

## **CONVERGENT FINANCIAL STRATEGIES LLC**

*a Registered Investment Adviser*

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This brochure provides information about the qualifications and business practices of Convergent Financial Strategies LLC (hereinafter “CFS” or the “Firm”). If you have any questions about the contents of this brochure, please contact the Firm at this telephone number listed above. 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 the Firm is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The Firm is a registered investment adviser. Registration does not imply any level of skill or training.

**Item 2. Material Changes**

In this Item, CFS is required to discuss any material changes that have been made to the brochure since its last material amendment dated February 15, 2017. Since the last brochure, the Firm has made the following material changes:

Page 6, CFS has discontinued offering the Aureus Investment Program.

Pages 6 and 8, CFS has increased its range of fixed fees from \$2,400 to \$20,000, to \$2,500 to \$25,000. The minimum fixed advisory fee is now \$2,500 for a client.

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## Item 4. Advisory Business

CFS employs the philosophy that your financial planning, tax planning and investment needs are unique and that a client's specific circumstances, goals and objectives are unlike another client's. As such, CFS seeks to put your interests first.

To meet these objectives and goals, CFS offers a variety of advisory services, which include financial planning, consulting, and investment management services. Prior to CFS rendering any of the foregoing advisory services, clients are required to enter into one or more written agreements with CFS setting forth the relevant terms and conditions of the advisory relationship (the "Advisory Agreement").

CFS has been registered as an investment adviser since 2011 and is principally owned by Alan M. Schapire and Carl S. Nadwodny. As of December 31, 2017, CFS had \$76,238,638 in assets under management, all of which was managed on a non-discretionary basis.

CFS is a proponent of the virtues of education and communication. As an extension of those beliefs, the firm may from time to time send periodicals or newsletters to clients, as well as former and prospective clients, that are intended to increase awareness and/or understanding of a particular item of interest. Recipients are provided the ability to opt-out of any future distributions.

While this brochure generally describes the business of CFS, certain sections also discuss the activities of its Supervised Persons, which refer to the Firm's officers, partners, directors (or other persons occupying a similar status or performing similar functions), employees or any other person who provides investment advice on CFS' behalf and is subject to the Firm's supervision or control.

### **Financial Planning and Consulting Services**

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CFS offers Financial Planning and Consulting services to prospective clients on an annual fee. Through these programs, CFS offers clients a broad range of financial planning and consulting services, which may include any or all of the following:

- Business Planning
- Income Tax Preparation
- Cash Flow Forecasting
- Trust and Estate Planning
- Financial Reporting
- Investment Consulting
- Retirement Planning
- Risk Management
- Charitable Giving
- Insurance Planning
- Tax Planning
- Manager Due Diligence

Some of these services will be rendered in conjunction with non-discretionary investment portfolio management as part of a comprehensive wealth management engagement (described in more detail below).

In performing these services, CFS is not required to verify any information received from the client or from the client's other professionals (e.g., attorneys, accountants, etc.) and is expressly authorized to rely on such information. CFS may recommend clients engage the Firm for additional related services and/or other professionals to implement its recommendations. Clients are advised that a conflict of interest exists if clients engage CFS or its affiliates to provide additional services for compensation. Clients retain absolute discretion over all decisions regarding implementation and are under no obligation to act upon any of the recommendations made by CFS under a financial planning or consulting engagement. Clients are advised that it remains their responsibility to promptly notify the Firm of any change in their financial situation or investment objectives for the purpose of reviewing, evaluating or revising CFS' recommendations and/or services.

### **Investment and Wealth Management Services**

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CFS manages client investment portfolios on a non-discretionary basis. CFS may also provide clients with wealth management services, which generally include a broad range of comprehensive financial planning and consulting services, as well as non-discretionary management of investment portfolios.

CFS primarily allocates client assets among various mutual funds, exchange-traded funds ("ETFs"), individual debt and equity securities and options in accordance with their stated investment objectives. While rare, CFS may also recommend that certain eligible clients invest in other types of securities, which may include debt, equity and/or interests in pooled investment vehicles (e.g., hedge funds).

