
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 11-K

(Mark One)

- ANNUAL REPORT PURSUANT TO SECTION 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2019

OR

- TRANSITION REPORT PURSUANT TO SECTION 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

Commission file number 000-11917

- A. Full title of the plan and the address of the plan, if different from that of the issuer named below:

The Davey 401KSOP and ESOP

- B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:

**The Davey Tree Expert Company
1500 North Mantua Street
P.O. Box 5193
Kent, Ohio 44240**

**The Davey 401KSOP and ESOP ("Plan")
Form 11-K
December 31, 2019**

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The Davey 401KSOP and ESOP
December 31, 2019

SIGNATURES

The Plan. Pursuant to the requirements of the Securities Exchange Act of 1934, the Plan Administrator has duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

THE DAVEY 401KSOP AND ESOP

By: The Davey Tree Expert Company
as Plan Administrator

By: /s/ Joseph R. Paul

Joseph R. Paul
Executive Vice President, Chief Financial
Officer and Secretary

Date: May 18, 2020

The Davey 401KSOP and ESOP ("Plan")

Audited financial statements and supplemental schedules for the Plan prepared in accordance with the financial reporting requirements of the Employee Retirement Income Security Act of 1974, as amended, are filed herewith in lieu of an audited statement of financial condition and audited statement of income and changes in plan equity.

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Note: All other schedules are omitted as not applicable or not required.

Report of Independent Registered Public Accounting Firm

Plan Administrator and The Committee

The Davey 401KSOP and ESOP

Kent, Ohio

Opinion on the Financial Statements

We have audited the accompanying statement of net assets available for benefits of The Davey 401KSOP and ESOP (the “Plan”) as of December 31, 2019 and 2018, the related statement of changes in net assets available for benefits for the year ended December 31, 2019, and the related notes and schedules (collectively referred to as the financial statements). In our opinion, the financial statements present fairly, in all material respects, the net assets available for the benefits of the Plan as of December 31, 2019 and 2018, and the changes in net assets available for benefits for the year ended December 31, 2019, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Plan’s management. Our responsibility is to express an opinion on the Plan’s financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Plan in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Supplemental Information

The accompanying supplemental schedule of assets (held at end of year) as of December 31, 2019, and reportable transactions for the year then ended (collectively referred to as the supplemental information), have been subjected to audit procedures performed in conjunction with the audit of the Plan’s financial statements. The supplemental information is the responsibility of the Plan’s management. Our audit procedures included determining whether the supplemental information reconciles to the financial statements or the underlying accounting and other records, as applicable, and performing procedures to test the completeness and accuracy of the information presented in the supplemental information. In forming our opinion on the supplemental information, we evaluated whether the supplemental information, including its form and content, is presented in conformity with the Department of Labor’s Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. In our opinion, the supplemental information is fairly stated, in all material respects, in relation to the financial statements as a whole.

/s/ Mayer Hoffman McCann P.C.

Akron, Ohio

May 18, 2020

We have served as the Plan’s auditor since 2017.

The Davey 401KSOP and ESOP
Statement of Net Assets Available for Benefits
December 31, 2019

	Nonparticipant Directed		Participant Directed	
	The Davey Tree Expert Company Stock Fund		Investment Funds	Total
				December 31, 2019
Assets				
Investments, at fair value:				
Common shares, The Davey Tree Expert Company	\$ 104,641,947	\$	15,190,554	\$ 119,832,501
Mutual funds	—		118,112,932	118,112,932
Common collective trust funds	—		24,695,192	24,695,192
Total investments	104,641,947		157,998,678	262,640,625
Receivables:				
The Davey Tree Expert Company contributions	4,291,330		—	4,291,330
Participants' contributions	—		72,439	72,439
Total receivables	4,291,330		72,439	4,363,769
Net assets available for benefits	\$ 108,933,277	\$	158,071,117	\$ 267,004,394

See notes to financial statements.

