SCARBOROUGH CAPITAL MANAGEMENT

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Part 2A of Form ADV

Firm Brochure

March 24, 2021

This brochure provides information about the qualifications and business practices of Scarborough Capital Management. If you have any questions about the contents of this brochure, please contact Candice Davis, Chief Compliance Officer, at 410.573.5700 or cdavis@scmadvice.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Scarborough Capital Management also is available on the SEC's website at www.adviserinfo.sec.gov. You can search this site by a unique identifying number, known as a CRD number. Our firm's CRD number is 169517.

Any references to Scarborough Capital Management as a "registered investment adviser" or any reference to being "registered" does not imply a certain level of skill or training.

ITEM 2 MATERIAL CHANGES

This is an update to the Brochure for Scarborough Advisors, LLC d/b/a Scarborough Capital Management ("Scarborough"). This section will discuss only specific material changes that are made to the Scarborough Brochure and provide you with a summary of such changes along with a reference to the date of the last annual update to this Brochure.

The changes made to our last delivered brochure dated May 20, 2020 are as follows:

1. As of December 31, 2020, we were actively managing $927,750,686 of client assets on a discretionary basis.

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ITEM 4 ADVISORY BUSINESS

Scarborough Advisors, LLC d/b/a Scarborough Capital Management ("Scarborough") is an SEC-registered investment adviser with its principal place of business located in Annapolis, Maryland. Scarborough began conducting business in 1989 as The Scarborough Group, Inc. and later, in 2008, changed its name to Scarborough Capital Management, Inc. In November 2013, five long-time advisory representatives of the company purchased the firm.

The five equal owners of the firm are: Ryan Ansted, Ian Arrowsmith, Gregory Ostrowski, James Sprinkel, and Shawn Walker. Additional business information about the owners can be found in the Supplemental Brochure (ADV Part 2B) for each individual.

Scarborough primarily provides portfolio management services, but through separately negotiated contracts can also offer financial planning and consulting services. Scarborough acts as a sub-adviser to Retirement Management Systems Inc. ("RMS") which offers advice to plan participants regarding their employer sponsored plans (e.g. 401k).

SCARBOROUGH CAPITAL MANAGEMENT OFFERS THE FOLLOWING ADVISORY SERVICES:

PORTFOLIO MANAGEMENT SERVICE

Scarborough provides traditional portfolio management services where advisors create investment portfolios for clients and provide ongoing advice on those assets. Scarborough provides these services through Charles Schwab & Co. ("Schwab") who executes trades, settles securities transactions and maintains custody of client assets for these advisory accounts on behalf of Scarborough. The Scarborough advisor obtains information about the client's financial condition, objectives for the assets, tolerance for risk, time frame, and other investment considerations. This information is used to create the investment portfolio which is allocated among mutual funds, exchange-traded funds, equities, and other investments available through Schwab. In limited circumstances options trading may be approved on an account (*e.g.* if a client is transferring an account with existing options permissions) but this is not a core service or strategy implemented by Scarborough or its advisors. Scarborough provides its advisors with model portfolios that are intended as guidelines. Scarborough advisors can use the models as created, deviate from models, or not use them at all.

This service is provided on a discretionary basis, which means that Scarborough will buy or sell investments in the client's account without discussing the transactions in advance. The fee for this advisory service is asset-based which means that the account is charged a percentage of the value of cash and investments in the account quarterly. Agreement to the trading authority and asset-based fee is obtained through the asset management contract, which is provided to each client prior to the onset of the service. The asset management contract should be read carefully because it provides details on terms and conditions of the advisory relationship.

Scarborough does not sponsor a wrap, unbundled wrap, or fee and commission offset program.

FINANCIAL PLANNING

Scarborough also provides financial planning advice as a stand-alone service (outside of and in additional to portfolio management services) for a negotiated fee. Clients will review and sign a Financial Consulting Services Agreement prior to the onset of service which provides details on the type of financial planning services to be delivered, the fee for the service, and other terms and conditions of the contract. This document should be read carefully by the client.

Scarborough advisors will gather required information such as current financial status, future goals, time frames, and attitudes towards risk through personal interviews or other data gathering forms. Related documents supplied by the client, in addition to client responses, are carefully reviewed and then the Financial Plan document prepared.

Financial plan recommendations are not limited to any specific product or service. The recommendations are generally of a generic nature and the client is not obligated to implement the financial plan with Scarborough. The financial plan is designed so that the plan could be implemented with another firm if desired by the client. However, if the client should choose to utilize Scarborough's services in implementing all or a portion of the Financial Plan, Scarborough will receive additional compensation depending on the specific products or services chosen. Given that the compensation for implementation of the plan is in addition to any fee paid for the preparation of the Financial Plan, a conflict of interest exists because there is a financial incentive for Scarborough to recommend additional products that could be executed through the firm. Clients are not obligated to use Scarborough for financial planning services and the decision to implement any of the recommendations in the financial plan is entirely up to the client, both whether to implement and with whom.

