

Part 2A of Form ADV

NewSpring Capital
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This brochure (the “**Brochure**”) provides information about the qualifications and business practices of NSV II Management Company, LLC and its related investment advisers doing business as NewSpring Capital (“**NewSpring Capital**”). For avoidance of doubt, the term NewSpring Capital is used in this Brochure to refer to the group of related investment advisers that are together filing a single Form ADV in reliance on the position expressed in the SEC No-Action letter to the American Bar Association, Business Law Section, on January 18, 2012. The related advisers are Commerce Health Capital, LLC, NSG III Management Company, LLC, NewSpring Mezzanine Capital Management II, LLC, NewSpring Mezzanine Capital Management, LLC and NSV I Management Company, LLC.

If you have any questions about the contents of this Brochure, please contact us at (610) 567-2380. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “**SEC**”) or by any state securities authority.

NewSpring Capital is registered as an Investment Adviser under the Investment Advisers Act of 1940 (the “**Advisers Act**”). Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

Additional information about NewSpring Capital is also available on the SEC’s website at www.adviserinfo.sec.gov.

MATERIAL CHANGES

This Brochure was prepared in connection with the initial registration of NewSpring Capital and, therefore, there are no material changes to report from a previous Brochure.

In the future, this section will discuss only specific material changes that are made to the Brochure and provide a summary of such changes.

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ADVISORY BUSINESS

NewSpring Capital, based in Radnor, Pennsylvania, is a leading provider of private equity capital focused in the Mid-Atlantic region. NewSpring Capital has satellite offices in Short Hills, New Jersey, Washington, D.C. and Baltimore, Maryland.

Michael A. DiPiano, Marc R. Lederman, Glenn T. Rieger and NewSpring Capital LLC are the principal owners of NSV II Management Company, LLC.

NewSpring Capital LLC is also the sponsor and part owner of the group of related investment advisers previously defined as NewSpring Capital. NewSpring Capital is a group of related investment advisers that are together filing a single Form ADV in reliance on the position expressed in the SEC No-Action letter to the American Bar Association, Business Law Section, on January 18, 2012. The related advisers are Commerce Health Capital, LLC, NSG III Management Company, LLC, NewSpring Mezzanine Capital Management II, LLC, NewSpring Mezzanine Capital Management, LLC and NSV I Management Company, LLC.

As described more fully below, NewSpring Capital currently provides investment management services to several pooled investment vehicles, managed under different investment strategies, each of which is offered to qualified investors exclusively on a “private placement” basis. Each of the pooled investment vehicles described below is sometimes referred to herein individually as a “**Fund**” and collectively as the “**Funds**.”

NewSpring Capital currently has approximately \$750 million in assets under management across three distinct investment strategies through its family of Funds. All of NewSpring Capital’s assets under management are discretionary. NewSpring Capital does not tailor the investment decisions of the Funds to individual investors and investors generally will not be able to impose restrictions on the Funds’ investments in certain securities or types of securities.

The Funds offered by NewSpring Capital fall into the following three investment strategies: NewSpring Growth, NewSpring Healthcare, and NewSpring Mezzanine.

Please see the relevant Fund’s Confidential Private Placement Memorandum or similar offering document (each, an “**Offering Memorandum**”) for additional details on the terms of an investment in that Fund.

FEES AND COMPENSATION

Management Fee

NewSpring Capital receives a management fee (the “**Management Fee**”) from each Fund with respect to each investor that may differ from Fund to Fund but is generally 2.00% of each investor’s commitment during the Fund’s investment period. After the investment period, the Fund pays a Management Fee based on each investor’s pro rata share of a Fund’s invested capital, NewSpring Capital may waive all or a portion of its Management Fee. If NewSpring Capital were to be terminated as the investment adviser to a Fund, a pro rata portion of the Management Fee paid in advance would be rebated.

Carried Interest

The general partner of each Fund (in each case an affiliate of NewSpring Capital) is generally entitled to a “carried interest” on the Fund’s profits in accordance with the provisions of the Fund’s limited partnership agreement. “**Carried Interest**” is generally equal to a percentage of the investment proceeds

distributable by the Fund in excess of the capital invested by the Fund's limited partners and their allocable share of fees and expenses, and is subject to a preferred return. The general partner of each Fund is generally subject to a "clawback" of Carried Interest previously received to the extent that it has received cumulative distributions in excess of amounts otherwise distributable or anticipated to be distributed to the general partner by each Fund as Carried Interest, applied on an aggregate basis covering all transactions of the applicable Fund. In no event will the general partner of a Fund be required to restore more than the cumulative distributions received by such general partner as Carried Interest determined on an after-tax basis. The Carried Interest received by the general partner of a Fund is negotiated at the time such Fund is formed.

