

FORM ADV**Uniform Application for Investment Adviser Registration****Part II - Page 1**

Name of Investment Adviser: Scarborough Capital Management, Inc.				
Address: (Number and Street) 441 Defense Highway, Suite E	(City) Annapolis	(State) MD	(Zip Code) 21401	Area Code: Telephone Number: (410) 573-5700

**This part of Form ADV gives information about the investment adviser and its business for the use of clients.
The information has not been approved or verified by any government authority.**

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	September 2009	

(Schedules A, B, C, D, and E are included with Part I of this Form, for the use of regulatory bodies, and are not distributed to clients.)

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

FORM ADV**Part II - Page 2**

Applicant:

Scarborough Capital Management, Inc.

SEC File Number:

801-37472

Date:

07/20/2008

Definitions for Part II

Related person - Any officer, director or partner of applicant or any person directly or indirectly controlling, controlled by, or under common control with the applicant, including any non-clerical, non-ministerial employee.

Investment Supervisory Services - Giving continuous investment advice to a client (or making investments for the client) based on the individual needs of the client. Individual needs include, for example, the nature of other client assets and the client's personal and family obligations.

1. A. Advisory Services and Fees. (check the applicable boxes)

For each type of service provided, state the approximate % of total advisory billings from that service.
(See instruction below.)

Applicant:		
<input checked="" type="checkbox"/> (1)	Provides investment supervisory services	88%
<input type="checkbox"/> (2)	Manages investment advisory accounts not involving investment supervisory services	%
<input checked="" type="checkbox"/> (3)	Furnishes investment advice through consultations not included in either service described above	2%
<input type="checkbox"/> (4)	Issues periodicals about securities by subscription	%
<input type="checkbox"/> (5)	Issues special reports about securities not included in any service described above	%
<input type="checkbox"/> (6)	Issues, not as part of any service described above, any charts, graphs, formulas, or other devices which clients may use to evaluate securities	%
<input checked="" type="checkbox"/> (7)	On more than an occasional basis, furnishes advice to clients on matters not involving securities	5%
<input type="checkbox"/> (8)	Provides a timing service	%
<input checked="" type="checkbox"/> (9)	Furnishes advice about securities in any manner not described above	5%

(Percentages should be based on applicant's last fiscal year. If applicant has not completed its first fiscal year, provide estimates of advisory billings for that year and state that the percentages are estimates.)

B.	Does the applicant call any of the services it checked above financial planning or some similar term?	Yes	No
		<input checked="" type="checkbox"/>	<input type="checkbox"/>

C. Applicant offers investment advisory services for: (check all that apply):

- | | |
|--|--|
| <input checked="" type="checkbox"/> (1) A percentage of assets under management | <input type="checkbox"/> (4) Subscription fees |
| <input checked="" type="checkbox"/> (2) Hourly charges | <input type="checkbox"/> (5) Commissions |
| <input checked="" type="checkbox"/> (3) Fixed fees (not including subscription fees) | <input type="checkbox"/> (6) Other |

D. For each checked box in A above, describe on Schedule F:

- the services provided, including the name of any publication or report issued by the adviser on a subscription basis or for a fee
- applicant's basic fee schedule, how fees are charged and whether its fees are negotiable
- when compensation is payable, and if compensation is payable before service is provided, how a client may get a refund or may terminate an investment advisory contract before its expiration date

2. Types of Clients - Applicant generally provides investment advice to: (check those that apply)

- | | |
|---|--|
| <input checked="" type="checkbox"/> A. Individuals | <input checked="" type="checkbox"/> E. Trusts, estates, or charitable organizations |
| <input type="checkbox"/> B. Banks or thrift institutions | <input checked="" type="checkbox"/> F. Corporations or business entities other than those listed above |
| <input type="checkbox"/> C. Investment companies | <input type="checkbox"/> G. Other (describe on Schedule F) |
| <input checked="" type="checkbox"/> D. Pension and profit sharing plans | |

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).

FORM ADV**Part II - Page 3**

Applicant:

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3. Types of Investments. Applicant offers advice on the following: (check those that apply)

- | | |
|--|--|
| <input checked="" type="checkbox"/> A. Equity Securities | <input checked="" type="checkbox"/> H. United States government securities |
| <input checked="" type="checkbox"/> (1) exchange-listed securities | |
| <input checked="" type="checkbox"/> (2) securities traded over-the-counter | <input type="checkbox"/> I. Options contracts on: |
| <input type="checkbox"/> (3) foreign issues | <input type="checkbox"/> (1) securities |
| | <input type="checkbox"/> (2) commodities |
| <input type="checkbox"/> B. Warrants | <input type="checkbox"/> J. Futures contracts on: |
| <input checked="" type="checkbox"/> C. Corporate debt securities | <input type="checkbox"/> (1) tangibles |
| (other than commercial paper) | <input type="checkbox"/> (2) intangibles |
| <input checked="" type="checkbox"/> D. Commercial paper | <input type="checkbox"/> K. Interests in partnerships investing in: |
| <input checked="" type="checkbox"/> E. Certificates of deposit | <input checked="" type="checkbox"/> (1) real estate |
| <input checked="" type="checkbox"/> F. Municipal securities | <input type="checkbox"/> (2) oil and gas interests |
| | <input type="checkbox"/> (3) other (explain on Schedule F) |
| <input type="checkbox"/> G. Investment company securities | <input checked="" type="checkbox"/> L. Other (explain on Schedule F) |
| <input checked="" type="checkbox"/> (1) variable life insurance | |
| <input checked="" type="checkbox"/> (2) variable annuities | |
| <input checked="" type="checkbox"/> (3) mutual fund shares | |

4. Methods of Analysis, Sources of Information, and Investment Strategies.

A. Applicant's security analysis methods include: (check those that apply)

- | | |
|---|---|
| (1) <input type="checkbox"/> Charting | (4) <input type="checkbox"/> Cyclical |
| (2) <input checked="" type="checkbox"/> Fundamental | (5) <input checked="" type="checkbox"/> Other (explain on Schedule F) |
| (3) <input checked="" type="checkbox"/> Technical | |

B. The main sources of information applicant uses include: (check those that apply)

- | | |
|---|---|
| (1) <input checked="" type="checkbox"/> Financial newspapers and magazines | (5) <input type="checkbox"/> Timing services |
| (2) <input checked="" type="checkbox"/> Inspections of corporate activities | (6) <input checked="" type="checkbox"/> Annual reports, prospectuses, filings with the Securities and Exchange Commission |
| (3) <input checked="" type="checkbox"/> Research materials prepared by others | (7) <input checked="" type="checkbox"/> Company press releases |
| (4) <input checked="" type="checkbox"/> Corporate rating services | (8) <input checked="" type="checkbox"/> Other (explain on Schedule F) |

C. The investment strategies used to implement any investment advice given to clients include: (check those that apply)

- | | |
|--|--|
| (1) <input checked="" type="checkbox"/> Long term purchases
(securities held at least a year) | (5) <input type="checkbox"/> Margin transactions |
| (2) <input checked="" type="checkbox"/> Short term purchases
(securities sold within a year) | (6) <input type="checkbox"/> Option writing, including covered options,
uncovered options or spreading strategies |
| (3) <input type="checkbox"/> Trading (securities sold within 30 days) | (7) <input checked="" type="checkbox"/> Other (explain on Schedule F) |
| (4) <input type="checkbox"/> Short sales | |

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).