CFS may also provide advice about any type of legacy position or other investment held in client portfolios. Clients may engage CFS to manage and/or advise on certain investment products that are not maintained at their primary custodian, such as variable life insurance and annuity contracts and assets held in employer sponsored retirement plans and qualified tuition plans (i.e., 529 plans). In these situations, CFS directs or recommends the allocation of client assets among the various investment options available with the product. These assets are generally maintained at the underwriting insurance company or the custodian designated by the product's provider.

CFS tailors its advisory services to meet the needs of its individual clients and seeks to ensure, on a continuous basis, that client portfolios are managed in a manner consistent with those needs and objectives. CFS consults with clients on an initial and ongoing basis to assess their specific risk tolerance, time horizon, liquidity constraints and other related factors relevant to the management of their portfolios. Clients are advised to promptly notify CFS if there are changes in their financial situation or if they wish to place any limitations on the management of their portfolios. Clients may impose reasonable restrictions or mandates on the management of their accounts if CFS determines, in its sole discretion, the

conditions would not materially impact the performance of a management strategy or prove overly burdensome to the Firm's management efforts.

## **Item 5. Fees and Compensation**

CFS offers services on a fixed fee basis which encompasses all services provided to a client. Generally speaking, the Firm will first prepare a financial plan in conjunction with ongoing advisory services. If a client has not been provided with a copy of the Brochure Documents at least forty-eight (48) hours prior to signing an agreement, the client has five (5) business days to cancel the agreement, without penalty.

CFS continues to charge some existing clients on an hourly fee basis, which hourly fee was negotiated in the clients' contract.

### **Wealth Management Advisory Fees**

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CFS charges a fixed annual fee for providing wealth management services to all clients. This annual fixed fee generally ranges from \$2,500 to \$25,000. The services include financial planning, income tax planning and investment advisory and management services, and may also include income tax preparation services. CFS provides a written quote of the fixed fee. This fixed fee is based upon the scope and complexity of the services and the client's situation. The terms and conditions of the engagement are set forth in the Advisory Agreement. The Firm does not take receipt of \$500 or more in prepaid fees in excess of six months in advance of services rendered. Once agreed upon, the annual fee is fixed for a two-year period unless both parties agree to adjust it or the Client withdraws from the engagement. At the conclusion of the two-year period, a new fee proposal is presented to the client. The annual fee is charged quarterly, in advance. Upon termination, any unearned fee will be refunded on a prorated basis.

### **Fee Discretion**

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CFS may, in its sole discretion, negotiate to charge a lesser fee based upon certain criteria, such as anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing/legacy client relationship, account retention and pro bono activities.

### **Additional Fees and Expenses**

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In addition to the advisory fees paid to CFS, clients may also incur certain charges imposed by other third parties, such as broker-dealers, custodians, trust companies, banks and other financial institutions

(collectively “Financial Institutions”). These additional charges may include securities brokerage commissions, transaction fees, custodial fees, fees attributable to alternative assets, reporting charges, charges imposed directly by a mutual fund or ETF in a client’s account, as disclosed in the fund’s prospectus (e.g., fund management fees and other fund expenses), deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. The Firm’s brokerage practices are described at length in Item 12, below.

### **Direct Fee Debit**

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Clients generally provide CFS with the authority to directly debit their accounts for payment of the investment advisory fees. The Financial Institutions that act as the qualified custodian for client accounts, from which the Firm retains the authority to directly deduct fees, have agreed to send statements to clients not less than quarterly detailing all account transactions, including any amounts paid to CFS. Alternatively, clients may elect to have CFS send a separate invoice for direct payment.

