

# **Convergence Financial Services, Inc.**

## **Investment Management Services**

[FORM ADV, PART 2A -- BROCHURE]

**This brochure provides information about the qualifications and business practice of Convergence Financial Services, Inc. (“Convergence”). 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 (“SEC”) or by any state securities authority.**

**Additional information about Convergence Financial Services, Inc., also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable IARD/CRD number for Convergence is 155554.**

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The date of this Brochure is March 20, 2013

## Item 2 -- Material Changes

Convergence Financial Services, Inc. ("CFS"), terminated the Selkirk Funds of which it was the investment adviser during 2012. At the present time, CFS does not have any advisory clients and is not actively seeking such clients. In addition, CFS is no longer federally registered based upon its assets under management but rather based upon its affiliation with CoreCap Advisors, Inc. ("CCA"), which is federally registered based upon its need to be noticed filed in fifteen or more states.

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## Item 4 -- Advisory Business

CFS was founded in 2009 to provide investment advisory services to the Selkirk Funds, a family of registered investment companies (mutual funds) that are separate series of Ambassador Funds. CFS operated in a "manager of managers" style by selecting experienced sub-advisers for each particular mutual fund within the family of Selkirk Funds. CFS had entered into a sub-advisory contract with Clarkston Capital Partners, LLC, to manage the Selkirk Core Fund, the Selkirk Opportunities Fund and the Selkirk Income Fund, and a sub-advisory contract with Ambassador Capital Management, LLC, to manage the Selkirk Bond Fund and the Selkirk Short-Term Bond Fund. These sub-advisory agreements have been terminated simultaneously with the termination of the Selkirk Funds. CFS is currently owned by M&O Capital, Inc., a holding company that is owned equally by Timothy J. Otto and Dennis M. Brown.

## Item 5 -- Fees and Compensation

CFS charges management fees based upon the amount of assets held in each of the accounts that it advises. Its management fees are billed quarterly in advance based upon the net asset value on the last day of the previous quarter.

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

CFS does 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**

CFS does not currently provide discretionary portfolio management services to any clients and is not seeking clients at this time.

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

Because CFS does not currently have any clients and is not seeking any, it does not currently use any particular methods of analysis or investment strategies.

However, potential clients should always be aware that investing in securities involves the risk of loss that a client should be prepared to bear. CFS does not guarantee its investment results or performance, but does not engage in frequent trading of a client's account, which could adversely affect performance, particularly through increased brokerage and other transaction costs and taxes.

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

Neither CFS nor any of its 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 CFS' advisory business or the integrity of its management. Specifically, there have been no criminal or civil actions involving CFS or its 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**

CFS is 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, nor does it have an application pending to register as any of such entities. In addition, none are registered as a futures commission merchant, commodity pool operator, commodity trading advisor or an associated person of any of the foregoing entities, nor do any of our management persons have an application for such registration pending. Certain of CFS' management are registered representatives and principals of CoreCap Investments, Inc., a registered broker-dealer and are principals of CoreCap Advisors, Inc., a registered investment adviser. Both of these entities are affiliates of CFS.

CFS is an affiliate of CCA because CFS and CCA are both owned by M&O Capital, Inc., which is in turn owned and controlled by Messrs. Otto and Brown, as indicated in Item 4 above. CCA is also a registered investment adviser and provides discretionary portfolio management services and financial planning services to individuals.

CFS does not recommend or select other investment advisers for its clients, nor does it have any business relationships with any other investment advisers that would create a material conflict of interest for us.

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

CFS' officers and employees who have or may have knowledge of present or future client transactions must comply with written procedures that impose restrictions on the purchase and sale of securities by such individuals for their own accounts. These 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.

CFS has 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 its behalf and who is subject to supervision and control by CFS. The Code recognizes that all supervised persons owe a fiduciary duty to CFS’ 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 the Code of Ethics will be provided to any client who requests one, without charge.

CFS does not buy or sell for client accounts any securities in which it or any of our “related persons” has a material financial interest.

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

CFS does not recommend a broker-dealer or engage in any soft dollar arrangements.

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

When and if CFS has accounts, the following procedures will be followed.

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**

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

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

CFS does not hold custody of any client funds or securities. While CFS may provide its clients with quarterly statements of their account’s status and performance, it also encourages clients to compare the information contained in those statements with the information that each client receives from the custodian of their account.

**Item 16 -- Investment Discretion**

When a client desires to provide CFS 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 CFS as the client's attorney-in-fact for these purposes. Clients may place limitations on these 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**

The CFS investment advisory agreement provides that CFS is not responsible for voting with respect to the securities held in client accounts.

**Item 18 -- Financial Information**

CFS is not required to include in this brochure its balance sheet for the most recent fiscal year, because it does not require or solicit prepayment of more than \$1,200 in fees per client six months or more in advance.

CFS is not aware of any financial condition that would impair its ability to meet its contractual commitments to its clients, if and when it has any. Neither CFS nor any of its management persons has been the subject of a bankruptcy petition at any time during the past 10 years.