



IAPD Report

PRAVIN ROY DAVREY

CRD# 2243197

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Please contact FINRA with any concerns.



IAPD Information About Representatives

IAPD offers information on all current-and many former representatives. Investors are strongly encouraged to use IAPD to check the background of representatives before deciding to conduct, or continue to conduct, business with them.

What is included in a IAPD report?

IAPD reports for individual representatives include information such as employment history, professional qualifications, disciplinary actions, criminal convictions, civil judgments and arbitration awards.

It is important to note that the information contained in an IAPD report may include pending actions or allegations that may be contested, unresolved or unproven. In the end, these actions or allegations may be resolved in favor of the representative, or concluded through a negotiated settlement with no admission or finding of wrongdoing.

Where did this information come from?

The information contained in IAPD comes from the Investment Adviser Registration Depository (IARD) and FINRA's Central Registration Depository, or CRD, (see more on CRD below) and is a combination of:

- information the states require representatives and firms to submit as part of the registration and licensing process, and
- information that state regulators report regarding disciplinary actions or allegations against representatives.

How current is this information?

Generally, representatives are required to update their professional and disciplinary information in IARD within 30 days.

Need help interpreting this report?

For help understanding how to read this report, please consult NASAA's IAPD Tips page <http://www.nasaa.org/IAPD/IARReports.cfm>

What if I want to check the background of an Individual Broker or Brokerage Firm?

To check the background of an Individual Broker or Brokerage firm, you can search for the firm or individual in IAPD. If your search is successful, click on the link provided to view the available licensing and registration information in FINRA's BrokerCheck website.

Are there other resources I can use to check the background of investment professionals?

It is recommended that you learn as much as possible about an individual representative or Investment Adviser firm before deciding to work with them. Your state securities regulator can help you research individuals and certain firms doing business in your state. The contact information for state securities regulators can be found on the website of the North American Securities Administrators Association <http://www.nasaa.org>



Report Summary

PRAVIN ROY DAVREY (CRD# 2243197)

The report summary provides an overview of the representative's professional background and conduct. The information contained in this report has been provided by the representative, investment adviser and/or securities firms, and/or securities regulators as part of the states' investment adviser registration and licensing process. The information contained in this report was last updated by the representative, a previous employing firm, or a securities regulator on **06/11/2025**.

CURRENT EMPLOYERS

| | Firm | CRD# | Registered Since |
|----|---|-------------|------------------|
| IA | EMERALD PACIFIC INVESTMENT ADVISORS LLC | CRD# 313155 | 09/01/2021 |

QUALIFICATIONS

This representative is currently registered in **0** SRO(s) and **1** jurisdiction(s).

Is this representative currently Inactive or Suspended with any regulator? **No**

Note: Not all jurisdictions require IAR registration or may have an exemption from registration.

Additional information including this individual's qualification examinations and professional designations is available in the Detailed Report.

REGISTRATION HISTORY

This representative was previously registered with the following firm(s):

| | FIRM | CRD# | LOCATION | REGISTRATION DATES |
|---|---------------------------------|--------|-------------|-------------------------|
| B | LLOYD, SCOTT & VALENTI, LTD. | 23640 | AUSTIN, TX | 04/01/2004 - 05/10/2004 |
| B | OPTIONSXPRESS, INC. | 103849 | CHICAGO, IL | 01/07/2003 - 11/28/2003 |
| B | DAVREY FINANCIAL SERVICES, INC. | 38914 | TACOMA, WA | 12/08/1995 - 01/02/2003 |

For additional registration and employment history details as reported by the individual, refer to the Registration and Employment History section of the Detailed Report.

DISCLOSURE INFORMATION

Disclosure events include certain criminal charges and convictions, formal investigations and disciplinary actions initiated by regulators, customer disputes and arbitrations, and financial disclosures such as bankruptcies and unpaid judgments or liens.

Are there events disclosed about this representative? **Yes**

The following types of events are disclosed about this representative:

| Type | Count |
|------------------|-------|
| Regulatory Event | 3 |
| Civil Event | 1 |
| Customer Dispute | 1 |



Qualifications

REGISTRATIONS

This section provides the SRO, states and U.S. territories in which the representative is currently registered and licensed, the category of each registration, and the date on which the registration becomes effective. This section also provides, for each firm with which the representative is currently employed, the address of each location where the representative works. This individual is currently registered with **1** jurisdiction(s) and **0** SRO(s) through his or her employer(s).

Employment 1 of 1

Firm Name: **EMERALD PACIFIC INVESTMENT ADVISORS LLC**
Main Address: TACOMA, WA
Firm ID#: 313155

| Regulator | Registration | Status | Date |
|----------------------|-----------------------------------|----------|------------|
| IA Washington | Investment Adviser Representative | Approved | 09/01/2021 |

Branch Office Locations

EMERALD PACIFIC INVESTMENT ADVISORS LLC
TACOMA, WA






Qualifications

PASSED INDUSTRY EXAMS


This section includes all industry exams that the representative has passed. Under limited circumstances, a representative may attain registration after receiving an exam waiver based on a combination of exams the representative has passed and qualifying work experience. Likewise a new exam requirement may be grandfathered based on a representative's specific qualifying work experience. Exam waivers and grandfathering are not included below.

