

# Form ADV Part 2A

Last Updated: May 4, 2017

## Springer Financial Advisors

SEC File Number: 801- 57201

CRD Number: 111072

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*This brochure provides information about the qualifications and business practices of Springer Investment Management, Inc. d/b/a Springer Financial Advisors ("SFA"). If you have any questions about the contents of this brochure, please contact Keith Springer at (916) 925-8900 and/or via [Keith@KeithSpringer.com](mailto:Keith@KeithSpringer.com). 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 SFA also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).*

*Although SFA may use the term "registered investment adviser" or use the term "registered" through this Form ADV Part 2A, the use of these terms is not intended to imply a certain level of skill or training.*

## Item 2. Material Changes

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The U.S. Securities and Exchange Commission (“SEC”) issued a final rule requiring advisers to provide a Firm Brochure in narrative “plain English” format. The rule specifies mandatory sections and organization and compliance with the Rule is mandatory. Filing via IARD must be made within 90 days of the end of each adviser’s fiscal year end.

### **Material Changes since last update:**

- Part 2A Item 4 Advisory Business (Assets Under Management). SFA has updated its assets under management as of December 31, 2016.
- Part 2A Item 10 Other Financial Industry Activities and Affiliations. SFA has updated its information to reflect Keith Springer’s affiliation with FormulaFolios US Equity Fund as a Member of the Investment Committee & Co-Portfolio Manager.

### **Annual Update**

The Material Changes section of this brochure will be updated annually and/or when material changes occur since the previous release of SFA’s Brochure. A summary of changes is necessary to inform clients of any substantive changes to SFA’s policies, practices or conflicts of interests so that they can determine whether to review the brochure in its entirety or to contact SFA with questions about the changes.

### **Full Brochure Available**

Client’s who would like to receive a complete copy of our Firm Brochure, please contact us by telephone at (916) 925-8900 or by fax (916) 925-8914, or visit our website at [www.KeithSpringer.com](http://www.KeithSpringer.com).

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## Item 4. Advisory Business

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Springer Investment Management, Inc. d/b/a Springer Financial Advisors ("SFA") is a federally covered investment adviser firm registered with the Securities and Exchange Commission ("SEC"). SFA was established in 1996 to provide investment advisory services to individuals, banks and thrift institutions, pension and profit sharing plans, trusts, estates, charitable organizations and corporations (herein referred to as "Client" or "Clients").

### Principal Owners

For the purpose of this section, SFA lists its principal owners as any person directly owning 25% or more of SFA as disclosed on Schedule A of Part 1A as of date of the last update filing.

SFA's principal owners are as follows:

- Keith W. Springer is a direct owner of SFA with more than 100% ownership.

Name: Keith Wayne Springer  
Date of Birth: 1963  
Education: Clark University, BA, Government (1985)  
University of London, Semester Study (1984)  
Background: Springer Investment Management, Inc. d/b/a Springer Financial Advisors;  
President/Chief Compliance Officer/Investment Adviser Rep. (01/10-Present)  
FormulaFolios US Equity Fund; Member of the Investment Committee & Co-Portfolio Manager (11/15-Present)  
Springer Investment Management, Inc. d/b/a Springer Financial Advisors; President/Investment Adviser Rep. (03/09-01/10)  
President/Chief Compliance Officer/Investment Adviser Rep. (10/97-03/09)  
Springer Investment Services; Investment Adviser Rep./Sole Proprietor (08/96-10/97)  
Round Hill Securities, Inc.; Registered Representative (05/96-05/00)  
Everen Securities; Registered Representative (10/90-03/95)

SFA is not a publicly held company and no part of SFA is owned by an individual or company through any subsidiaries or "intermediate subsidiaries."

### Types of Advisory Services Offered

#### Portfolio Management Services

SFA provides discretionary portfolio management services where the investment advice provided is custom tailored to meet the needs and investment objectives of the client. SFA will meet with the client (in person or over the telephone) to determine each client's individual situation, financial goals, and tolerance for risk. Based on this information, SFA will design and manage a portfolio with the goal of meeting each client's individual needs. Subject to any written guidelines, which the client may provide, the Firm will be granted discretion and authority to manage the account. Accordingly, SFA is authorized to perform various functions, at the client's expense, without further approval from the client. Such functions include the determination of securities to be purchased/sold, the amount of securities to be purchased/sold, the broker/dealer to be used, and the commission rates to be paid. Once the portfolio is constructed, SFA provides continuous supervision and re-optimization of the portfolio as changes in market conditions and client circumstances may require.

#### General Consultation Services

In addition to offering investment management, SFA may also offer general consulting services on an hourly basis. For consultation services as provided by SFA, Client may agree to pay SFA an hourly fee of

\$500.00 per hour. This hourly consultation service may take the form of general consulting and/or general investment advice for individuals and/or institutions. It may also take the form of investment advice for individuals or institutions that do not meet the minimum requirement for the investment management service. Additionally, it may also take the form of corresponding and/or coordinating with attorneys, CPAs and/or other professionals, as well as document production and other administrative services.

### **Termination of Account**

The client may terminate the portfolio management agreement within five business days of the date of execution without penalty to the client. After the five business day period, either party may terminate the portfolio management agreement by providing 30 days written notice containing original signatures to the other party. Email notification will not be accepted. Custodial transfers will not constitute termination. SFA will refund pro-rata unearned prepaid advisory fees for clients who terminate a contract prior to the end of a quarter.

SFA may tailor its advisory services to the specific needs and objectives of each advisory client. Clients may also impose restrictions on investing in certain securities or types of securities. Most of which is generally covered in the client's investment advisory agreement.

