



**CORECAP ADVISORS, INC.**  
[FORM ADV, PART 2A -- BROCHURE]

This brochure provides information about the qualifications and business practice of CoreCap Advisors, Inc. ("CCA"), previously known as Core Capital Advisors and Convergence Financial Advisors, Inc. If you have any questions about the contents of this brochure, please contact us at 888-296-3360. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about CCA is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable IARD/CRD number for Convergence is 158819.

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The date of this Brochure is March 27, 2014

## Item 2 -- Material Changes

This Form ADV Part 2A does not make any material changes to the prior Form ADV Part 2A of CoreCap Advisors, Inc. .

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## Item 4 -- Advisory Business

CCA was founded in 2011 and is currently owned by Core Capital Holdings, Inc., a holding company that is owned equally by Timothy J. Otto and Dennis M. Brown.

We provide discretionary portfolio management services to our clients. Portfolio investment decisions are made according to the investment objectives and risk tolerances of each client, and also the client's stated investment restrictions (if any) and special circumstances. As a relationship-oriented firm, we emphasize individualized attention to a client's assets and investment needs. Investment decisions are made on a consultative basis with the client or the client's designated financial advisors, financial planners, attorneys or accountants.

Asset fee based services are administered via the RBC brokerage platform. Generally, clients will sign an investment advisory agreement giving us discretionary investment authority over their account. Discretion refers to our authority to make purchase and sale decisions for a client's account. The use of investments such as mutual funds or Exchange Traded Funds ("ETFs") may create a layering of management fees for those client relationships. The normal fees associated with a mutual fund or an ETF (such as investment advisory, administration, distribution, transfer agent, custodial, legal, audit and other customary business-related fees and expenses) will apply as well as the agreed-upon investment management fee from us. In these situations, we will usually select one or more mutual funds or ETFs for the client and will discuss the investment with the client before it is made

Each client may also be responsible for paying any transaction costs associated with purchasing and selling securities.

CCA also makes use of certain sub-advisors and may have clients enter into relationships with such sub-advisors and the custodial firms used by those advisors.

## **Item 5 -- Fees and Compensation**

For discretionary accounts, fees are normally billed in quarterly in advance, based on the net asset value of a client's account under management as of the last day of the previous quarter. Billing periods (typically monthly or quarterly) are established during consultation with each client. Fees charged to new clients will also be pro-rated for the number of days in the billing period during which the new client's account was open. If a client terminates the relationship with us other than at the end of a billing period, the fees for the billing period in which termination occurred will be calculated through the date of termination based on the assets under management on that date. We prefer to have our clients authorize us to have RBC and our other custodians invoice and deduct these fees directly from their accounts, in compliance with applicable SEC and state rules that permit this type of arrangement.

Our fees are negotiable and are typically lower as the amount of assets in a client's account increases. Our annual fees can range between 1.00% and 3.00% of assets under management, though on occasion annual fees in lesser amounts may be negotiated. The annualized fee applies to 100% of the assets in the account, and client-related accounts may be aggregated for fee calculations.

In addition to the account fees and expenses described above, when a client's assets are invested in ETFs or mutual funds, the client's account will also be subject to various other fees and expenses that are described in the ETF's or mutual fund's prospectus. These fees and expenses are paid by the ETF or mutual fund but are ultimately borne by the client as a shareholder of the mutual fund. These fees and expenses include investment advisory, administration, distribution, transfer agent, custodian, legal, audit and other customary fees and expenses related to mutual funds.

Clients may also be charged a pass-through ticket charge which is charged to us by our clearing broker. Some advisor representatives may consider absorbing this fee for their clients when negotiating their respective management fees.

## **Item 6 -- Performance-Based Fees and Side-By-Side Management**

We do not charge or accept "performance-based fees," which are fees based on a share of capital gains on, or capital appreciation of, the assets of a client.

## **Item 7 -- Types of Clients**

We provide discretionary portfolio management services primarily to individuals, including high net worth individuals and those persons who are "accredited investors" (as defined by SEC rules), and self-directed retirement plans such as 401(k) and 403(b) accounts owned by these individuals. In the future, we may also provide portfolio management services to pension and profit sharing plans, trusts, estates, charitable organizations, and corporations. We do not plan on having any required minimum size for a client's account.

## **Item 8 -- Methods of Analysis, Investment Strategies and Risk of Loss**

In order to provide our clients with a diversified portfolio of investments that are tailored to their investment objectives, we intend to focus our investment advice on mutual funds, ETFs, individual stocks, and bonds. In certain cases we may also incorporate options or short sales, but only after discussion with the client. Our investment time horizon is typically long term (over a number of years). Our research is generally independent and may incorporate financial magazines, publications and papers, fundamental research, corporate ratings services, SEC filings and other pertinent sources.

Investing in securities involves the risk of loss that a client should be prepared to bear. We do not guarantee our investment results or performance, and we generally do not engage in frequent trading of a client's account, which can adversely affect performance, particularly through increased brokerage and other transaction costs and taxes.

