

BrokerCheck Report

JOSEPH MICHAEL SCARBOROUGH

CRD# 1011773

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When communicating online or investing with any professional, make sure you know who you're dealing with. [Imposters](#) might link to sites like BrokerCheck from [phishing](#) or similar scam websites, or through [social media](#), trying to steal your personal information or your money.

Please contact FINRA with any concerns.

About BrokerCheck®



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

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

- BrokerCheck reports for individual brokers include information such as employment history, professional qualifications, disciplinary actions, criminal convictions, civil judgments and arbitration awards. BrokerCheck reports for brokerage firms include information on a firm's profile, history, and operations, as well as many of the same disclosure events mentioned above.
- Please note that the information contained in a BrokerCheck report may include pending actions or allegations that may be contested, unresolved or unproven. In the end, these actions or allegations may be resolved in favor of the broker or brokerage firm, or concluded through a negotiated settlement with no admission or finding of wrongdoing.

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

- The information contained in BrokerCheck comes from FINRA's Central Registration Depository, or CRD® and is a combination of:
 - information FINRA and/or the Securities and Exchange Commission (SEC) require brokers and brokerage firms to submit as part of the registration and licensing process, and
 - information that regulators report regarding disciplinary actions or allegations against firms or brokers.

- **How current is this information?**

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

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

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

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

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

Thank you for using FINRA BrokerCheck.



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



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

JOSEPH M. SCARBOROUGH

CRD# 1011773

This broker is not currently registered.

Report Summary for this Broker



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

Broker Qualifications

This broker is not currently registered.

This broker has passed:

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

Registration History

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

- B SII INVESTMENTS, INC.**
CRD# 2225
ANNAPOLIS, MD
12/2008 - 12/2017
- B ROYAL ALLIANCE ASSOCIATES, INC.**
CRD# 23131
ANNAPOLIS, MD
01/1996 - 12/2008
- B RETIREMENT INVESTMENT GROUP**
CRD# 7421
HOUSTON, TX
02/1993 - 12/1995

Disclosure Events

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

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

The following types of disclosures have been reported:

Type	Count
Regulatory Event	2

Investment Adviser Representative Information

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

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

Broker Qualifications



Registrations

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

This broker is not currently registered.



Broker Qualifications

Industry Exams this Broker has Passed

This section includes all securities industry exams that the broker has passed. Under limited circumstances, a broker may attain a registration after receiving an exam waiver based on exams the broker has passed and/or qualifying work experience. Any exam waivers that the broker has received are not included below. A passed exam or exam waiver does not permit a broker to do business without an active SRO or state registration.

This individual has passed 1 principal/supervisory exam, 2 general industry/product exams, and 2 state securities law exams.

Principal/Supervisory Exams

Exam	Category	Date
B General Securities Principal Examination	Series 24	10/24/1995

General Industry/Product Exams

Exam	Category	Date
B Securities Industry Essentials Examination	SIE	12/31/2017
B General Securities Representative Examination	Series 7	09/19/1981

State Securities Law Exams

Exam	Category	Date
IA Uniform Investment Adviser Law Examination	Series 65	04/13/1994
B Uniform Securities Agent State Law Examination	Series 63	10/16/1981

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

Broker Qualifications



Professional Designations

This section details that the representative has reported **0** professional designation(s).

No information reported.



Registration and Employment History

Registration History

The broker previously was registered with the following firms:

Registration Dates	Firm Name	CRD#	Branch Location
B 12/2008 - 12/2017	SII INVESTMENTS, INC.	2225	ANNAPOLIS, MD
B 01/1996 - 12/2008	ROYAL ALLIANCE ASSOCIATES, INC.	23131	ANNAPOLIS, MD
B 02/1993 - 12/1995	RETIREMENT INVESTMENT GROUP	7421	HOUSTON, TX
B 06/1986 - 02/1993	INVESTORS SECURITY COMPANY, INC.	2331	SUFFOLK, VA
B 02/1985 - 05/1986	HIBBARD-BECK, INC.	1763	
B 11/1984 - 03/1985	AFFILIATED INVESTORS SERVICE INC.	6790	
B 03/1984 - 07/1984	LEGG MASON WOOD WALKER, INCORPORATED	6555	
B 10/1981 - 02/1984	DEAN WITTER REYNOLDS INC.	7556	