SFA does not represent, warranty, or imply that the services or methods of analysis employed by SFA can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines.

SFA currently participates in a wrap fee program through FormulaFolio Investments, LLC (FFI). See Item 14 below for further details associated with FFI.

### **Assets Under Management**

As of December 31, 2016, the amount of client assets under advisement is calculated as follows:

Discretionary:	\$224,721,004 (1,356 Accounts)
Non-discretionary:	\$00 (Not Applicable)

SFA's method for computing the amount of "*client assets you manage*" is the same method for computing "assets under management." The amount as disclosed above is rounded to the nearest \$1,000. The date of the calculation above is not more than ninety (90) days before the date SFA last updated its *brochure*.

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

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### **Portfolio Management Fees**

On an annualized basis, SFA's fees for general portfolio management services, subject to negotiation, will range from 1% to 2% of the assets under management. The annual fee for services under FormulaFolio Investments, LLC (FFI) is 2.2% on the first \$500,000, 1.95% for accounts with \$500,001- \$1,000,000 and 1.45% for accounts with \$1,000,001 and above (See Item 14 below for specific details on fees associated with FFI). Annual advisory fees for SFA or FFI are subject to change. Any single account may be billed for all related accounts, such as familial relationships. SFA's minimum portfolio management fee is \$1,250 per account per quarter. The annual fee for portfolio management services is billed quarterly in advance based on the asset value (inclusive of any debit balance such as margin) on the last day of the previous quarter. Fees will be assessed pro rata in the event the portfolio management agreement is executed or funds/securities are deposited at any time other than the first day of a month.

The advisory fees charged are calculated as described above, and are not charged on the basis of a share of capital gains upon, or capital appreciation of, the funds, or any portion of the funds of an advisory client.

### **General Consulting Fees**

For consultation services as provided by SFA, Client may agree to pay SFA an hourly fee of \$500.00 per hour.

### **Other Misc. Fees**

Advice offered by SFA might involve investment in mutual funds and variable products. Clients are hereby advised that all fees paid to SFA for investment advisory services are separate and distinct from the fees and expenses charged in purchasing variable products and mutual funds (described in each fund's prospectus). Mutual fund fees will generally include a management fee and other fund expenses. Further, there may be transaction charges involved with purchasing or selling of securities. SFA does not share in any portion of the brokerage fees/transaction charges imposed by the custodian holding the client funds or securities. The client should review all fees charged by mutual funds, SFA, and others to fully understand the total amount of fees to be paid by the client.

Payment of SFA's management fees will be made by the qualified custodian holding the client's funds and securities provided the client supplies written authorization permitting the fees to be paid directly from the account. SFA will not have access to client funds for payment of fees without written consent by the client. Further, the custodian will provide directly to each client a monthly statement that shows the fees and disbursements from the account. The client is encouraged to review all account statements for accuracy.

Fees charged to clients may be higher or lower than the aforementioned fees depending on the nature of any pre-existing relationship, the complexity of the accounts, or terms and conditions of any outstanding or pre-existing verbal or written agreement to which SFA is a party.

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

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Neither SFA or any of its *supervised persons* accepts *performance-based fees* – that is, fees based on a share of capital gains on or capital appreciation of the assets of a *client* (such as a *client* that is a hedge fund or other pooled investment vehicle). Therefore, there are no conflicts of interest that SFA or its *supervised persons* may face by managing these accounts at the same time, to include any incentive to favor accounts for which SFA or its *supervised persons* receive a *performance-based fee*.

## **Item 7. Types of Clients**

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SFA provides investment advisory services to individuals, banks and thrift institutions, pension and profit sharing plans, trusts, estates, charitable organizations and corporations (herein referred to as “Client” or “Clients”).

### **Requirement for Opening Accounts (Minimum Investment Amount)**

SFA's fee range for each particular service is subject to negotiation and could vary depending upon various circumstances, including the scope of the services to be provided (the minimum fees and fee ranges for existing clients prior to current calendar year may differ from those indicated). However, SFA does not impose certain requirements for opening and/or maintaining an account, such as a minimum account size or minimum fees and fee ranges.

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

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## Methods of Analysis

SFA's securities analysis methods may include charting, fundamental analysis, and technical analysis and monitoring of investment cycles and trends.

Also, when appropriate for the client's specific investment objectives, SFA will refer clients to third-party investment advisers who will provide advice to clients in accordance with the relevant program provided by the third-party adviser. SFA will assist clients in selecting third-party investment advisers whose investment programs and strategies have been reviewed by SFA and determined appropriate for SFA's clients based on their individual circumstances and investment goals.

As with most investment products, because investment portfolios include securities, investing in securities involves risk of loss that you as our client should be prepared to bear.

## Use of Significant Investment Strategy

In the event that SFA employs a frequent trading strategy for its clients, it is important to note that such a strategy can have an affect on investment performance, particularly through increased brokerage and other transaction costs and taxes.

When appropriate to the needs of a client, SFA may recommend long and short term purchases, as well as the use of trading (securities sold within 30 days), short sales, margin transactions or option writing. Because these investment strategies involve certain degrees of risk, they will only be recommended when consistent with the client's stated tolerance for risk.

SFA does not recommend any particular type of security as part of its overall investment advisory services.

## Item 9. Disciplinary Information

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### Disclosure Events

There are no disclosure events involving a criminal or civil action in a domestic, foreign or military court of competent jurisdiction in which SFA or its management personnel are involved.