Other Fees

NewSpring Capital may also receive monitoring, transaction, consulting, directors and other fees in connection with the activities of the Funds ("**Other Fees**"). In addition, NewSpring Capital may be reimbursed by the Funds' portfolio companies for expenses incurred by NewSpring Capital in connection with our performance of the services that give rise to Other Fees. Both monitoring fees and transaction fees are agreed to with the applicable portfolio companies at the closing of the Funds' investments in such portfolio companies. In general, the aggregate management fee that a Fund pays us is reduced by a portion of any Other Fees received by us in connection with the activities of the Fund.

The Other Fees and additional fees and expenses for which a Fund may be charged are more fully described in the Offering Memorandum for each Fund.

PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

NewSpring Capital generally charges the performance-based fees described above as Carried Interest.

NewSpring Capital's performance-based fees depend on continuing increases in the Funds' profitability. This creates an incentive for NewSpring Capital to allocate the Funds' assets in a manner that is riskier or more speculative than would otherwise be the case.

NewSpring Capital has policies in place to ensure that all Funds and investors are treated fairly and equally regardless of their Carried Interest structure, and to prevent this conflict from influencing the allocation of investment opportunities among Funds.

TYPES OF CLIENTS

NewSpring Capital provides investment management services to private investment Funds that it sponsors.

Each Fund is offered only by its Offering Memorandum to investors who meet the relevant investor eligibility requirements. Please see the relevant Fund's Offering Memorandum for more information on the investor eligibility requirements minimum investment required for that Fund.

Additionally, each Fund is subject to a minimum investment amount. NewSpring Capital may raise or lower the minimum investment amount for each Fund and/or accept an initial capital contribution below the established minimum in its discretion. Please see the relevant Fund's Offering Memorandum for more information on the minimum investment amount for that Fund.

METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

All of the Funds operate according to a common culture of core values, principles, and disciplines. Foremost among those tenets is a commitment to disciplined, analytical investing combined with operational expertise.

Investment decisions are based on a detailed risk/return analysis. The Funds share a complementary investment approach and methodology, enabling each Fund's investment team to share investment opportunities, internal expertise, and professional networks.

Other core tenets of NewSpring Capital include: a commitment to operating dedicated pools of capital with specific market and investment objectives; frequent and open communication with portfolio companies and limited partners; a unified culture that fosters a consistent, disciplined approach to investing; dedicated investment professionals skilled in financial analysis and operations; shared relationships, resources and networks across all Funds.

In addition, NewSpring Capital's investment professionals work hard to: align incentives among management teams, investors, and operators; creatively structure transactions in a capital-efficient manner; conduct extensive due diligence and reference checks; and bring value-added benefits as investor partners that are above and beyond the capital itself.

NewSpring Capital's principals, leveraging their previous experience managing and advising growth companies, work with the senior management teams of each portfolio company to build and enhance value via:

- Strategic guidance
- Corporate governance best practices
- Building out management teams (network of executives and recruiters)
- Client and partner introductions
- Merger and acquisition advice
- Relationships with additional equity and debt capital sources
- Creating and evaluating exit opportunities

Overall, NewSpring Capital's experienced and skilled investment professionals aim to partner with outstanding entrepreneurial management teams to build companies that are leaders in their fields.

NewSpring Capital's Funds can be divided into three distinct strategies: NewSpring Growth, NewSpring Healthcare and NewSpring Mezzanine.

Funds employing the NewSpring Growth strategy seek to provide equity capital to growth and expansion-stage companies with a focus on business services, enabling technology and information technology sectors.

Funds employing the NewSpring Healthcare strategy seek to provide equity capital to healthcare companies within the specialty pharmaceuticals, healthcare services and medical device sectors.

Funds employing the NewSpring Mezzanine strategy seek to provide mezzanine capital for expansion stage and buyout opportunities in the business services, healthcare, information technology, and specialty manufacturing sectors.

Please see the relevant Fund's Offering Memorandum for a detailed discussion of the primary risks associated with an investment in that Fund.

DISCIPLINARY INFORMATION

NewSpring Capital is required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of it or the integrity of its management. NewSpring Capital has no information applicable to this section.

OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Each of the related investment advisers that are together filing this single Form Part 2A are affiliates of each other. Additionally, each of the Funds offered by NewSpring Capital is structured as a limited partnership and a separate entity affiliated with NewSpring Capital serves as the general partner of each Fund. The affiliated general partners currently consist of the following: Commerce Health Capital, L.P. NewSpring Mezzanine Partners, LP, NSG III GP LP, NSH II G.P. L.P., NSV II GP LP, NSM SBIC II GP LP and Progress Capital II L.P.

