

BrokerCheck Report

MICHAEL WAYNE SHAMBURGER

CRD# 1739030

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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.

MICHAEL W. SHAMBURGER

CRD# 1739030

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

Registration History

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

B CAMBRIDGE INVESTMENT RESEARCH, INC.

CRD# 39543
ANCHORAGE, AK
10/2007 - 12/2013

B MULTI-FINANCIAL SECURITIES CORPORATION

CRD# 10299
ANCHORAGE, AK
10/1999 - 10/2007

B MUTUAL SERVICE CORPORATION

CRD# 4806
BOSTON, MA
03/1999 - 10/1999

Disclosure Events

This broker has been involved in one or more disclosure events involving certain final criminal matters, regulatory actions, civil judicial proceedings, or arbitrations or civil litigations.

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

The following types of disclosures have been reported:

Type	Count
Regulatory Event	1

Investment Adviser Representative Information

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

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

Broker Qualifications



Registrations

This section provides the self-regulatory organizations (SROs), states and U.S. territories the broker is currently registered and licensed with, the category of each registration, and the date on which the registration became effective. This section also provides, for each 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, 1 general industry/product exam, and 2 state securities law exams.

Principal/Supervisory Exams

Exam	Category	Date
B General Securities Principal Examination	Series 24	03/03/1997

General Industry/Product Exams

Exam	Category	Date
B General Securities Representative Examination	Series 7	10/10/1994

State Securities Law Exams

Exam	Category	Date
IA Uniform Investment Adviser Law Examination	Series 65	07/14/1997
B Uniform Securities Agent State Law Examination	Series 63	12/03/1994

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 securities firms:

Registration Dates	Firm Name	CRD#	Branch Location
B 10/2007 - 12/2013	CAMBRIDGE INVESTMENT RESEARCH, INC.	39543	ANCHORAGE, AK
B 10/1999 - 10/2007	MULTI-FINANCIAL SECURITIES CORPORATION	10299	ANCHORAGE, AK
B 03/1999 - 10/1999	MUTUAL SERVICE CORPORATION	4806	BOSTON, MA
B 11/1996 - 03/1999	TITAN/VALUE EQUITIES GROUP, INC.	6359	IRVINE, CA
B 10/1994 - 08/1995	ESSEX NATIONAL SECURITIES, INC.	25454	NAPA, CA
B 04/1988 - 05/1991	LEHMAN BROTHERS INC.	7506	NEW YORK, NY
B 03/1988 - 04/1988	E. F. HUTTON & COMPANY INC	235	
B 09/1987 - 03/1988	PAINWEBBER INCORPORATED	8174	

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
03/2008 - Present	FOUNDATIONS ASSET MANAGEMENT, LLC	CCO/ADVISOR REPRESENTATIVE	Y	ANCHORAGE, AK, United States
10/2007 - Present	CAMBRIDGE INVESTMENT RESEARCH, INC	REG REP	Y	FAIRFIELD, IA, United States

Disclosure Events



What you should know about reported disclosure events:

- 1. **Disclosure events in BrokerCheck reports come from different sources:**
 - As mentioned at the beginning of this report, information contained in BrokerCheck comes from brokers, their employing firms, and regulators. When more than one source reports information for the same disclosure event, all versions of the event will appear in the BrokerCheck report. The different versions are separated by a solid line with the reporting source labeled.

For your convenience, below is a matrix of the number and status of regulatory 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.

	Final	On Appeal
Regulatory Event	1	0



Disclosure Event Details

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 involves a final, formal proceeding initiated by a regulatory authority (e.g., a state securities agency, self-regulatory organization, federal regulator such as the Securities and Exchange Commission, foreign financial regulatory body) for a violation of investment-related rules or regulations.

Disclosure 1 of 1

Reporting Source:	Regulator
Regulatory Action Initiated By:	UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Sanction(s) Sought:	Cease and Desist
Date Initiated:	07/24/2019
Docket/Case Number:	3-19266
Employing firm when activity occurred which led to the regulatory action:	Foundations Asset Management, LLC
Product Type:	Other: private real estate fund
Allegations:	<p>SEC Admin Release 34-86446, IA Release 40-5306 / July 24, 2019: 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 Sections 15(b) and 21C of the Securities Exchange Act of 1934 ("Exchange Act") and Sections 203(e) and 203(k) of the Investment Advisers Act of 1940 ("Advisers Act") against Foundations Asset Management, LLC ("FAM"), and that cease-and-desist proceedings be, and hereby are, instituted pursuant to Section 21C of the Exchange Act and Section 203(k) of the Advisers Act against Michael W. Shamburger ("Shamburger") and Rob E. Wedel ("Wedel") (FAM, Shamburger, and Wedel are referred to collectively herein as "Respondents").</p> <p>The Commission finds that these proceedings concern conflicts of interest that were not properly disclosed and brokerdealer registration violations by registered investment adviser FAM and its two principals, Shamburger and Wedel. From May 2013 through June 2016 ("the relevant period"), FAM improperly received approximately \$254,000 in compensation from private real estate fund Alaska Financial Company III LLC ("AFC III") and AFC III's manager McKinley Mortgage Co. LLC ("McKinley"), while acting as an unregistered broker. FAM, through Shamburger and Wedel, solicited clients and recommended that they invest</p>