Regarding disclosure events involving an administrative *proceeding* before the SEC, any other federal regulatory agency, any state regulatory agency or any *foreign financial regulatory authority* in which SFA or its management personnel are involved, SFA discloses the following information:

In the matter of Keith Wayne Springer, New York Stock Exchange Proceeding HPD 99-154: An exchange hearing panel found that Keith Springer effected improper post execution allocation of trades and allocated trades with better executions to personal accounts to the detriment of customers; violated Exchange Rule 401 by granting himself preferential treatment; attempted to obstruct the firm's internal investigation; caused violations of Exchange Rule 440 and SEC Regulation 17A-3 and 17A-4 by failing to make timely records. The hearing panel determined on 11/10/99, that Mr. Springer be censured, and on appeal, barred from membership, allied membership, approved person status, and from employment or association in any capacity with any member or member organization for a period of suspension of four years. On February 13, 2002 the SEC upheld the findings and subsequently denied a request for reconsideration.

On September 21, 2005, In the matter of Springer Investment Management, Inc. and Keith W. Springer, Administrative Proceeding No. 3-12052/Release No. 2434, without admitting or denying any findings, except as to jurisdiction, Springer Investment Management, Inc. and Keith Springer consented to a Securities and Exchange Commission administrative cease-and-desist Order. The



Order indicates that Springer Investment Management, Inc. overvalued the performance of the Apollo Fund LP, a hedge fund managed by Springer Investment Management, Inc. and Keith Springer, by pricing too high a non-public company owned by the fund. Over time as the public securities of the hedge fund declined, the value of the non-public company became the largest single holding of the fund and resulted in Springer Investment Management, Inc. and Mr. Springer providing inaccurate assurances of the fund's performance. The SEC also concluded that Springer Investment Management, Inc. and Mr. Springer were too slow in reporting a denial of an appeal of a regulatory matter previously reported as "appeal pending" on prior form ADV disclosure. Springer Investment Management, Inc. and Mr. Springer agreed to a censure, a fine of \$50,000 and to hire an independent consultant to review, report and make recommendations on the Firm's pricing of non-public securities.

Mr. Springer welcomes the opportunity to discuss these matters in depth with you.

There are no disclosure events involving *A self-regulatory organization (SRO) proceeding* in which SFA or its management personnel are involved.

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## **Item 10. Other Financial Industry Activities and Affiliations**

### **Broker/Dealer Affiliation**

Neither SFA nor any of its management persons are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.

Neither SFA nor any of its *management persons* are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.

On occasion, SFA and its *management persons* may own securities products that he also recommends to clients which may present a potential conflict of interest. However, as a preventative measure, all client transactions will be conducted and implemented before any such transaction relating to any personal accounts of any affiliated persons of SFA. In addition to this measure, all of the aforementioned *management persons* of SFA will act in accordance with applicable securities laws and conduct their business to ensure overall compliance with Insider Trading rules and the Securities Fraud Enforcement Act of 1988. It is the expressed policy of SFA that employees shall not have priority in any purchase or sale over clients' accounts (See Note #1 & #2 Under Code of Ethics section listed below)

### **Insurance**

Mr. Springer and other investment adviser representatives are licensed insurance agents with Springer Insurance Solutions. Mr. Springer and other investment adviser representatives who are also licensed insurance agents may receive insurance commissions on the sale of insurance products. Therefore, in such capacity, Mr. Springer and other investment adviser representatives who are also licensed insurance agents may recommend, on a fully disclosed basis, the purchase of certain insurance related products which may present a potential conflict of interest between SFA's interests and those of its advisory clients. However, clients are under no obligation to purchase products SFA or its management persons may recommend, or to purchase products or services through SFA or its management persons.

### **Real Estate Products**

Mr. Springer is also a licensed real estate agent with Kappel Mortgage Group Inc. Mr. Springer may receive commissions for his activities as a real estate agent. Therefore, in such capacity, Mr. Springer may recommend, on a fully disclosed basis, the purchase of certain real estate related products which may present a potential conflict of interest between SFA's interests and those of its advisory clients. However, clients are under no obligation to purchase products SFA or its management persons may

recommend, or to purchase products or services through SFA or its management persons. However, from time to time SFA may change real estate company affiliation at its own discretion. On occasion, SFA may recommend or select other investment advisers for its *clients* and receive compensation directly or indirectly from those advisers that may create a conflict of interest.

### **Affiliation with Other Investment Advisers/Funds**

Keith Springer also serves as a Member of the Investment Committee & Co-Portfolio Manager for the FormulaFolios US Equity Fund ("Fund") (Institutional class: FFILX; Investor class: FFIOX), a series of the Northern Lights Fund Trust II.

The Fund seeks to achieve long-term capital appreciation as its primary investment objective. In terms of the Fund's principal investment strategies, the Fund pursues its objective by investing at least 80% of its net assets (including any borrowings for investment purposes) in equity securities of companies based in the United States. The Fund invests primarily in equity securities (common stocks) of large U.S. companies. In managing the Fund, FFI uses a proprietary quantitative three factor model (e.g. fundamental, technical, and macro-economic) designed to select up to 50 stocks from the Russell 3000 Index.

The Fund has an Investment Advisory Agreement with FormulaFolio Investments LLC ("FFI"), an SEC registered investment Adviser located at 89 Ionia SW Suite 600, Grand Rapids, MI 49503, under which FFI manages the Fund's investments subject to the supervision of the Board of Trustees. Under the Advisory Agreement, the Fund compensates FFI for its investment advisory services at the annual rate of 1.00% of the Fund's average daily net assets, payable on a monthly basis.

Mr. Springer does not receive compensation as a Member of the Investment Committee & Co-Portfolio Manager for the Fund.

### **Disclosure of Material Conflicts**

All material conflicts of interest are disclosed regarding SFA, its representatives or any of its employees, which could be reasonably expected to impair the rendering of unbiased and objective advice.