This individual has passed 3 principal/supervisory exams, 1 general industry/product exam, and 2 state securities law exams.



Principal/Supervisory Exams

| Exam | Category | Date |
|--|-----------|------------|
|  Introducing Broker/Dealer Financial Operations Principal Examination (S28) | Series 28 | 10/28/1995 |
|  Registered Options Principal Examination (S4) | Series 4 | 09/12/1995 |
|  General Securities Principal Examination (S24) | Series 24 | 08/07/1995 |

General Industry/Product Exams

| Exam | Category | Date |
|--|----------|------------|
|  General Securities Representative Examination (S7) | Series 7 | 06/10/1992 |

State Securities Law Exams

| Exam | Category | Date |
|--|-----------|------------|
|  Uniform Investment Adviser Law Examination (S65) | Series 65 | 05/18/2021 |
|  Uniform Securities Agent State Law Examination (S63) | Series 63 | 02/08/2019 |

PROFESSIONAL DESIGNATIONS

This section details that the representative has reported **0** professional designation(s).

No information reported.



Registration & Employment History

PREVIOUSLY REGISTERED WITH THE FOLLOWING FIRMS

This representative held registrations with the following firms:

| | Registration Dates | Firm Name | ID# | Branch Location |
|---|-------------------------|-----------------------------------|-------------|-----------------|
| B | 04/01/2004 - 05/10/2004 | LLOYD, SCOTT & VALENTI, LTD. | CRD# 23640 | AUSTIN, TX |
| B | 01/07/2003 - 11/28/2003 | OPTIONSXPRESS, INC. | CRD# 103849 | CHICAGO, IL |
| B | 12/08/1995 - 01/02/2003 | DAVREY FINANCIAL SERVICES, INC. | CRD# 38914 | TACOMA, WA |
| B | 08/24/1995 - 12/31/1995 | CLAYTON SECURITIES SERVICES, INC. | CRD# 23768 | CLAYTON, MO |
| B | 03/15/1995 - 09/08/1995 | SUNPOINT SECURITIES, INC. | CRD# 25442 | LONGVIEW, TX |
| B | 07/31/1993 - 03/17/1995 | SMITH BARNEY INC. | CRD# 7059 | NEW YORK, NY |
| B | 06/12/1992 - 07/31/1993 | LEHMAN BROTHERS INC. | CRD# 7506 | NEW YORK, NY |

EMPLOYMENT HISTORY

Below is the representative's employment history for up to the last 10 years.

| Employment Dates | Employer Name | Position | Investment Related | Employer Location |
|-------------------|--|---|--------------------|---------------------------|
| 03/2025 - Present | FARMERS INSURANCE COMPANY | INSURANCE AGENT | Y | TACOMA, WA, United States |
| 02/2021 - Present | EMERALD PACIFIC INVESTMENT ADVISORS, LLC | MANAGING PRINCIPAL; INVESTMENT ADVISOR REPRESENTATIVE | Y | TACOMA, WA, United States |
| 10/2016 - Present | EMERALD PACIFIC CAPITAL LLC | MANAGING PRINCIPAL; MORTGAGE BROKER | Y | TACOMA, WA, United States |
| 09/2015 - 10/2016 | SECURITY NATIONAL MORTGAGE | MORTGAGE LOAN OFFICER | Y | TACOMA, WA, United States |



Registration & Employment History



OTHER BUSINESS ACTIVITIES

This section includes information, if any, as provided by the representative regarding other business activities the representative is currently engaged in either as a proprietor, partner, officer, director, employee, trustee, agent, or otherwise. This section does not include non-investment related activity that is exclusively charitable, civic, religious, or fraternal and is recognized as tax exempt.

EMERALD PACIFIC CAPITAL, LLC; INVESTMENT RELATED - YES; 3600 PORT OF TACOMA ROAD, STE. 309, TACOMA, WA 98424; CONSUMER LOAN COMPANY OFFERING MORTGAGE AND COMMERCIAL MORTGAGES; MANAGING PRINCIPAL AND MORTGAGE BROKER; START DATE: 10/2016; 40 HOURS PER MONTH; 40 HOURS PER MONTH DURING TRADING HOURS; ORIGINATION OF MORTGAGE LOANS



Disclosure Summary

Disclosure Information

What you should know about reported disclosure events:

(1) Certain thresholds must be met before an event is reported to IARD, for example:

- A law enforcement agency must file formal charges before an Investment Adviser Representative is required to report a particular criminal event.;
- A customer dispute must involve allegations that an Investment Adviser Representative engaged in activity that violates certain rules or conduct governing the industry and that the activity resulted in damages of at least \$5,000.