While the specific categories to be reviewed will be determined based on the client's particular financial situation and desired planning objectives, categories for review may include the following:

a.) Investment Planning – Review of current financial situation. Develop asset allocation program.

b.) Budgeting – Prepare balance sheet and cash flow statement. Prepare feedback based upon client's stated goals.

c.) Estate Planning – Coordinate estate planning documents. Assist others in implementation of recommendations that minimize tax consequences and create a more efficient disposition of assets. Scarborough and its advisors do not prepare estate planning documents or provide legal advice. Fees for this service are in addition to legal fees from third parties, all of which will be borne by the client.

d.) Insurance Counseling – Identify various insurance needs, evaluate and coordinate existing insurance coverage. All insurance selections are the responsibility of the client. Scarborough advisors may be compensated in their separate capacity as insurance agents for any policies that are sold, in addition to the fee for this service. Any other incidental insurance costs or legal fees from third parties are the responsibility of the client.

e.) Retirement Planning – Coordinate investment planning, assist client in accumulating capital, create an income plan, provide recommendations on establishing retirement accounts. Fees for this service are in addition to any fees charged by third parties when investments are purchased and investment management fees, all of which will be borne by the client.

f.) Tax Planning – Provide general information on tax consequences and strategies. Scarborough and its advisors do not prepare tax returns or provide tax advice. Client will need to refer to their tax professional for specific advice and any incidental fees charged are in addition to the fees for this service.

Clients are advised to consult with their tax professionals and attorneys for all specific tax and legal matters. Clients are also advised to notify Scarborough immediately of changes to their financial status, goals, risk tolerance, or any other items of relevance that could impact the advice provided in the financial plan.

CONSULTATION SERVICE

Scarborough can provide consultation services on a stand-alone basis (outside of and in additional to portfolio management services) for a negotiated fee. These consultative services could include, among other things, asset allocation services or financial advice regarding specific personal and business situations. Clients will review and sign a Financial Consulting Services Agreement prior to the onset of service which provides details on the type of consultation being provided, the fee for the service, and other terms and conditions of the contract. This document should be read carefully by the client.

EDUCATIONAL SEMINARS

Scarborough provides investment education seminars as a service to corporations. These seminars cover various investment related and financial planning topics. The fee is negotiated for each seminar, and depends on the company sponsoring the seminar, the length of the seminar, the complexity of the topics being discussed, and the number of expected seminar participants. This service does not provide specific recommendations or delivery of any written advice to prospects or clients.

SAVINGS PLAN MANAGEMENT

The Savings Plan Management (“SPM”) program is an advisory service specifically for helping clients manage their 401k, 403b, or TSP accounts. Scarborough acts as a sub-adviser to RMS, which offers the Savings Plan Management program. As a sub-adviser, Scarborough works directly with 401(k) and 403(b) participants:

- To assess the suitability of RMS and the SPM program;
- To gather client information and relay this information to RMS;
- To contact the plan participants to assist the client with understanding the SPM program and its related services;
- To educate clients on the various risk levels in the model portfolios; and
- To help clients choose the most suitable model portfolio for their investment needs.

RMS acts as the investment adviser and provides asset management services for clients enrolled in the Savings Plan Management program. RMS manages individual client portfolios such as an employee's individual 401(k) or 403(b) account on a discretionary basis. This means that RMS may purchase or sell investments on behalf of the client without obtaining prior consent for each transaction. RMS does not manage assets at the plan sponsor (employer) level. RMS, as the investment adviser, will:

- Produce the investment strategies (models) using the available investments within the participant’s plan options, and
- Conduct all trading in the participant account.

Scarborough advisors may offer the Savings Plan Management program to qualified clients directly, or they may be introduced to clients through a Solicitor. Solicitors may be compensated on either a per-lead or flat-fee basis depending on the contract in place. If a Solicitor is paid on a per-lead basis, they will receive a portion of the client’s annual Program Fee, which is agreed upon with the client in writing at account opening. RMS retains a portion of the Program Fee for its services and the remainder is paid to Scarborough. The Solicitor payment is deducted from the Scarborough portion of the Program Fee. Clients referred by a Solicitor do not pay a higher Program Fee than clients who are introduced to the program by a Scarborough advisor.

Scarborough advisors help plan participants complete an Investor Profile and questionnaire, which are used to determine the plan participant’s portfolio style and tolerance for risk. Scarborough advisors then use this information to help the plan participant choose the most suitable model portfolio for their investment needs. RMS and a third party research company create the model portfolios using the available investments within the participant’s plan and execute the trades. Scarborough does not provide asset management services on these accounts, nor do they provide specific investment advice on the underlying securities in the client’s plan. The asset management services and advice on underlying securities in the client’s plan are provided by RMS.

Plan participant portfolios consist of mutual fund shares and, in certain circumstances, individual securities may be held (generally company stock). Plan participants are afforded the opportunity to update their profile when questionnaires are sent to clients for review, or at any other time by contacting their Scarborough advisor. Scarborough advisors communicate applicable changes to RMS.

Based on changes in a plan participant's personal situation, the markets and/or the economy, RMS may make allocation changes to the client's savings plan account on the client's behalf.