### **Account Additions and Withdrawals**

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Clients may make additions to and withdrawals from their account at any time, subject to CFS’ right to terminate an account. In the event the advisory agreement is terminated, the fee for the final billing period is prorated through the effective date of the termination and the outstanding or unearned portion of the fee is charged or refunded to the client, as appropriate. Additions may be in cash or securities provided that the Firm reserves the right to liquidate any transferred securities or declines to accept particular securities into a client’s account. Clients may withdraw account assets on notice to CFS, subject to the usual and customary securities settlement procedures. However, the Firm generally designs its portfolios as long-term investments and the withdrawal of assets may impair the achievement of a client’s investment objectives. CFS may consult with its clients about the options and implications of transferring securities. Clients are advised that when transferred securities are liquidated, they may be subject to transaction fees, short-term redemption fees, fees assessed at the mutual fund level (e.g., contingent deferred sales charges) and/or tax ramifications.

## **Item 6. Performance-Based Fees and Side-by-Side Management**

CFS does not provide any services for a performance-based fee (i.e., a fee based on a share of capital gains or capital appreciation of a client’s assets).

## Item 7. Types of Clients

CFS offers services to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations and business entities.

### Minimum Account Requirements

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CFS imposes a minimum fee for new clients of \$2,500, which minimum fee may be negotiated or reduced in such certain and extraordinary events as deemed appropriate in the discretion of CFS. CFS does not impose a minimum portfolio value for starting and maintaining an investment management relationship.

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

### Methods of Analysis

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CFS employs a strategic asset allocation approach along with a combination of fundamental and technical analyses in developing investment advice and/or managing client assets.

Strategic asset allocation involves setting target allocations for asset classes which may include equity, debt or real estate. CFS believes that properly allocating investments across capitalization size, style, geography and quality is essential from a risk/return standpoint.

Fundamental analysis involves an assessment of current market conditions and the relative valuations of asset classes and individual investments. CFS analyses the financial condition of mutual fund, exchange-traded fund, stock, bond and real estate investments. The analysis includes an evaluation of an issuer's management team, business strategy, and financial performance. A substantial risk in relying upon fundamental analysis is that while the overall health and position of a company may be good, evolving market conditions may negatively impact the security.

Technical analysis involves the examination of past market data rather than specific issuer information in determining the recommendations made to clients. Technical analysis may involve the use of mathematical based indicators and charts, such as moving averages and price correlations, to identify market patterns and trends which may be based on investor sentiment rather than the fundamentals of the company. A substantial risk in relying upon technical analysis is that spotting historical trends may not help to predict such trends in the future. Even if the trend will eventually reoccur, there is no guarantee that CFS will be able to accurately predict such a reoccurrence.

## Investment Strategies

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CFS provides customized investment advisory solutions for clients. Portfolios are constructed based on the premise that each client is unique and requires an individualized financial strategy to achieve their goals. The Firm aligns its client's goals with a dedicated solution that emphasizes risk-adjusted returns and expense management. A customized portfolio is created based on factors such as time horizon, liquidity needs, risk and return objectives, taxes, and inflation among other considerations.

The investment process begins with the preparation of the Investment Policy Statement ("IPS"). The IPS reflects an asset allocation based on a strategic plan, and has a long-term time horizon.

Strategic asset allocation is a result of an analysis of expected returns in light of prevailing capital market and economic conditions. An extension of this analysis results in a risk-adjusted relative value view for each asset class, and identifies the amount of relative emphasis, or "tilt", placed on each component of the portfolio. Applying these relative value tilts are commonly known as tactical asset allocation.

CFS believes that a significant amount of variation in returns can be attributed to the asset allocation decision. Using a core-satellite approach, investment assets are allocated among various mutual funds and/or exchange-traded funds, in accordance with a client's IPS. CFS investment strategies are developed with a focus on liquidity, expenses and tax efficiency.

## Risk of Loss

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### *Market Risks*

Investing involves risk, including the potential loss of principal, and all investors should be guided accordingly. The profitability of a significant portion of CFS' recommendations and/or investment decisions may depend to a great extent upon correctly assessing the future course of price movements of stocks, bonds and other asset classes. There can be no assurance that CFS will be able to predict those price movements accurately or capitalize on any such assumptions.