(2) Disclosure events in IAPD reports come from different sources:

As mentioned in the "About IAPD" section on page 1 of this report, information contained in IAPD comes from Investment Adviser Representatives, firms and regulators. When more than one of these sources reports information for the same disclosure event, all versions of the event will appear in the IAPD report. The different versions will be separated by a solid line with the reporting source labeled.

(3) There are different statuses and dispositions for disclosure events:

- A disclosure event may have a status of *pending*, *on appeal*, or *final*.
 - A "pending" disclosure event involves allegations that have not been proven or formally adjudicated.
 - A disclosure event that is "on appeal" involves allegations that have been adjudicated but are currently being appealed.
 - A "final" disclosure event has been concluded and its resolution is not subject to change.
- A final disclosure event generally has a disposition of *adjudicated*, *settled* or *otherwise resolved*.
 - An "adjudicated" matter includes a disposition by (1) a court of law in a criminal or civil matter, or (2) an administrative panel in an action brought by a regulator that is contested by the party charged with some alleged wrongdoing.
 - A "settled" matter generally represents a disposition wherein the parties involved in a dispute reach an agreement to resolve the matter. Please note that Investment Adviser Representatives and firms may choose to settle customer disputes or regulatory matters for business or other reasons.
 - A "resolved" matter usually includes a disposition wherein no payment is made to the customer or there is no finding of wrongdoing on the part of the Investment Adviser Representative. Such matters generally involve customer disputes.

(4) You may wish to contact the Investment Adviser Representatives to obtain further information regarding any of the disclosure events contained in this IAPD report.



DISCLOSURE EVENT DETAILS

When evaluating this information, please keep in mind that some items may involve pending actions or allegations that may be contested and have not been resolved or proven. The event may, in the end, be withdrawn, dismissed, resolved in favor of the Investment Adviser Representative, or concluded through a negotiated settlement with no admission or finding of wrongdoing.

This report provides the information exactly as it was reported to the Investment Adviser Registration Depository. Some of the specific data fields contained in the report may be blank if the information was not provided.

The following types of events are disclosed about this representative:

| Type | Count |
|------------------|-------|
| Regulatory Event | 3 |
| Civil Event | 1 |
| Customer Dispute | 1 |

Regulatory Event

This disclosure event may include a final, formal proceeding initiated by a regulatory authority (e.g., a state securities agency, a federal regulator such as the Securities and Exchange Commission or the Commodities Futures Trading Commission, or a foreign financial regulatory body) for a violation of investment-related rules or regulations. This disclosure event may also include a revocation or suspension of an Investment Adviser Representative's authority to act as an attorney, accountant or federal contractor.

Disclosure 1 of 3

| | |
|--|---|
| Reporting Source: | Individual |
| Regulatory Action Initiated By: | WASHINGTON STATE OFFICE OF THE INSURANCE COMMISSIONER |
| Sanction(s) Sought: | Undertaking |
| Date Initiated: | 03/03/2025 |
| Docket/Case Number: | Order No. 25-0017 |
| Employing firm when activity occurred which led to the regulatory action: | None |
| Product Type: | Insurance |
| Allegations: | Pursuant to RCW 48.17.530, the State of Washington Office of the Insurance Commissioner ("OIC") sought to issue a probationary insurance producer license to Mr. Davrey on account of his having reported an outstanding IRS debt on his initial registration application dated November 14, 2024. Mr. Davrey consented to the entry of an order granting him a probationary insurance producer license in Washington under the conditions that he agreed to (1) comply fully with the applicable laws of the state of Washington and (2) provide proof of payment towards his outstanding IRS tax debt to the OIC on a quarterly basis. The license issued to Mr. Davrey will remain probationary for a period of five (5) years or until the IRS debt is paid in full, whichever is earliest. |
| Current Status: | Final |
| Resolution: | Consent |



Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?

No

Resolution Date:

03/03/2025

Sanctions Ordered:

Undertaking

Other: Pursuant to RCW 48.17.530, the State of Washington Office of the Insurance Commissioner ("OIC") sought to issue a probationary insurance producer license to Mr. Davrey on account of his having reported an outstanding IRS debt on his initial registration application dated November 14, 2024. Mr. Davrey consented to the entry of an order granting him a probationary insurance producer license in Washington under the conditions that he agreed to (1) comply fully with the applicable laws of the state of Washington and (2) provide proof of payment towards his outstanding IRS tax debt to the OIC on a quarterly basis. The license issued to Mr. Davrey will remain probationary for a period of five (5) years or until the IRS debt is paid in full, whichever is earliest.