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

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### **Code of Ethics**

SFA has adopted the following Code of Ethics in accordance with SEC rule 204A-1 or similar state rules:

- **Fiduciary Responsibility-** SFA and its staff shall exercise the highest standard of care in protecting and promoting the interests of its clients, and will provide a written disclosure containing any conflicts of interest that may compromise their impartiality or independence. As fiduciary, SFA shall not accept any referral fees or compensation that is contingent upon the purchase or sale of any financial product.
- **Integrity-** All professional services shall be rendered with the highest level of integrity.
- **Objectivity-** SFA and its staff shall provide advice that is objective and in the best interest of the client and without conflicts of interest.
- **Competence-** SFA and its staff shall maintain the necessary knowledge and skills to provide our clients with competent advice and services.

- Fairness- All professional services shall be performed by SFA and its staff in a manner that is fair and reasonable to its clients.
- Confidentiality- SFA and its staff shall maintain and safeguard all confidential client information in accordance with applicable laws.
- Diligence- SFA and its staff shall ensure the accuracy and completeness of records, information, and data collected, used and managed, and will take necessary steps to correct any discrepancies.
- Regulatory Compliance- SFA and its staff shall comply fully with appropriate laws and internal regulations.

SFA will provide a complete copy of its Code of Ethics to any client or prospective client upon request.

*Note #1: This investment policy has been established recognizing that some securities being considered for purchase and/or sale on behalf of SFA's clients trade in sufficiently broad markets to permit transactions by clients to be completed without an appreciable impact on the markets of the securities. Under certain circumstances, exceptions may be made to the policies stated above. Records of these trades, including the reasons for the exceptions, will be maintained with SFA's records in the manner set forth above.*

*Note #2: The foregoing does not apply to certain types of securities, such as obligations of the U.S. Government, and shares in open-end mutual funds. Open-end mutual funds are purchased or redeemed at a fixed net asset value price per share specific to the date of purchase or redemption. As such, transactions in mutual funds by Advisory Representatives are not likely to have an impact on the prices of the fund shares in which clients invest.*

## Participation/Interest in Client Transactions

Neither SFA nor any of its *related persons* recommend to *clients*, or buys or sells for *client* accounts, securities in which SFA or a *related person* has a material financial interest including but not limited to incidents where SFA or a *related person*, as principal, buys securities from (or sells securities to) SFA *clients*; SFA or a *related person* acts as general partner in a partnership in which SFA solicit *client* investments; or SFA or a *related person* acts as an investment adviser to an investment company that SFA recommends to *client*.

SFA and its *related persons* may recommend securities to *clients*, or may buy or sell securities for *client* accounts, at or about the same time that SFA or any of its *related persons* buy or sell the same securities for SFA's own (or the *related person's* own) account. However, as a preventative measure, all Client transactions will be conducted and implemented before any such transaction relating to any personal accounts of any affiliated persons of SFA. In addition to this measure, all of the aforementioned advisory representatives of SFA will act in accordance with applicable securities laws and conduct their business to ensure overall compliance with Insider Trading rules and the *Securities Fraud Enforcement Act of 1988*.

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## Item 12. Brokerage Practices

### Research and Other Soft Dollar Benefits

SFA may receive research (either proprietary or non-proprietary) or other products or services other than execution services from a broker/dealer or a third party in connection with *client* securities transactions, including but not limited to (otherwise known as "soft dollar benefits").

Beyond a broker's ability to provide the "best execution," SFA will also consider the value of "research" and additional brokerage products and services a broker-dealer has provided or will provide. This is

known as paying for those services or products with "soft dollars." Because such services could be considered to provide a benefit to SFA, the Firm could be considered to have a conflict of interest in allocating client brokerage business. SFA could receive benefits by selecting a particular broker or dealer to execute client transactions, and the transaction compensation charged by that broker or dealer might not be the lowest compensation the Firm might otherwise be able to negotiate. "Research" products and services we may receive from broker-dealers may include economic surveys, data, and analyses; financial publications; seminar access, recommendations or other information about particular companies and industries (through research reports and otherwise); and other products or services (e.g., computer services and equipment, including hardware, software, and data bases) that provide lawful and appropriate assistance to the Firm in the performance of its investment decision-making responsibilities. Consistent with Section 28(e), brokerage products and services consist primarily of computer services and software that permit us to effect securities transactions and perform functions incidental to transaction execution. We use such products and services in the conduct of our investment decision making generally, not just for those accounts whose commissions may be considered to have been used to pay for the products or services. SFA currently has a soft dollar arrangement with Formula Folios whereby it receives at no cost to SFA software used in the SFA's business and several news publications.

SFA's use of soft dollars is intended to be done in a manner that satisfies the requirements of the safe harbor provided by Section 28(e) of the Securities Exchange Act of 1934. That is, before placing orders with a particular broker, SFA determines, considering the factors described above, that the commissions to be paid are reasonable in relation to the value of all the brokerage and research products and services provided by that broker-dealer.

In some cases, the commissions charged by a particular broker for a particular transaction or set of transactions may be greater than the amounts another broker who did not provide research services or products might charge.

As part of its fiduciary duties to clients, SFA endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by SFA in and of itself creates a potential conflict of interest.

### **Brokerage for Client Referrals**

SFA may exercise discretion over the types and amounts of securities to be bought or sold, selection of brokers to be used and the commission rates to be paid. While commission rates are an important factor in broker selection, SFA may select brokers that charge commissions higher than those obtainable from other brokers. In selecting a broker for any transaction or series of transactions, SFA may consider a number of factors in addition to commission rates, including, for example net price, reputation, financial strength and stability, efficiency of execution and error resolution, block trading and block position capabilities, willing to execute related or unrelated difficult transactions in the future, order of call, on-line access to computerized data regarding client accounts, the availability of stocks to borrow for short trades, custody, record keeping or other similar services, as well as other matters involved in the receipt of general brokerage services.