### *Mutual Funds and ETFs*

An investment in a mutual fund or ETF involves risk, including the loss of principal. Mutual fund and ETF shareholders are necessarily subject to the risks stemming from the individual issuers of the fund's underlying portfolio securities. Such shareholders are also liable for taxes on any fund-level capital gains, as mutual funds and ETFs are required by law to distribute capital gains in the event they sell securities for a profit that cannot be offset by a corresponding loss.

Shares of mutual funds are generally distributed and redeemed on an ongoing basis by the fund itself or a broker acting on its behalf. The trading price at which a share is transacted is equal to a fund's stated

daily per share net asset value (“NAV”), plus any shareholders fees (e.g., sales loads, purchase fees, redemption fees). The per share NAV of a mutual fund is calculated at the end of each business day, although the actual NAV fluctuates with intraday changes to the market value of the fund’s holdings. The trading prices of a mutual fund’s shares may differ significantly from the NAV during periods of market volatility, which may, among other factors, lead to the mutual fund’s shares trading at a premium or discount to actual NAV.

Shares of ETFs are listed on securities exchanges and transacted at negotiated prices in the secondary market. Generally, ETF shares trade at or near their most recent NAV, which is generally calculated at least once daily for indexed based ETFs and potentially more frequently for actively managed ETFs. However, certain inefficiencies may cause the shares to trade at a premium or discount to their pro rata NAV. There is also no guarantee that an active secondary market for such shares will develop or continue to exist. Generally, an ETF only redeems shares when aggregated as creation units (usually 20,000 shares or more). Therefore, if a liquid secondary market ceases to exist for shares of a particular ETF, a shareholder may have no way to dispose of such shares.

#### *Options*

Options allow investors to buy or sell a security at a contracted “strike” price at or within a specific period of time. Clients may pay or collect a premium for buying or selling an option. Investors transact in options to either hedge (i.e., limit) losses in an attempt to reduce risk or to speculate on the performance of the underlying securities. Options transactions contain a number of inherent risks, including the partial or total loss of principal in the event that the value of the underlying security or index does not increase/decrease to the level of the respective strike price. Holders of options contracts are also subject to default by the option writer which may be unwilling or unable to perform its contractual obligations.

#### *Management through Similarly Managed “Model” Accounts*

CFS manages certain accounts through the use of similarly managed “model” portfolios, whereby the Firm allocates all or a portion of its clients’ assets among various mutual funds and/or securities on a non-discretionary basis using one or more of its proprietary investment strategies. In managing assets through the use of models, the Firm remains in compliance with the safe harbor provisions of Rule 3a-4 of the Investment Company Act of 1940.

The strategy used to manage a model portfolio may involve an above average portfolio turnover that could negatively impact clients’ net after tax gains. While the Firm seeks to ensure that clients’ assets are managed in a manner consistent with their individual financial situations and investment objectives, securities transactions effected pursuant to a model investment strategy are usually done without regard to a client’s individual tax ramifications. Clients should contact the Firm if they experience a change in their financial situation or if they want to impose reasonable restrictions on the management of their accounts.

## Item 9. Disciplinary Information

CFS has not been involved in any legal or disciplinary events that are material to a client's evaluation of its advisory business or the integrity of its management.

## Item 10. Other Financial Industry Activities and Affiliations

This item requires investment advisers to disclose certain financial industry activities and affiliations.

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Certain Supervised Persons of CFS render tax preparation services to clients. In the event a client requires tax preparation services, the firm may recommend Mr. Schapiro, a principal of CFS and a certified public accountant. These services are rendered in conjunction with the financial planning and wealth management services. Fees are incorporated into the wealth management advisory fees paid to CFS.

## Item 11. Code of Ethics

CFS has adopted a code of ethics in compliance with applicable securities laws ("Code of Ethics") that sets forth the standards of conduct expected of its Supervised Persons. CFS' Code of Ethics contains written policies reasonably designed to prevent certain unlawful practices such as the use of material non-public information by the Firm or any of its Supervised Persons and the trading by the same of securities ahead of clients in order to take advantage of pending orders.

