

BrokerCheck Report

DAVID JOSEPH ESCARCEGA

CRD# 4367584

Report #88431-89293, data current as of Thursday, March 3, 2016.

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About BrokerCheck®

BrokerCheck offers information on all current, and many former, registered securities brokers, and all current and former registered securities firms. FINRA strongly encourages investors to use BrokerCheck to check the background of securities brokers and brokerage firms before deciding to conduct, or continue to conduct, business with them.

- **What is included in a BrokerCheck report?**

BrokerCheck reports for individual brokers include information such as employment history, professional qualifications, disciplinary actions, criminal convictions, civil judgments and arbitration awards. BrokerCheck reports for brokerage firms include information on a firm's profile, history, and operations, as well as many of the same disclosure events mentioned above.

Please note that the information contained in a BrokerCheck 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 broker or brokerage firm, or concluded through a negotiated settlement with no admission or finding of wrongdoing.

- **Where did this information come from?**

The information contained in BrokerCheck comes from FINRA's Central Registration Depository, or CRD® and is a combination of:

- information FINRA and/or the Securities and Exchange Commission (SEC) require brokers and brokerage firms to submit as part of the registration and licensing process, and
- information that regulators report regarding disciplinary actions or allegations against firms or brokers.

- **How current is this information?**

Generally, active brokerage firms and brokers are required to update their professional and disciplinary information in CRD within 30 days. Under most circumstances, information reported by brokerage firms, brokers and regulators is available in BrokerCheck the next business day.

- **What if I want to check the background of an investment adviser firm or investment adviser representative?**

To check the background of an investment adviser firm or representative, you can search for the firm or individual in BrokerCheck. If your search is successful, click on the link provided to view the available licensing and registration information in the SEC's Investment Adviser Public Disclosure (IAPD) website at <http://www.adviserinfo.sec.gov>. In the alternative, you may search the IAPD website directly or contact your state securities regulator at <http://www.finra.org/Investors/ToolsCalculators/BrokerCheck/P455414>.

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

FINRA recommends that you learn as much as possible about an investment professional before deciding to work with them. Your state securities regulator can help you research brokers and investment adviser representatives doing business in your state.



Using this site/information means that you accept the FINRA BrokerCheck Terms and Conditions. A complete list of Terms and Conditions can be found at

brokercheck.finra.org



For additional information about the contents of this report, please refer to the User Guidance or www.finra.org/brokercheck. It provides a glossary of terms and a list of frequently asked questions, as well as additional resources. For more information about FINRA, visit www.finra.org.

Thank you for using FINRA BrokerCheck.



DAVID J. ESCARCEGA

CRD# 4367584

Currently employed by and registered with the following Firm(s):

CENTER STREET SECURITIES, INC.

2740 OLD ELM HILL PIKE, SUITE 201
NASHVILLE, TN 37214

CRD# 26898

Registered with this firm since: 03/17/2010

CENTER STREET SECURITIES, INC.

16025 S 50TH STREET
#2108

PHOENIX, AZ 85044

CRD# 26898

Registered with this firm since: 03/17/2010

Report Summary for this Broker

This report summary provides an overview of the broker's professional background and conduct. Additional information can be found in the detailed report.

Broker Qualifications

This broker is registered with:

- 1 Self-Regulatory Organization
- 6 U.S. states and territories

This broker has passed:

- 0 Principal/Supervisory Exams
- 2 General Industry/Product Exams
- 2 State Securities Law Exams

Registration History

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

CHASE INVESTMENT SERVICES CORP.

CRD# 25574

GILBERT, AZ

09/2008 - 01/2010

LINCOLN FINANCIAL SECURITIES CORPORATION

CRD# 3870

CHANDLER, AZ

09/2004 - 09/2008

MONY SECURITIES CORPORATION

CRD# 4386

NEW YORK, NY

02/2003 - 08/2004

Disclosure Events

All individuals registered to sell securities or provide investment advice are required to disclose customer complaints and arbitrations, regulatory actions, employment terminations, bankruptcy filings, and criminal or civil judicial proceedings.