AMOUNT OF MANAGED ASSETS

As of December 31, 2020, we were actively managing $ 927,750,686f of client assets on a discretionary basis.

ITEM 5 FEES AND COMPENSATION

PORTFOLIO MANAGEMENT FEES

Scarborough's Portfolio Management Service is charged an asset-based fee. This means that the account is charged a percentage of the value of cash and investment in the account for advisory services. This fee is paid in advance and is assessed quarterly. The advisory fee is debited directly from advisory accounts (which means that the account value is reduced by the fee). The custodian (Schwab) debits the fee and remits the payment to Scarborough. This arrangement is agreed upon with the client in the asset management contract prior to the onset of service. Initially, when the portfolio is first established, the fee will be based upon the proportion of days remaining in the quarter. After this, the fee will be assessed quarterly based on the value of the account on the last trading day of the calendar quarter. Fees are negotiable and are not based on a share of capital gains or capital appreciation of the funds or any portion of the funds. The maximum allowable annual fee is 2.50%. Scarborough advisors or the client may terminate this advisory relationship at any time by providing written notification to the other. In such a circumstance, the quarterly fee will be prorated based on the number of days the account was open during the current quarter and the client will be refunded any prepaid, unearned fees. Schwab, the selected custodian for this service, charges commission rates, if applicable, that are generally considered discounted from customary retail commission rates. In addition, the client shall also incur charges imposed at the mutual fund level (e.g. management fees and other fund expenses).

FINANCIAL PLANNING SERVICE FEES

Fees for financial planning services are negotiable and typically range from $0 to $2,500. The fee is disclosed and agreed upon with the client by signing the Financial Consulting Services Agreement prior to the onset of service. The fee depends upon the nature of client relationship and the financial planning topics to be included in the financial plan. In some cases, a good faith deposit may be required. In such a case, the remaining balance is due upon delivery of the financial plan. Alternatively, the full fee will be due within 30 days of client receipt of the written financial plan. Scarborough advisors or the client may terminate this consultative relationship at any time by providing written notification to the other. Client will be responsible for any time spent by Scarborough in providing the client financial planning services and/or analyzing the client's situation. Any prepaid, unearned fees will be refunded to Client.

Financial Planning Fee Offset: Scarborough reserves the discretion to reduce or waive the hourly fee, the minimum fixed fee, or the remaining balance of an existing contract if a financial planning client chooses to engage us for our Portfolio Management Services.

CONSULTATION SERVICE FEES

Consultation fees are negotiable, but are typically based on an hourly rate ranging from $250 - $500 per hour or a flat rate to be determined on a case-by-case basis. Regardless if the fee is assessed at an hourly rate or as a flat fee, the rate will be defined in the Financial Consulting Services Agreement that will be validated by both parties prior to the onset of service. Depending upon the scope of the service provided, a retainer may be required. Otherwise, the client will be billed upon completion of the project. Scarborough advisors or the client may terminate this consultative relationship at any time by providing written notification to the other. Client will be responsible for any time spent by Scarborough in providing the consultative services, but any prepaid, unearned fees (in the case of a retainer) will be refunded to Client.

EDUCATIONAL SEMINAR FEES

The fees charged for the investment education seminars range from $0 to $10,000, plus the reimbursement of all expenses. The fee is negotiated for each seminar, and depends on the company sponsoring the seminar, the length of the seminar, the complexity of the topics being discussed, and the number of expected seminar participants. Typically an initial retainer will be requested, and the remainder of the fee is due and payable immediately following the seminar presentation. Expense reimbursement will be due and payable within 30 days from the date of invoice. Should a client cancel the seminar, Scarborough will negotiate with the client a refund of any prepaid, unearned fees.

SAVINGS PLAN MANAGEMENT FEES

RMS charges an advisory fee for its Savings Plan Management service. The fee for this service is fixed meaning that the amount of the fee will not fluctuate like an asset based fee unless the account moves to another tier. The amount of the fee varies depending upon the amount of assets held by a client within their company sponsored qualified savings plan. The advisory fee is paid in advance and is based on a 12-month automatically renewable agreement and can be paid on an annual, quarterly, or monthly basis. For accounts with substantial assets, the fee may be negotiable. Reduced fees are available for clients through Family Plan pricing. The first fee payment (or the entire annual fee if paying annually) is due upon acceptance of the Savings Plan Management Agreement. The fee schedule is below:

Account Size	Annual	Quarterly	Monthly
Under $100,000	$365	$100	$35.99
$100,000 –$499,999	$425	$115	$39.99
$500k+	$485	$135	$49.99

RMS, Scarborough and its advisors, or the client may terminate this relationship at any time by providing written notification to the other of their desire to cancel the agreement. Any prepaid, unearned fees will be returned to the client based the payment status of the account at the time of cancellation. RMS reserves the right to waive any uncollected fees. Please refer to the individual Agreement for additional details.