The Davey 401KSOP and ESOP
Statement of Net Assets Available for Benefits
December 31, 2018

	<u>Nonparticipant Directed</u>		<u>Participant Directed</u>	
	<u>The Davey Tree Expert Company Stock Fund</u>		<u>Investment Funds</u>	<u>Total</u>
				<u>December 31, 2018</u>
Assets				
Investments, at fair value:				
Common shares, The Davey Tree Expert Company	\$ 99,192,474	\$	13,568,658	\$ 112,761,132
Mutual funds	—		93,305,187	93,305,187
Common collective trust funds	—		21,525,947	21,525,947
Total investments	<u>99,192,474</u>		<u>128,399,792</u>	<u>227,592,266</u>
Receivables:				
The Davey Tree Expert Company contributions	3,835,573		—	3,835,573
Participants' contributions	—		356,675	356,675
Total receivables	<u>3,835,573</u>		<u>356,675</u>	<u>4,192,248</u>
Net assets available for benefits	<u>\$ 103,028,047</u>	\$	<u>128,756,467</u>	<u>\$ 231,784,514</u>

See notes to financial statements.

The Davey 401KSOP and ESOP
Statement of Changes in Net Assets Available for Benefits
Year ended December 31, 2019

	<u>Nonparticipant Directed</u>		<u>Participant Directed</u>		<u>Total</u>
	<u>The Davey Tree Expert Company Stock Fund</u>		<u>Investment Funds</u>		<u>Year Ended December 31, 2019</u>
Additions to net assets attributed to:					
Contributions:					
Participants	\$ —		\$ 11,861,755		\$ 11,861,755
The Davey Tree Expert Company, common shares	4,293,538		—		4,293,538
Net appreciation in fair value of investments	10,828,575		31,309,421		42,137,996
Dividends	447,775		2,010,416		2,458,191
Total additions	<u>15,569,888</u>		<u>45,181,592</u>		<u>60,751,480</u>
Deductions from net assets attributed to:					
Distributions to participants:					
Cash	7,425,150		15,612,297		23,037,447
Common shares	2,027,044		18,980		2,046,024
Administrative expenses	212,464		235,665		448,129
Total deductions	<u>9,664,658</u>		<u>15,866,942</u>		<u>25,531,600</u>
Net increase	5,905,230		29,314,650		35,219,880
Net assets available for benefits:					
Beginning of year	103,028,047		128,756,467		231,784,514
End of year	<u>\$ 108,933,277</u>		<u>\$ 158,071,117</u>		<u>\$ 267,004,394</u>

See notes to financial statements.

The Davey 401KSOP and ESOP
Notes to Financial Statements
December 31, 2019

A. Description of the Plan

The following description of The Davey 401KSOP and ESOP (the "Plan") provides general information about the Plan's provisions. The Davey Tree Expert Company is the Plan Sponsor (the "Company" and "Sponsor"). Participants should refer to the Plan document for a more complete description of the Plan's provisions, copies of which may be obtained from the Plan Sponsor.

The Plan was established for the benefit of eligible employees as of January 1, 1979 and is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (sometimes referred to as "ERISA").

General--The Plan is a defined contribution plan covering substantially all eligible employees of the Company and each subsidiary of the Company that has adopted the Plan. The eligibility of employees to participate in the Plan is based, in general, on both attaining age 21 and completing one year of continuous service.

The Plan, known for periods prior to January 1, 1997 as The Davey Tree Expert Company Employee Stock Ownership Plan, was last amended and restated effective January 1, 2015. The portion of the Plan consisting of The Davey Tree Expert Company Stock Fund (the "ESOP feature") is an employee stock ownership plan within the meaning of Section 4975(e)(7) of the Internal Revenue Code (the "Code") as a stock bonus plan. The portion of the Plan that is not the ESOP feature is a profit-sharing plan that is intended to qualify under Section 401(a) of the Code and includes a cash or deferred arrangement intended to qualify under Section 401(k) of the Code.

Argent Trust Company ("Argent") serves as trustee for the assets of The Davey Tree Expert Company Stock Fund and Wells Fargo Bank Minnesota, N.A. ("Wells Fargo") serves as trustee for all other assets of the Plan. Wells Fargo provides custodial services, as well as other services, including executing all buy, sell and reinvestment transactions, and collecting and reporting all dividend and interest payments.