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

The following types of disclosures have been reported:

Type	Count
Regulatory Event	1
Customer Dispute	2
Termination	1

Investment Adviser Representative Information

The information below represents the individual's record as a broker. For details on this individual's record as an investment adviser representative, visit the SEC's Investment Adviser Public Disclosure website at

<http://www.adviserinfo.sec.gov>



Broker Qualifications

Registrations

This section provides the self-regulatory organizations (SROs) and U.S. states/territories the broker is currently registered and licensed with, the category of each license, and the date on which it became effective. This section also provides, for every brokerage firm with which the broker is currently employed, the address of each branch where the broker works.

This individual is currently registered with 1 SRO and is licensed in 6 U.S. states and territories through his or her employer.

Employment 1 of 1

Firm Name: **CENTER STREET SECURITIES, INC.**
 Main Office Address: **2740 OLD ELM HILL PIKE, SUITE 201
 NASHVILLE, TN 37214**
 Firm CRD#: **26898**

SRO	Category	Status	Date
FINRA	General Securities Representative	APPROVED	03/17/2010

U.S. State/ Territory	Category	Status	Date
Arizona	Agent	APPROVED	09/17/2013
California	Agent	APPROVED	09/17/2013
Minnesota	Agent	APPROVED	09/26/2013
North Dakota	Agent	APPROVED	09/25/2013
Texas	Agent	APPROVED	06/17/2014
Washington	Agent	APPROVED	09/25/2013

Branch Office Locations

CENTER STREET SECURITIES, INC.
 16025 S 50TH STREET
 #2108
 PHOENIX, AZ 85044



Broker Qualifications

Industry Exams this Broker has Passed

This section includes all securities industry exams that the broker has passed. Under limited circumstances, a broker may attain a registration after receiving an exam waiver based on exams the broker has passed and/or qualifying work experience. Any exam waivers that the broker has received are not included below.

This individual has passed 0 principal/supervisory exams, 2 general industry/product exams, and 2 state securities law exams.

Principal/Supervisory Exams

Exam	Category	Date
No information reported.		

General Industry/Product Exams

Exam	Category	Date
Investment Company Products/Variable Contracts Representative Examination	Series 6	03/15/2001
General Securities Representative Examination	Series 7	09/08/2008

State Securities Law Exams

Exam	Category	Date
Uniform Securities Agent State Law Examination	Series 63	03/20/2001
Uniform Investment Adviser Law Examination	Series 65	02/16/2006

Additional information about the above exams or other exams FINRA administers to brokers and other securities professionals can be found at www.finra.org/brokerqualifications/registeredrep/.



Registration and Employment History

Registration History

The broker previously was registered with the following firms:

Registration Dates	Firm Name	CRD#	Branch Location
09/2008 - 01/2010	CHASE INVESTMENT SERVICES CORP.	25574	GILBERT, AZ
09/2004 - 09/2008	LINCOLN FINANCIAL SECURITIES CORPORATION	3870	CHANDLER, AZ
02/2003 - 08/2004	MONY SECURITIES CORPORATION	4386	NEW YORK, NY
04/2002 - 02/2003	MML INVESTORS SERVICES, INC.	10409	SPRINGFIELD, MA
07/2001 - 03/2002	PRUCO SECURITIES CORPORATION	5685	NEWARK, NJ
03/2001 - 07/2001	MML INVESTORS SERVICES, INC.	10409	SPRINGFIELD, MA

Employment History

This section provides up to 10 years of an individual broker's employment history as reported by the individual broker on the most recently filed Form U4.

Please note that the broker is required to provide this information only while registered with FINRA or a national securities exchange and the information is not updated via Form U4 after the broker ceases to be registered. Therefore, an employment end date of "Present" may not reflect the broker's current employment status.

Employment Dates	Employer Name	Employer Location
12/2014 - Present	CENTER STREET ADVISORS, INC	NASHVILLE, TN
03/2010 - Present	CENTER STREET SECURITIES	NASHVILLE, TN
03/2010 - Present	STRATEGIC FINANCIAL PARTNERS LLC	CHANDLER, AZ
09/2008 - 03/2010	CHASE INVESTMENT SERVICES CORP	CHANDLER, AZ
07/2008 - 09/2008	LINCOLN FINANCIAL SECURITIES CORPORATION	CHANDLER, AZ
09/2004 - 07/2008	JEFFERSON PILOT SECURITIES CORPORATION	CHANDLER, AZ

Other Business Activities

This section includes information, if any, as provided by the broker regarding other business activities the broker 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.

