

BrokerCheck Report

DERRICK J CLOUSER

CRD# 2794557

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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:

- o 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
- o 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 <https://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.

Thank you for using FINRA BrokerCheck.



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.

DERRICK J. CLOUSER

CRD# 2794557

This broker is not currently registered.

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 not currently registered.

This broker has passed:

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

Registration History

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

PURSHE KAPLAN STERLING INVESTMENTS

CRD# 35747
Portland, OR
07/2014 - 10/2015

MORGAN STANLEY

CRD# 149777
VANCOUVER, WA
06/2009 - 07/2014

CITIGROUP GLOBAL MARKETS INC.

CRD# 7059
PORTLAND, OR
06/2008 - 06/2009

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

<https://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 broker is not currently registered.



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 3 state securities law exams.

Principal/Supervisory Exams

Exam	Category	Date
No information reported.		

General Industry/Product Exams

Exam	Category	Date
Securities Industry Essentials Examination	SIE	10/06/2015
General Securities Representative Examination	Series 7	09/12/1996

State Securities Law Exams

Exam	Category	Date
Uniform Combined State Law Examination	Series 66	08/19/2008
Uniform Investment Adviser Law Examination	Series 65	10/11/1996
Uniform Securities Agent State Law Examination	Series 63	09/26/1996

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
07/2014 - 10/2015	PURSHE KAPLAN STERLING INVESTMENTS	35747	Portland, OR
06/2009 - 07/2014	MORGAN STANLEY	149777	VANCOUVER, WA
06/2008 - 06/2009	CITIGROUP GLOBAL MARKETS INC.	7059	PORTLAND, OR
03/2001 - 07/2008	UBS FINANCIAL SERVICES INC.	8174	PORTLAND, OR
09/1996 - 03/2001	MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED	7691	NEW YORK, NY

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
07/2014 - Present	ENCOMPASS WEALTH ADVISORS, LLC	PORTLAND, OR
07/2014 - Present	PURSHE KAPLAN STERLING INVESTMENTS, INC.	ALBANY, NY
06/2009 - 07/2014	MORGAN STANLEY SMITH BARNEY	PORTLAND, OR
06/2008 - 06/2009	CITIGROUP GLOBAL MARKETS, INC.	PORTLAND, OR

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.

ENCOMPASS WEALTH ADVISORS, LL; INVESTMENT RELATED; 15350 SW SEQUOIA PKWY, STE 250, PORTLAND, OR 97224; RIA; IAR; START DATE 07/15/2014; FULL-TIME



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:**
 - o A law enforcement agency must file formal charges before a broker is required to disclose a particular criminal event.
 - o 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.
 - o
3. **Disclosure events in BrokerCheck reports come from different sources:**
 - o 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.
 - o
4. **There are different statuses and dispositions for disclosure events:**
 - o 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.
 - o 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	0	1	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 - Final

This type of disclosure event may involve (1) a final, formal proceeding initiated by a regulatory authority (e.g., a state securities agency, self-regulatory organization, federal regulatory such as the Securities and Exchange Commission, foreign financial regulatory body) for a violation of investment-related rules or regulations; or (2) a revocation or suspension of a broker's authority to act as an attorney, accountant, or federal contractor.

Disclosure 1 of 1

Reporting Source:	Regulator
Regulatory Action Initiated By:	Oregon Division of Financial Regulation
Sanction(s) Sought:	Cease and Desist Civil and Administrative Penalty(ies)/Fine(s)
Date Initiated:	10/02/2018
Docket/Case Number:	M-18-0021
URL for Regulatory Action:	
Employing firm when activity occurred which led to the regulatory action:	Encompass Wealth Advisors, LLC
Product Type:	Other: Mortgage loan fraud
Allegations:	While Closure was a licensed IA representative, he took the quarterly report of one of his clients, deleted her name and address, and substituted his own name and address. He then submitted the report as part of his mortgage loan application. He also inflated his income in his loan application.
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?	Yes
Resolution Date:	10/02/2018
Sanctions Ordered:	Bar (Temporary/Time Limited) Cease and Desist Civil and Administrative Penalty(ies)/Fine(s)
Sanction 1 of 1	
Sanction Type:	Bar (Temporary/Time Limited)
Capacities Affected:	All Capacities
Duration:	10 years
Start Date:	10/02/2018
End Date:	10/02/2028
Monetary Sanction 1 of 1	
Monetary Related Sanction:	Civil and Administrative Penalty(ies)/Fine(s)
Total Amount:	\$20,000.00
Portion Levied against individual:	\$20,000.00
Payment Plan:	
Is Payment Plan Current:	
Date Paid by individual:	
Was any portion of penalty waived?	Yes
Amount Waived:	\$20,000.00
Regulator Statement	While Closure was a licensed IA rep, he took the quarterly report of one of his clients, deleted her name and address, and substituted his own name and address. He then submitted the report as part of his mortgage loan application. He also inflated his income in his loan application. Clouser signed a consent order, agreeing not to pay for any license in securities, mortgage, and insurance for 10 years. Civil penalties totaling \$20,000 were imposed but suspended for 5 years.





Customer Dispute - Settled

This type of disclosure event involves a consumer-initiated, investment-related complaint, arbitration proceeding or civil suit containing allegations of sale practice violations against the broker that resulted in a monetary settlement to the customer.

