines if there is normal or abnormal behavior in the price action of the stock FRME compared to the buying vs. selling trading statistics. It calculates number of net shares of buying or selling to move price +/- one cent.

Here is how to understand Friction Factor:

1. If Friction Factor is positive, more buying than selling caused FRME's price to rise
2. If Friction Factor is negative, more selling than buying caused FRME's price to fall
3. If Friction Factor is 0, there was no discernable activity either way
4. If Friction Factor is abnormal, it means that there is either a bearish bias or

HOW BUYINS.NET RESEARCH REPORTS HELP FIGHT ABUSIVE SHORT SELLING

BUYINS.NET Updates Houston American Energy SqueezeTrigger Report

Posted on: Mon, 27 Sep 2010 14:34:15 EDT

Symbols: [HUSA](#)

Sep 27, 2010 (GlobeNewswire via COMTEX) --

-- Approximately 24.25 Million Shares Have Been Shorted Since August 2009

-- 32.94% of Shares Shorted Have Begun Squeezing

NEWPORT BEACH, Calif., Sept. 27, 2010 (GLOBE NEWSWIRE) -- BUYINS.NET, <http://www.buyins.net>, a leading provider of Regulation SHO compliance monitoring, short sale [trading](#) statistics and market integrity surveillance, has updated coverage on Houston American Energy (AMEX: HUSA | [PowerRating](#)) after releasing the latest short sale data through September 24, 2010. The total aggregate number of shares shorted since August 2009 is approximately 24.25 million shares. 40.11% of daily volume is short selling. The SqueezeTrigger price for all shares shorted is \$12.04. Nearly 7.99 million shares previously shorted, (32.94% of all [shares](#) shorted) have begun squeezing at \$10.23.



The above report was issued on September 27th when HUSA was trading at \$10.24 per share. The report included data on short selling, naked short selling and market maker friction factor and alerted investors and regulators that an unfair market was being made in shares of HUSA and that a short squeeze would begin if shares were to go above \$12.04 per share. The results were immediate and dramatic with HUSA going from \$10.24 to an eventual high of \$19.18 (+87%) on 12-7-10.

BUYINS.NET Updates Ebix SqueezeTrigger Report After Short Squeeze Begins

Posted on: Mon, 15 Mar 2010 08:31:35 EDT

Symbols: [EBIX](#)

NEWPORT BEACH, Calif., Mar 15, 2010 (GlobeNewswire via COMTEX) --

-- 33.84 Million Split Adjusted Shares Have Been Shorted at \$17.18

-- Short Squeeze Just Beginning as Shares Closed Friday at \$17.23

BUYINS.NET, <http://www.buyins.net>, a leading provider of Regulation SHO compliance monitoring, short sale [trading](#) statistics and market integrity surveillance, has updated coverage on Ebix, Inc. (Nasdaq: EBIX | [PowerRating](#)) after releasing the latest short sale data through March 10, 2010. The total aggregate number of shares shorted in the past 7 months is approximately 33.84 million shares (3:1 split adjusted). The SqueezeTrigger price for all shares shorted is \$17.18. A significant short squeeze is just now beginning as shares of EBIX closed at \$17.23 on Friday. The total short interest (shares still uncovered) as of February 26, 2010 is 9.99 million shares. There is \$172.25 million worth of short covering that still needs to take place.



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Trading Solutions to Naked Short Selling

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BUYINS.NET affiliates, officers, directors and employees have not bought shares of stock discussed in this opinion but BUYINS.NET has been paid \$995 per month by FRME for twelve months of data provided in this report. Market commentary provided by Tom Ronk.

BUYINS.NET will not advise as to FRME it decides to sell and does not and will not offer any opinion as to FRME others should sell; each investor must make that decision based on his or her judgment.

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BUYINS.NET WILL ISSUE A VARIETY OF REPORTS ON FRME

REGULATORY & COMPLIANCE NEWS

- Friction Factor – market maker surveillance system tracking Level II market makers in all stocks to determine Price Friction and compliance with new “Fair Market Making Requirements”
- RegSHO Naked Shorts – tracks EVERY failure to deliver in all US stocks and tracks all Threshold Security Lists daily for which stocks have naked shorts that are not in compliance with Regulation SHO

INVESTMENTS & TRADING

- SqueezeTrigger – 30 billion cell database tracks EVERY short sale (not just total short interest) in all US stocks and calculates volume weighted price that a short squeeze will begin in each stock
- Earnings Edge – predicts probability, price move and length of move before and after all US stock earnings reports
- Seasonality – predicts probability, price move and length of move based on exact time of year for all US stocks
- Group Trader – tracks sector rotation and stock correlation to its sector and predicts future moves in ALL sectors and industry groups
- Pattern Scan – automates tracking of every technical pattern and predicts time and size of move in all stocks
- GATS (Global Automated Trading System) – tracks all known trading strategies and qualifies and quantifies which are working best in real time

WHY BUYINS.NET IS BEST CHOICE FOR FRME MARKET INTEGRITY

The data we provide is extremely useful for FRME for the following reasons:

1. Stop naked short selling in shares of FRME
2. Break the market maker hold on Level II box causing so much price friction
3. Our SqueezeTrigger Reports that cross newswires and are viewed by our up to 750,000 users help break the rest of the shorts
4. Discourage new short sellers from shorting your stock
5. Stop the negative perception that dropping stock price places on normal day to day business operations
6. Combined all of these facets help to stop the daily drain that the short attacks have on the company.

Here is a quick technology overview:

<http://www.buyins.com/centurypacificbrochure.pdf>

Background information on our CEO:

<http://www.buyins.com/images/tomronk.pdf>