Employment History

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

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

Employment	Employer Name	Position	Investment Related	Employer Location
02/2018 - Present	Oak Wealth Partners Inc	Owner	Y	Prince Frederick, MD, United States
11/2013 - Present	Retirement Management Systems	Advisory Representative; Owner	Y	Stevensville, MD, United States
01/2018 - 04/2019	Brookstone Capital Management	Investment Advisor Representative	Y	Wheaton, IL, United States
12/2008 - 01/2018	SII Investments Inc.	Registered Rep	Y	Annapolis, MD, United States



Registration and Employment History

Other Business Activities

This section includes information, if any, as provided by the broker regarding other business activities the broker is currently engaged in either as a proprietor, partner, officer, director, employee, trustee, agent or otherwise. This section does not include non-investment related activity that is exclusively charitable, civic, religious or fraternal and is recognized as tax exempt.

(1) Running Hare Vineyard

Not investment related

Address: 150 Adelina Road, Prince Frederick, MD 20678

Nature of Business: Operational Vineyard and Events

Title: 100% Owner

Start date of relationship: 2008

Hours: 0-10 hours per month

Hours during securities trading hours: 0 hours per month

Duties: Nothing business related; owner of the business and uses property to host friends, family, colleagues and clients

(2) The Hungry Hare

Not investment related

Address: 150 Adelina Road, Prince Frederick, MD 20678

Nature of Business: Stationary Food Trailer located on Running Hare Vineyard to serve food to RHV customers

Title: 100% Owner

Start date of relationship: 2018

Hours: 0

Duties: None

Disclosure Events



What you should know about reported disclosure events:

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

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

	Pending	Final	On Appeal
Regulatory Event	0	2	0



Disclosure Event Details

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

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

Regulatory - Final

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

Disclosure 1 of 2

Reporting Source:	Regulator
Regulatory Action Initiated By:	UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Sanction(s) Sought:	Cease and Desist
Other Sanction(s) Sought:	
Date Initiated:	07/08/2004
Docket/Case Number:	SEC ADMIN FILE 3-11538/REL 33-8438
Employing firm when activity occurred which led to the regulatory action:	ROYAL ALLIANCE ASSOCIATES, INC.
Product Type:	Mutual Fund(s)
Other Product Type(s):	
Allegations:	SEC ADMIN PROC FILE NO. 3-11538, RELS 33-8438, 34-49982, DATED JULY 8, 2004 - THE SECURITIES AND EXCHANGE COMMISSION ("COMMISSION") DEEMS IT APPROPRIATE AND IN THE PUBLIC INTEREST THAT PUBLIC ADMINISTRATIVE AND CEASE-AND-DESIST PROCEEDINGS BE, AND HEREBY ARE, INSTITUTED PURSUANT TO SECTION 8A OF THE SECURITIES ACT OF 1933 ("SECURITIES ACT") AND SECTION 15(B) OF THE SECURITIES EXCHANGE ACT OF 1934 ("EXCHANGE ACT") AGAINST J. MICHAEL SCARBOROUGH. IN ANTICIPATION OF THE INSTITUTION OF THESE



PROCEEDINGS, RESPONDENT HAS SUBMITTED AN OFFER OF SETTLEMENT (THE "OFFER") WHICH THE COMMISSION HAS DETERMINED TO ACCEPT.

Current Status:

Final

Resolution:

Order

Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?