SELLS NON-REGISTERED INSURANCE AND FIXED ANNUITY PRODUCTS.

Registration and Employment History



Other Business Activities, continued

D.B.A. NAME STRATEGIC FINANCIAL PARTNERS LLC



Disclosure Events

What you should know about reported disclosure events:

1. All individuals registered to sell securities or provide investment advice are required to disclose customer complaints and arbitrations, regulatory actions, employment terminations, bankruptcy filings, and criminal or civil judicial proceedings.
2. **Certain thresholds must be met before an event is reported to CRD, for example:**
 - A law enforcement agency must file formal charges before a broker is required to disclose a particular criminal event.
 - A customer dispute must involve allegations that a broker engaged in activity that violates certain rules or conduct governing the industry and that the activity resulted in damages of at least \$5,000.
3. **Disclosure events in BrokerCheck reports come from different sources:**
 - As mentioned at the beginning of this report, information contained in BrokerCheck comes from brokers, brokerage 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 BrokerCheck report. The different versions will be separated by a solid line with the reporting source labeled.
4. **There are different statuses and dispositions for disclosure events:**
 - A disclosure event may have a status of *pending*, *on appeal*, or *final*.
 - A "pending" event involves allegations that have not been proven or formally adjudicated.
 - An event that is "on appeal" involves allegations that have been adjudicated but are currently being appealed.
 - A "final" event has been concluded and its resolution is not subject to change.
 - A final 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 involves an agreement by the parties to resolve the matter. Please note that brokers and brokerage firms may choose to settle customer disputes or regulatory matters for business or other reasons.
 - A "resolved" matter usually involves no payment to the customer and no finding of wrongdoing on the part of the individual broker. Such matters generally involve customer disputes.

For your convenience, below is a matrix of the number and status of disclosure events involving this broker. Further information regarding these events can be found in the subsequent pages of this report. You also may wish to contact the broker to obtain further information regarding these events.

	Pending	Final	On Appeal
Regulatory Event	1	0	0



Customer Dispute	0	2	N/A
Termination	N/A	1	N/A



Disclosure Event Details

When evaluating this information, please keep in mind that a disclosure event may be pending or involve allegations that are contested and have not been resolved or proven. The matter may, in the end, be withdrawn, dismissed, resolved in favor of the broker, or concluded through a negotiated settlement for certain business reasons (e.g., to maintain customer relationships or to limit the litigation costs associated with disputing the allegations) with no admission or finding of wrongdoing.

This report provides the information exactly as it was reported to CRD and therefore some of the specific data fields contained in the report may be blank if the information was not provided to CRD.

Regulatory - Pending

This type of disclosure event involves a pending formal proceeding initiated by a regulatory authority (e.g., a state securities agency, self-regulatory organization, federal regulatory agency such as the Securities and Exchange Commission, foreign financial regulatory body) for alleged violations of investment-related rules or regulations.

Disclosure 1 of 1

Reporting Source:	Regulator
Regulatory Action Initiated By:	FINRA
Sanction(s) Sought:	Other: N/A
Date Initiated:	08/25/2014
Docket/Case Number:	2012034936005
Employing firm when activity occurred which led to the regulatory action:	CENTER STREET SECURITIES, INC.
Product Type:	Other: RENEWABLE SECURED DEBENTURES
Allegations:	ESCARCEGA WAS NAMED A RESPONDENT IN A FINRA COMPLAINT ALLEGING THAT HE MADE FALSE AND MISLEADING ORAL AND WRITTEN STATEMENTS TO CUSTOMERS IN CONNECTION WITH THEIR PURCHASES OF RENEWABLE SECURED DEBENTURES, WHICH ARE AN ILLIQUID AND HIGH-RISK ALTERNATIVE INVESTMENT. THE COMPLAINT ALLEGES ESCARCEGA FALSELY TOLD THE CUSTOMERS THAT THE DEBENTURES WERE SAFE, LOW-RISK, LIQUID, OR GUARANTEED. THE COMPLAINT ALSO ALLEGES THAT ESCARCEGA MADE UNSUITABLE RECOMMENDATIONS TO TWELVE CUSTOMERS TO PURCHASE A TOTAL OF ALMOST 1.5 MILLION OF THE DEBENTURES. ESCARCEGA'S RECOMMENDATIONS TO PURCHASE THE DEBENTURES WERE INCONSISTENT WITH HIS ELDERLY AND RETIRED