Scarborough, as a sub-adviser, receives a portion of the advisory fee paid to RMS by the client. If a Solicitor introduces the client to Scarborough, and they are being compensated on a per-lead basis, they will receive a portion of the Program Fee that is paid to Scarborough. Clients referred by a Solicitor do not pay a higher fee than clients who are introduced to the program by a Scarborough advisor. The fee paid to Scarborough from RMS in connection with the Savings Plan Management program is commensurate with the fees paid by other sub-advisers to RMS.

BROKERAGE LINK ARRANGEMENTS
If the plan participant utilizes a brokerage link arrangement offered by the employer as part of the 401(k) plan, SPM program services are available for those investments. The SPM fee in the case of brokerage link is a percentage fee based on the assets under management. The maximum management fee for 401(k) brokerage link advisory services is 1.5% annually and is based on the total market value of the assets in the client's 401(k) account. The management service applies only to mutual funds and securities of a similar nature within the client's brokerage link account. Generally, RMS requires a minimum account size of $100,000. However, exceptions may be made (e.g. due to related accounts, anticipated future earning capacity, etc.). Additional restrictions may apply based upon the employer's specific plan rules or requirements.

The brokerage link management fee is payable in advance on a quarterly basis and is determined by the ending balance of the client's account for each quarter. A recurring quarterly charge will be posted to the client's credit card for payment of the management fee. Clients that utilize Scarborough's Portfolio Management Service and hold an account with Schwab may have an existing arrangement in place to increase their Portfolio Management Service fee by the amount of the brokerage link fee to have the total management fee debited from their Schwab account. This payment option is no longer offered. Clients should refer to the Savings Plan Management Agreement for further details.

GENERAL INFORMATION

Mutual Fund Fees: All fees paid to Scarborough for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and/or ETFs to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge. A client could invest in a mutual fund directly without our services. In that case, the client would not receive the services provided by our firm which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to each client's financial condition and objectives. The client should review both the fees charged by the funds and our fees to fully understand the total amount of fees to be paid by the client.

Mutual Funds may offer multiple share classes that differ in their total expense, purchase minimums, and investor type. Scarborough will evaluate the available options in the portfolio and make recommendations to the share class that is most appropriate in consideration of the available alternatives, expected trading activity of the account, expected addition or removal of funds from the account, other security types held in the account, and total estimated cost of executing the portfolio.

Additional Fees and Expenses: In addition to our advisory fees, clients are also responsible for the fees and expenses charged by custodians and imposed by broker dealers, including transaction charges and commissions. Please refer to the "Brokerage Practices" section (Item 12) of this Form ADV for additional information.

Commission Assets Excluded from Advisory Fees: Advisory accounts may hold assets or products that were sold on a transactional basis and therefore charged a commission. The commissions are charged by our selected Broker-Dealer, currently Independent Financial Group ("IFG"), and a portion of these commissions gets paid to Scarborough advisors in their separate capacities as registered representatives. These commissions are exclusive of, and in addition to, Scarborough's portfolio management fees. This means assets that were charged the transactional rate (commission), will not be charged the ongoing asset management fee. The commissions and fees assessed by our chosen Broker-Dealer may be higher or lower than what is otherwise available through other broker-dealers.

ERISA Accounts: Scarborough is deemed to be a fiduciary to advisory clients that are employee benefit plans or individual retirement accounts (IRAs) pursuant to the Employee Retirement Income and Securities Act ("ERISA"), and regulations under the Internal Revenue Code of 1986 (the "Code"), respectively. As such, our firm is subject to specific duties and obligations under ERISA and the Internal Revenue Code that include among other things, restrictions concerning certain forms of compensation. To avoid engaging in prohibited transactions, Scarborough may only charge fees for investment advice about products for which our firm and/or our related persons do not receive any commissions or 12b-1 fees, or conversely, investment advice about products for which our firm and/or our related persons receive commissions or 12b-1 fees, however, only when such fees are used to offset Scarborough's advisory fees.

Advisory Fees in General: Clients should note that similar advisory services may (or may not) be available from other registered (or unregistered) investment advisers for similar or lower fees.

Limited Prepayment of Fees: Under no circumstances do we require or solicit payment of fees in excess of $1200 per client, six months or more in advance of services rendered.

ITEM 6 PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

Scarborough Capital Management does not charge performance-based fees.

ITEM 7 TYPES OF CLIENTS

Scarborough Capital Management offers and/or provides advisory services to the following types of clients:

- Individuals (other than high net worth individuals)
- High net worth individuals (at least $1M being managed by Scarborough and/or net worth in excess of $2.1M)
- Corporations or other businesses not listed above

ITEM 8 METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

METHODS OF ANALYSIS

Scarborough is an independent adviser with no affiliations with mutual funds, banks, or insurance companies. For Portfolio Management Services, Scarborough contracts an independent, third party research company to generate model portfolio allocations ranging from Conservative to Aggressive. These models are suitable for a variety of investors depending on their investment objectives, time frame, and tolerance for risk. These portfolios are intended as guidelines. Advisors can use the models as created, deviate from models, or not use them at all.