No

Resolution Date:

07/08/2004

Sanctions Ordered:

Cease and Desist/Injunction
Disgorgement/Restitution
Monetary/Fine \$50,000.00
Suspension

Other Sanctions Ordered:

Sanction Details:

IN VIEW OF THE FOREGOING, THE COMMISSION DEEMS IT APPROPRIATE AND IN THE PUBLIC INTEREST TO IMPOSE THE SANCTIONS SPECIFIED IN RESPONDENT'S OFFER. IN VIEW OF THE FOREGOING, THE COMMISSION DEEMS IT APPROPRIATE AND IN THE PUBLIC INTEREST TO IMPOSE THE SANCTIONS SPECIFIED IN RESPONDENTS' OFFERS. ACCORDINGLY, IT IS HEREBY ORDERED:
PURSUANT TO SECTION 8A OF THE SECURITIES ACT, THAT SCARBOROUGH CEASE AND DESIST FROM COMMITTING OR CAUSING ANY VIOLATIONS AND ANY FUTURE VIOLATIONS OF SECTIONS 17(A)(2) AND 17(A)(3) OF THE SECURITIES ACT; PURSUANT TO SECTION 15(B)(6) OF THE EXCHANGE ACT, THAT SCARBOROUGH BE, AND HEREBY IS, SUSPENDED FROM ASSOCIATION IN A SUPERVISORY CAPACITY WITH ANY BROKER OR DEALER FOR A PERIOD OF NINE MONTHS, EFFECTIVE ON THE SECOND MONDAY FOLLOWING THE ENTRY OF THIS ORDER; SCARBOROUGH SHALL, WITHIN 30 DAYS OF THE ENTRY OF THIS ORDER, PAY DISGORGEMENT (REPRESENTING THE COMMISSIONS REFERRED TO IN PARAGRAPH 8 ABOVE) AND PREJUDGMENT INTEREST THEREON IN THE TOTAL AMOUNT OF \$2,111,084. SCARBOROUGH SHALL, WITHIN 30 DAYS OF THE ENTRY OF THIS ORDER, PAY A CIVIL MONEY PENALTY IN THE AMOUNT OF \$50,000 TO THE UNITED STATES TREASURY. SCARBOROUGH'S SUSPENSION EFFECTIVE JULY 19, 2004 TO CLOSE OF BUSINESS APRIL 18, 2005.

Regulator Statement

THIS MATTER INVOLVES VIOLATIONS OF THE FEDERAL SECURITIES LAWS



BY SCARBOROUGH IN CONNECTION WITH THE OFFER AND SALE OF CLASS B SHARES ISSUED BY MUTUAL FUNDS, AS WELL AS SUPERVISORY FAILURES BY SCARBOROUGH. FROM 1998 THROUGH EARLY 2000, SCARBOROUGH, THROUGH THE REGISTERED REPRESENTATIVES UNDER HIS SUPERVISION, SOLD BROKERAGE CUSTOMERS CLASS B MUTUAL FUND SHARES IN AMOUNTS THAT WOULD HAVE ENTITLED THEM TO "BREAKPOINT" DISCOUNTS HAD THEY PURCHASED CLASS A SHARES OF THE SAME FUNDS. SCARBOROUGH, ALONG WITH THE REGISTERED REPRESENTATIVES, DISCLOSED THE CHARACTERISTICS OF CLASS A SHARES AND CLASS B SHARES TO CUSTOMERS, INCLUDING A DESCRIPTION OF THE DISCOUNTS TO WHICH THE CUSTOMERS WOULD HAVE BEEN ENTITLED, BUT DID NOT TELL THEM THAT CLASS A SHARES GENERALLY PRODUCE HIGHER RETURNS THAN CLASS B SHARES OF THE SAME MUTUAL FUND WHEN PURCHASED IN AMOUNTS OF \$100,000 OR MORE. IF ALL OF THE CLIENTS WHO PURCHASED CLASS B SHARES IN AMOUNTS OF \$100,000 OR MORE HAD PURCHASED CLASS A SHARES INSTEAD, SCARBOROUGH AND HIS FIRM WOULD HAVE RECEIVED \$1.7 MILLION LESS IN COMMISSIONS THAN THEY ACTUALLY RECEIVED. SCARBOROUGH ALSO FAILED REASONABLY TO SUPERVISE REGISTERED REPRESENTATIVES AT THE BRANCH OFFICE WHO ENGAGED IN THIS CONDUCT UNDER HIS DIRECTION.