### **Directed Brokerage**

SFA may permit a *client* to direct brokerage. If applicable, SFA may be unable to achieve most favorable execution of *client* transactions. It is important to note that directed brokerage arrangements may cost *clients* more money. For example, in a directed brokerage account, the *client* may pay higher brokerage commissions because SFA may not be able to aggregate orders to reduce transaction costs, or the *client* may receive less favorable prices.

Clients who may want to direct the Firm to use a particular broker should understand that this may prevent SFA from aggregating orders with other clients or from effectively negotiating brokerage compensation on their behalf. As previous stated above, this arrangement may also prevent SFA from

obtaining the most favorable net price and execution. Thus, when directing brokerage business, clients should consider whether the commission expenses, execution, clearance, and settlement capabilities they will obtain through their broker are adequately favorable in comparison to those that SFA would otherwise obtain for its clients.

### **Suggestion of Brokers**

SFA suggests that clients utilize Fidelity to maintain custody of the client's assets and to effect trades for their accounts. Clients are advised that there may be transaction charges involved when purchasing or selling securities.

SFA believes that Fidelity provides the best execution under the circumstances, however, the commission/transaction fees charged by Fidelity may be higher or lower than those charged by other broker-dealer/custodians. "Best execution" means obtaining for the client the lowest total cost (in purchasing a security) or highest total proceeds (in selling a security), taking into account the circumstances of the transaction and the reputability and reliability of the executing broker/dealer. In determining whether a particular broker or dealer is likely to provide best execution in a particular transaction, SFA considers factors that it deems relevant to the broker/dealer's execution capability. For example, determining factors may include price, the size of the transaction, the amount of the commission, the ability of the broker/dealer to effect transactions, reputation in the market place, reliability, and financial responsibility. However, SFA may suggest other brokers to clients at its own discretion.

Since SFA maintains discretionary authority over the selection of brokers to be used, it may change its suggestion of particular brokers if needed. While commission rates are an important factor in broker selection, SFA may select brokers that charge commissions higher than those obtainable from other brokers. In selecting a broker for any transaction or series of transactions, SFA may consider a number of factors in addition to commission rates, including, for example net price, reputation, financial strength and stability, efficiency of execution and error resolution, block trading and block position capabilities, willing to execute related or unrelated difficult transactions in the future, order of call, on-line access to computerized data regarding client accounts, the availability of stocks to borrow for short trades, custody, record keeping or other similar services, as well as other matters involved in the receipt of general brokerage services.

### **Aggregation of Client Orders**

Under certain circumstances, SFA may aggregate the purchase or sale of securities for various client accounts.

SFA generally will aggregate orders with respect to a security if such aggregation is consistent with achieving best execution for the various client accounts. When orders are aggregated, each participating account will receive the weighted average share price for all transactions in a particular security effected to fill such orders on a given business day. Transaction costs will be shared pro rata based upon each account's participation in the transaction.

Allocations of orders among client accounts must be made in a fair and equitable manner. As a general rule, allocations among accounts with the same or similar investment objective are made pro rata based upon the size of the accounts. There is no allocation to an account or set of accounts based on account performance or the amount or structure of management fees.

However, the following factors may justify an allocation that deviates from the general rule:

1. Specific allocations may be chosen based upon an account's existing positions in securities;

2. Specific allocations may be chosen because of the cash availability of one or more particular accounts;
3. Specific allocations may be chosen based on a partial fill of the block trade;
4. Specific allocations may be chosen for tax reasons; or
5. Specific allocations may be chosen based on required minimum trade lot sizes for foreign securities.

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

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Accounts are reviewed on an ongoing basis. Overall investment management, market prospects and individual issue prospects are considered in the review process. Triggering factors that may affect an account review could be any material change in a client's account such as a change in company earnings, industry/company outlook as well as other economic factors. All account reviews are conducted on a daily and/or quarterly basis by Mr. Springer who is responsible for each account. All clients are encouraged to conduct an annual review of their financial objectives, account performance as well other relevant factors.

The nature and frequency of reports are determined by client need and the services offered. However, most of the clients are provided with Pershing portfolio management system reports on a quarterly basis. Clients also receive monthly statements from the custodian servicing the account.

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

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#### **Receipt of Economic Benefit (non-client)**

SFA and/or its IARs may receive economic benefits from a non-client in connection with giving advice or selling commission based products to its clients. These benefits may include, but are not limited to: research and non-research services, support for marketing programs such as client seminars, support for professional development and conferences, reimbursement for meals and travel expenses.

#### **Direct/Indirect Compensation for Client Referrals**

Neither SFA nor any of its related persons directly or indirectly compensate any person who is not its supervised person for client referrals.

#### **Solicitor Arrangements**

SFA acts as a solicitor for other investment advisers. In that capacity, it will receive a referral fee in accordance with the requirements of Rule 206(4)-3 of the Investment Advisers Act of 1940, and any corresponding state securities law requirements. Therefore, SFA may have an incentive to select or recommend particular investment advisers or money managers based on its interest in receiving a referral fee, rather than on its clients' interest in receiving most favorable execution. Compensation arrangement will vary with each solicitor arrangement. If the Client is introduced to another investment adviser or money manager by SFA, at the time of the solicitation, SFA shall disclose the nature of the solicitor relationship, and shall provide each prospective client with a copy of SFA's written disclosure statement as set forth in SFA's Form ADV, together with a copy of the written disclosure statement from SFA to the client disclosing the terms and conditions of the arrangement between SFA as the solicitor, and the selected investment adviser or money manager including the compensation to be received by SFA as the solicitor. As the solicitor, SFA will disclose the nature of the relationship to prospective clients at the time of the solicitation and will provide all prospective clients with a copy of the investment adviser's written disclosure statement as set forth in the Form ADV.