FORM ADV**Part II - Page 4**

Applicant:

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801-37472

Date:

07/20/2008

5. Education and Business Standards.

Are there any general standards of education or business experience that applicant requires of those involved in determining or giving investment advice to clients?

Yes No
☒ ☐

(If yes, describe these standards on Schedule F.)

6. Education and Business Background.

For:

- each member of the investment committee or group that determines general investment advice to be given to clients, or
- if the applicant has no investment committee or group, each individual who determines general investment advice given to clients (if more than five, respond only for their supervisors)
- each principal executive officer of applicant or each person with similar status or performing similar functions.

On Schedule F, give the:

- | | |
|-----------------|--|
| • name | • formal education after high school |
| • year of birth | • business background for the preceding five years |

7. Other Business Activities. (check those that apply)

- ☐ A. Applicant is actively engaged in a business other than giving investment advice.
- ☐ B. Applicant sells products or services other than investment advice to clients.
- ☒ C. The principal business of applicant or its principal executive officers involves something other than providing investment advice.

(For each checked box describe the other activities, including the time spent on them, on Schedule F.)

8. Other Financial Industry Activities or Affiliations. (check those that apply)

- ☐ A. Applicant is registered (or has an application pending) as a securities broker-dealer.
- ☐ B. Applicant is registered (or has an application pending) as a futures commission merchant, commodity pool operator or commodity trading adviser.
- C. Applicant has arrangements that are material to its advisory business or its clients with a related person who is a:
- | | |
|--|--|
| <input type="checkbox"/> (1) broker-dealer | <input type="checkbox"/> (7) accounting firm |
| <input type="checkbox"/> (2) investment company | <input type="checkbox"/> (8) law firm |
| <input type="checkbox"/> (3) other investment adviser | <input type="checkbox"/> (9) insurance company or agency |
| <input type="checkbox"/> (4) financial planning firm | <input type="checkbox"/> (10) pension consultant |
| <input type="checkbox"/> (5) commodity pool operator, commodity trading adviser or futures commission merchant | <input type="checkbox"/> (11) real estate broker or dealer |
| <input type="checkbox"/> (6) banking or thrift institution | <input type="checkbox"/> (12) entity that creates or packages limited partnerships |

(For each checked box in C, on Schedule F identify the related person and describe the relationship and the arrangements.)

- D. Is applicant or a related person a general partner in any partnership in which clients are solicited to invest?
- Yes No
☐ ☒

(If yes, describe on Schedule F the partnerships and what they invest in.)

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).

FORM ADV**Part II - Page 5**

Applicant:

Scarborough Capital Management, Inc.

SEC File Number:

801-37472

Date:

12/24/2008

9. Participation or Interest in Client Transactions.

Applicant or a related person: (check those that apply)

- ☐ A. As principal, buys securities for itself from or sells securities it owns to any client.
- ☒ B. As broker or agent effects securities transactions for compensation for any client.
- ☐ C. As broker or agent for any person other than a client effects transactions in which client securities are sold to or bought from a brokerage customer.
- ☐ D. Recommends to clients that they buy or sell securities or investment products in which the applicant or a related person has some financial interest.
- ☒ E. Buys or sells for itself securities that it also recommends to clients.

(For each box checked, describe on Schedule F when the applicant or a related person engages in these transactions and what restrictions, internal procedures, or disclosures are used for conflicts of interest in those transactions.)

Describe, on Schedule F, your code of ethics, and state that you will provide a copy of your code of ethics to any client or prospective client upon request.

- 10. Conditions for Managing Accounts.** Does the applicant provide investment supervisory services, manage investment advisory accounts or hold itself out as providing financial planning or some similarly termed services *and* impose a minimum dollar value of assets or other conditions for starting or maintaining an account?

Yes
☒No
☐

(If yes, describe on Schedule F.)

- 11. Review of Accounts.** If applicant provides investment supervisory services, manages investment advisory accounts, or holds itself out as providing financial planning or some similarly termed services:

- A. Describe below the reviews and reviewers of the accounts. **For reviews**, include their frequency, different levels, and triggering factors. **For reviewers**, include the number of reviewers, their titles and functions, instructions they receive from applicant on performing reviews, and number of accounts assigned each.

REVIEWS: Each client portfolio is reviewed, at a minimum, quarterly. Upon each review, as deemed appropriate, portfolios may or may not be adjusted.

REVIEWERS: Scarborough Capital Management adheres to seven model portfolios at the asset class level. Our Portfolio Allocation Committee, comprised of two individuals, gives general investment guidance to applicant's investment advisory representatives (Retirement Advisors) within the parameters of the model portfolios.

For Savings Plan Management and Portfolio Management services, the Retirement Advisors review individual accounts for adherence to model portfolios, and rebalance if applicable. In addition to these minimum reviews, a review of an individual account could also be triggered by market and economic events, personal variables, or by client request. Each Retirement Advisor reviews an average of 500 client accounts.

For our Financial Planning services, a CFP® certificant prepares the financial plan and reviews it in conjunction with the client's Retirement Advisor, prior to presenting the financial plan to the client. Each CFP® certificant may review an average of 200 client accounts.

For our Third-Party Investment Advisory Service, which is privately labeled as Portfolio Plus, Retirement Advisors monitor the activity of the third party manager, at a minimum, quarterly.

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).

FORM ADV**Part II - Page 6**

Applicant:

Scarborough Capital Management, Inc.

SEC File Number:

801-37472

Date:

12/24/2008

- B. Describe below the nature and frequency of regular reports to clients on their accounts.

Reports: Quarterly statements are sent to all Savings Plan Management clients. These statements show the investments held, percentage allocations, current value, contributions, previous year-end balance, and the year-to-date change.

Portfolio Management and Third-Party Investment Advisory Services (Portfolio Plus) clients will receive statements from the respective custodian. In addition, Portfolio Management clients will receive a quarterly performance report. Investors participating in Portfolio Plus will receive monthly account statements (quarterly in Variable Annuity accounts) and transaction ledgers and quarterly reports showing the investment performance of their account.

12. Investment or Brokerage Discretion.

- A. Does applicant or any related person have authority to determine, without obtaining specific client consent, the:

(1) securities to be bought or sold?

Yes No

☒ ☐

(2) amount of the securities to be bought or sold ?

Yes No

☒ ☐

(3) broker or dealer to be used ?

Yes No

☐ ☒

(4) commission rates paid?

Yes No

☐ ☒

- B. Does applicant or a related person suggest brokers to clients?

Yes No

☒ ☐

For each yes answer to A describe on Schedule F any limitations on the authority. For each yes to A(3), A(4) or B, describe on Schedule F the factors considered in selecting brokers and determining the reasonableness of their commissions. If the value of products, research and services given to the applicant or a related person is a factor, describe:

- the products, research and services
- whether clients may pay commissions higher than those obtainable from other brokers in return for those products and services
- whether research is used to service all of applicant's accounts or just those accounts paying for it; and
- any procedures the applicant used during the last fiscal year to direct client transactions to a particular broker in return for products and research services received.

13. Additional Compensation.

Does the applicant or a related person have any arrangements, oral or in writing, where it:

- A. is paid cash by or receives some economic benefit (including commissions, equipment or non-research services) from a non-client in connection with giving advice to clients?

Yes No

☒ ☐

- B. directly or indirectly compensates any person for client referrals?

Yes No

☒ ☐

(For each yes, describe the arrangements on Schedule F.)

