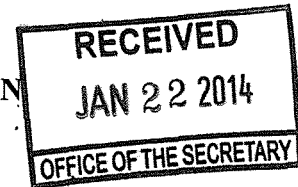


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UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION



ADMINISTRATIVE PROCEEDING
File No. 3-15625

In the Matter of

AMBASSADOR CAPITAL
MANAGEMENT, LLC and
DEREK H. OGLESBY

Respondents.

ANSWER OF DEREK H. OGLESBY

Derek H. Oglesby (Mr. Oglesby) by his attorneys, Morvillo Abramowitz Grand Iason & Anello, P.C., answers the allegations contained in the Order Instituting Administrative and Cease-and-Desist Proceedings pursuant to Sections 203(e), 203(f) and 203(k) of the Investment Advisers Act of 1940 (the "Advisers Act"), and Sections 9(b) and 9(f) of the Investment Company Act of 1940 (the "Company Act"), dated November 26, 2013, as follows:

SECTION I

No response is necessary with respect to Section I.

SECTION II

1. Mr. Oglesby denies the allegations of Paragraph 1, except that he admits that the Ambassador Money Market Fund ("AMMF") was a money market fund series offered by Ambassador Funds and managed by Ambassador Capital Management (ACM).
2. Mr. Oglesby denies the allegations in Paragraph 2

3. Mr. Oglesby denies the allegations in Paragraph 3.
4. Mr. Oglesby admits the statements in Paragraph 4, and with respect to the contents of Oglesby's public filings, Oglesby states that the documents speak for themselves and do not require a response.
5. Mr. Oglesby admits that he is a resident of Bloomfield Hills, Michigan and that he is a portfolio manager at ACM and Director of Quantitative Research. Mr. Oglesby denies that he was responsible for AMMF's day-to-day operations and portfolio management in 2009 but states that he shared responsibility with others for managing AMMF's portfolio and its day-to-day operations from May 2010 until its liquidation.
6. Mr. Oglesby admits the statements contained in Paragraph 6.
7. Mr. Oglesby admits the statements contained in Paragraph 7, except notes that the Ambassador Funds filed an application for deregistration as a registered investment company on May7, 2013.
8. Mr. Oglesby addresses each sentence in Paragraph 8 as follows: with regard to sentence 1, Mr. Oglesby lacks sufficient knowledge or information to admit or deny the statement, except admits that ACCM had good investment performance. With respect to sentence 2, Mr. Oglesby admits that AMMF owned securities issued by Dexia, SA at certain times in 2011, but denies that AMMF owned Dexia securities after Dexia went into receivership. With respect to sentence 3, Mr. Oglesby denies that AMMF held the asset backed commercial paper of a "troubled" German bank, but admits that AMMF held asset backed commercial paper of two Italian issuers.
9. Mr. Oglesby lacks sufficient knowledge or information to admit or deny the statements in Paragraph 9.

10. Mr. Oglesby lacks sufficient knowledge or information to admit or deny the allegations in Paragraph 10.
11. Mr. Oglesby lacks sufficient knowledge or information to admit or deny the allegations in Paragraph 11, except that he admits that AMMF liquidated on June 29, 2012 and admits that Ambassador Funds made filings with the SEC that identified AMMF as a money market fund.
12. Mr. Oglesby admits that AMMF's total net assets fluctuated during the last several years of its operations, but denies that the fluctuations were significant or the suggestion that the fluctuations evidenced that AMMF was unstable. With respect to the specific amounts referenced in Paragraph 12, Mr. Oglesby states that to the best of his knowledge or information they are approximately accurate.
13. Mr. Oglesby admits the allegations in Paragraph 13.
14. Mr. Oglesby admits the allegations in Paragraph 14.
15. Mr. Oglesby admits the allegations in Paragraph 15, except that he denies that AMMF's portfolio generally consisted of between 15-25 different holdings.
16. Mr. Oglesby lacks sufficient knowledge or information to admit or deny the statements in Paragraph 16, except that he admits that, from time to time, a substantial portion of the shareholders' investments in AMMF came from the City of Detroit and Washtenaw County, Michigan.
17. Mr. Oglesby admits the statements contained in Paragraph 17.
18. Mr. Oglesby lacks sufficient knowledge or information to admit or deny the allegation in Paragraph 18.

19. Mr. Oglesby lacks sufficient knowledge or information to admit or deny the allegation in Paragraph 19.
20. Mr. Oglesby admits the allegations in Paragraph 20 except that he denies that the approved list contained limited information.
21. Mr. Oglesby denies the allegations in Paragraph 21 except that he admits that ACM made representations at Board meetings regarding the minimal credit risk of issuers on the approved list.
22. Mr. Oglesby denies the allegations in Paragraph 22.
23. Mr. Oglesby denies the allegations in Paragraph 23.
24. Mr. Oglesby denies the allegations in Paragraph 24, except that he admits that AMMF generally held securities until maturity.
25. Mr. Oglesby lacks sufficient knowledge or information to admit or deny the allegations in Paragraph 25. To the extent that Paragraph 25 purports to recount statements from a specific document, Mr. Oglesby states that the document speaks for itself and does not require a response.
26. Mr. Oglesby lacks sufficient knowledge or information to admit or deny the allegations in Paragraph 26.
27. Mr. Oglesby lacks sufficient knowledge or information to admit or deny the allegations in Paragraph 27.
28. Mr. Oglesby denies the allegations in Paragraph 28, except that he admits that in 2010 ACM created its own ratings for issues or securities and admits the allegations concerning ACM's response to an inquiry from Standard & Poor's.