#### **FormulaFolio Investments, LLC (FFI)**

The FFI Platform offers SFA and its clients customized investment management solutions. SFA has entered into a written agreement with FFI whereby FFI compensates SFA for introducing clients to FFI's advisory services and for the services they perform related to SFA's client accounts.

To protect client assets, FFI uses a portfolio monitoring and asset-protection system called AssetLock™. This system monitors client investments every single day and protects the client's portfolio from devastating losses by establishing a predetermined downside based on the highest point the portfolio has ever reached, thus locking in gains.

According to an agreement between the SFA and FFI, FFI will pay to SFA both initial and ongoing compensation. FFI will pay SFA up to an annual rate of 1.5% of assets under management that will be deducted monthly in arrears from the client's account as described in the FFI Wrap-Fee Brochure (see Fee Schedule below). The exact SFA fee charged to client will be specified in Section #8 of the FFI Investment Management Agreement. The compensation paid to SFA by FFI is for the solicitation services and for referring client to FFI and covers any expenses associated with these efforts. SFA services may also include periodic contacts about investment performance, reviews, or other information as may be requested or required to assist in understanding FFI's services or establishing an advisory relationship or providing/updating client information on behalf of FFI. In no event will the services include providing investment advisory services on behalf of FFI. FFI may provide additional compensation to the SFA and/or marketing representatives that are independently contracted by FFI for marketing, client servicing, or related services. These payments will not increase the fees associated to client's accounts. The compensation for these services is paid to SFA by FFI from the wrap-fees earned. The wrap-fees are detailed in the FFIs Wrap-Fee Brochure. Therefore, Client's advisory fees paid to FFI are all inclusive of the fees paid to SFA. Asset management fees will not be increased above and beyond the total wrap fees charged by FFI. Signing section 10 of the FFI account application constitutes a receipt of the Wrap-Fee Brochure and this Solicitor's Disclosure Document. This will confirm for the SEC that you have received this information and are informed about the solicitor fee arrangement between FFI and SFA.

### Fee Schedule (FFI)

Amount Under Management	FFI Fee	SFA Fee
First: <\$100,000	0.80%	The difference between *SFA Fee and FFI Fee
Next: \$100,000 - \$249,999	0.75%	The difference between *SFA Fee and FFI Fee
Next: \$250,000 - \$499,999	0.70%	The difference between *SFA Fee and FFI Fee
Next: \$500,000 - \$999,999	0.65%	The difference between *SFA Fee and FFI Fee
Next: >\$1,000,000	0.60%	The difference between *SFA Fee and FFI Fee

*\*The annual fee for services under FormulaFolio Investments, LLC (FFI) is 2.2% on the first \$500,000, 1.95% for accounts with \$500,001- \$1,000,000 and 1.45% for accounts with \$1,000,001 and above.*

## Item 15. Custody

SFA will maintain custody of select client funds or securities under the following circumstances:

### Access to Client User ID/Passwords

SFA may obtain User Identification ("ID") and/or password ("PW") information for select clients in self-directed pension and/or retirement plans in its capacity as the adviser to such accounts. For these accounts, SFA will generally limit online access to include rebalancing and adjusting investments in the account. Such access would generally not include: (i) withdrawal of funds or securities; (ii) the transfer of funds or securities to an account not in the client's name at a qualified custodian; (iii) the ability to effect address changes or other changes to the account; and (iv) the ability to request loans or other

distributions or disbursements. Language to address limited online access will be included in a client's advisory agreement or provided as a separate addendum to current client advisory agreements.

### **Asset Movement Authorization**

SFA is deemed to have custody of such accounts and is therefore required to comply with the requirements under SEC Rule 206(4)-2 (Custody Rule). Select clients may grant SFA Level 1 or 2 Asset Movement Authorization over their Fidelity accounts. For these accounts, SFA may be given limited authority to rebalance a client account and/or the ability to transfer or otherwise disburse certain assets within a client account.

Because SFA is considered to maintain custody of select client funds or securities under the above circumstances, SFA undergoes an unannounced annual audit by an independent Public Company Accounting Oversight Board (PCAOB)-registered accounting firm. The annual audit report will be filed electronically through IARD by the independent public accountant performing the surprise examination.

Clients will receive their monthly and/or quarterly account statements directly from the designated broker/dealer, bank or other qualified custodian of record and therefore should carefully review those statements for accuracy. In the event that clients also receive account statements from SFA, it strongly encourages each client to compare the account statements they receive from the qualified custodian with those received SFA.

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

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Clients grant SFA complete discretionary authority over the selection and amount of securities to be purchased or sold, the broker/dealer to be used and the commission rates to be paid for their account without obtaining their prior consent or approval. However, SFA's investment authority may be subject to specified investment objectives, guidelines and/or conditions imposed by the client. For example, a client may specify that the investment in any particular stock or industry should not exceed specified percentages of the value of the portfolio, restrictions or prohibitions of transactions in the securities of a specific industry and/or directed brokerage.

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

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SFA does not have the authority to vote client proxies and therefore is not required to take action or render advice with respect to voting of proxies solicited by or with respect to the issuers of securities in which assets of the clients account(s) may be invested from time to time. *Clients* will receive their proxies or other solicitations directly from their custodian or a transfer agent. Clients may contact SFA directly at (916) 925-8900 if they have any questions regarding a particular solicitation.