Disclosure 2 of 3

Reporting Source:

Individual

Regulatory Action Initiated By:

STATE OF WASHINGTON DEPARTMENT OF FINANCIAL INSTITUTIONS, DIVISION OF CONSUMER SERVICES

Sanction(s) Sought:

Denial
Prohibition

Date Initiated:

09/24/2007

Docket/Case Number:

2007-DFI-0057

Employing firm when activity occurred which led to the regulatory action:

AMERICAN MORTGAGE XPRESS, LLC

Product Type:

No Product

Allegations:

THE STATE OF WASHINGTON DEPARTMENT OF FINANCIAL INSTITUTIONS, DIVISION OF CONSUMER SERVICES ("DIVISION"), SOUGHT TO BAN AMERICAN MORTGAGE XPRESS, LLC ("AMERICAN") AND PRAVIN DAVREY, INDIVIDUALLY AND AS MANAGING PARTNER OF AMERICAN, FROM PARTICIPATION IN THE MORTGAGE BROKERAGE INDUSTRY IN WASHINGTON STATE UNTIL AUGUST 31, 2014 FOR (1) NEGLIGENTLY MAKING A FALSE STATEMENT OR WILLFULLY MAKING AN OMISSION OF MATERIAL FACT IN CONNECTION WITH THEIR RESPECTIVE MORTGAGE BROKER LICENSE APPLICATION AND LOAN ORIGINATOR LICENSES APPLICATION (COLLECTIVELY, "APPLICATIONS"); (2) FAILING TO PROVIDE AN ACCURATE AND COMPLETE APPLICATIONS; AND (3) FAILURE TO DEMONSTRATE CHARACTER AND FITNESS SUCH AS TO COMMAND CONFIDENCE OF THE COMMUNITY AND TO WARRANT A BELIEF THAT THE RESPONDENT'S BUSINESS AS A LOAN ORIGINATOR WOULD BE OPERATED HONESTLY AND FAIRLY WITHIN THE PURPOSES OF THE STATE OF WASHINGTON'S MORTGAGE BROKER PRACTICES ACT, CHAPTER 19.146 RCW.

Current Status:

Final



| | |
|---|--|
| Resolution: | Order |
| Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct? | Yes |
| Resolution Date: | 03/06/2009 |
| Sanctions Ordered: | Denial Prohibition Other: THE APPLICATION OF AMERICAN MORTGAGE XPRESS LLC FOR A MORTGAGE BROKER LICENSE WITH THE WASHINGTON DEPARTMENT OF FINANCIAL INSTITUTIONS WAS DENIED. THE APPLICATION OF PRAVIN DAVREY FOR A LOAN ORIGINATOR LICENSE WITH THE WASHINGTON DEPARTMENT OF FINANCIAL INSTITUTIONS WAS DENIED. AMERICAN MORTGAGE XPRESS LLC AND PRAVIN DAVREY WERE PROHIBITED UNTIL AUGUST 31, 2014, FROM PARTICIPATION, IN ANY MANNER, IN THE CONDUCT OF THE AFFAIRS OF ANY MORTGAGE BROKER OR LOAN ORIGINATOR SUBJECT TO LICENSURE BY THE WASHINGTON DEPARTMENT OF FINANCIAL INSTITUTIONS. |
| Broker Statement | AFTER THE PROHIBITION PERIOD WAS COMPLETED ON AUGUST 31, 2014, MR. DAVREY RE-APPLIED AND WAS GRANTED A LOAN ORIGINATOR LICENSE BY THE WASHINGTON DEPARTMENT OF FINANCIAL INSTITUTIONS ON JUNE 23, 2015. |
| Disclosure 3 of 3 | |
| Reporting Source: | Regulator |
| Regulatory Action Initiated By: | NASD |
| Sanction(s) Sought: | |
| Other Sanction(s) Sought: | |
| Date Initiated: | 08/08/2002 |
| Docket/Case Number: | C3B020015 |
| Employing firm when activity occurred which led to the regulatory action: | DAVREY FINANCIAL SERVICES, INC. |
| Product Type: | Other |
| Other Product Type(s): | TELEVISION ADVERTISEMENTS |
| Allegations: | SEC RULES 15C3-1,17A-3, 17A-4, NASD RULES 2110, 2210(D)(1)(A), 2210(D)(1)(B), 2210(D)(2)(D),2220(C)(1),2220(D)(2)(A),2220(D)(2)(A)(I), 2220(D)(2)(B)(I),2220(D)(2)(B)(II),3110 - A MEMBER FIRM, ACTING THROUGH DAVREY, ENTERED INTO SEPARATE STOCK REDEMPTION AGREEMENTS WITH FORMER SHAREHOLDERS TO REDEEM THEIR SHARE OF PREFERRED STOCK, PAID MONTHLY PAYMENTS FROM THE FIRM'S OPERATING ACCOUNT, AND FAILED TO RECORD ITS LIABILITY TO THE SHAREHOLDERS ON THE FIRM'S BOOKS AND RECORDS, CAUSING THE BOOKS AND RECORDS TO BE INACCURATE; A MEMBER FIRM, ACTING THROUGH DAVREY, USED INSTRUMENTALITIES OF INTERSTATE COMMERCE TO EFFECT TRANSACTIONS IN SECURITIES WHILE FAILING TO |