approximately \$12 million in AFC III promissory notes. This compensation, which was not properly disclosed to FAM clients, included approximately \$126,000 in up-front compensation calculated as a percentage of an initial investment and approximately \$128,000 in trailing fees based on FAM client investments that remained with AFC III each quarter. FAM, through Shamburger, also made false and misleading statements in five Form ADV Part 2A filings ("ADV Brochures") filed with the Commission between March 2014 and March 2015, regarding the compensation it received for selling AFC III securities and advising FAM clients. As a result of Respondents' conduct, FAM violated Sections 206(2) and 207 of the Advisers Act and Section 15(a) of the Exchange Act; Shamburger and Wedel caused FAM's violations of Section 206(2) of the Advisers Act and Section 15(a) of the Exchange Act; and Shamburger caused FAM's violations of Section 207 of the Advisers Act.

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? Yes

Resolution Date: 07/24/2019

Sanctions Ordered: Cease and Desist
Civil and Administrative Penalty(ies)/Fine(s)

If the regulator is the SEC, CFTC, or an SRO, did the action result in a finding of a willful violation or failure to supervise? No



(1) willfully violated any provision of the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Advisers Act of 1940, the Investment Company Act of 1940, the Commodity Exchange Act, or any rule or regulation under any of such Acts, or any of the rules of the Municipal Securities Rulemaking Board, or to have been unable to comply with any provision of such Act, rule or regulation?

(2) willfully aided, abetted, counseled, commanded, induced, or procured the violation by any person of any provision of the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Advisers Act of 1940, the Investment Company Act of 1940, the Commodity Exchange Act, or any rule or regulation under any of such Acts, or any of the rules of the Municipal Securities Rulemaking Board? or



(3) failed reasonably to supervise another person subject to your supervision, with a view to preventing the violation by such person of any provision of the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Advisers Act of 1940, the Investment Company Act of 1940, the Commodity Exchange Act, or any rule or regulation under any such Acts, or any of the rules of the Municipal Securities Rulemaking Board?

Monetary Sanction 1 of 1

Monetary Related Sanction: Civil and Administrative Penalty(ies)/Fine(s)

Total Amount: \$50,000.00

Portion Levied against individual: \$50,000.00

Payment Plan:

Is Payment Plan Current:

Date Paid by individual:

Was any portion of penalty waived? No

Amount Waived:

Regulator Statement

Respondents have submitted Offers of Settlement (the "Offers") which the Commission has determined to accept. Accordingly it is hereby ORDERED that Shamburger cease and desist from committing or causing any violations and any future violations of Section 15(a) of the Exchange Act and Sections 206(2) and 207 of the Advisers Act. Shamburger shall pay a civil penalty in the amount of \$50,000 to the Securities and Exchange Commission.



Reporting Source:	Broker
Regulatory Action Initiated By:	UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Sanction(s) Sought:	Cease and Desist Censure Disgorgement
Date Initiated:	07/24/2019
Docket/Case Number:	3-19266
Employing firm when activity occurred which led to the regulatory action:	FOUNDATIONS ASSET MANAGEMENT, LLC
Product Type:	Other: PRIVATE REAL ESTATE FUND
Allegations:	FAILURE TO PROPERLY DISCLOSE CONFLICTS OF INTERESTS AND BROKER-DEALER REGISTRATION VIOLATIONS IN CONNECTION WITH THE RECEIPT OF COMPENSATION FROM PRIVATE REAL ESTATE FUND ALASKA FINANCIAL COMPANY III LLC AND FALSE AND MISLEADING STATEMENTS IN FORM ADV FILINGS.
Current Status:	Final
Resolution:	Decision & Order of Offer of Settlement
Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?	Yes
Resolution Date:	07/24/2019
Sanctions Ordered:	Monetary Penalty other than Fines Other: FAM RELINQUISHED RIGHTS TO RECEIVE "TRAILING FEES" FOR AFC III INVESTMENTS AND AGREED TO PAY DISGORGEMENT OF \$253,784, PRE-JUDGEMENT INTEREST OF \$25,163, AND A CIVIL PENALTY OF \$85,000. SHAMBURGER AGREED TO PAY CIVIL PENALTY OF \$50,000 AND WEDEL A CIVIL PENALTY OF \$25,000.
Monetary Sanction 1 of 1	
Monetary Related Sanction:	Monetary Penalty other than Fines
Total Amount:	\$160,000.00



Portion Levied against individual: \$50,000.00

Payment Plan: Balance of disgorgement to be paid quarterly over 1 year. Payments up to date.

Is Payment Plan Current: Yes

Date Paid by individual: 08/06/2019

Was any portion of penalty waived? No

Amount Waived:

Broker Statement

FAM AGREED TO POST NOTICE OF THE ORDER ON ITS WEBSITE FOR A PERIOD OF 12 MONTHS, PROVIDE NOTICE TO AFC III INVESTORS OF THE ORDER, AND PROVIDE A COPY OF THE ORDER TO CLIENTS FOR NEXT 24 MONTHS. FAM SHALL MAKE ALL PAYMENTS REQUIRED UNDER THE ORDER WITHIN 360 DAYS OF THE ORDER. SHAMBURGER AND WEDEL SHALL MAKE PAYMENTS REQUIRED UNDER THE ORDER WITHIN 14 DAYS OF THE ORDER.

End of Report



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