Scarborough uses the generally accepted principles of asset allocation to construct diversified portfolios that have efficient characteristics of risk and return, which means evaluating the volatility of various investment options and how they behave when combined. While there are usually some risk-reducing advantages to combining different asset types, the primary goal of diversification is to combine assets in a way that seeks to yield the least amount of risk for a given level of expected return. Researchers have shown how an investor can reduce the standard deviation (risk as measured by volatility) of portfolio returns by choosing assets that do not move exactly together.

A risk of this type of portfolio management is that it relies on historical performance of portfolios which may not be indicative of future performance.

For Savings Plan Management, the investment portfolios are created, maintained, and executed by RMS. Scarborough will assist plan participants with determining the model that is most appropriate for the plan participant using the results of the Investor Profile and questionnaire.

Scarborough receives a variety of research and information from mutual fund companies, in addition to information obtained from annual reports, prospectuses, filings with the SEC, financial newspapers and magazines, research providers and broker-dealers with whom we have a relationship. All of this information is used in order to develop investing strategies for each client’s financial situation.

INVESTMENT STRATEGIES

The following strategies are used when managing client accounts, provided that the strategies are appropriate to the needs of the client and consistent with the client's investment objectives, risk tolerance, and time horizon.

Long-term purchases (held at least one year)
Generally positions are purchased with the intention of holding them in the client's account for a year or longer. Typically this strategy is employed when we believe securities to be currently undervalued or we want exposure to a particular asset class over time, regardless of the current projection for this class.

A risk of the long-term purchase strategy is that by holding the security for this length of time, we may not take advantage of short-term gains that could be profitable to a client. Moreover, if our predictions are incorrect, a security may decline sharply in value before we make the decision to sell.

Short-term purchases (sold within a year)

When utilizing this strategy, positions are purchased with a specific time frame in mind in order to accommodate a client need or objective (e.g. purchase a new home). This strategy is not to be confused with "market timing", which is the practice of moving between asset classes, or in and out of the market altogether, in order to take advantage of predictive market shifts. Scarborough does not use market timing strategies.

A risk of the short-term purchase strategy is that the client may incur more transactional costs than a longer term strategy as a result of the more frequent trading that could be needed in order to respond to market changes and allow the strategy to develop over the shorter time period.

Risk of Loss
Securities investments are not guaranteed and you may lose money on your investments. We ask that you work with us to help us understand your tolerance for risk.

Risks for all forms of analysis
Our securities analysis methods rely on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly-available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

ITEM 9 DISCIPLINARY INFORMATION

We are required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management. There are no reportable disciplinary events relating to our firm and/or our management personnel.

ITEM 10 OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

CONFLICTS OF INTEREST:

Strategic Alliance Agreement:

In November 2013, the five equal owners of Scarborough (Ryan Ansted, Ian Arrowsmith, Gregory Ostrowski, Jay Sprinkel, and Shawn Walker) purchased the firm from J. Michael Scarborough. J. Michael Scarborough retained no ownership or control over Scarborough as a result of this sale, but remained the majority owner of Retirement Management Systems Inc. (“RMS”) with whom Scarborough has a selling agreement. The terms of the selling agreement between Scarborough and RMS were formalized at the time of sale in a document called the Strategic Alliance Agreement. The term of this agreement is ten years starting from the date executed (11/14/13) and is automatically renewed from that point forward unless terminated by either party. This agreement outlines contractual obligations between Scarborough and RMS which create a conflict of interest because Scarborough has a business incentive to meet the terms of this contract and some provisions are limiting. **Specific provisions of the agreement which present a conflict of interest include:**

- For the term of the agreement, Scarborough must exclusively use RMS and the Savings Plan Management program for clients interested in advice on their employer sponsored plan (e.g. 401k).
- For the term of the agreement, Scarborough is restricted from using a product that competes with RMS and the Savings Plan Management program unless RMS discontinues the service or makes material changes to the program that cause adverse effects to clients.
- For the term of the agreement and for a period of 6 months after, Scarborough may not purchase, invest in, merge with, enter into a joint venture with, become affiliated with, or engage in any other transaction with, an SPM competitor.
- For the term of the agreement, Scarborough pays RMS $230,000 annually in connection with the Strategic Alliance Agreement.
- For the term of the agreement, Scarborough receives from RMS a portion of the advisory fee paid by Savings Plan Management clients for advisory services.
- For clients referred to Scarborough for non-Savings Plan Management advisory services, there is a possibility for future revenue sharing between J. Michael Scarborough and/or RMS and Scarborough.

Broker-Dealer Affiliations and Activities:

Effective January 2, 2018, Scarborough Capital Management, its representatives, owners, and employees, became affiliated with Independent Financial Group, LLC (“IFG”). IFG’s principal business is a full services general securities broker-dealer registered with the Securities and Exchange Commissions, FINRA, and various other regulatory bodies. IFG is also an SEC registered investment adviser.

Scarborough advisors are also registered representatives of IFG and can sell brokerage related products or services to their clients on a transactional basis for commission.

Scarborough advisors are also licensed insurance agents with various insurance companies, and in such capacity, may recommend, on a fully disclosed basis, the purchase of insurance-related products.