## **Item 9 -- Disciplinary Information**

Neither our firm nor any of our management persons has been involved in any legal or disciplinary proceedings during the past 10 years that is material to a client's (or a prospective client's) evaluation of our advisory business or the integrity of our management. Specifically, there have been no criminal or civil actions involving our firm or our management persons, there have been no administrative proceedings before the United States Securities and Exchange Commission or any other foreign, federal or state regulatory agency, and there have been no proceedings by a self-regulatory organization involving our firm or any of our management persons.

## **Item 10 -- Other Financial Industry Activities and Affiliates**

We are not registered as a broker-dealer, futures commission merchant, commodity pool operator, commodity trading advisor or an associated person of any of the foregoing entities. However, as noted above, our parent company, Core Capital Holdings, Inc., has recently purchased Windsor, Sheffield & Co., Inc., a Pennsylvania broker-dealer which is now known as CoreCap Investments, Inc., and is our affiliate and a registered broker-dealer. That broker-dealer has changed its name to CoreCap Investments, Inc., and also has or will have obtained the appropriate licenses to sell variable annuities in the states in which it does business. As a result of this transaction, certain of our management persons are or will be registered representatives and principals of that broker-dealer, as well as of Convergence Financial Services, Inc., the affiliated registered investment adviser noted above. None of these individuals, however, is registered as a futures commission merchant, commodity pool operator, commodity trading advisor or an associated person or is a listed principal of any of the foregoing entities, nor do any of our management persons have an application for such registration or listing pending.

We may recommend or select other investment advisers for our clients, and may we have a material conflict of interest for us arising out of our relationship to Convergence Financial Services, Inc.

## **Item 11 -- Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

Our officers and employees who have or may have knowledge of present or future client transactions must comply with our written procedures that impose restrictions on the purchase and sale of securities by such individuals for their own accounts. Our written procedures require prior clearance of all personal securities transactions, except certain exempt transactions, by our Chief Compliance Officer. Copies of brokerage firm confirmations and monthly brokerage statements must be sent directly to our Chief Compliance Officer.

We have adopted a Code of Ethics that complies with SEC Rule 204A-1. This Code governs the personal securities trading activities of our "supervised persons," which includes any owner, manager, employee or other person who provides investment advice on our behalf and who is subject to supervision and control by us. The Code recognizes that all supervised persons owe a fiduciary duty to our clients, including a duty to conduct their personal securities transactions in a manner that does not interfere with the transactions of a client or otherwise take unfair advantage of the relationship with a client. The Code contains specific principles of conduct, prohibits certain types of securities trading activities by a supervised person, requires pre-clearance for certain securities transactions by a supervised person and requires "Access Persons" to file an initial holdings report and quarterly transactions reports with our Chief Compliance Officer. A copy of our Code of Ethics will be provided to any client who requests one, without charge.

We do not buy or sell for client accounts any securities in which we or any of our "related persons" have a material financial interest. From time to time, we may, or our related persons may, invest in the same securities or related securities (e.g., warrants, options or futures) that we are recommending to our clients or that we are buying or selling for our clients at or about the same time. Under our Code of Ethics and policies on personal trading, we must execute our client's trades prior to making any trades on our own behalf or on behalf of a related person; however, we may include trades for our own account or for a

related person in any “batch” trades that we execute for multiple clients at the same time. Batch trades are described in Item 12.B below.

From time to time, we may advance payment of various charges such as Errors & Omissions Insurance or registration and licensing fees on behalf of our advisor representatives. Depending upon the timing of these advances, they may for accounting purposes be deemed to be a loan to such representatives. These advances are charged against the commission and/or management fee accounts of the representatives and generally do not remain outstanding for any length of time. Given the relatively small amounts of money at issue and our regular supervisory procedures, we do not believe these advances create an insurmountable conflict of interest for our advisor representatives.

## **Item 12 -- Brokerage Practices**

When we have discretionary authority to make transactions in a client’s account, the extent of that authority will be determined based on the individual written agreement with the client. Depending on the terms of the discretionary account agreement with a client, we may be given the authority to make some or all of the following determinations without obtaining the client’s prior consent, but subject to any specific restrictions or limitations requested by the client:

- which securities will be bought or sold;
- the total amount of securities to be bought or sold;
- the broker or dealer through which securities will be bought or sold; and
- the commission rates or prices at which securities transactions are to be carried out.

Selection of Brokers. In selecting a brokerage firm for our clients, we attempt to choose the one that has the capability of providing “best execution” for the client trades. In determining the ability of a broker or dealer to obtain best execution for a particular transaction, we consider a number of factors, including (but not limited to) the execution capabilities necessary to the transaction, the importance of speed, efficiency and confidentiality, the broker’s apparent familiarity with sources from which or to which particular securities may be purchased or sold and the reputation and the perceived soundness of the broker or dealer.