14. Balance Sheet. Applicant must provide a balance sheet for the most recent fiscal year on Schedule G if applicant:

- has custody of client funds or securities (unless applicant is registered or registering only with the Securities and Exchange Commission); or
- requires prepayment of more than \$500 in fees per client and 6 or more months in advance

Has applicant provided a Schedule G balance sheet?

Yes No

☐ ☒

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).

**Schedule F of
Form ADV**

Continuation Sheet for Form ADV Part II

Applicant:	SEC File Number:	Date:
Scarborough Capital Management, Inc.	801- 37472	09/02/2009

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: Scarborough Capital Management, Inc.		IRS Empl. Ident. No.: 52-1645501
Item of Form (identify)	Answer	
1.D	<p>ADVISORY SERVICES AND FEES</p> <p>Scarborough Capital Management, Inc. (SCM) is an SEC Registered Investment Adviser. SCM offers six separate advisory services to clients. Such services are offered through its Investment Advisory Representatives (Retirement Advisors).</p> <p>Separate and apart from their registration as Retirement Advisors of SCM, the Retirement Advisors are also Registered Representatives of SII Investments, Inc., (SII), an SEC registered broker/dealer and investment adviser. SII is also a member of the Financial Industry Regulatory Authority, Inc. (FINRA) and various other regulatory bodies. SII does not provide any investment advisory services in conjunction with or as part of the advisory services provided by SCM.</p> <p>1. Savings Plan Management</p> <p>SCM provides continuous advice to individuals on the investment options available to them within their company sponsored qualified savings plan. SCM does not manage plan assets, but manages individual client portfolios. SCM will manage those individuals' accounts on a limited discretionary basis, as deemed appropriate by SCM and the client. Investment advice is determined on an individual basis by determining each client's needs. SCM uses a quantitatively scored questionnaire to determine the client's portfolio style. The questionnaire measures time horizon and tolerance for risk. SCM Retirement Advisors further qualify the client's portfolio style through a disciplined interview process. Client portfolios are comprised of mutual fund shares and, in certain circumstances, individual securities may be held (generally company stock in the form of a unitized fund). Based on changes in a client's personal situation, the markets and/or the economy, SCM may make allocation changes to the client's savings plan account on the client's behalf.</p> <p>Savings Plan Management Fees</p> <p>The fee for Savings Plan Management is \$365 per 12-month period per account (\$305 for a spousal account). The fees are negotiable based on the individual's employer and whether or not their spouses are clients of SCM. The account management fee is payable upon acceptance of the Savings Plan Management Agreement, and due on each consecutive anniversary date of the advisory Agreement, as invoiced by Adviser. The Agreement is automatically renewable every twelve months and shall remain in effect until such time as either party to this Agreement receives written notice from the other party of his or its desire to cancel the agreement. The ending or termination of the Agreement does not affect Investor's obligation to pay the annual fee, unless termination coincides with termination of service from employer, at which time a pro-rated refund may apply. Client may terminate this advisory service without penalty within five (5) business days of signing an advisory agreement with SCM.</p> <p>If the client is participating in a brokerage link offered by the employer as part of the 401(k) plan, SCM offers management services for those investments for a fee based on the assets under management. The management service applies only to mutual funds and securities of a similar nature within the client's brokerage link account. Generally, SCM requires a minimum of \$100,000. Additional restrictions may apply based upon the employer's specific plan rules or requirements. The maximum management fee for 401(k) brokerage advisory services is a 1.5% annual fee. This fee is based on the total market value of the assets in the client's 401(k) account.</p> <p>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</p>	

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).

**Schedule F of
Form ADV**

Continuation Sheet for Form ADV Part II

Applicant:	SEC File Number:	Date:
Scarborough Capital Management, Inc.	801- 37472	09/02/2009

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: Scarborough Capital Management, Inc.	IRS Empl. Ident. No.: 52-1645501				
Item of Form (identify)	Answer				
1.D (cont.)	<p>client's charge card for payment of the management fee. An additional payment option is available for those clients that hold an account with Charles Schwab and utilize SCM's Portfolio Management Service (PMS). These clients may elect to increase their PMS fee by the amount of the brokerage link fee and have the total management fee debited from their Schwab account. Clients should refer to the Asset Management Contract for further details.</p> <p>For accounts of substantial assets, the fee may be negotiable. Client may terminate services without penalty within five (5) business days after entering into this Agreement. After five (5) business days of entering into the advisory agreement, SCM or the client may terminate this relationship at any time by providing written notification to the other. Should a client's service be terminated during the quarter, the quarterly fee will be pro-rated based on the number of days the account was open during the quarter. The client will receive any unearned, pre-paid fees.</p> <p>2. Portfolio Management Service</p> <p>SCM also provides portfolio management services to individuals outside the scope of their qualified savings plan. This service is provided on a limited discretionary basis and involves allocating the client's investment portfolio among mutual funds and other investments available through various broker-dealer/custodians such as the Institutional Services Division of Charles Schwab & Co., Inc., Pershing LLC, Hewitt Financial Services, and TD Ameritrade.</p> <p>Retirement Advisors may purchase or sell investments on behalf of the client within said clients' accounts at their discretion, without obtaining specific client prior consent for each transaction in accordance with the asset management contract. The asset management contract is provided to each client prior to the onset of the service, and should be read carefully by the client for further information.</p> <p>In their separate capacity as Registered Representatives of SII, SCM Retirement Advisors and SII are subject to certain FINRA supervisory obligations (see Item #7). To fulfill those obligations, SII selected these as approved third-party clearing broker-dealer/custodians that will execute trades, settle securities transactions and custody client assets on behalf of SCM and its Retirement Advisors.</p> <p>The approved third-party clearing broker-dealer/custodians have extensive financial strength, reputation, reporting, and execution pricing and research. They also make available to SCM clients a broad array of no-load, no transaction or low transaction cost mutual funds. SII does not sponsor a wrap, unbundled wrap, or fee and commission offset program through these firms.</p> <p>Portfolio Management Fees</p> <p>Our Portfolio Management Service is fee-based. Generally, there is a minimum asset requirement of \$50,000. Fees are negotiable and are not based on a share of capital gains upon or capital appreciation of the funds or any portion of the funds. The management fee is a percentage of the market value of the assets in the account:</p> <table data-bbox="519 1690 1055 1753"> <tr> <td><u>Assets</u></td> <td><u>Maximum Annual Fee</u></td> </tr> <tr> <td>\$ 50,000 +</td> <td>2.50%</td> </tr> </table> <p>The account management fee will be payable quarterly in advance, and will be calculated as a percentage of the market value of all assets in the Account on the last trading day of each calendar quarter. Initially, upon establishment of the value of the portfolio, the fee will be based upon the proportion of the number of days remaining in the quarter and, thereafter, quarterly based on the</p>	<u>Assets</u>	<u>Maximum Annual Fee</u>	\$ 50,000 +	2.50%
<u>Assets</u>	<u>Maximum Annual Fee</u>				
\$ 50,000 +	2.50%				

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).