Clients are not obligated to use Scarborough advisors or IFG for any security transaction. If clients decide to use Scarborough advisors to effect security transactions, they should be aware that IFG does have the contractual and compliance authority to place limitations on the vendors and product lines that the registered representative may use when conducting commission-based business. **This creates a conflict of interest because Scarborough will not be able to consider all available alternatives when making securities or insurance product recommendations.**

Clients should understand that selling securities and/or insurance on a commission basis is conducted in these other capacities (as a registered representative for securities transactions and as a licensed insurance agent for insurance transactions) and are not part of the investment advisory services offered by Scarborough. **This creates a conflict of interest because the receipt of additional compensation (commissions) by Scarborough advisors is a financial incentive that can impair the objectivity of our firm and these individuals when making advisory recommendations.**

<u>Affiliates and Related Parties:</u>

Scarborough and RMS are affiliates and related parties by virtue of overlapping ownership.

- Gregory Ostrowski, one of the owners of Scarborough, is a minority owner of RMS. He does not have any management authority or operational influence over RMS. He is not an investment adviser representative of RMS.
- Ian Arrowsmith, one of the owners of Scarborough, is a minority owner of RMS. He does not have any management authority or operational influence over RMS. He is not an investment adviser representative of RMS.

Scarborough endeavors at all times to put the interest of its clients first as part of our fiduciary duty as a registered investment adviser. We take the following steps to address these conflicts:

- disclose to clients the existence of all material conflicts of interest, including the potential for our firm and our employees to earn compensation from advisory clients in addition to our firm's advisory fees;
- disclose to clients that they are not obligated to purchase recommended investment products from our employees or affiliated companies;
- collect, maintain and document accurate, complete and relevant client background information, including the client’s financial goals, objectives and risk tolerance so that we may make appropriate recommendations;
- conduct reviews of client accounts to verify that recommendations made to a client are suitable to the client’s needs and circumstances;
- require that our employees seek prior approval of any outside employment activity so that we may ensure that any conflicts of interests in such activities are properly addressed;
- periodically monitor these outside employment activities to verify that any conflicts of interest continue to be properly addressed by our firm; and
- educate our employees regarding the responsibilities of a fiduciary, including the need for having a reasonable and independent basis for the investment advice provided to clients.

ITEM 11 CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

Scarborough has adopted a Code of Ethics which sets forth ethical standards of business conduct that we require of our employees, including compliance with applicable federal securities laws.

Scarborough and our personnel owe a duty of loyalty, fairness and good faith towards our clients, and have an obligation to adhere not only to the specific provisions of the Code of Ethics but to the general principles that guide the Code.

Our Code of Ethics includes policies and procedures for review of quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by the firm’s access persons. Among other things, our Code of Ethics also requires the prior approval of any acquisition of securities in a limited offering (e.g. private placement) or an initial public offering. Our code also provides for oversight, enforcement and recordkeeping provisions.

Scarborough's Code of Ethics further includes the firm's policy prohibiting the use of material non-public information. While we do not believe that we have any particular access to non-public information, all employees are reminded that such information may not be used in a personal or professional capacity.

A copy of our Code of Ethics is available to our advisory clients and prospective clients and will be provided to you upon request.

Our Code of Ethics is designed to assure that the personal securities transactions, activities and interests of our employees will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts.

Our firm and/or individuals associated with our firm may buy or sell for their personal accounts securities identical to or different from those recommended to our clients. In addition, any related person(s) may have an interest or position in a certain security(ies) which may also be recommended to a client.

It is the expressed policy of our firm that no person employed by us may purchase or sell any security prior to a transaction(s) being implemented for an advisory account, thereby preventing such employee(s) from benefiting from transactions placed on behalf of advisory accounts.

As disclosed in the preceding section of this Brochure (Item 10), related persons of our firm are separately registered as registered representatives of IFG. Scarborough's Retirement Advisors are also licensed as insurance agents with various insurance companies. Refer to Item 10 for a detailed explanation of these relationships and important conflict of interest disclosures.

ITEM 12 BROKERAGE PRACTICES

HOW WE SELECT BROKERS/CUSTODIANS

In order to obtain Portfolio Management Services offered by Scarborough, clients must establish a brokerage account with Schwab, a FINRA registered broker-dealer, member SIPC, to maintain custody of clients' assets and to effect trades for their accounts. In evaluating Schwab as a potential broker-dealer/custodian, it was noted that Schwab has financial strength, extensive reporting, and execution pricing and research.