### **Class Action Lawsuits**

From time to time, securities held in the accounts of clients will be the subject of class action lawsuits. SFA has no obligation to determine if securities held by the client are subject to a pending or resolved class action lawsuit. SFA also has no duty to evaluate a client's eligibility or to submit a claim to participate in the proceeds of a securities class action settlement or verdict. Furthermore, SFA has no obligation or responsibility to initiate litigation to recover damages on behalf of clients who may have been injured as a result of actions, misconduct or negligence by corporate management of issuers whose securities are held by clients.

Where SFA receives written or electronic notice of a class action lawsuit, settlement or verdict affecting securities owned by a client, it will forward all notices, proof of claim forms and other materials, to the client. Electronic mail is acceptable where appropriate, and the client has authorized contact in this manner.



## Item 18. Financial Information

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### Pre-Payment of Fees

SFA does not require or solicit prepayment of more than \$1,200 in fees per *client*, six months or more in advance.

### Material Impact of Discretionary Authority

SFA exercises *discretionary authority* over certain *client* funds or securities. However, SFA does not anticipate any financial condition that may be reasonably likely to impair its ability to meet contractual commitments to *clients* at this time.

### Custody Disclosure

SFA will maintain custody of select client funds or securities. Please see Custody section above for further details.

### Bankruptcy Disclosure

SFA has not been the subject of a bankruptcy petition at any time during the past ten years.

## Privacy Policy

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### Privacy Policy Notice

Your privacy is important to us. Your personal information is kept secure. Under federal and state law, you have a right to know what information is being collected about you and how that information will be used. SFA collects nonpublic personal information about you from the following sources:

- Information SFA receives from you on applications or other forms.
- Information about your transactions with SFA; and
- Information that you specifically have had your other professional advisors forward to SFA.

SFA does not disclose any nonpublic personal information about our customers or former customers to anyone, except as permitted or required by law, or as directed by you:

- Under law, the information SFA collects is provided to companies that perform support services on our behalf as necessary to effect, administer, or process a transaction, or for maintaining and servicing your account;
- As directed by you, SFA will be working with your other professional advisors and SFA will provide information in our possession that is reasonably requested by the other advisors.

SFA does not give or sell information about you or your accounts to any other company, individual or group. SFA restricts access to nonpublic personal information about you to those employees who need to know that information to provide services to you. SFA maintains physical, administrative, and technical procedural safeguards to protect your nonpublic personal information. You do not need to call or do anything as a result of this notice. It is meant to inform you of how SFA safeguards your nonpublic personal information.

# Form ADV Part 2B: Brochure Supplement

Last Updated: April 28, 2017

## Springer Financial Advisors

SEC File Number: 801- 57201

CRD Number: 111072

Supervised Persons:

*Keith Springer*

*Deanna Erdman*

4480 Duckhorn Drive  
Sacramento, CA 95834

Tel (916) 925-8900

Fax (916) 925-8914

[www.KeithSpringer.com](http://www.KeithSpringer.com)

*This brochure supplement provides information about the Supervised Persons listed above that supplement SFA's brochure. You should have received a copy of that brochure. Please contact Keith Springer at (916) 925-8900 and/or via email at [Keith@KeithSpringer.com](mailto:Keith@KeithSpringer.com) if you did not receive SFA's brochure or if you have any questions about the contents of this supplement.*

*Additional information about SFA is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) or its own website at [www.KeithSpringer.com](http://www.KeithSpringer.com).*

## Item 2. Educational Background and Experience

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### Minimum Standards

SFA's requires certain licensing standards as well as a certain level of business experience for giving investment advice to clients. For example, all advisers must be professionals with relevant industry experience in order to adequately demonstrate a certain level of expertise in securities management and analysis. SFA requires that all investment adviser representatives maintain the minimum licensing qualifications in accordance with all federal, state, and self-regulatory organization (SRO) rules and regulations.

### List of Supervised Persons

Name: Keith Wayne Springer  
Date of Birth: 1963  
Education: Clark University, BA, Government (1985)  
University of London, Semester Study (1984)  
Background: Springer Investment Management, Inc. d/b/a Springer Financial Advisors;  
President/Chief Compliance Officer (CCO)/Investment Adviser Rep. (01/10-Present)  
FormulaFolios US Equity Fund; Member of the Investment Committee & Co-Portfolio  
Manager (11/15-Present)  
Springer Investment Management, Inc. d/b/a Springer Financial Advisors; President/  
Investment Adviser Rep. (03/09-01/10)  
President/Chief Compliance Officer/Investment Adviser Rep. (10/97-03/09)  
Springer Investment Services; Investment Adviser Rep./Sole Proprietor (08/96-10/97)  
Round Hill Securities, Inc.; Registered Representative (05/96-05/00)  
Everen Securities; Registered Representative (10/90-03/95)

Name: Deanna Erdman  
Date of Birth: 1967  
Education: Kinman Business College, Certified Medical Assistant (1986)  
Background: Springer Investment Management, Inc. d/b/a Springer Financial Advisors;  
Compliance Officer (06/16-Present)  
New York Life Insurance Company; Agent (11/08-06/16)  
Kaneski Associates Financial & Insurance Services; Service Assistant (10/07-06/16)  
NYLife Securities, LLC; Registered Rep (01/09-06/16)  
NYLife Securities, LLC; Registered Rep (05/07-02/08)  
NewYork Life Insurance Company; Agent (08/06-02/08)  
Sun City Roseville; Admin. Assistant (10/05-09/06)  
AllState Insurance; Account Representative (06/06-06/06)

### Item 3. Disciplinary Information

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#### Criminal/Criminal Action

There are no disclosure events involving a criminal or civil action in a domestic, foreign or military court of competent jurisdiction in which SFA or its personnel are involved.