**Schedule F of
Form ADV**

Continuation Sheet for Form ADV Part II

Applicant:	SEC File Number:	Date:
Scarborough Capital Management, Inc.	801- 37472	09/02/2009

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: Scarborough Capital Management, Inc.	IRS Empl. Ident. No.: 52-1645501												
Item of Form (identify)	Answer												
1.D (cont.)	<p>value of the account on the last trading day of each calendar quarter.</p> <p>Client may terminate services without penalty within five (5) business days after entering into this Agreement. After five (5) business days of entering into the advisory agreement, SCM or the client may terminate this fee-based relationship at any time by providing written notification to the other. In such a circumstance, the quarterly fee will be pro-rated based on the number of days the account was open during the quarter and client will receive any pre-paid, unearned fees.</p> <p>Schwab charges commission rates that are generally considered discounted from customary retail commission rates. However, the commissions and/or transaction fees charged by SII and any other designated broker-dealer/custodian may be higher or lower than otherwise available. The fees charged by SII and any other designated broker-dealer/custodian, are exclusive of, and in addition to, SCM's portfolio management fees. In addition, the client shall also incur charges imposed at the mutual fund level (e.g. management fees and other fund expenses).</p> <p>3. Portfolio Plus – Third-Party Investment Advisory Service</p> <p>SCM's Third-Party Investment Advisory Service, which is privately labeled as Portfolio Plus, is offered by the third party manager, Genworth Financial Wealth Management, Inc.. (Genworth). Portfolio Plus offers both a Mutual Fund and Variable Annuity Program and a Privately Managed Account Program. The selection of the appropriate vehicle will depend upon the investor's preference and level of financial resources.</p> <p>In the Mutual Fund and Variable Annuity Program, Genworth contracts with institutional investment management firms, or Portfolio Strategists, to create a variety of asset allocation model portfolios for the use of SCM and its client in developing mutual fund custodial accounts and variable annuity accounts with certain variable annuity issuers.</p> <p>The Privately Managed Account Program involves introducing a client to investment managers who provide discretionary management of individual portfolios of equity and/or fixed income securities, as outlined in the Portfolio Plus Program Disclosure Statement - Schedule H.</p> <p>SCM Retirement Advisors qualify clients for investment in Portfolio Plus by gathering information about the client's financial situation, investment objectives, and reasonable restrictions the client wants imposed on the management of the account.</p> <p>The Retirement Advisor will periodically review reports provided to the client and will contact the client periodically, as agreed to with the client, in order to review the financial situation and objectives; communicate information, and assist the client in understanding and evaluating the services provided by Portfolio Plus. Clients will be expected to notify their Retirement Advisor of any changes in their financial situation, investment objectives, or account restrictions. Clients may also contact the third party adviser managing the account.</p> <p>Portfolio Plus – Third-Party Investment Advisory Service Fees Mutual Fund and Variable Annuity Program Fee Schedule</p> <table border="0"> <thead> <tr> <th>Amount Invested</th> <th>Advisory Fee</th> </tr> </thead> <tbody> <tr> <td>First \$250,000</td> <td>1.95%</td> </tr> <tr> <td>Next \$250,000</td> <td>1.80%</td> </tr> <tr> <td>Next \$500,000</td> <td>1.60%</td> </tr> <tr> <td>Next \$1 million</td> <td>1.30%</td> </tr> <tr> <td>Over \$2 million</td> <td>1.00%</td> </tr> </tbody> </table>	Amount Invested	Advisory Fee	First \$250,000	1.95%	Next \$250,000	1.80%	Next \$500,000	1.60%	Next \$1 million	1.30%	Over \$2 million	1.00%
Amount Invested	Advisory Fee												
First \$250,000	1.95%												
Next \$250,000	1.80%												
Next \$500,000	1.60%												
Next \$1 million	1.30%												
Over \$2 million	1.00%												

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).

**Schedule F of
Form ADV**

Continuation Sheet for Form ADV Part II

Applicant:	SEC File Number:	Date:
Scarborough Capital Management, Inc.	801- 37472	09/02/2009

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: Scarborough Capital Management, Inc.	IRS Empl. Ident. No.: 52-1645501																				
Item of Form (identify)	Answer																				
1.D (cont.)	<p>Privately Managed Account Program Fee Schedule</p> <table> <thead> <tr> <th>Amount Invested</th> <th>Advisory Fee</th> <th>Estimated Investment Manager Fee</th> <th>Total Client Fee</th> </tr> </thead> <tbody> <tr> <td>First \$1 million</td> <td>1.55%</td> <td>0.50%</td> <td>2.05%</td> </tr> <tr> <td>Next \$2 million</td> <td>1.25%</td> <td>0.50%</td> <td>1.75%</td> </tr> <tr> <td>Next \$2 million</td> <td>1.05%</td> <td>0.50%</td> <td>1.55%</td> </tr> <tr> <td>Over \$5 million</td> <td>0.85%</td> <td>0.50%</td> <td>1.35%</td> </tr> </tbody> </table> <p>SCM receives compensation pursuant to its agreement with Genworth for introducing clients to Portfolio Plus and for certain ongoing services provided to clients. This compensation, which is disclosed to the client in a separate disclosure document, is typically equal to a percentage of the investment advisory fee charged by that Portfolio Plus.</p> <p>Client may terminate services without penalty within five (5) business days after entering into this Agreement. After five (5) business days of entering into the advisory agreement, SCM or the client may terminate this fee-based relationship at any time by providing written notification to the other. In such a circumstance, the quarterly fee will be pro-rated based on the number of days the account was open during the quarter and client will receive any pre-paid, unearned fees.</p> <p>A complete description of the programs and services available through Portfolio Plus will be provided to the client upon receipt and review of the Portfolio Plus Program Disclosure Statement and/or equivalent brochures; investment advisory contracts; and account opening documents.</p> <p>4. Consultation Service</p> <p>SCM will analyze and make recommendations on a broad array of financial issues to both individuals and institutions. This consultation service may include total portfolio asset allocation, recommendations regarding the selection of suitable options to include in a qualified retirement plan, and financial advice regarding personal and business situations.</p> <p>Consultation Service Fees</p> <p>All fees are negotiable, but are typically based on an hourly rate ranging from \$250 - \$500 per hour or for a flat rate to be determined on a case-by-case basis. In the case of the flat fee, the rate will be defined in a contract that will be validated by both parties. Depending upon the scope of the service provided, a retainer may be required. Otherwise, the client will be billed upon completion of the project.</p> <p>5. Educational Seminars</p> <p>SCM also provides investment education seminars as a service to corporations. These seminars are intended to help individual employees better understand their company's qualified savings plan, and include information about the plan structure, the merits of saving and investing, the general asset classes available, the specific investment options in the plan, income tax considerations, and plan rules regarding loans, withdrawals and distributions.</p> <p>Educational Seminar Fees</p> <p>The fees charged for the investment education seminars range from zero 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 plan being</p>	Amount Invested	Advisory Fee	Estimated Investment Manager Fee	Total Client Fee	First \$1 million	1.55%	0.50%	2.05%	Next \$2 million	1.25%	0.50%	1.75%	Next \$2 million	1.05%	0.50%	1.55%	Over \$5 million	0.85%	0.50%	1.35%
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**Schedule F of
Form ADV**

Continuation Sheet for Form ADV Part II

Applicant:	SEC File Number:	Date:
Scarborough Capital Management, Inc.	801- 37472	09/02/2009