MAINTAIN REQUIRED NET CAPITAL; A MEMBER FIRM, ACTING THROUGH DAVREY, MADE EXAGGERATED, UNWARRANTED OR MISLEADING STATEMENTS OR CLAIMS IN TELEVISION ADVERTISEMENTS; FAILED TO SUBMIT A SCRIPT, OUTLINE, LIST OF QUESTIONS, OR OTHER MATERIAL USED IN THE PREPARATION OF A TV AD TO THE NASD FOR APPROVAL AT LEAST TEN DAYS PRIOR TO ITS USE; FAILED TO INCLUDE A WARNING IN A TV AD THAT OPTIONS ARE NOT SUITABLE FOR ALL INVESTORS; REFERRED TO POTENTIAL OPPORTUNITIES OR ADVANTAGES PRESENTED BY OPTIONS IN A TV AD WHICH WERE NOT BALANCED BY A STATEMENT OF CORRESPONDING RISKS; FAILED TO STATE THE NAME AND ADDRESS OF A PERSON FROM WHOM A CURRENT OPTIONS DISCLOSURE DOCUMENT MIGHT BE OBTAINED IN A TV AD; AND USED A PROJECTED PERFORMANCE FIGURE, INCLUDING AN ANNUALIZED RATE OF RETURN IN A TV AD PERTAINING TO OPTIONS.

Current Status: Final

Resolution: Decision

Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct? No

Resolution Date: 01/25/2006

Sanctions Ordered: Suspension

Other Sanctions Ordered:

Sanction Details: US COURT OF APPEALS FOR THE NINTH CIRCUIT DISMISSED RESPONDENT'S PETITION TO SET ASIDE THE SEC DECISION FOR REVIEW FOR LACK OF JURISDICTION ON JANUARY 25, 2006. THEREFORE, RESPONDENT IS SUSPENDED FOR TWO YEARS AS A PRINCIPAL AND AS A FINOP AND REQUIRED TO REQUALIFY IN BOTH CAPACITIES. DAVREY IS ALSO SUSPENDED AS A REGISTERED REPRESENTATIVE FOR TWO YEARS AND THE SUSPENSIONS SHALL RUN CONCURRENTLY. DAVREY IS REQUIRED TO FILE ALL ADVERTISING WITH THE NASD FOR PRE-USE APPROVAL FOR TWO YEARS. THE SUSPENSIONS AS A FINOP, PRINCIPAL AND REGISTERED REPRESENTATIVE ARE IN EFFECT FROM FEBRUARY 6, 2006 THROUGH FEBRUARY 5, 2008.

Regulator Statement **** HISTORICAL SEQUENCE OF EVENTS WITH RESPECT TO THE COMPLAINT, DECISIONS RENDERED AND APPEALS FILED: HEARING PANEL DECISION RENDERED AUGUST 11, 2003, WHEREIN RESPONDENT IS SUSPENDED FOR TWO YEARS FROM ASSOCIATION WITH ANY NASD MEMBER FIRM IN ANY CAPACITY, ORDERED TO REQUALIFY BY EXAMINATION AS A FINOP BEFORE SERVING AGAIN IN SUCH CAPACITY AND IS JOINTLY AND SEVERALLY RESPONSIBLE FOR \$1,933.42 IN COSTS. IN ADDITION, DAVREY SHALL SUBMIT ALL OF HIS PROPOSED ADVERTISING TO NASD FOR "PRE-USE" APPROVAL FOR A PERIOD OF TWO YEARS BEGINNING WHEN DAVREY RE-ENTERS THE SECURITIES INDUSTRY FOLLOWING HIS SUSPENSION. HEARING PANEL DECISION APPEALED TO THE NAC ON SEPTEMBER 5, 2003. NAC DECISION RENDERED ON SEPTEMBER 7, 2004, AFFIRMING THE HEARING PANEL'S FINDINGS OF VIOLATIONS BUT MODIFYING THE SANCTIONS. NAC DECISION APPEALED TO THE SEC OCTOBER 7, 2004. SEC DECISION RENDERED ON JUNE 2, 2005, AFFIRMING THE NAC FINDINGS; THEREFORE DAVREY IS SUSPENDED FOR TWO YEARS AS A PRINCIPAL AND AS A FINOP AND REQUIRED TO REQUALIFY IN BOTH CAPACITIES. DAVREY IS ALSO



SUSPENDED AS A REGISTERED REPRESENTATIVE FOR TWO YEARS AND THE SUSPENSIONS SHALL RUN CONCURRENTLY. DAVREY IS REQUIRED TO FILE ALL ADVERTISING WITH THE NASD FOR PRE-USE APPROVAL FOR TWO YEARS.

APPEALED TO THE 9TH CIRCUIT ON 8/5/2005. US COURT OF APPEALS FOR THE NINTH CIRCUIT DISMISSED RESPONDENT'S PETITION TO SET ASIDE THE SEC DECISION FOR REVIEW FOR LACK OF JURISDICTION ON JANUARY 25, 2006.