Reporting Source:	Broker
Regulatory Action Initiated By:	U.S. SECURITIES AND EXCHANGE COMMISSION
Sanction(s) Sought:	Cease and Desist
Other Sanction(s) Sought:	SUSPENSION FROM SUPERVISORY CAPACITY FOR 9 MONTHS; DISGORGEMENT; CIVIL MONETARY PENALTY.
Date Initiated:	07/03/2002
Docket/Case Number:	FILE NO. 3-11538
Employing firm when activity occurred which led to the regulatory action:	ROYAL ALLIANCE ASSOCIATES, INC.
Product Type:	Mutual Fund(s)
Other Product Type(s):	
Allegations:	THE COMMISSION'S ORDER ALLEGES VIOLATIONS OF FEDERAL SECURITIES LAWS IN CONNECTION WITH THE OFFER AND SALE OF CLASS B SHARES ISSUED BY MUTUAL FUNDS, AS WELL AS SUPERVISORY



FAILURES BY MR. SCARBOROUGH AND ROYAL ALLIANCE.

Current Status:	Final
Resolution:	Order
Resolution Date:	07/08/2004
Sanctions Ordered:	Cease and Desist/Injunction Disgorgement/Restitution Monetary/Fine \$50,000.00 Suspension
Other Sanctions Ordered:	
Sanction Details:	EFFECTIVE 7/19/04, SUSPENDED FOR NINE MONTHS FROM ASSOCIATION IN A SUPERVISORY CAPACITY WITH ANY BROKER OR DEALER; WITHIN 30 DAYS FROM ENTRY OF ORDER, PAY DISGORGEMENT AND PREJUDGMENT INTEREST TOTALING \$2,111,084 AND PENALTY OF \$50,000.
Broker Statement	BY 2002, MR. SCARBOROUGH AND ROYAL ALLIANCE HAD ADDRESSED THE ISSUES OF CONCERN EXPRESSED BY THE SEC. WITHOUT ADMITTING OR DENYING THE FINDINGS, THE RESPONDENTS CONSENTED TO THE ENTRY OF THE ORDER.

Disclosure 2 of 2

Reporting Source:	Broker
Regulatory Action Initiated By:	STATE OF NEW JERSEY BUREAU OF SECURITIES
Sanction(s) Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s) Sought:	
Date Initiated:	09/29/1994
Docket/Case Number:	
Employing firm when activity occurred which led to the regulatory action:	INVESTORS SECURITY COMPANY, INC.
Product Type:	No Product
Other Product Type(s):	
Allegations:	ACTED AS AN UNREGISTERED AGENT IN NEW JERSEY WHILE ASSOCIATED WITH INVESTORS SECURITY COMPANY, INC. BETWEEN THE DATES OF JULY 1990 THROUGH MAY 1991.



Current Status:	Final
Resolution:	Decision
Resolution Date:	11/10/1994
Sanctions Ordered:	Monetary/Fine \$10,000.00
Other Sanctions Ordered:	
Sanction Details:	A CIVIL MONETARY PENALTY OF \$10,000.00 WAS PAID
Broker Statement	I WAS UNDER THE IMPRESSION FROM [PRINCIPAL], THE PRINCIPAL AT INVESTORS SECURITY COMPANY, INC. THAT THE LIMITED NUMBER OF INVESTMENTS THEY WERE HANDLING WOULD NOT REQUIRE REGISTRATION. I AM CURRENTLY REGISTERED IN THE STATE OF NEW JERSEY FOR SECURITIES BUSINESS.

End of Report



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