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

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Item of Form (identify)	Answer	
1.D (cont.)	<p>described, and the number of expected seminar participants. The fee is due and payable immediately following the seminar presentation; typically an initial retainer will be requested which is negotiated with each seminar client. Expense reimbursement will be due and payable within 30 days from the date of invoice. Typically, seminars are not cancelled once contracted for. Should a client cancel the seminar, SCM will negotiate with the client a refund of any pre-paid, unearned fees.</p> <p>6. Financial Planning</p> <p>SCM also provides advice in the form of a Financial Plan. Clients purchasing this service will receive a written Financial Plan, providing the client with a detailed agenda for helping to achieve their stated financial goals and objectives. A Certified Financial PlannerTM certificant (CFP[®]) prepares the Financial Plan.</p> <p>While the specific categories to be reviewed will be determined based on the client's particular financial situation, categories for review may include the following:</p> <ul style="list-style-type: none"> a.) Investment Planning (Securities) – Review Investor's current financial situation and issue a written report of recommendations. Prepare an asset allocation program tailored to Investor's financial objectives and Investor profile ("Financial Program"). Prepare balance sheet showing Investor's assets, liabilities, and net worth. Prepare a twelve-month cash flow statement that reflects Investor's income, living expenses and investment funding. b.) Business Management (Non-Securities Assets) – Provide assistance and advice on certain non-securities related financial programs and assets, including, but not limited to, general investment advice, allocation of assets between real and personal property and assisting Investor with obtaining and managing credit (e.g., making loan requests, mortgage loan applications and credit card applications). c.) Budgeting – Review Investor's current budget and provide feedback based upon the Investor's stated goals and lifestyle. Advisor anticipates that a significant amount of Investor's income under such budget will be reserved for investments. d.) Estate Planning – Coordinate wills and other estate planning documents and arrangements. Make recommendations and assist others in recommendations that minimize the tax consequences and maximize efficient disposition of Investor's estate within the constraints of Investor's plans and goals. All legal fees from third parties will be borne by Investor. e.) Insurance Counseling – Devise a plan to address Investor's insurance needs, including providing for adequate coverage in case of an injury to Investor or the incurrence of liability. Coordinate life insurance, disability insurance, and other insurance policies. Insurance selection and coverages are the responsibility of Investor. All legal fees and/or insurance costs from third parties to be borne by Investor. f.) Retirement Planning – Coordinate investment planning to assist Investor in meeting capital and income requirements that adequately satisfy retirement needs. All actuarial fees from third parties to be borne by Investor. Make recommendations on establishing individual or other retirement accounts. g.) Tax - Advisor will take into account the general tax consequences for all recommendations made to Investor. However, Advisor will not provide tax or legal advice and Investor shall rely solely on their own accounting firm, law firm, or tax preparer for such advice. <p>The CFP[®] and the Retirement Advisor gather required information through in-depth personal interviews. Information gathered includes a client's current financial status, future goals and attitudes towards risk. Related documents supplied by the client are carefully reviewed, including a questionnaire completed by the client. Only then is the Financial Plan document prepared.</p>	

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Item of Form (identify)	Answer
1.D (cont.)	<p>Financial Plan recommendations are not limited to any specific product or service offered by a broker dealer or insurance company. All recommendations are of a generic nature.</p> <p>Should a client choose to implement the recommendations contained in the plan, the CFP® and/or the Retirement Advisor will seek to utilize the insurance, advisory and/or brokerage services most desirable to the client. For specific tax and legal matters, the CFP® will suggest that the client work closely with his/her attorney or accountant.</p> <p>Implementation of Financial Plan recommendations is entirely at the client's discretion. Where a client chooses to utilize SCM's services in implementing all, or a portion of, the Financial Plan, SCM will receive fees and/or compensation, depending on the specific products or services chosen, for these additional services that are in addition to the fee paid for the preparation of the Financial Plan. Thus, a potential conflict of interest exists where SCM receives compensation for performing these additional services.</p> <p>When a client implements all, or a portion of, the Financial Plan through SCM, in addition to SCM's associated persons, the CFP® who prepared the Financial Plan will usually receive a portion of the normal and customary fees received by SCM for the performance of these additional services. Thus, the CFP® has a potential conflict of interest in connection with the performance of these additional services through SCM.</p> <p>Financial Planning Service Fees</p> <p>Investor shall pay a Financial Plan preparation fee ranging from \$950 to \$5,000. The fee is negotiable depending upon the nature of client relationship and the financial planning topics to be included in the Financial Plan. One-half of the fee will be due upon receipt of the Financial Plan contract. The remaining balance is due upon delivery of the Financial Plan.</p> <p>Client may terminate services without penalty within five (5) business days after entering into this Agreement. Client will be responsible for any time spent by SCM in providing the client advisory services and/or analyzing the client's situation. Any unearned prepaid fees will be refunded to Client.</p> <p>General Information on Fees</p> <p>In certain circumstances, advisory fees and account minimums may be negotiable based upon prior relationships as well as related account holdings. The fees charged are calculated as described above and are not charged on the basis of a share of capital gains or capital appreciation of the funds or any portion of the funds of an advisory client. Where indicated, client will receive a refund of any pre-paid, unearned fees.</p> <p>Retirement Advisors may charge different fees for similar services; therefore, a client with a similar account size receiving a similar management service may pay more or less than that of a client serviced by another Retirement Advisor. The fees will not exceed the fee schedules disclosed in this document and the advisory agreement signed by the client.</p> <p>Fees may be calculated based on each client's account value or on the value of a client's aggregated portfolio (i.e., the value of all client's account under management considered in total).</p> <p>All fees paid to SCM for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds to their shareholders. These fees and expenses are described in each fund's prospectus. Such 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.</p>

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**Schedule F of
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Item of Form (identify)	Answer
1.D (cont.)	<p>A client could invest in a mutual fund directly, without the services of the adviser. In that case, the client would not receive the services provided by SCM which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to the client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds and the fees charged by SCM to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.</p> <p>Due to the fact that SCM receives compensation for advisory services and because such compensation may differ depending upon the individual agreement for each advisory service, SCM may have an incentive to recommend one advisory service over another for which it receives less favorable compensation or other advisory programs offered by Third Party Advisory Services with which it has no compensation arrangements.</p> <p>Engaging The Adviser</p> <p>All clients wishing to engage SCM for the provision of its investment advisory services must complete SCM's internal documents and Investment Advisory Agreement. In certain circumstances where client assets are under custody and/or managed at Pershing, Schwab, TD Ameritrade, Hewitt Financial Services, or Genworth, clients will be asked to complete certain SII documentation. Please refer to Item # 7 for more information concerning this requirement.</p> <p>Upon completion of the aforementioned documents, together with the Retirement Advisors securing the relevant approvals, SCM will be considered engaged by the client. The term of engagement will either be a one time or ongoing term, as set forth in the Advisory Agreement. For ongoing agreements, clients will be responsible for ensuring that SCM has been timely informed of changes in investment objectives and risk tolerance.</p> <p>Certain states require that all investment advisers disclose to their advisory clients that (1) lower fees for comparable services may be available from other sources and (2) that all material conflicts of interest have been disclosed to the client in writing (via the disclosure provided in this Form ADV, Part II), which relate to the adviser or any of its employees which could cause the adviser to not render unbiased and objective advice.</p> <p>PRIVACY STATEMENT</p> <p>SCM is committed to safeguarding the confidential information of its clients. SCM holds all personal information provided to the firm in the strictest confidence. These records include all personal information that SCM collects from its clients or receives from other firms in connection with any of the financial services it provides. SCM also requires other firms with whom it deals to restrict the use of client information. SCM's Privacy Policy is available upon client engagement of SCM services and annually thereafter as long as client remains and active client.</p> <p>WARRANTEES/REPRESENTATIONS</p> <p>SCM does not represent, warrantee or imply that the services or methods of analysis used by SCM can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to major market corrections or crashes. No guarantees can be offered that client's goals or objectives will be achieved. Further, no promises or assumptions can be made that the advisory services offered by SCM will provide a better return than other investment strategies.</p> <p>PROXY VOTING</p> <p>SCM does not vote proxy material for clients. Each client is responsible for voting all proxy materials.</p>