29. Mr. Oglesby lacks sufficient knowledge or information to admit or deny the allegations in Paragraph 29.
30. Mr. Oglesby admits that he regularly reported to the Board regarding the Fund's portfolio from 2010 to the liquidation of AMMF, but denies the other allegations in Paragraph 30.
31. Mr. Oglesby denies the allegations in Paragraph 31.
32. Mr. Oglesby denies the allegations in Paragraph 32.
33. Mr. Oglesby denies the allegations in Paragraph 33.
34. Mr. Oglesby denies the allegations in Paragraph 34.
35. Mr. Oglesby lacks sufficient knowledge or information to admit or deny the statement in the first sentence of Paragraph 35, but admits that in 2011 he informed AMMF's Board that ACM was making efforts to limit the Fund's exposure to issuers in financially troubled European countries.
36. Mr. Oglesby admits the allegation in Paragraph 36 that during a Board meeting, he discussed the Eurozone credit crisis, but he denies that he reviewed the performance of AMMF and he denies that the minutes of the August 8, 2011 Board meeting accurately describe his statements to the Board.
37. Mr. Oglesby lacks knowledge or information sufficient to admit or deny whether the minutes of the Board meeting accurately reflect what he said to the Board.
38. Mr. Oglesby denies the allegations in Paragraph 38 that he made misleading statements to the AMMF Board and lacks sufficient knowledge or information with respect to the allegations concerning securities purchased for the AMMF portfolio.

39. Mr. Oglesby denies the allegations in Paragraph 39, except that he admits that at the time of the November 14, 2011 Board meeting, AMMF's holdings in ENI were due to mature on November 16, 2011 and November 18, 2011. Mr. Oglesby also states that additional ENI securities were purchased for the Fund when circumstances changed.

40. Mr. Oglesby denies the allegations in Paragraph 40.

41. Mr. Oglesby lacks sufficient knowledge or information to admit or deny the statements contained in Paragraph 41.

42. Mr. Oglesby admits the statements in Paragraph 42, except that he lacks sufficient knowledge or information to admit or deny the date or the amount of the redemption by the City of Detroit. Mr. Oglesby denies that the Fund was in violation of Rule 2a-7(c)(4)(i)(A).

43. Mr. Oglesby lacks sufficient knowledge or information to admit or deny the allegations in Paragraph 43.

44. Mr. Oglesby lacks sufficient knowledge or information to admit or deny the allegations in Paragraph 44.

45. Mr. Oglesby lacks sufficient knowledge or information to admit or deny the allegations in Paragraph 45.

46. Mr. Oglesby admits the allegation in Paragraph 46 that the Commission adopted Rule 2a-7 on February 23, 2010.

47. Mr. Oglesby admits the allegation in Paragraph 47 that Rule 2a-7(c)(10)(v)(A) requires periodic stress testing. Mr. Oglesby denies the allegation that AMMF did not fully implement stress testing procedures until May 21, 2012.

48. Mr. Oglesby admits the allegations in Paragraph 48.

49. Mr. Oglesby denies the allegations in Paragraph 49.
50. Mr. Oglesby denies the allegations in Paragraph 50.
51. Mr. Oglesby denies the allegations in Paragraph 51.
1. Mr. Oglesby denies the allegations in Paragraph J1.
2. Mr. Oglesby denies the allegations in Paragraph J2.
3. Mr. Oglesby denies the allegations in Paragraph J3.
4. Mr. Oglesby denies the allegations in Paragraph J4.
5. Mr. Oglesby denies the allegations in Paragraph J5.
6. Mr. Oglesby denies the allegations in Paragraph J6.

SECTION III

No response is necessary with respect to Section III.

SECTION IV

No response is necessary to Section IV.

AFFIRMATIVE DEFENSES

FIRST AFFIRMATIVE DEFENSE

The allegations in the Order fail to state a claim upon which relief can be granted.

SECOND AFFIRMATIVE DEFENSE

Mr. Oglesby acted at all times in good faith and relied upon the legal and compliance experts at Fund Services Group, including AMMF's CCO; experienced members of the Board; and outside counsel to AMMF and the Board from Dykema Gossett PLLC and Greenberg Traurig LLP, to ensure that all legal requirements were satisfied.

THIRD AFFIRMATIVE DEFENSE

The alleged acts of noncompliance with Rule 2a-7 were immaterial. Even if there was a failure to comply fully with Rule 2a-7 there was no violation of law.

FOURTH AFFIRMATIVE DEFENSE

The fact that AMMF has liquidated and no longer exists and that ACM is no longer advising any money market funds should be considered in deciding whether to grant the relief requested.

FIFTH AFFIRMATIVE DEFENSE

Mr. Oglesby did not cause any of the alleged violations.

SIXTH AFFIRMATIVE DEFENSE

Mr. Oglesby has not “aided, abetted, counseled, commanded, induced or procured” a violation within the meaning of the securities laws.

SEVENTH AFFIRMATIVE DEFENSE

The imposition of a penalty against Mr. Oglesby is not in the public interest and is not consistent with the requirements of justice.

EIGHTH AFFIRMATIVE DEFENSE

The alleged actions of Mr. Oglesby were not conducted with scienter and were not intentional or willful.

WHEREFORE, having fully answered, Mr. Oglesby states:

1. That the relief described in the Order should be denied; and
2. That he should be given all relief that is just and proper.

Dated: New York, New York
 January 10, 2014



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