#### Administrative Proceeding (SEC/Federal/State)

Regarding disclosure events involving an administrative *proceeding* before the SEC, any other federal regulatory agency, any state regulatory agency or any *foreign financial regulatory authority* in which SFA or its personnel are involved, SFA discloses the following information:

In the matter of Keith Wayne Springer, New York Stock Exchange Proceeding HPD 99-154: An exchange hearing panel found that Keith Springer effected improper post execution allocation of trades and allocated trades with better executions to personal accounts to the detriment of customers; violated Exchange Rule 401 by granting himself preferential treatment; attempted to obstruct the firm's internal investigation; caused violations of Exchange Rule 440 and SEC Regulation 17A-3 and 17A-4 by failing to make timely records. The hearing panel determined on 11/10/99, that Mr. Springer be censured, and on appeal, barred from membership, allied membership, approved person status, and from employment or association in any capacity with any member or member organization for a period of suspension of four years. On February 13, 2002 the SEC upheld the findings and subsequently denied a request for reconsideration.

On September 21, 2005, In the matter of Springer Investment Management, Inc. and Keith W. Springer, Administrative Proceeding No. 3-12052/Release No. 2434, without admitting or denying any findings, except as to jurisdiction, Springer Investment Management, Inc. and Keith Springer consented to a Securities and Exchange Commission administrative cease-and-desist Order. The Order indicates that Springer Investment Management, Inc. overvalued the performance of the Apollo Fund LP, a hedge fund managed by Springer Investment Management, Inc. and Keith Springer, by pricing too high a non-public company owned by the fund. Over time as the public securities of the hedge fund declined, the value of the non-public company became the largest single holding of the fund and resulted in Springer Investment Management, Inc. and Mr. Springer providing inaccurate assurances of the fund's performance. The SEC also concluded that Springer Investment Management, Inc. and Mr. Springer were too slow in reporting a denial of an appeal of a regulatory matter previously reported as "appeal pending" on prior form ADV disclosure. Springer Investment Management, Inc. and Mr. Springer agreed to a censure, a fine of \$50,000 and to hire an independent consultant to review, report and make recommendations on the Firm's pricing of non-public securities.

Mr. Springer welcomes the opportunity to discuss these matters in depth with you.

#### Administrative Proceeding (SRO)

There are no disclosure events involving A *self-regulatory organization (SRO) proceeding* in which SFA or its personnel are involved.

#### Use of BrokerCheck

If this supplement is delivered electronically, and any supervised person under the firm has a disciplinary history, the details of any disclosure may be found on either the Financial Industry Regulatory Authority's (FINRA) BrokerCheck system ([www.finra.org/brokercheck](http://www.finra.org/brokercheck)) or the IAPD ([www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)).

There is no other *proceeding* in which a professional attainment, designation, or license of any of the supervised persons as part of this Brochure Supplement was revoked or suspended because of a

violation of rules relating to professional conduct, nor were there any incidents where any of the supervised persons as part of this Brochure Supplement resigned (or otherwise relinquished his attainment, designation, or license) in anticipation of such a *proceeding*.

## **Item 4. Other Business Activities**

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### **Other Related Investment Business**

None of SFA's *supervised person(s) listed above* is actively engaged in any *investment-related* business or occupation, including if the *supervised person* is registered, or has an application pending to register, as a broker-dealer, registered representative of a broker-dealer, futures commission merchant ("FCM"), commodity pool operator ("CPO"), commodity trading advisor ("CTA"), or an associated *person* of an FCM, CPO, or CTA.

### **Other Business Activity**

#### **Mortgage/Real Estate Consulting/Brokerage Services**

SFA, through Keith Springer, provides mortgage/real estate consulting and brokerage services to SFA's clients including purchases, refinances and debt consolidation. It is estimated that Mr. Springer will spend 5% of his time on mortgage/real estate related services. In the event of a referral, Mr. Springer may receive a referral fee in the amount of 50% of the total commission fee paid to the mortgage broker based on the value of the loan.

#### **Insurance Products**

A select number of investment adviser representatives ("IARs") as supervised persons of SFA may also be licensed insurance agents for Springer Insurance Solutions and, as such, are involved with the sale and servicing of life insurance products for various companies. If a client elects to purchase recommended insurance products through associated persons of SFA in their separate capacity as licensed insurance agents, such individuals will receive normal and customary commission based compensation. This could present a potential conflict of interest in that licensed insurance agents could receive fees and commissions if the client chooses to implement recommendations made in their capacity as licensed insurance agents. However, the client is under no obligation to purchase products that licensed insurance agents may recommend, or to purchase products through SFA.

All material conflicts of interest are disclosed regarding supervised persons of SFA which could be reasonably expected to impair the rendering of unbiased and objective advice.

## **Item 5. Additional Compensation**

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None of the supervised persons listed above as part of this Brochure Supplement receive any "economic benefit" as that term is defined (e.g. *sales awards and other prizes*) from a non-client for providing advisory services.

## **Item 6. Supervision**

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Keith Springer is the designated CCO and supervisor for SFA responsible for providing supervisory oversight regarding SFA's advisory business along with the assistance of Deanna Erdman as the SFA's compliance officer. Mr. Springer's contact information is (916) 925-8900. All supervision is performed on a regular and continuous basis where all transactional activity is reviewed by Mr. Springer as well as a review of ongoing management of investment advice and the issuance of financial plans.