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**Schedule F of
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Continuation Sheet for Form ADV Part II

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Scarborough Capital Management, Inc.	801- 37472	09/02/2009

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Item of Form (identify)	Answer	
3.L	<p>TYPES OF INVESTMENTS</p> <p>With respect to clients investing in Portfolio Plus, SCM introduces clients to investment managers who provide discretionary management of individual portfolios of equity and/or fixed income securities, as outlined in the Portfolio Plus Program Disclosure Statement – Schedule H.</p>	
4.A.5, 4.B.8, 4.C.7	<p>METHODS OF ANALYSIS, SOURCES OF INFORMATION, AND INVESTMENT STRATEGIES</p> <p>In formulating diversified portfolios for Savings Plan Management, Savings Plan Advice and Portfolio Management Services, SCM utilizes a statistical technique known as mean variance optimization. The goal of optimization is to identify portfolios that maximize return for a given level of risk or minimize risk for a given level of return. Optimization requires forecasting returns, standard deviations and correlation coefficients of asset classes over the desired time horizon. Appropriate employment of optimization as a tool also involves applying qualitative reasoning, including sensitivity analysis, assessment of probability distributions and reconciliation with investor utility and sentiment. SCM adheres to seven asset class level models based on specified criteria. The models span the risk spectrum from conservative to aggressive.</p> <p>In advising retail clients of SCM investing in Portfolio Plus, SCM uses model portfolios of mutual funds provided by a number of institutional investment strategists and based on the information, research, asset allocation methodology and investment strategists.</p>	
5	<p>EDUCATION AND BUSINESS STANDARDS</p> <p>Scarborough Capital Management, Inc. requires that all employees involved in determining or giving investment advice to clients have a college degree and/or 5 years or more experience in the investment adviser/financial planning industry. All Retirement Advisors, in their capacity as Registered Representatives of SII Investments, Inc., are required to pass appropriate securities examinations and must participate in general compliance courses and training conducted by SII in its capacity as their broker-dealer.</p>	
6	<p>EDUCATION AND BUSINESS BACKGROUND</p> <p>JOSEPH MICHAEL SCARBOROUGH, Born: 1953 <u>Education after high school:</u> BS, Finance, 1976, Salisbury State; MBA, Finance, 1981, Baldwin Wallace College; Doctorate, Public Service (honorary), Salisbury University, 2005 <u>Employment history, past 5 years:</u> Scarborough Capital Management, Inc. (formerly The Scarborough Group, Inc.), President, CEO, 08/87 to present; Chairman, Portfolio Allocation Committee, 10/90 to present; SII Investments, Inc., Registered Rep., 12/08 to present; Royal Alliance Associates, Inc., Registered Rep., 01/96 to 12/08; Scarborough Retirement Services, President, 09/03 to 10/04; 03/99 to 07/02.</p> <p>JAMES EDWARD LERRO, JR, Born: 1960 <u>Employment history, past 5 years:</u> Scarborough Capital Management, Inc. (formerly The Scarborough Group, Inc.), Chief Compliance Officer, 07/04 to present; The Scarborough Group, Inc, Managing Director, 07/04 to 12/07; The Scarborough Group, Inc., National Sales Manager, 03/03 to 07/04; SII Investments, Inc., Registered Rep., 12/08 to present;</p>	

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**Schedule F of
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Continuation Sheet for Form ADV Part II

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	<p>Royal Alliance Associates, Inc., Registered Rep., 03/03 to 12/08; Harvest Investment Consultants, Inc., Director Sales and Marketing, 03/01 to 06/02.</p> <p>GREGORY SIGISMUND OSTROWSKI, Born: 1979 <u>Education after high school:</u> BS, Finance, 2002, Villanova University CHARTERED RETIREMENT PLANNING COUNSELOR certification, 2006 CERTIFIED FINANCIAL PLANNER™ certification, 2007 <u>Employment history, past 5 years:</u> Scarborough Capital Management, Inc. (formerly The Scarborough Group, Inc.), Chief Operating Officer, 10/08 to present; Retirement Advisor, 10/02 to present; SII Investments, Inc., Registered Rep., 12/08 to present; Royal Alliance Associates, Inc., Registered Rep., 10/02 to 12/08.</p> <p>RICHARD DEREK VERRIER, Born: 1970 <u>Education after high school:</u> BS, Finance, 1994, University of Maryland; <u>Employment history, past 5 years:</u> Scarborough Capital Management, Inc. (formerly The Scarborough Group, Inc.), Director of Research, 02/00 to present; Co-chair, Portfolio Allocation Committee, 04/98 to present; SII Investments, Inc., Registered Rep., 12/08 to present; Royal Alliance Associates, Inc., Registered Rep., 02/99 to 12/08;</p>	
7.C	<p>OTHER BUSINESS ACTIVITIES/AFFILIATIONS</p> <p>Certain SCM officers, directors and other employees are also registered representatives of SII Investments, Inc. (SII) and provide brokerage services to clients in that capacity. SII's principal business is as a full services general securities broker-dealer registered with the Securities Exchange Commission, FINRA, and various other regulatory bodies. SII is also an SEC registered investment adviser.</p> <p>Certain SCM officers, directors and other employees may sell securities to clients through SII Investments, Inc., a FINRA registered broker-dealer, for typical and customary commission compensation. Clients are not obligated to use any individual of SCM for any security transaction; nor are clients obligated to use the services of SII.</p> <p>Although SII maintains supervisory and administrative relationships with SCM's advisory representatives, the Firm does not control SCM's investment advisory activities. Because the Retirement Advisors are dually registered agents of SII and SCM, SII has certain supervisory and administrative duties pursuant of the requirements of FINRA Conduct Rule 3040. In that regard, SII will require and furnish certain account documents to be completed by the client and the advisory representatives in those circumstances where client assets are under custody and/or managed at Pershing, Schwab, TD Ameritrade, Hewitt Financial Services, or Genworth. Once clients in consultation with their advisory representatives have completed materials and forms, the Retirement Advisors are required to submit materials and forms to SII for its review and approval, in its capacity as the Broker/Dealer of record. Such review does not include the provision of investment advisory services to SCM's client accounts. In certain instances, SII will collect, as paying agent for SCM, the investment advisory fee due SCM from the account custodian. SII will retain a portion as an administrative charge to SCM (not the client) for the functions SII is required to carry out by FINRA. SII does not provide investment advisory services in connection with such programs.</p>	