The Code of Ethics also requires certain of CFS' personnel to report their personal securities holdings and transactions and obtain pre-approval of certain investments (*e.g.*, initial public offerings, limited offerings). However, the Firm's Supervised Persons are permitted to buy or sell securities that it also recommends to clients if done in a fair and equitable manner that is consistent with the Firm's policies and procedures. This Code of Ethics has been established recognizing that some securities trade in sufficiently broad markets to permit transactions by certain personnel to be completed without any appreciable impact on the markets of such securities. Therefore, under limited circumstances, exceptions may be made to the policies stated below.

When the Firm is engaging in or considering a transaction in any security on behalf of a client, no Supervised Person with access to this information may knowingly effect for themselves or for their

immediate family (i.e., spouse, minor children and adults living in the same household) a transaction in that security unless:

- the transaction has been completed;
- the transaction for the Supervised Person is completed as part of a batch trade with clients; or
- a decision has been made not to engage in the transaction for the client.

These requirements are not applicable to: (i) direct obligations of the Government of the United States; (ii) money market instruments, bankers' acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high quality short-term debt instruments, including repurchase agreements; (iii) shares issued by mutual funds or money market funds; and (iv) shares issued by unit investment trusts that are invested exclusively in one or more mutual funds.

Clients and prospective clients may contact CFS to request a copy of its Code of Ethics.

## **Item 12. Brokerage Practices**

### **Recommendation of Broker/Dealers for Client Transactions**

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CFS generally recommends that clients utilize the custody, brokerage and clearing services of TD AMERITRADE Institutional, a division of TD AMERITRADE, Inc. ("TD Ameritrade") for investment management accounts. CFS participates in the institutional customer program offered by TD Ameritrade Institutional. TD Ameritrade Institutional is a division of TD Ameritrade Inc., member FINRA/SIPC/NFA, an unaffiliated SEC-registered broker-dealer and FINRA member. TD Ameritrade offers to independent investment advisers services which include custody of securities, trade execution, clearance and settlement of transactions. CFS receives some benefits from TD Ameritrade through its participation in the program.

Factors which CFS considers in recommending TD Ameritrade or any other broker-dealer to clients include their respective financial strength, reputation, execution, pricing, research and service. TD Ameritrade may enable the Firm to obtain many mutual funds without transaction charges and other securities at nominal transaction charges. The commissions and/or transaction fees charged by TD Ameritrade may be higher or lower than those charged by other Financial Institutions.

The commissions paid by CFS' clients to TD Ameritrade comply with the Firm's duty to obtain "best execution." Clients may pay commissions that are higher than another qualified Financial Institution might charge to effect the same transaction where CFS determines that the commissions are reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the

determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a Financial Institution's services, including among others, the value of research provided, execution capability, commission rates and responsiveness. CFS seeks competitive rates but may not necessarily obtain the lowest possible commission rates for client transactions.

Consistent with obtaining best execution, brokerage transactions may be directed to certain broker/dealers in return for investment research products and/or services which assist CFS in its investment decision-making process. Such research generally will be used to service all of the Firm's clients, but brokerage commissions paid by one client may be used to pay for research that is not used in managing that client's portfolio. The receipt of investment research products and/or services as well as the allocation of the benefit of such investment research products and/or services poses a conflict of interest because CFS does not have to produce or pay for the products or services.

CFS periodically and systematically reviews its policies and procedures regarding its recommendation of Financial Institutions in light of its duty to obtain best execution.

#### **Software and Support Provided by Financial Institutions**

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CFS may receive without cost from TD Ameritrade computer software and related systems support, which allow CFS to better monitor client accounts maintained at TD Ameritrade. CFS may receive the software and related support without cost because the Firm renders investment management services to clients that maintain assets at TD Ameritrade. The software and support is not provided in connection with securities transactions of clients (i.e., not "soft dollars"). The software and related systems support may benefit CFS, but not its clients directly. In fulfilling its duties to its clients, CFS endeavors at all times to put the interests of its clients first. Clients should be aware, however, that CFS' receipt of economic benefits from a broker/dealer creates a conflict of interest since these benefits may influence the Firm's choice of broker/dealer over another that does not furnish similar software, systems support or services.