Our custodian/broker-dealer selection will hold your assets and execute transactions on terms that are, overall, most advantageous when compared to other available providers and their services. We consider a wide range of factors when selecting a custodian/broker-dealer including, but not limited to:

- Combination of transaction execution services and asset custody services (generally without a separate fee for custody)
- Capability to execute, clear, and settle trades (buy and sell securities for your account)
- Capability to facilitate transfers and payments to and from accounts (wire transfers, check requests, etc.)
- Breadth of available investment products (e.g. stocks, bonds, mutual funds, exchange-traded funds [ETFs])
- Availability of investment research and tools that assist us in making investment decisions
- Quality of services
- Competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate the prices
- Reputation, financial strength, and stability
- Availability of other products and services that benefit us, as discussed below

Scarborough is independently owned and operated and not affiliated with Schwab. Schwab provides Scarborough with access to its institutional trading and custody services, which are typically not available to Schwab retail investors. These services generally are available to independent investment advisers on an unsolicited basis, at no charge to them so long as a total of at least $10 million of the adviser's clients' assets are maintained in accounts at Schwab. These services are not contingent upon our firm committing to Schwab any specific amount of business (assets in custody or trading commissions). Schwab's brokerage services include the execution of securities transactions, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

For client accounts maintained in its custody, Schwab generally does not charge separately for custody services but is compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades that are executed through Schwab or that settle into Schwab accounts.

Scarborough does not accept directed brokerage arrangements (directing a trade to a specific broker-dealer for execution at the client's request).

For Savings Plan Management services, RMS utilizes the custodian that is predetermined by the plan sponsor.

RESEARCH AND OTHER BENEFITS

Schwab offers other products and services that benefit Scarborough but may not directly benefit our clients' accounts. Many of these products and services may be used to service all or some substantial number of our client accounts, including accounts not maintained at Schwab.

Schwab's products and services that assist us in managing and administering our clients' accounts include software and other technology that:

i. provide access to client account data (such as trade confirmations and account statements);

ii. facilitate trade execution and allocate aggregated trade orders for multiple client accounts;

iii. provide research, pricing and other market data;

iv. facilitate payment of our fees from clients' accounts; and

v. assist with back-office functions, recordkeeping and client reporting.

Schwab may make available, arrange for, or pay third-party vendors for the types of services rendered to Scarborough. Schwab may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to our firm. Schwab may also provide other benefits such as educational events or occasional business entertainment of our personnel. Scarborough takes into account the availability of these products, services and other arrangements as part of the evaluation as to whether to require clients to custody their assets at Schwab, which creates a conflict of interest.

Other product wholesalers or custodians may also provide funding to Scarborough to sponsor certain client related events, educational events or occasional business entertainment events for our personnel. This creates a conflict of interest, however Scarborough works with a third-party research company to help develop models who is not a beneficiary of these arrangements in order to help mitigate this conflict.

BLOCK TRADES

Due to volume concerns and practicality, Scarborough generally does not block client trades and, therefore, we implement client transactions separately for each account. Consequently, certain client trades may be executed before others, at a different price and/or commission rate and our clients may not receive volume discounts available to advisers who block client trades.

ITEM 13 REVIEW OF ACCOUNTS

REVIEWS

For all investment advisory services (Portfolio Management Services and Savings Plan Management), Scarborough reviews individual accounts on a periodic basis to ensure that portfolios match the client's financial and account profile on file. In addition to these reviews, a review of an individual account could also be triggered by market and economic events, personal variables, or by client request. Clients are encouraged to participate in a review with their Scarborough advisor at least annually. Upon each review, as deemed appropriate, portfolios may or may not be adjusted.

For financial planning services, reviews may occur at different stages depending on the nature and terms of the specific engagement as agreed. However, typically no ongoing formal reviews will be conducted for Financial Planning clients unless otherwise agreed.

In addition to these reviews, Scarborough advisors meet routinely with our third party research consultants to review the model portfolios and their underlying securities.

REPORTS

Portfolio Management Services clients will receive statements from our selected custodian, Charles Schwab.

Savings Plan Management clients will receive statements from the custodian selected by their plan sponsor.

Any statements or reports supplied by Scarborough do not replace the statements or reports issued by the corresponding custodian and should be checked against the custodian statement for accuracy.

Financial Planning and Consulting clients may receive various reports as agreed and in accordance with their individual contracts. However, there is no formalized reporting outside of producing the agreed upon deliverable.

ITEM 14 CLIENT REFERRALS AND OTHER COMPENSATION

In January 2018, Scarborough's owners (Ryan Ansted, Ian Arrowsmith, Gregory Ostrowski, James Sprinkel, and Shawn Walker) received financial support from IFG in the form of a four-year forgivable loan and a traditional loan in connection with a broker-dealer change. The payments on the forgivable loan are forgiven over time based on the firm's association with IFG. The traditional loan is repayable to IFG on a four-year schedule. Neither loan is contingent on the firm, or its investment adviser representatives, attaining a minimum level of production with IFG. Additionally, advisory clients of Scarborough do not utilize IFG's advisory platform. However, these loans present a conflict of interest because Scarborough advisors are also registered representatives that may recommend commission products through IFG, and the firm has a financial incentive to maintain the relationship with IFG in order to benefit from the forgiveness or other terms of the loans.

Scarborough does not directly or indirectly compensate any person who is not a supervised person of our firm for client referrals to the Portfolio Management Services program. However, the Strategic Alliance Agreement with J. Michael Scarborough does allow for the possibility of future revenue sharing between J. Michael Scarborough or RMS and Scarborough for clients referred to the Portfolio Management Services program. There is no active agreement in place for revenue sharing or compensation with J. Michael Scarborough or RMS. Clients will be notified in writing if a revenue sharing arrangement is ever executed with J. Michael Scarborough or RMS.