Reporting Source: Individual

Regulatory Action Initiated By: NATIONAL ASSOCIATION OF SECURITIES DEALERS

Sanction(s) Sought: Censure
Civil and Administrative Penalty(ies)/Fine(s)
Suspension
Other: SUBMISSION OF PROPOSED ADVERTISING TO NASD FOR PRE-APPROVAL FOR 2 YEARS

Date Initiated: 08/09/2002

Docket/Case Number: [C3B020015](#)

Employing firm when activity occurred which led to the regulatory action: DAVREY FINANCIAL SERVICES, INC.

Product Type: Options
Other: TELEVISION ADVERTISEMENTS RELATED TO OPTIONS

Allegations: NASD ALLEGED VIOLATIONS OF SEC RULES 15C3-1,17A-3, 17A-4, NASD RULES 2110, 2210(D)(1)(A), 2210(D)(1)(B), 2210(D)(2)(D), 2220(C)(1), 2220(D)(2)(A), 2220(D)(2)(A)(I), 2220(D) (2)(B)(I), 2220(D)(2)(B)(II), and 3110. DAVREY FINANCIAL SERVICES, INC. ("DFS"), AN NASD MEMBER FIRM, ACTING THROUGH PRAVIN DAVREY ("DAVREY"), ENTERED INTO SEPARATE STOCK REDEMPTION AGREEMENTS WITH FORMER SHAREHOLDERS TO REDEEM THEIR SHARES OF PREFERRED STOCK, PAID MONTHLY PAYMENTS FROM THE FIRM'S OPERATING ACCOUNT, AND FAILED TO RECORD ITS LIABILITY TO THE SHAREHOLDERS ON THE FIRM'S BOOKS AND RECORDS, CAUSING THE BOOKS AND RECORDS TO BE INACCURATE; A MEMBER FIRM, ACTING THROUGH DAVREY, USED INSTRUMENTALITIES OF INTERSTATE COMMERCE TO EFFECT TRANSACTIONS IN SECURITIES WHILE FAILING TO MAINTAIN REQUIRED NET CAPITAL; A MEMBER FIRM, ACTING THROUGH DAVREY, MADE EXAGGERATED, UNWARRANTED OR MISLEADING STATEMENTS OR CLAIMS IN TELEVISION ADVERTISEMENTS; FAILED TO SUBMIT A SCRIPT, OUTLINE, LIST OF QUESTIONS, OR OTHER MATERIAL USED IN THE PREPARATION OF A TV AD TO THE NASD FOR APPROVAL AT LEAST TEN DAYS PRIOR TO ITS USE; FAILED TO INCLUDE A WARNING IN A TV AD THAT OPTIONS ARE NOT SUITABLE FOR ALL INVESTORS; REFERRED TO POTENTIAL OPPORTUNITIES OR ADVANTAGES PRESENTED BY OPTIONS IN A TV AD WHICH WERE NOT BALANCED BY A STATEMENT OF CORRESPONDING RISKS; FAILED TO STATE THE NAME AND ADDRESS OF A PERSON FROM WHOM A CURRENT OPTIONS DISCLOSURE DOCUMENT MIGHT BE OBTAINED IN A TV AD; AND USED PROJECTED PERFORMANCE FIGURE, INCLUDING AN ANNUALIZED RATE OF RETURN IN A TV AD PERTAINING TO OPTIONS.