Contributions--Participating employees have the option to make elective contributions, subject to the limit allowed by the Code (\$19,000 for 2019, excluding catch-up contributions), further limited by other maximum contribution limits established by federal law, and subject to a weekly minimum contribution of 1% of the participant's compensation. Newly eligible employees are automatically enrolled in the Plan at a 1% before-tax savings rate unless they indicate their desire not to make contributions or elect to enroll at a different percentage. Participants may also contribute amounts representing rollover distributions from other qualified plans (403(b) plans, 457 plans, conduit IRAs and other 401K plans). Additionally, participants who are 50 or older by the end of the calendar year are also allowed to make additional "catch-up" contributions on either a pre-tax basis or after-tax basis, up to \$6,000 per year. The Plan provides for employer matching contributions of 100% for the first one percent and 50% of the next three percent, limited to the first four percent of the participant's compensation deferred each year.

Effective January 1, 2020, the Company, with the approval of the Compensation Committee and Board of Directors, amended the Plan to be a safe harbor plan. Under the plan amendment, the Company made changes to the hardship provisions and will be required to make quarterly matching contributions in Company stock equal to 100% of the first three percent and 50% of the next two percent of the participant's W-2 wages, subject to IRS limit of \$285,000 in 2020 which will be 100% vested. This represents a potential maximum contribution of 4%.

Participant Accounts--Each participant's account is (a) credited with the participant's contribution and allocations of (i) the Company's contribution and (ii) plan earnings, and (b) charged with an allocation of administrative expenses. Allocations are based on the participant's selected investment mix. A participant is entitled to the benefit that can be provided from the participant's vested account balance.

The Davey 401KSOP and ESOP
Notes to Financial Statements
December 31, 2019

Vesting--Participants are immediately vested in their contributions plus actual earnings thereon. Vesting in the Company's matching contribution plus actual earnings thereon is based on years of continuous service. A participant is 100% vested after three years of continuous service, retirement (at 65 years of age or early retirement), permanent disability or death.

Investment Options--Participants were provided with the following fund options, as of December 31, 2019, and related investment profiles (provided by the fund managers), including directing up to 25% of their total contributions to The Davey Tree Expert Company Stock Fund, subject to standard diversification provisions.

Vanguard Target Retirement Income Fund--Invests in a diversified portfolio of money market funds, bonds and stocks (with a smaller focus on stocks and bonds). Investments in asset classes consistent with the stated objectives and time horizon.

Vanguard Target Retirement 2015 Fund--Invests in a diversified portfolio of bonds and stocks (with a larger focus on bonds). Investments in asset classes consistent with the stated objectives and time horizon.

Vanguard Target Retirement 2020 Fund--Invests in a diversified portfolio of bonds and stocks (with more focus on bonds). Investments in asset classes consistent with the stated objectives and time horizon.

Vanguard Target Retirement 2025 Fund--Invests in a diversified portfolio of bonds and stocks (with an equal focus on stocks and bonds). Investments in asset classes consistent with the stated objectives and time horizon.

Vanguard Target Retirement 2030 Fund--Invests in a diversified portfolio of bonds and stocks (with a larger focus on stocks). Investments in asset classes consistent with the stated objectives and time horizon.

Vanguard Target Retirement 2035 Fund--Invests in a diversified portfolio of bonds and stocks (with a larger focus on stocks). Investments in asset classes consistent with the stated objectives and time horizon.

Vanguard Target Retirement 2040 Fund--Invests in a diversified portfolio of bonds and stocks (with a larger focus on stocks). Investments in asset classes consistent with the stated objectives and time horizon.

Vanguard Target Retirement 2045 Fund--Invests in a diversified portfolio of bonds and stocks (with a heavy focus on stocks). Investments in asset classes consistent with the stated objectives and time horizon.

Vanguard Target Retirement 2050 Fund--Invests in a diversified portfolio of bonds and stocks (with a heavy focus on stocks). Investments in asset classes consistent with the stated objectives and time horizon.

Vanguard Target Retirement 2055 Fund--Invests in a diversified portfolio of bonds and stocks (with a heavy focus on stocks). Investments in asset classes consistent with the stated objectives and time horizon.