Specifically, CFS may receive the following benefits from TD Ameritrade:

- Receipt of duplicate client confirmations and bundled duplicate statements;
- Access to a trading desk that exclusively services its institutional traders;
- Access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts; and
- Access to an electronic communication network for client order entry and account information.

There is no direct link between CFS' participation in TD Ameritrade's institutional customer program and the investment advice it gives to its clients, although CFS receives economic benefits through its participation in the program that are typically not available to TD Ameritrade retail investors. Additionally, CFS may receive the following benefits from TD Ameritrade through its registered investment adviser division: receipt of duplicate client confirmations and bundled duplicate statements; access to a trading desk that exclusively services its Registered Investment Adviser participants; access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts; and access to an electronic communication network for client order entry and account information. The Firm also has the ability deduct advisory fees directly from client accounts; access to an electronic communications network for client order entry and account information; access to mutual funds and exchange-traded funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to the Firm by third party vendors. TD Ameritrade may fund business consulting and professional services received by CFS' related persons.

Some of the products and services made available by TD Ameritrade through the program may benefit CFS but not its client. These products or services may assist CFS in managing and administering client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help CFS manage and further develop its business enterprise. The benefits received by CFS' participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade.

### **Brokerage for Client Referrals**

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CFS does not consider, in selecting or recommending broker/dealers, whether the Firm receives client referrals from the Financial Institutions or other third party.

### **Directed Brokerage**

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The client may direct CFS in writing to use a particular Financial Institution to execute some or all transactions for the client. In that case, the client will negotiate terms and arrangements for the account with that Financial Institution and the Firm will not seek better execution services or prices from other Financial Institutions or be able to "batch" client transactions for execution through other Financial Institutions with orders for other accounts managed by CFS (as described above). As a result, the client may pay higher commissions or other transaction costs, greater spreads or may receive less favorable net prices, on transactions for the account than would otherwise be the case. Subject to its duty of best execution, CFS may decline a client's request to direct brokerage if, in the Firm's sole discretion, such directed brokerage arrangements would result in additional operational difficulties.

### **Trade Aggregation**

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Transactions for each client generally will be effected independently, unless CFS decides to purchase or sell the same securities for several clients at approximately the same time. CFS may (but is not obligated to) combine or “batch” such orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among the Firm’s clients differences in prices and commissions or other transaction costs that might not have been obtained had such orders been placed independently. Under this procedure, transactions will generally be averaged as to price and allocated among CFS’ clients pro rata to the purchase and sale orders placed for each client on any given day. To the extent that the Firm determines to aggregate client orders for the purchase or sale of securities, including securities in which CFS’ Supervised Persons may invest, the Firm generally does so in accordance with applicable rules promulgated under the Advisers Act and no-action guidance provided by the staff of the U.S. Securities and Exchange Commission. CFS does not receive any additional compensation or remuneration as a result of the aggregation.

In the event that the Firm determines that a prorated allocation is not appropriate under the particular circumstances, the allocation will be made based upon other relevant factors, which may include: (i) when only a small percentage of the order is executed, shares may be allocated to the account with the smallest order or the smallest position or to an account that is out of line with respect to security or sector weightings relative to other portfolios, with similar mandates; (ii) allocations may be given to one account when one account has limitations in its investment guidelines which prohibit it from purchasing other securities which are expected to produce similar investment results and can be purchased by other accounts; (iii) if an account reaches an investment guideline limit and cannot participate in an allocation, shares may be reallocated to other accounts (this may be due to unforeseen changes in an account’s assets after an order is placed); (iv) with respect to sale allocations, allocations may be given to accounts low in cash; (v) in cases when a pro rata allocation of a potential execution would result in a de minimis allocation in one or more accounts, the Firm may exclude the account(s) from the allocation; the transactions may be executed on a pro rata basis among the remaining accounts; or (vi) in cases where a small proportion of an order is executed in all accounts, shares may be allocated to one or more accounts on a random basis.