Scarborough, acting as a sub-adviser to RMS, offers the Savings Plan Management program to plan participants. Scarborough receives a portion of the advisory fee paid by each client to RMS for advisory services and may compensate Solicitors who refer clients to the Savings Plan Management Program. Solicitors are supervised individuals. Solicitors may be compensated on either a per-lead or flat-fee basis depending on the contract in place. If a Solicitor is paid on a per-lead basis, they will receive a portion of the client's annual Program Fee. Clients pay an annual Program Fee, which is agreed upon in writing at account opening. RMS retains a portion of the Program Fee for its services and the remainder is paid to Scarborough. The Solicitor payment is deducted from the Scarborough portion of the Program Fee. Clients are not charged a higher Program Fee if they are referred through a Solicitor versus being introduced to the program directly by a Scarborough advisor.

Scarborough compensates several marketing firms for leads. The marketing firms do not send prospects to Scarborough directly. The prospects are provided the names of several investment firms that may fit their criteria (e.g. location, services, etc.) and the prospect decides which firm to engage. Scarborough compensates the marketing company on either a per-lead or a flat-fee basis in accordance with the contract in place with that marketing firm. Scarborough advisors may choose to pursue all leads provided, set limits on the type of leads provided, or not use these programs at all.

We receive an economic benefit from Schwab and other financial institutions in the form of the support products and services they make available to us and other independent investment advisors whose clients maintain their accounts at Schwab. These products and services, how they benefit us, and the related conflicts of interest are described above (see *Item 12 – Brokerage Practices*). The availability to us of Schwab's or other company's products and services is not based on us giving particular investment advice, such as buying particular securities for our clients.

ITEM 15 CUSTODY

Under government regulations, we are deemed to have custody of your assets because you authorize us to instruct the custodian (Schwab) to deduct our advisory fees directly from your account. The custodian maintains actual custody of your assets. You will receive account statements directly from the custodian at least quarterly. They will be sent to the email or postal mailing address that you have provided. You should carefully review those statements promptly when you receive them. We also urge you to compare the custodian's account statements to any periodic account statements or portfolio reports that you may receive from us, if requested.

We previously disclosed in the "Fees and Compensation" section (Item 5) of this Brochure that our firm directly debits advisory fees from client accounts.

As part of this billing process, the client's custodian is advised of the amount of the fee to be deducted from that client's account. On at least a quarterly basis, the custodian is required to send to the client a statement showing all transactions within the account during the reporting period.

Because the custodian does not calculate the amount of the fee to be deducted, it is important for clients to carefully review their custodial statements to verify the accuracy of the calculation, among other things. Clients should contact us directly if they believe that there may be an error in their statement.

Our firm does not have actual custody of client accounts.

ITEM 16 INVESTMENT DISCRETION

Clients may hire us to provide discretionary asset management services, in which case we place trades in a client's account without contacting the client prior to each trade to obtain the client's permission.

Our discretionary authority includes the ability to do the following without contacting the client:

- determine the security to buy or sell; and/or
- determine the amount of the security to buy or sell

Clients give us discretionary authority when they sign the asset management contract with our firm, and may limit this authority by giving us written instructions. Clients may also change/amend such limitations by once again providing us with written instructions.

ITEM 17 VOTING CLIENT SECURITIES

As a matter of firm policy, we do not vote proxies or class action lawsuits on behalf of clients. Therefore, although our firm may provide investment advisory services relative to client investment assets, clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, class action lawsuits tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets. Clients are responsible for instructing each custodian of the assets, to forward to the client copies of all proxies and shareholder communications relating to the client's investment assets.

We do not offer any consulting assistance regarding proxy issues to clients.

ITEM 18 FINANCIAL INFORMATION

Under no circumstances do we require or solicit payment of fees in excess of $1200 per client six months or more in advance of services rendered. Therefore, we are not required to include a financial statement.

As an advisory firm that maintains discretionary authority over accounts, we are also required to disclose any financial condition that is reasonably likely to impair our ability to meet our contractual obligations. On April 23, 2020, the firm obtained a loan in the amount of $360,725 through the Paycheck Protection Program ("PPP") which is a loan program established by the CARES Act and administered by the Small Business Administration. The program is designed to provide financial support to small businesses as a result of economic uncertainty presented by the coronavirus pandemic. These loans can be forgiven if certain criteria relating to retaining or rehiring employees are met within the required timelines, or they can be paid back at an interest rate of 1% over a 2 year time period from the loan origination date. Recognizing the difficulty of forecasting the extent to which operating conditions and other resources could be impacted by an ongoing health crisis, the firm obtained a loan through the PPP and has been using the funds for payroll and other expenses allowed under the program. Clients have not experienced a disruption of services and all contractual obligations have been met.

Scarborough has not been the subject of a bankruptcy petition at any time during the past ten years.