Vanguard Target Retirement 2060 Fund--Invests in a diversified portfolio of bonds and stocks (with a heavy focus on stocks). Investments in asset classes consistent with the stated objectives and time horizon.

Vanguard Target Retirement 2065 Fund--Invests in a diversified portfolio of bonds and stocks (with a heavy focus on stocks). Investments in asset classes consistent with the stated objectives and time horizon.

JPMorgan Large Cap Growth Fund--Invests primarily in equity securities of large well-established companies, with long-term capital growth potential.

American EuroPacific Growth Fund--Invests in common stocks of companies in Europe and the Pacific Basin.

American New Perspective Fund--Invests in common stocks of companies located around the world.

**The Davey 401KSOP and ESOP
Notes to Financial Statements
December 31, 2019**

Vanguard Total Stock Market Index Adm Fund--Invests in U.S. common stocks, designed to replicate the performance of the Wilshire 5000 Index.

Metropolitan West Total Return Bond Fund--Invests in investment-grade fixed income securities with long-term growth potential.

T. Rowe Price Small Cap Stock Fund--Invests in stocks of small sized companies with long-term capital growth potential.

Wells Fargo Stable Return Fund F--Invests in high-grade money market instruments.

Wells Fargo Blackrock S&P Midcap Index CIT Fund--Invests in common stocks of mid-sized companies, designed to provide growth of capital and to replicate the performance of the Standard & Poor's Midcap Index.

Wells Fargo Blackrock S&P 500 Index CIT Fund--Invests in a diversified portfolio of common stocks included in the Standard and Poor's 500 Index designed to replicate the performance of the Standard & Poor's 500 Index.

Wells Fargo MFS Value CIT Fund--Invests in a diversified portfolio of large capitalization stocks with long-term growth potential.

The Davey Tree Expert Company Stock Fund--Invests in common shares of The Davey Tree Expert Company (with temporary investments made in a money market fund).

Participants may change their investment options daily.

Payments of Benefits--Participants who terminate may receive distributions of vested benefits either in cash or common shares of the Company based on the participant's specific investments in Plan options. Participants who terminate have one year after termination to receive distributions in cash or common shares but, if that one year lapses, then the participant's investment in the Company Stock Fund will be liquidated and reinvested in other funds. Former participants who receive a distribution of common shares of the Company have two 60-day put option periods in which they may require that the Company purchase those shares at a per share price equal to the value determined by an independent stock valuation firm as of the valuation date immediately preceding the exercise of the put option. Former participants wishing to sell their shares of the Company must offer such shares first to the Plan and then to the Company, although the Plan and the Company are under no obligation to repurchase the shares, other than pursuant to the put option. Should neither the Plan nor the Company desire to purchase the shares, former participants have the right to sell those shares to any other person.

Forfeited Accounts--Forfeited accounts arise from participants whose employment terminates before vesting occurs. However, if a former participant is rehired, in certain instances, forfeited accounts will be restored to the employee's Plan account. Amounts forfeited are used to restore previously forfeited accounts when necessary. Remaining amounts forfeited are used to offset future Company contributions. \$217,770 of forfeited amounts were used to reduce Employer matching contributions in 2019. At December 31, 2019, forfeited accounts totaled \$308,548.

Voting Rights--Each participant is entitled to exercise voting rights attributable to the common shares of the Company allocated to his or her account and is notified by the Trustee at least thirty days prior to the time such rights are to be exercised. Participants are requested to instruct the Trustee as to how shares should be voted. If a participant does not provide the Trustee with instructions as to how shares should be voted, then such shares are voted, as provided in the Plan, proportionately in accordance with instructions received from other participants in the Plan.

The Davey 401KSOP and ESOP
Notes to Financial Statements
December 31, 2019

Subsequent Event--The COVID-19 outbreak, which was declared a pandemic by the World Health Organization on March 11, 2020, has negatively impacted the world economy and as a result, performance of investment options available in the Plan. The extent to which the Plan may further be impacted by COVID-19 will depend largely on future developments, which are highly uncertain and cannot be accurately predicted, including new information which may emerge concerning the severity of the outbreak and actions by government authorities to contain the pandemic or treat its impact, among other things. As described in Note C, the Plan's investment in the common stock of The Davey Tree Expert Company is derived from an independent valuation based on a mix of market and income based approaches. The effect that COVID-19 will have on the Company's operations and ultimately its common stock valuation is currently unknown.