## **Item 13. Review of Accounts**

### **Account Reviews**

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CFS monitors client portfolios on a continuous and ongoing basis while regular account reviews are conducted on at least a quarterly basis. Such reviews are conducted by the Firm’s Principals and/or investment adviser representatives. All investment advisory clients are encouraged to discuss their needs,

goals and objectives with CFS and to keep the Firm informed of any changes thereto. The Firm contacts ongoing investment advisory clients at least annually to review its previous services and/or recommendations and quarterly to discuss the impact resulting from any changes in the client's financial situation and/or investment objectives.

### **Account Statements and Reports**

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Clients are provided with transaction confirmation notices and regular summary account statements directly from the Financial Institutions where their assets are custodied. From time-to-time or as otherwise requested, clients may also receive written or electronic reports from CFS and/or an outside service provider, which contain certain account and/or market-related information, such as an inventory of account holdings or account performance. Clients should compare the account statements they receive from their custodian with any documents or reports they receive from CFS or an outside service provider.

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

### **Client Referrals**

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The Firm does not currently provide compensation to any third-party solicitors for client referrals.

## **Item 15. Custody**

The Advisory Agreement and/or the separate agreement with any Financial Institution generally authorize CFS to debit client accounts for payment of the Firm's fees and to directly remit that those funds to the Firm in accordance with applicable custody rules. The Financial Institutions that act as the qualified custodian for client accounts, from which the Firm retains the authority to directly deduct fees, have agreed to send statements to clients not less than quarterly detailing all account transactions, including any amounts paid to CFS.

In addition, as discussed in Item 13, CFS may also send periodic supplemental reports to clients. Clients should carefully review the statements sent directly by the Financial Institutions and compare them to those received from CFS.

Prior to deducting client fees via the Financial Institution that acts as the qualified custodian, CFS will:

- Obtain written authorization from the client to deduct advisory fees from an account held by a qualified custodian;
- Send the qualified custodian written notice of the amount of the fee to be deducted from the client's account; and
- Send the client an itemized invoice including any formulae used to calculate the fee, the time period covered by the fee, and the amount of assets under management on which the fee was based.

### **Item 16. Investment Discretion**

CFS does not exercise discretion over client accounts. CFS is considered to exercise investment discretion over a client's account if it can effect and/or direct transactions in client accounts without first seeking their consent.

### **Item 17. Voting Client Securities**

#### **Declination of Proxy Voting Authority**

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CFS does not accept the authority to vote a client's securities (i.e., proxies) on their behalf. Clients receive proxies directly from the Financial Institutions where their assets are custodied and may contact the Firm at the contact information on the cover of this brochure with questions about any such issuer solicitations.

### **Item 18. Financial Information**

CFS is not required to disclose any financial information due to the following:

- The Firm does not require or solicit the prepayment of more than \$500 in fees six months or more in advance of services rendered;
- The Firm does not have a financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients; and
- The Firm has not been the subject of a bankruptcy petition at any time during the past ten years.

## Item 19. Requirement for State Registered Advisers

### Principal Executive Officers and Management Persons

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**ALAN M. SCHAPIRE, MBA, CPA/PFS, CFP®**

Born 1962

#### Post-Secondary Education

Drexel University | MBA, Finance | 1990

Drexel University | BA, Accounting | 1985

#### Recent Business Background

Convergent Financial Strategies LLC | Member and Chief Compliance Officer | October 2016 – Present

Convergent Financial Strategies LLC | Member | August 2011 – October 2016

Libra Financial Planning | Financial Planner | August 2001 – August 2011

**CARL S. NADWODNY, CFA®**

Born 1966

#### Post-Secondary Education

Drexel University | MBA, Investment Management | 1996

Villanova University | B.S, Finance | 1988

#### Recent Business Background

Convergent Financial Strategies LLC | Member | October 2014 – Present

First Niagara Bank N.A. | Chief Investment Officer | August 2008 – October 2014