Current Status: Final



| | |
|---|--|
| Resolution: | Order |
| Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct? | Yes |
| Resolution Date: | 06/02/2005 |
| Sanctions Ordered: | Censure Civil and Administrative Penalty(ies)/Fine(s) Suspension Other: IN AUGUST 2003, FOLLOWING AN NASD INVESTIGATION, AN NASD HEARING PANEL ENTERED A DECISION FINDING THAT DFSI AND DAVREY (COLLECTIVELY "APPLICANTS") FAILED TO MAINTAIN ACCURATE BOOKS AND RECORDS AND CONDUCTED A SECURITIES BUSINESS WITH INSUFFICIENT NET CAPITAL IN VIOLATION OF SECURITIES EXCHANGE ACT RULES 17A-3,17A-4, AND 15C3-1 21 AND NASD CONDUCT RULES 2110 AND 3110. NASD ALSO FOUND THAT APPLICANTS VIOLATED NASD CONDUCT RULES 2110 AND 2210 WHEN DAVREY MADE EXAGGERATED, MISLEADING, AND UNWARRANTED STATEMENTS, OMITTED REQUIRED DISCLOSURES, AND MADE UNWARRANTED PROMISES OF SPECIFIC RESULTS WHEN HE APPEARED ON A TELEVISION PROGRAM PROMOTING DFSI. NASD ALSO FOUND THAT APPLICANTS FAILED TO SUBMIT THE MATERIAL ON WHICH THE PROGRAM WAS BASED TO NASD FOR PRE-USE APPROVAL AND OTHERWISE FAILED TO COMPLY WITH RULES GOVERNING ADVERTISING INVOLVING OPTIONS IN VIOLATION OF NASD CONDUCT RULES 2220 AND 2110. FOR THE RECORDKEEPING AND NET CAPITAL VIOLATIONS,NASD SUSPENDED DAVREY FOR TWO YEARS FROM ASSOCIATING AS A FINOP AND AS A GENERAL SECURITIES PRINCIPAL AND REQUIRED HIM TO RE-QUALIFY IN BOTH CAPACITIES. NASD CENSURED DFSI AND FINED IT \$15,000. FOR THE ADVERTISING VIOLATIONS, NASD SUSPENDED DAVREY FOR TWO YEARS FROM ASSOCIATING AS A GENERAL SECURITIES PRINCIPAL AND AS A GENERAL SECURITIES REPRESENTATIVE. NASD CENSURED DFSI AND FINED IT \$20,000. DAVREY AN DFSI WERE REQUIRED TO FILE ALL ADVERTISING MATERIALS WITH THE NASD FOR PRE-USE APPROVAL FOR A PERIOD OF TWO YEARS FOLLOWING RE-ENTRY TO THE INDUSTRY. DAVREY'S SUSPENSIONS AS A FINOP, PRINCIPAL, AND REGISTERED REPRESENTATIVE WERE IN EFFECT FROM FEBRUARY 6, 2006 THROUGH FEBRUARY 5, 2008 AND RAN CONCURRENTLY. DAVREY WAS ALSO HELD JOINTLY AND SEVERALLY RESPONSIBLE FOR \$1,933.42 IN COSTS. THE NAC AND SEC AFFIRMED THE NASD'S ORIGINAL DECISION IN 2004 AND 2005, RESPECTIVELY. THIS COMPLAINT WAS FILED AGAINST DFSI AND NOT OPTIONSPRESS. |
| Sanction 1 of 1 | |
| Sanction Type: | Suspension |
| Capacities Affected: | FINANCIAL AND OPERATIONS PRINCIPAL ("FINOP"), GENERAL SECURITIES PRINCIPAL, AND GENERAL SECURITIES REPRESENTATIVE |
| Duration: | TWO YEARS |
| Start Date: | 02/06/2006 |
| End Date: | 02/05/2008 |
| Requalification 1 of 1 | |
| Requalification Type: | Requalification by Exam |



| | |
|---|---|
| Length of time given to requalify: | TWO YEARS |
| Type of exam required : | SERIES 24 AND SERIES 7 |
| Has condition been satisfied: | No |
| Monetary Sanction 1 of 1 | |
| Monetary Related Sanction: | Civil and Administrative Penalty(ies)/Fine(s) |
| Total Amount: | \$35,000.00 |
| Portion Levied against individual: | \$0.00 |
| Payment Plan: | N/A |
| Is Payment Plan Current: | |
| Date Paid by individual: | |
| Was any portion of penalty waived? | Yes |
| Amount Waived: | \$35,000.00 |
| Broker Statement | DAVREY HAS CHOSEN NOT TO RE-QUALIFY AS A FINOP, GENERAL SECURITIES PRINCIPAL, OR GENERAL SECURITIES REPRESENTATIVE. DAVREY HAS NOT BEEN REGISTERED IN ANY CAPACITY WITH A BROKER-DEALER SINCE MAY 2005. |



Civil Event

This disclosure event involves an injunction issued by a foreign or domestic court in connection with investment-related activity, a finding by a domestic or foreign court of a violation of any investment-related statute or regulation, or an action dismissed by a domestic or foreign court pursuant to a settlement agreement.

Disclosure 1 of 1

Reporting Source: Individual

Initiated By: WASHINGTON STATE DEPARTMENT OF FINANCIAL INSTITUTIONS, DIVISION OF CONSUMER SERVICES

Relief Sought: Injunction
Other: DENIAL OF LICENSE APPLICATIONS; PROHIBITIVE INJUNCTION FROM MORTGAGE BROKERAGE INDUSTRY IN WA UNTIL AUGUST 31, 2014

Date Court Action Filed: 09/24/2007

Date Notice/Process Served: 09/24/2007

Product Type: No Product

Type of Court: ADMINISTRATIVE HEARING

Name of Court: STATE OF WASHINGTON OFFICE OF ADMINISTRATIVE HEARINGS FOR THE DEPARTMENT OF FINANCIAL INSTITUTIONS

Location of Court: TACOMA, WASHINGTON

Docket/Case #: 2007-DFI-0057

Employing firm when activity occurred which led to the action: AMERICAN MORTGAGE XPRESS, LLC