B. Summary of Significant Accounting Policies

Basis of Financial Statement Presentation--These financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Use of Estimates--The preparation of financial statements in conformity with U.S. GAAP requires Plan management to make estimates and assumptions that affect reported amounts. Actual results could differ from those estimates.

Investment Valuation and Income Recognition--The investments of the Plan are reported at fair value.

The change in net unrealized appreciation or (depreciation) on investments is included in the statement of changes in net assets available for benefits. Net appreciation (depreciation) in the fair value of investments includes the realized gain or loss on investments sold and unrealized gains/losses on investments held during the year determined on a revalued cost basis.

Purchases and sales of securities are accounted for on the trade date. Dividend income is accounted for on the ex-dividend date.

Administrative Expenses--The costs of administering the Plan are paid by the Company, except for trustee and recordkeeping fees, Company stock valuation services and audit fees, which are paid by the Plan.

C. Fair Value Measurements

Financial Accounting Standards Board Accounting Standard Codification No. 820, "Fair Value Measurement ("Topic 820")" defines fair value based on the price that would be received to sell an asset or the exit price that would be paid to transfer a liability in an orderly transaction between market participants at the measurement date. Market participants are defined as buyers or sellers in the principal or most advantageous market for the asset or liability that are independent of the reporting entity, knowledgeable and able and willing to transact for the asset or liability.

Valuation Hierarchy--Topic 820 establishes a fair value hierarchy that prioritizes observable and unobservable inputs used to measure fair value. The hierarchy prioritizes the inputs into three broad levels:

Level 1 inputs are quoted prices in active markets for identical assets or liabilities that the entity has the ability to access.

Level 2 inputs are observable inputs other than prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated with observable market data.

Level 3 inputs are unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets and liabilities. This includes certain pricing models, discounted cash flow methodologies and similar techniques that use significant unobservable inputs.

**The Davey 401KSOP and ESOP
Notes to Financial Statements
December 31, 2019**

Valuation Methodology and Valuation Hierarchy Classification

The following is a description of the valuation methodology used for the investments measured at fair value, including the general classification of the investments within the valuation hierarchy.

The Davey Tree Expert Company Common Stock Fund--The Davey Tree Expert Company Common Stock Fund is comprised of the Company's common shares and a small portion of short-term investments. The Company's common shares are not listed or traded on an established public trading market and market prices are, therefore, not available. Semiannually, for purposes of the Company's 401KSOP, the fair market value of the common shares is determined by an independent stock valuation firm, based upon Company performance and financial condition, using a peer group of comparable companies selected by that firm. The peer group at December 31, 2019 consisted of: ABM Industries Incorporated; Comfort Systems USA, Inc.; Dycom Industries, Inc.; FirstService Corporation; MYR Group, Inc.; Quanta Services, Inc.; Rollins, Inc.; and Scotts Miracle-Gro Company. The semiannual valuations are effective for a period of six months and the per-share price established by those valuations is the price at which the Board of Directors of the Company has determined that the common shares will be bought and sold during that six-month period in transactions involving the Company or one of its employee benefit or stock purchase plans. Since 1979, the Company has provided a ready market for all shareholders through its direct purchase of their common shares, although the Company is under no obligation to do so (other than for repurchases pursuant to the put option, as described in Note A).

Mutual Funds--Mutual funds are public investment vehicles valued using publicly-available net asset values ("NAV"). The NAV is a quoted price in an active market.

Common Collective Trust Funds--Common collective trust funds are stated at NAV as determined by the issuer of the common collective trust funds, based on the fair value of the underlying investments. The Wells Fargo common collective trust funds have no redemption restrictions within the plan.