Disclosure 1 of 2

Reporting Source:	Firm
Employing firm when activities occurred which led to the complaint:	UBS FINANCIAL SERVICES INC
Allegations:	MISREPRESENTATION AND FAILURE TO PROVIDE PROPECTUS. TIME FRAME: 2007-2008
Product Type:	Other: LEHMAN PPN
Alleged Damages:	\$1,000,000.00
Is this an oral complaint?	No
Is this a written complaint?	Yes
Is this an arbitration/CFTC reparation or civil litigation?	Yes
Arbitration/Reparation forum or court name and location:	FINRA
Docket/Case #:	10-2658
Filing date of arbitration/CFTC reparation or civil litigation:	06/28/2010

Customer Complaint Information

Date Complaint Received:	06/28/2010
Complaint Pending?	No
Status:	Settled
Status Date:	11/02/2011
Settlement Amount:	\$172,500.00
Individual Contribution Amount:	\$0.00



Reporting Source: Broker

Employing firm when activities occurred which led to the complaint: UBS FINANCIAL SERVICES INC

Allegations: MISREPRESENTATION AND FAILURE TO PROVIDE PROPECTUS. TIME FRAME: 2007-2008

Product Type: Other: LEHMAN PPN

Alleged Damages: \$1,000,000.00

Is this an oral complaint? No

Is this a written complaint? Yes

Is this an arbitration/CFTC reparation or civil litigation? Yes

Arbitration/Reparation forum or court name and location: FINRA

Docket/Case #: 10-2658

Filing date of arbitration/CFTC reparation or civil litigation: 06/28/2010

Customer Complaint Information

Date Complaint Received: 06/28/2010

Complaint Pending? No

Status: Settled

Status Date: 11/02/2011

Settlement Amount: \$172,500.00

Individual Contribution Amount: \$0.00

Disclosure 2 of 2

Reporting Source: Firm

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



Allegations: CLAIMANTS ALLEGE INTENTIONAL AND NEGLIGENT MISREPRESENTATIONS AND OMISSIONS, BREACH OF CONTRACT, VIOLATION OF STATE SECURITIES STATUTES, BREACH OF FIDUCIARY DUTY, UNJUST ENRICHMENT AND UNSUITABLE RECOMMENDATIONS IN CONNECTION WITH THE ALLEGED OVER-CONCENTRATED PURCHASES OF PRINCIPAL PROTECTED NOTES AND RETURN OPTIMIZATION SECURITIES ISSUED BY LEHMAN BROTHERS HOLDINGS INC.

Product Type: Other: PRINCIPAL PROTECTION NOTES AND RETURN OPTIMIZATION SECURITIES ISSUED BY LEHMAN BROTHERS HOLDINGS INC.

Alleged Damages: \$325,000.00

Alleged Damages Amount Explanation (if amount not exact): \$325,000 - \$500,000

Is this an oral complaint? No

Is this a written complaint? Yes

Is this an arbitration/CFTC reparation or civil litigation? Yes

Arbitration/Reparation forum or court name and location: FINRA

Docket/Case #: 09-03642

Filing date of arbitration/CFTC reparation or civil litigation: 06/29/2009

Customer Complaint Information

Date Complaint Received: 06/29/2009

Complaint Pending? No

Status: Settled

Status Date: 09/28/2010

Settlement Amount: \$175,000.00

Individual Contribution Amount: \$0.00

Reporting Source: Broker



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

Allegations: CLAIMANTS ALLEGE INTENTIONAL AND NEGLIGENT MISREPRESENTATIONS AND OMISSIONS, BREACH OF CONTRACT, VIOLATION OF STATE SECURITIES STATUTES, BREACH OF FIDUCIARY DUTY, UNJUST ENRICHMENT AND UNSUITABLE RECOMMENDATIONS IN CONNECTION WITH THE ALLEGED OVER CONCENTRATED PURCHASES OF PRINCIPAL PROTECTED NOTES AND RETURN OPTIMIZATION SECURITIES ISSUED BY LEHMAN BROTHERS HOLDINGS INC.

Product Type: Other: PRINCIPAL PROTECTION NOTES AND RETURN OPTIMIZATION SECURITIES ISSUED BY LEHMAN BROTHERS HOLDINGS INC.

Alleged Damages: \$325,000.00

Is this an oral complaint? No

Is this a written complaint? Yes

Is this an arbitration/CFTC reparation or civil litigation? Yes

Arbitration/Reparation forum or court name and location: FINRA

Docket/Case #: 09-03642

Filing date of arbitration/CFTC reparation or civil litigation: 06/29/2009

Customer Complaint Information

Date Complaint Received: 06/29/2009

Complaint Pending? No

Status: Settled

Status Date: 09/28/2010

Settlement Amount: \$175,000.00

Individual Contribution Amount: \$0.00



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:	ENCOMPASS WEALTH ADVISORS, LLC
Termination Type:	Discharged
Termination Date:	01/24/2017
Allegations:	This Firm's internal investigation, including but not limited to witness interviews and review of internal firm records, concluded that the Individual violated the firm's internal policies and/or industry rules and regulations including, but not limited to: (a) failing to disclose outside business activities; (b) misuse of client confidential information and misrepresentation of Individual's earned income (c) diversion of client funds into Individual's personal account through misrepresentation of a private placement; and (d) false statements of facts and material omissions regarding investment products and services offered by the Individual.
Product Type:	Other: Private Placement Offering

End of Report



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