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Item of Form (identify)	Answer
	<p>SCM's Retirement Advisors may also be licensed as insurance agents with various insurance companies, and in such capacity, may recommend, on a fully disclosed basis, the purchase of insurance-related products. Clients should understand that this purchasing or selling of securities and/or insurance for typical and customary commission compensation is conducted through these separate registrations and are not part of the investment adviser services offered by SCM.</p> <p>Certain employees may spend as much as 25 percent of their time on non-advisory activities.</p>
9.B, 9.E	<p>PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS</p> <p>As Registered Representatives of SII, SCM's Retirement Advisors may recommend to clients the purchase or sale of investment products in which the Retirement Advisors and SII or a related entity, may have some financial interest, including the receipt of compensation. Certain mutual funds (and/or their related persons) in which a client may invest make 12b-1 fee payments to broker-dealers. Such payments may be distributed pursuant to a 12b-1-distribution plan or pursuant to another arrangement as compensation for distribution or administrative services and may be paid out of the fund's assets. SII and/or SCM's Retirement Advisors may receive such 12b-1 fees or other compensation to the extent permitted by applicable law.</p> <p>A fund that imposes a front end sales load but which waives that front-end sales load for purchases made on behalf of the of the client's account (a "front-end load" fund at net asset value) may bear 12b-1 distribution or services fees in excess of .25% of the Account's net assets invested in such fund (the minimum allowed for no- load funds). The 12b-1 fee deferred sales charges and other fee arrangements will be disclosed upon request of the client and are typically described in the applicable fund's prospectus. Because of these compensation arrangements, a conflict of interest may exist in connection with the recommendation of particular mutual fund investments for a client's account. However, SCM is subject to, and intends to comply fully with, standards of fiduciary duty that require that it act solely in the best interests of a client when making investment recommendations.</p> <p>CODE OF ETHICS</p> <p>It is the expressed policy of SCM that no person employed by SCM may purchase or sell any individual stock or bond prior to a transaction(s) being implemented for an advisory account, preventing such employees from benefiting from transactions placed on behalf of advisory accounts.</p> <p>SCM or individuals associated with SCM may buy or sell securities identical to those recommended to customers for their personal accounts. A related person(s) may have an interest or position in a certain security(ies) which may also be recommended to a client.</p> <p>SCM will not aggregate block securities purchases for itself or its employees with transactions of advisory clients.</p> <p>As these situations represent a conflict of interest, SCM has established the following restrictions in order to ensure its fiduciary responsibilities:</p> <ol style="list-style-type: none"> 1) A director, officer or employee of SCM shall not buy or sell securities for their personal portfolio(s) where their decision is substantially derived, in whole or in part, by reason of his or her employment unless the information is also available to the investing public on reasonable inquiry. No person of SCM shall prefer his or her own interest to that of the advisory client.^{(1), (2)} 2) SCM maintains a list of all securities holdings for itself, and anyone associated with this advisory practice with access to advisory recommendations. These holdings are reviewed on a

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9.B, 9.E (cont.)	<p>regular basis by an appropriate officer of SCM.</p> <p>3) All clients are fully informed that certain individuals may receive separate compensation when effecting transactions during the implementation process.</p> <p>4) SCM emphasizes the unrestricted right of the client to decline to implement any advice rendered, except in situations where SCM or a Third Party Advisory Service is granted discretionary authority in the client's account.</p> <p>5) SCM requires that all individuals must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.</p> <p>6) Any individual not in observance of the above may be subject to termination.</p> <p>Footnotes</p> <p>(1) This investment policy has been established recognizing that some securities being considered for purchase and sale on behalf of SCM's client's trade in sufficiently broad markets to permit transactions by clients to be completed without an appreciable impact on the markets of the securities. Under certain circumstances, exceptions may be made to the policies stated above. Records of these trades, including the reasons for the exceptions, will be maintained with SCM's records in the manner set forth above.</p> <p>(2) Open-end mutual funds and/or the investment sub-accounts which may comprise a variable insurance product are purchased or redeemed at a fixed net asset value price per share specific to the date of purchase of redemption. As such, transactions in mutual funds and/or variable insurance products by Retirement Advisors are not likely to have an impact on the prices of the fund shares in which clients invest, and are therefore not prohibited by SCM's Investment policies and procedures.</p> <p>In accordance with Section 204A of the Investment Advisers Act of 1940, SCM also maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by SCM or any person associated with SCM.</p> <p>SCM has a fiduciary duty to Clients to act in the best interest of the Client and always place the Client's interests first and foremost. SCM takes seriously its compliance and regulatory obligations and requires all staff to comply with such rules and regulations as well as SCM's policies and procedures, which SCM maintains. Further, SCM strives to handle Clients' non-public information in such a way to protect information from falling into hands that have no business reason to know such information and provides Clients with SCM's Privacy Policy. As such, SCM maintains a Code of Ethics for its Advisory Representatives, supervised persons and staff. The Code of Ethics contains provisions for standards of business conduct in order to comply with federal securities laws, personal securities reporting requirements, pre-approval procedures for certain transactions, code violations reporting requirements, and safeguarding of material non-public information about Client transactions. Further, SCM's Code of Ethics establishes SCM's expectation for business conduct. A copy of our Code of Ethics will be provided to any Client or prospective Client upon request.</p>	
10	<p>CONDITIONS FOR MANAGING ACCOUNTS</p> <p><u>Portfolio Management Service – Service #3</u></p> <p>The portfolio management service provided to clients through SCM's brokerage link management service and through various custodians generally requires a minimum dollar value of assets as a condition for asset management. Refer back to Item 1D for further information regarding these programs.</p> <p><u>Portfolio Plus – Service #4</u></p> <p>The minimum investment required in Portfolio Plus is generally \$50,000 for Mutual Fund accounts and \$100,000 for Privately Managed Accounts. Accounts below these minimums may be accepted on an individual basis at the discretion of the Applicant.</p>	

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Item of Form (identify)	Answer	
12.A.1,2	INVESTMENT OR BROKERAGE DISCRETION SCM does not have the authority to determine, without obtaining specific client discretionary authority, securities to be bought or sold; the amount of securities to be bought or sold; the broker or dealer to be used; or the commission rates paid. SCM will provide limited discretionary services to those clients that contract with SCM to manage their corporate savings plan account. In such a circumstance, SCM is bound to the provisions of the plan and can only move assets among the investment options available in the plan. SCM may also provide limited discretionary services to clients outside of the scope of their participation in a corporate savings plan. Written limited discretionary authority will be obtained for all clients to whom discretionary services shall be provided. In this written limited discretionary authority, SCM will be provided with the authority to determine the securities and the amounts of securities that are bought or sold, subject to the limitations of the advisory contract and the plan (if applicable).	
12.B	RECOMMENDATION OF BROKER As aforementioned, the principal and certain Retirement Advisors of SCM are also registered representatives of SII Investments, Inc. (SII). In order to meet its FINRA supervisory obligations, SII requires that all investment advisory activities be conducted through SII's clearing relationships with Pershing, Schwab, and/or TD Ameritrade. As a result, SCM does not have the discretion to choose the broker/dealer or commission rates to be paid. However SCM reasonably believes that Pershing, Schwab, and/or TD Ameritrade's blend of execution services, commission and transaction costs, as well as professionalism, will allow SCM to seek best execution and competitive prices. Clients should be aware that best execution and lower commissions may not necessarily be achieved if recommended transactions are placed through SCM Retirement Advisors, in their separate capacities as Registered Representatives of SII or as independent insurance agents. Clients are not under any obligation to effect trades through any recommended broker. All clients are free to select any broker/dealer of his or her choice.	
13.A	ADDITIONAL COMPENSATION Certain principal executive officers and other employees of SCM may, from time to time, receive incentive awards for the recommendation and introduction of investment products or 12b-1 distribution fees from investment companies in connection with the placement of client funds into investment companies. Therefore, the receipt of this compensation may affect SCM's judgment in recommending products to its clients. In addition, SII sponsors various conferences. In this program, selected vendors will be invited to pay additional marketing fees to SII for its enhanced marketing and distribution efforts. As part of such compensation, such vendors will, at no additional charge, be invited to participate in SII's various conferences. Although not a material consideration when determining whether to recommend that a client utilize the various advisory services, SCM may receive, without cost, software and support, which allows SCM to better monitor and service client accounts maintained with that service. SCM may receive the software and support without cost because SCM renders investment management services to clients that maintain accounts at the various advisory service whose aggregate total assets exceed the established minimum required for an investment manager to receive software and support without cost.	