The Plan's investments measured at fair value on a recurring basis at December 31, 2019 were as follows:

Investments Recorded at Fair Value on a Recurring Basis	Total Carrying Value at December 31, 2019	Fair Value Measurements at December 31, 2019:		
		Quoted prices in active markets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Common shares	\$ 119,832,501	\$ —	\$ 119,832,501	\$ —
Mutual funds	118,112,932	118,112,932	—	—
Common collective trust funds measured at net asset value (a)	24,695,192	—	—	—
	<u>\$ 262,640,625</u>	<u>\$ 118,112,932</u>	<u>\$ 119,832,501</u>	<u>\$ —</u>

**The Davey 401KSOP and ESOP
Notes to Financial Statements
December 31, 2019**

The Plan's investments measured at fair value on a recurring basis at December 31, 2018 were as follows:

Investments Recorded at Fair Value on a Recurring Basis	Total Carrying Value at December 31, 2018	Fair Value Measurements at December 31, 2018:		
		Quoted prices in active markets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Common shares	\$ 112,761,132	\$ —	\$ 112,761,132	\$ —
Mutual funds	93,305,187	93,305,187	—	—
Common collective trust funds measured at net asset value (a)	21,525,947	—	—	—
	<u>\$ 227,592,266</u>	<u>\$ 93,305,187</u>	<u>\$ 112,761,132</u>	<u>\$ —</u>

- (a) In accordance with Subtopic 820-10, certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The carrying value amounts presented in these tables are intended to provide reconciliation of the fair value hierarchy to the amounts presented in the Statements of Net Assets Available for Benefits.

D. Concentration of Market Risks and Other Uncertainties

The Plan had investments in the common stock of The Davey Tree Expert Company at December 31, 2019 of \$119,832,501, approximating 44.9% of net assets, and at December 31, 2018 of \$112,761,132, approximating 48.6% of net assets.

The investments in the common stock of The Davey Tree Expert Company are exposed to market risk--the potential economic loss that may result from adverse changes in fair value. Other investments of the Plan are also exposed to various risks, such as market risk, interest risk and credit risk. See Note A.

Due to the level of risk associated with the common stock of The Davey Tree Expert Company and other investments of the Plan, it is at least reasonably possible that changes in the values of investments will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statement of net assets available for benefits.

E. Transactions with Party-in-Interest

Certain plan investment choices include funds managed by Wells Fargo Bank Minnesota, N.A., one of the trustees for the Plan, and, therefore, these transactions qualify as party-in-interest transactions, as defined by ERISA. Fees paid to trustees during 2019 totaled \$415,569.

F. Termination of the Plan

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants become 100% vested in their accounts, to the extent not already vested.

The Davey 401KSOP and ESOP
Notes to Financial Statements
December 31, 2019

G. Tax Status of the Plan

The Internal Revenue Service (the "IRS") has determined and informed the Company, in a letter dated September 12, 2016, that the Plan is qualified and the trust established under the Plan is tax-exempt under the appropriate sections of the Code. Once qualified, the Plan is required to operate in conformity with the Code to maintain its qualification. The Plan Sponsor believes that the Plan is operated in compliance with the applicable requirements of the Code and therefore, believes the Plan, is qualified and the related trust is tax exempt.

U.S. GAAP requires Plan management to evaluate tax positions taken by the Plan and recognize tax liabilities in the financial statements if the Plan has taken uncertain tax positions that more-likely-than-not, based solely on technical merits, would not be sustained upon examination by the IRS. Plan management has evaluated the tax positions taken by the Plan, and has concluded that as of December 31, 2019, there are no uncertain tax positions taken or expected to be taken that would require recognition.

The Plan is subject to routine audits by tax jurisdictions for tax years for which the applicable statutes of limitations have not expired. Plan management believes it is no longer subject to income tax examinations for years prior to 2016. Currently, no audits relative to the Plan are in progress.