CUSTOMERS' INVESTMENT OBJECTIVES AND RISK TOLERANCES AND/OR RESULTED IN AN EXCESSIVE CONCENTRATION OF THE CUSTOMER'S TOTAL INVESTABLE ASSETS OR NET WORTH IN A SPECULATIVE AND RISKY INVESTMENT. THE COMPLAINT FURTHER ALLEGES THAT ESCARCEGA DISTRIBUTED TO NUMEROUS CUSTOMERS A MISLEADING SALES BROCHURE REGARDING THE DEBENTURES. THE BROCHURE STATED THAT THE DEBENTURES ARE SECURED BY A PORTFOLIO OF LIFE INSURANCE POLICIES. IN FACT, AS STATED IN THE PROSPECTUS FOR THE DEBENTURES, THE LIFE INSURANCE POLICIES ARE PLEDGED AS COLLATERAL FOR A SEPARATE LINE OF CREDIT AND ARE NOT COLLATERAL FOR THE DEBENTURES. IN ADDITION, THE COMPLAINT ALLEGES THAT ESCARCEGA CAUSED FALSE BOOKS AND RECORDS TO BE MAINTAINED AT HIS MEMBER FIRM BY OVERSTATING HIS CUSTOMERS' NET WORTH AND ASSET COMPOSITION IN CUSTOMER ACCOUNT FORMS COMPLETED IN CONNECTION WITH THE DEBENTURES SALES. ESCARCEGA ALSO CAUSED CUSTOMER FORMS TO CONTAIN FALSE INFORMATION BY STATING THAT DEBENTURE PURCHASES BY CERTAIN CUSTOMERS DID NOT INVOLVE A PRODUCT SWITCH FROM ANOTHER INVESTMENT TO THE DEBENTURES.

Current Status: Pending

Reporting Source: Broker

Regulatory Action Initiated By: FINRA

Sanction(s) Sought: Other: N/A

Date Initiated: 08/25/2014

Docket/Case Number: [2012034936005](#)

Employing firm when activity occurred which led to the regulatory action: CENTER STREET SECURITIES, INC

Product Type: Other: RENEWABLE SECURED DEBENTURE

Allegations: FINRA FILED A COMPLAINT AGAINST REPRESENTATIVE, ALLEGING VIOLATIONS OF FINRA RULES 2010, 2020, 2111, 2310,4511, NASD RULES 2310 AND 2210, AND SECTION 10(B) AND RULE 10(B)-5. FINRA ALLEGES IN ITS COMPLAINT, AMONG OTHER THINGS, THAT REPRESENTATIVE MADE MISSTATEMENTS IN CONNECTION WITH THE OFFER AND SALE OF GWG TO CUSTOMERS, MADE UNSUITABLE RECOMMENDATIONS OF GWG,



DISTRIBUTED A MISLEADING BROCHURE, AND CAUSED CENTER STREET TO MAINTAIN INACCURATE BOOKS AND RECORDS. REPRESENTATIVE INTENDS TO DENY THESE ALLEGATIONS BY FINRA, AND INTENDS TO VIGOROUSLY CONTEST THE CHARGES AND ALLEGATIONS AT HEARING.

Current Status:

Pending



Customer Dispute - Closed-No Action/Withdrawn/Dismissed/Denied

This type of disclosure event involves (1) a consumer-initiated, investment-related arbitration or civil suit containing allegations of sales practice violations against the individual broker that was dismissed, withdrawn, or denied; or (2) a consumer-initiated, investment-related written complaint containing allegations that the broker engaged in sales practice violations resulting in compensatory damages of at least \$5,000, forgery, theft, or misappropriation, or conversion of funds or securities, which was closed without action, withdrawn, or denied.