We do not have any duty or obligation to seek advance competitive bidding for the most favorable commission rates available for a particular transaction, or to select any broker solely on the basis of its purported or posted commission rates. We will take reasonable steps to be aware of the current level of charges of eligible brokers and to minimize the transaction expenses incurred, to the extent consistent with the interests and policies of clients. Although we generally seek competitive commissions, we do not necessarily obtain the lowest brokerage commissions. Some transactions may involve specialized services on the part of a broker and may entail higher commissions as a result.

In accounts for which we have authority to select the broker or dealer for transactions in an account, we prefer to use RBC because of the lower brokerage commissions charged and the level of advisor/client service provided by this brokerage firm. For accounts where the client asks us to recommend a brokerage firm, we will recommend RBC based on the reasons before mentioned.

Research and Other Soft Dollar Benefits. We do not engage in any soft dollar arrangements.

Brokerage for Client Referrals. When selecting or recommending a brokerage firm, we will choose RBC.

Directed Brokerage. A client may direct us to use a particular broker or dealer to execute transactions under terms and arrangements that the client has negotiated. Where this occurs, we may not be in a position to negotiate the lowest commissions or spreads for the client, or to achieve best execution of trades. In addition, transactions for a client who has directed us to use a certain broker or dealer may not be batched for purposes of execution (see below). Accordingly, the designation by a client of a particular broker or dealer may result in higher commissions, greater spreads, or less favorable prices than might be realized if we are empowered to select a broker or dealer and negotiate for best commission.

Aggregation of Trades. From time to time we may be in the position of buying or selling the same security for a number of clients at approximately the same time. Because of market fluctuations, the prices obtained on such transactions on a single day may vary substantially. In such situations, some clients will receive prices more favorable than other clients. To more equitably allocate the effects of such market fluctuations, we may use an averaging procedure for certain transactions, under which purchases or sales of a particular security will be combined ("batched") for all accounts trading in the same security on the same day. In such cases, the prices shown on confirmation reports for these purchases or sales will be the average execution price for the batch. In certain situations, batched orders entered may not be completely filled, and in such event we will pro-rate the completed portion of the order to ensure that all clients participating in the batched order will receive an allocated portion of the completed transaction.

### **Item 13 -- Review of Accounts**

All accounts are monitored or reviewed on an ongoing and regular basis (generally daily) for performance. Complete reviews are made on a monthly basis. When relevant factors change, such as the financial needs or objectives of a client on fundamental developments which impact the companies whose securities held, or when a security's relative valuation changes, or during periods of market fluctuations, an individual account is promptly reviewed. All reviews are conducted by the investment advisor representative who is responsible for management of a client's account.

Our clients or their designated agents or advisors will generally receive monthly account statements from their custodian which detail security positions, current value, cost basis and expected yield. We also provide monthly and/or quarterly portfolio appraisals detailing portfolio structure, holdings, income, etc. Clients are encouraged to compare our statements with the statements received from their broker/custodian and to confirm that the investments we report are in fact held by the custodian. Market updates informing clients of relevant developments are provided at least quarterly. In-person visits are scheduled periodically or at a client's discretion to ensure communication and understanding of portfolio activities and accomplishments.

It is important for clients to note that we rely upon the financial and other information which they provide to us and to be aware that they should promptly update us on any material change to their financial or other status.

### **Item 14 -- Client Referrals and Other Compensation**

We do not enter into arrangements with individuals to solicit and refer prospects to us for a fee.

### **Item 15 -- Custody**

We do not hold custody of any client funds or securities. While we normally provide our clients with quarterly statements of their account's status and performance, we encourage our clients to compare the information contained in the statements we provide with the information that each client receives directly from the custodian of their account.

### **Item 16 -- Investment Discretion**

When a client desires to provide us with complete authority to select which securities will be bought or sold and the total amount of securities to be bought or sold the investment account agreement will contain a limited power of attorney designating us as the client's attorney-in-fact for these purposes. Clients may place limitations on our powers, including limitations related to specific investment objectives or policies or limitations requiring some form of prior notice before we are allowed to execute transactions. Any limited power of attorney may be terminated by a client at any time without prior notice, but termination must be in writing (including email communications).

**Item 17 -- Voting Client Securities**

Our normal investment account agreement provides that we will not be responsible for voting with respect to the securities held in an account. All proxies for voting will be sent to the client for execution and voting by the client. If client requests to have proxies sent to them we will instruct the broker to do so. In special circumstances, if requested by client, we will vote on behalf of the client.

**Item 18 -- Financial Information**

We are not required to include in this brochure our balance sheet for the most recent fiscal year, because we do not, at the present time, require or solicit prepayment of more than \$1,200 in fees per client six months or more in advance.

We are not aware of any financial condition that would impair our ability to meet our contractual commitments to our clients. Neither our firm nor any of our management persons have been the subject of a bankruptcy petition at any time during the past 10 years.