The Davey 401KSOP and ESOP
EIN: 34-0176110 Plan Number: 004
Schedule H, Line 4i--Schedule of Assets
(Held at End of Year)
December 31, 2019

(a)	(b)	(c)	(d)	(e)
	Identity of Issue, Borrower, Lessor or Similar Party	Description of Investment	Cost	Current Value
*	The Davey Tree Expert Company (A)	Common Stock; 4,951,756 shares	\$ 31,648,743	\$ 119,832,501
	Mutual Funds:			
	Vanguard	Vanguard Target Retirement Income Fund--122,285 shares	**	1,718,109
	Vanguard	Vanguard Target Retirement 2015 Fund--58,606 shares	**	889,639
	Vanguard	Vanguard Target Retirement 2020 Fund--282,785 shares	**	9,199,006
	Vanguard	Vanguard Target Retirement 2025 Fund--363,453 shares	**	7,210,912
	Vanguard	Vanguard Target Retirement 2030 Fund--219,972 shares	**	8,017,967
	Vanguard	Vanguard Target Retirement 2035 Fund--321,986 shares	**	7,251,124
	Vanguard	Vanguard Target Retirement 2040 Fund--285,811 shares	**	11,183,776
	Vanguard	Vanguard Target Retirement 2045 Fund--356,232 shares	**	8,798,929
	Vanguard	Vanguard Target Retirement 2050 Fund--158,492 shares	**	6,303,208
	Vanguard	Vanguard Target Retirement 2055 Fund--76,728 shares	**	3,313,891
	Vanguard	Vanguard Target Retirement 2060 Fund--17,615 shares	**	672,205
	Vanguard	Vanguard Target Retirement 2065 Fund--4,012 shares	**	96,483
	JPMorgan	JPMorgan Large Cap Growth Fund--250,120 shares	**	10,512,544
	American	American EuroPacific Growth Fund--36,080 shares	**	2,004,246
	American	American New Perspective Fund--266,761 shares	**	12,604,463
	Vanguard	Vanguard Total Stock Market Index Adm Fund--91,163 shares	**	7,264,768
	Metropolitan West	Metropolitan West Total Return Bond Fund--484,711 shares	**	4,987,681
	T. Rowe Price	T. Rowe Price Small Cap Stock Fund--307,474 shares	**	16,083,981
	Common Collective Trust Funds:			
*	Wells Fargo Bank Minnesota, N.A.	Wells Fargo Stable Return Fund F--628,393 units	6,796,199	7,032,718
*	Wells Fargo Bank Minnesota, N.A.	Wells Fargo Blackrock S&P Midcap Index CIT Fund--171,590 units	3,510,685	4,035,782
*	Wells Fargo Bank Minnesota, N.A.	Wells Fargo Blackrock S&P 500 Index CIT Fund--390,967 units	8,189,859	10,557,317
*	Wells Fargo Bank Minnesota, N.A.	Wells Fargo MFS Value CIT Fund--114,484 units	2,540,385	3,069,375
		Investments at Fair Value		<u>\$ 262,640,625</u>

* A party-in-interest as defined by ERISA

** Cost information is not required for participant-directed investments

(A) Nonparticipant and participant directed

The Davey 401KSOP and ESOP
EIN: 34-0176110 Plan Number: 004
Schedule H, Line 4j--Schedule of Reportable Transactions
December 31, 2019

Identity of Party Involved	Description of Asset (Include Interest Rate and Maturity in Case of a Loan)	Purchase Price	Selling Price	Cost of Asset	Current Value of Asset on Transaction Date	Net Gain or (Loss)
Category 3 - Series of transactions in excess of 5% of plan assets						
**	Davey Tree Stock Fund	\$ 5,351,132	\$ —	\$ 5,351,132	\$ 5,351,132	\$ —
**	Davey Tree Stock Fund	\$ —	\$ 11,823,455	\$ 3,458,134	\$ 11,823,455	\$ 8,365,321

There were no category 1, 2 or 4 reportable transactions during 2019.

Columns for "Lease rental" and "Expense incurred with transaction" are not applicable.

** Transactions made on the market.

EXHIBIT INDEX

Exhibit No. Description

23	Consent of Independent Registered Public Accounting Firm	Filed Herewith
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Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the Registration Statements (Forms S-8 No. 333-203865, No. 333-187205, No. 333-172738 and No. 333-211465) pertaining to The Davey 401KSOP and ESOP of our report dated May 18, 2020, with respect to the financial statements and schedules of The Davey 401KSOP and ESOP included in this Annual Report (Form 11-K) for the year ended December 31, 2019.

/s/ Mayer Hoffman McCann P.C.

Akron, Ohio
May 18, 2020