Allegations: THE STATE OF WASHINGTON DEPARTMENT OF FINANCIAL INSTITUTIONS, DIVISION OF CONSUMER SERVICES ("DIVISION"), SOUGHT TO BAN AMERICAN MORTGAGE XPRESS LLC ("AMERICAN") AND PRAVIN DAVREY, INDIVIDUALLY AND AS MANAGING PARTNER OF AMERICAN, FROM PARTICIPATION IN THE MORTGAGE BROKERAGE INDUSTRY IN WASHINGTON STATE UNTIL AUGUST 31, 2014 FOR (1) NEGLIGENTLY MAKING A FALSE STATEMENT OR WILLFULLY MAKING AN OMISSION OF MATERIAL FACT IN CONNECTION WITH THEIR RESPECTIVE MORTGAGE BROKER LICENSE APPLICATION AND LOAN ORIGINATOR LICENSE APPLICATIONS (COLLECTIVELY, "APPLICATIONS"); (2) FAILING TO PROVIDE ACCURATE AND COMPLETE APPLICATIONS; AND (3) FAILURE TO DEMONSTRATE CHARACTER AND FITNESS SUCH AS TO COMMAND CONFIDENCE OF THE COMMUNITY AND TO WARRANT A BELIEF THAT THE RESPONDENT'S BUSINESS AS A LOAN ORIGINATOR WOULD BE OPERATED HONESTLY AND FAIRLY WITHIN THE PURPOSES OF THE STATE OF WASHINGTON'S MORTGAGE BROKER PRACTICES ACT, CHAPTER 19.146 RCW.

Current Status: Final

Resolution: FINAL DECISION AND ORDER

Resolution Date: 03/06/2009

Sanctions Ordered or Relief Granted: Injunction
Other: DENIAL OF AMERICAN MORTGAGE XPRESS'S APPLICATION FOR A MORTGAGE BROKER LICENSE AND DENIAL OF PRAVIN DAVREY'S APPLICATION LOAN ORIGINATOR LICENSE.

Capacities 1 of 1



| | |
|-----------------------------|---|
| Capacities Affected: | LOAN ORIGINATOR LICENSE AND MORTGAGE BROKER LICENSE |
| Duration: | FIVE YEARS AND FIVE MONTHS |
| Start Date: | 03/06/2009 |
| End Date: | 08/31/2014 |
| Broker Statement | FOLLOWING THE EXPIRATION OF THE PROHIBITION PERIOD, PRAVIN DAVREY OBTAINED A MORTGAGE LOAN ORIGINATOR LICENSE IN THE STATE OF WASHINGTON ON SEPTEMBER 28, 2015. |



Customer Dispute

This section provides information regarding a customer dispute that was reported to the Investment Adviser Registration Depository (IARD) by the Investment Adviser Representative (IAR), an investment adviser and/or securities firm, and/or a securities regulator. The event may include a consumer-initiated, investment-related complaint, arbitration proceeding or civil suit that contains allegations of sales practice violations against the individual.

The customer dispute may be pending or may have resulted in a civil judgment, arbitration award, monetary settlement, closure without action, withdrawal, dismissal, denial, or other outcome.

Disclosure 1 of 1

Reporting Source: Individual

Employing firm when activities occurred which led to the complaint: DAVREY FINANCIAL SERVICES, INC.

Allegations: THE CLIENTS CLAIM THE BROKER DID NOT FOLLOW THE TRADING OBJECTIVES AND INSTRUCTIONS THE CLIENTS HAD REQUESTED, THEREFORE LOSING MONEY IN THEIR ACCOUNTS. CLAIMANTS ALLEGED COMPENSATORY DAMAGES IN THE AMOUNT OF \$90,660.95. ALL CORRESPONDENCE WAS KEPT BY DAVREY TO BE USED TO SUBSTANTIATE PROOF AGAINST THESE ALLEGATIONS.

Product Type: Options
Other: STOCKS, MUTUAL FUNDS

Alleged Damages: \$90,660.95

Is this an oral complaint? No

Is this a written complaint? Yes

Is this an arbitration/CFTC reparation or civil litigation? No

Customer Complaint Information

Date Complaint Received: 08/05/2000

Complaint Pending? No

Status: Settled

Status Date: 01/07/2002

Settlement Amount: \$17,000.00

Individual Contribution Amount: \$17,000.00

Broker Statement PRAVIN DAVREY DENIED ALL ALLEGATIONS IN THIS MATTER AND REACHED A SETTLEMENT WITH CLAIMANTS TO AVOID THE COSTS AND RISKS OF LITIGATION. THE COMPLAINT WAS SETTLED BY MR. DAVREY PRIOR TO THE COMMENCEMENT OF ARBITRATION FOR \$17,000 IN EXCHANGE FOR A RELEASE OF CLAIMS. ONLY \$14,000 WAS ACTUALLY REQUIRED TO BE PAID TO CLAIMANTS BY MR. DAVREY BASED ON HIS FINANCIAL HARDSHIP AND SUBSEQUENT PERSONAL BANKRUPTCY.



End of Report

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