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).

**Schedule F of
Form ADV**

Continuation Sheet for Form ADV Part II

Applicant:	SEC File Number:	Date:
Scarborough Capital Management, Inc.	801- 37472	09/02/2009

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1.	Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: Scarborough Capital Management, Inc.	IRS Empl. Ident. No.: 52-1645501
Item of Form (identify)	Answer	
13.A (cont.)	<p>SCM may recommend that clients establish brokerage accounts with the Schwab Institutional division of Charles Schwab & Co., Inc. (Schwab), a registered broker-dealer, Member SIPC, to maintain custody of clients' assets and to effect trades for their accounts. SCM is independently owned and operated and not affiliated with Schwab. Schwab provides SCM 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' account assets is maintained in accounts at Schwab Institutional and is not otherwise contingent upon SCM committing to Schwab any specific amount of business (assets in custody or trading). Schwab's services include research, brokerage, custody, and access to mutual funds and other investments that are otherwise available only to institutional investors or would require a significantly higher minimum initial investment. For SCM clients' accounts maintained in its custody, Schwab generally does not charge separately for custody but is compensated by account holders through commissions or other transaction-related fees for securities trades that are executed through Schwab or that settle into Schwab accounts.</p> <p>Schwab also makes available to SCM other products and services that benefit SCM but may not benefit its clients' accounts. Some of these other products and services assist SCM in managing and administering clients' accounts. These include software and other technology that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts), provide research, pricing information and other market data, facilitate payment of SCM's fees from its clients' accounts, and assist with back-office functions, recordkeeping and client reporting. Many of these services generally may be used to service all or a substantial number of SCM's accounts, including accounts not maintained at Schwab Institutional. Schwab Institutional also makes available to SCM other services intended to help SCM manage and further develop its business enterprise. These services may include consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, and marketing. In addition, Schwab may make available, arrange and/or pay for these types of services rendered to SCM by independent third parties. Schwab Institutional 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 SCM. While as a fiduciary, SCM endeavors to act in its clients' best interests, and SCM's recommendation that clients maintain their assets in accounts at Schwab may be based in part on the benefit to SCM of the availability of some of the foregoing products and services and not solely on the nature, cost or quality of custody and brokerage services provided by Schwab, which may create a potential conflict of interest. In addition, SCM may receive benefits such as assistance with conferences and educational meetings from product sponsors.</p>	
13.B	<p>Scarborough Capital Management, Inc. ("SCM") receives client referrals from Hewitt Financial Services LLC ("Hewitt") through SCM's participation in Hewitt AdvisorConnection™ ("the Service"). The Service is designed to help investors find independent investment advisers. Hewitt is a registered investment adviser and broker-dealer independent of and unaffiliated with SCM. Hewitt does not supervise SCM and has no responsibility for SCM's management of clients' portfolios or SCM's other advice or services. SCM pays Hewitt fees to receive client referrals through the Service. The solicitation/referral fee is paid pursuant to a written Solicitation Agreement between SCM and Hewitt. Hewitt will make referrals pursuant to the delivery of a Solicitor's Disclosure Statement to the prospective client. SCM's participation in the Service may raise potential conflicts of interest described below.</p> <p>SCM pays Hewitt a participation fee on all referred clients' accounts that are maintained in custody through one or more broker-dealers maintaining a fee-sharing relationship with Hewitt and a</p>	

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).

**Schedule F of
Form ADV**

Continuation Sheet for Form ADV Part II

Applicant:	SEC File Number:	Date:
Scarborough Capital Management, Inc.	801- 37472	09/02/2009

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: Scarborough Capital Management, Inc.		IRS Empl. Ident. No.: 52-1645501
Item of Form (identify)	Answer	
	<p>separate fee on all accounts that are maintained at, or transferred to, another custodian. The participation fee paid by SCM includes a percentage of the fees the client owes to SCM and an annual retainer. SCM pays Hewitt the participation fee for so long as the referred client's account remains in custody at Hewitt. The part of the participation fee based on the fees the client owes to SCM is billed to SCM quarterly and may be increased, decreased or waived by Hewitt from time to time. The Participation Fee is paid by SCM and not by the client. SCM has agreed not to charge clients referred through the Service fees or costs greater than the fees or costs SCM charges clients with similar portfolios who were not referred through the Service.</p> <p>For accounts of SCM's clients maintained in custody at broker-dealers having a fee sharing relationship with Hewitt, Hewitt will not charge the client separately for custody but will receive compensation indirectly from SCM's clients in the form of commissions or other transaction-related compensation on securities trades executed through this participating broker-dealer. SCM acknowledges its duty to seek best execution of trades for client accounts. Trades for client accounts held in custody through Hewitt's arrangements with third party broker-dealers may be executed through a different broker-dealer than trades for SCM's other clients. Thus, trades for accounts custodied through these broker-dealers may be executed at different times and different prices than trades for other accounts that are executed at other broker-dealers.</p> <p>SCM generally pays Hewitt a separate fee if custody of a referred client's account is not maintained by, or assets in the account are transferred from broker-dealers having fee sharing agreements with Hewitt. This separate fee is a one-time payment equal to a percentage of the assets placed with a custodian other than Hewitt. The fee is higher than the participation fee Advisor generally would pay in a single year. Thus, SCM will have an incentive to recommend that client accounts be held in custody through broker-dealers having fee sharing agreements with Hewitt.</p>	
	<p>On July 8, 2004, the Securities and Exchange Commission (the "Commission") instituted and settled public administrative and cease-and-desist proceedings against J. Michael Scarborough ("Scarborough"), the President of The Scarborough Group, Inc., and Royal Alliance Associates, Inc. ("Royal Alliance"), a registered broker-dealer. Scarborough was the manager of the Royal Alliance branch office in Annapolis, MD from 1996 through 2008. Without admitting or denying the Commission's findings, Scarborough and Royal Alliance consented to the entry of an order instituting such proceedings, making findings, and imposing sanctions. According to the Commission's findings, from 1998 through early 2000, in violation of certain provisions of the Securities Act of 1933 and the Securities Exchange Act of 1934, certain registered representatives in Royal Alliance's Annapolis branch office recommended the purchase of Class B mutual fund shares to customers who were eligible to receive sales charge breakpoints on Class A shares of such funds, without making adequate disclosure regarding the relative costs of Class A and Class B shares, and that Royal Alliance and Scarborough failed to reasonably supervise those registered representatives (and, in Royal Alliance's case, Scarborough) with a view to preventing such violations. The Commission's order censured Royal Alliance, imposed a penalty of \$150,000, and required Royal Alliance to review its policies, procedures and systems with respect to the sales of Class B shares. The Commission's order also required Scarborough to cease and desist from further violations, pay disgorgement of approximately \$2.11 million plus a monetary penalty of \$50,000, and suspended Scarborough from association in a supervisory capacity with any broker-dealer for a period of nine months. In connection with Scarborough's payment of such disgorgement, Royal Alliance made a loan to Scarborough in the amount of approximately \$2 million, repayable over a period of seven years.</p>	

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).