Disclosure 1 of 2

Reporting Source:	Broker
Employing firm when activities occurred which led to the complaint:	CENTER STREET SECURITIES, INC
Allegations:	CUSTOMER ALLEGES THAT IN DECEMBER 2012, REP ADVISED THE CLIENT TO SURRENDER TWO LIFE (FIXED INSURANCE) POLICIES, WHICH RESULTED IN A COMBINED FEDERAL AND STATE TAX LIABILITY OF APPROXIMATELY \$140,000.
Product Type:	Annuity-Fixed
Alleged Damages:	\$0.00
Alleged Damages Amount Explanation (if amount not exact):	CLIENT ALLEGES THE TRANSACTION CAUSED A TAX LIABILITY OF \$140,000. CLIENT IS ASKING FOR THE TRANSACTION TO BE CORRECTED AND THE TAX LIABILITY REVERSED.
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:	11/02/2014
Complaint Pending?	No
Status:	Closed/No Action
Status Date:	12/01/2014
Settlement Amount:	\$0.00
Individual Contribution Amount:	\$0.00



Disclosure 2 of 2

Reporting Source:	Broker
Employing firm when activities occurred which led to the complaint:	CENTER STREET SECURITIES
Allegations:	CLIENT ALLEGES THAT THE ADVISOR MISINTERPRETED THE AMOUNT OF PERMISSIBLE DOLLARS FOR NEW INVESTMENT. CLIENT ALLEGES REP STATED THE RETURN ON NEW INVESTMENT WOULD MORE THAN COVER THE SURRENDER CHARGE AND TAXES INCURRED FROM THE REMOVAL INCURRED FROM THE REMOVAL OF THE OLD INVESTMENT.
Product Type:	Debt-Corporate
Alleged Damages:	\$19,040.89
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:	08/16/2013
Complaint Pending?	No
Status:	Closed/No Action
Status Date:	09/11/2013

Settlement Amount:

Individual Contribution Amount:

Broker Statement

ACCORDING TO THE CLIENTS, THE SITUATION BEGAN WHEN THEY MEET WITH THE REP AND HIS ASSOCIATE. CLIENT HAD A CONVERSATION ABOUT WITHDRAWING DOLLARS FROM AN ANNUITIES AND PLACING THOSE DOLLARS INTO ANOTHER INVESTMENT. CLIENT MENTIONS THE CONVERSATION DISCUSSED HOW THE NEW RETURN WILL OFFSET PENALTIES FROM THE WITHDRAWAL OUT OF THE OLD INVESTMENT. CLIENT RECEIVED A REFUND CHECK FOR A PORTION OF THE NEW INVESTMENT. CLIENTS ARE NOT HAPPY WITH THE SURRENDER CHARGES AND INCOME TAXES THEY WERE CHARGED COMPARED TO THE RETURN. IN SEPTEMBER 2013, BROKER DEALER CLOSED THE COMPLAINT AND TOOK NO FURTHER ACTION. NO FURTHER CORRESPONDENCE HAS BEEN



RECEIVED FROM THE CLIENTS SINCE THAT TIME.



Employment Separation After Allegations

This type of disclosure event involves a situation where the broker voluntarily resigned, was discharged, or was permitted to resign after being accused of (1) violating investment-related statutes, regulations, rules or industry standards of conduct; (2) fraud or the wrongful taking of property; or (3) failure to supervise in connection with investment-related statutes, regulations, rules, or industry standards of conduct.

Disclosure 1 of 1

Reporting Source: Firm

Employer Name: CHASE INVESTMENT SERVICES CORP

Termination Type: Voluntary Resignation

Termination Date: 12/23/2009

Allegations: REGISTERED REP VOLUNTARILY RESIGNED WHILE UNDER INVESTIGATION. CLIENT REPORTED THAT REGISTERED REP SOLD HIM AN ANNUITY THROUGH NON-FIRM APPROVED VENDOR AND TRADE WAS NOT PRINCIPLED THROUGH FIRM.

Product Type: Annuity-Fixed

Reporting Source: Broker

Employer Name: CHASE INVESTMENTS

Termination Type: Voluntary Resignation

Termination Date: 12/22/2009

Allegations: REGISTERED REP VOLUNTARILY RESIGNED WHILE UNDER INVESTIGATION. CLIENT REPORTED THAT REGISTERED REP SOLD HIM AN ANNUITY THROUGH NON-FIRM APPROVED VENDOR AND TRADE WAS NOT PRINCIPLED THROUGH FIRM

Product Type: Other: ANNUITY

Broker Statement REP RESIGNED

End of Report



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