NewSpring Capital does not believe that any of these affiliations are, or will become, a conflict of interest. Nevertheless, any transaction that a Fund enters into that presents a material conflict of interest is submitted to an advisory committee of limited partners of that Fund as more fully described below.

CODE OF ETHICS

NewSpring Capital has adopted a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct and fiduciary duty to its investors. The Code of Ethics or other portions of the firm's compliance manual include provisions relating to the confidentiality of investor information, a prohibition on insider trading, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons at NewSpring Capital must acknowledge the terms of the Code of Ethics annually or as amended.

NewSpring Capital anticipates that, in appropriate circumstances, consistent with the Funds' investment objectives, and subject to a Fund's limited partnership agreement and the Code of Ethics, it may cause accounts over which NewSpring Capital has management authority to effect the purchase or sale of securities in which NewSpring Capital, its affiliates and/or clients, directly or indirectly, have a position of interest. Such transactions would require approval by an advisory committee of limited partners. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of NewSpring Capital will not interfere with (i) making decisions in the best interest of the Funds and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code of Ethics, certain classes of securities have been designated as exempt transactions, based upon a determination that these would materially not interfere with the best interest of NewSpring Capital's Funds. In addition, the Code of Ethics requires pre-clearance of some transactions, and places some restrictions on trading in close proximity to trading activity.

From time to time opportunities will be presented for a Fund under to co-invest with another Fund Sponsored by NewSpring Capital (an “**Affiliate Fund**”). NewSpring Capital believes that the Funds and their investors will benefit from enhanced deal flow as a result of the ability to co-invest with Affiliate Funds. These deals must be new opportunities to each Affiliate Fund and not a co-investment in an existing portfolio company of an Affiliate Fund.

The following summarizes NewSpring Capital’s Policy towards investment amongst the Funds. In all cases, limited partner advisory board of each Fund participating in the proposed transaction will be presented the details prior to investment to approve any conflicts:

1) A Fund will not make an investment in a company that already has an investment by another Affiliate Fund unless it pertains to a specific investment by a successor fund in the same strategy and is approved by the Limited Partner Advisory Board;

2) In any scenario where one or more of the Funds and an Affiliate Fund are interested in investing in the same security, each Fund involved shall take its pro-rata portion of each security unless otherwise approved by the Fund’s investment committee and its limited partner advisory board;

3) In cases where there will be both mezzanine and equity invested in the same transaction, and one Fund desires to participate in the mezzanine portion and an Affiliate Fund desires to invest in the equity security in the transaction, then an independent third party must co-invest and lead either of the security tranches. The independent investor provides validation as to the market terms of that respective tranche, and is present to resolve conflicts between security interests that may arise in the future.

4) The limited partnership agreements for the Funds generally provide that, except with the approval of the limited partner advisory board, the general partner, the principals of the general partner and NewSpring Capital shall not acquire securities (other than up to 5% of the publicly traded securities of the company at issue or cash equivalent securities) if such acquisition represents an investment opportunity for the Fund.

A copy of NewSpring Capital’s Code of Ethics is available upon request.

BROKERAGE PRACTICES

NewSpring Capital does not typically make use of brokers for the purposes of purchasing or selling securities on behalf of the Funds because such securities are generally acquired and/or disposed of in privately negotiated purchase and sale transactions.

If we determine to engage a broker, we will select the broker considering the range and quality of its brokerage services, its execution capability, commission rate, financial responsibility and responsiveness to us, the value to us of research provided (if any) and the broker’s referral of prospective investors to NewSpring Capital, if any. We will negotiate the commission rates and other transaction costs relating to broker services. Any commission rates paid by the Funds may not be the lowest rates each Fund could have obtained, but NewSpring Capital anticipates they will be competitive with rates paid by similar customers.

We do not currently receive any soft dollar benefits or referrals from broker-dealers in connection with Fund transactions.

REVIEW OF ACCOUNTS

The NewSpring Capital investment team generally meets regularly to evaluate both current and prospective investments. The portfolio managers of each Fund regularly monitor and review the performance of each of the Fund's portfolio company investment and typically conduct quarterly reviews of the performance, risks and outlook for each portfolio company.

The valuation of each Fund's portfolio companies is reviewed at least semi-annually with the Fund's limited partner advisory board. NewSpring Capital provides such reports (and at such frequency) as is required by the applicable limited partnership agreements for each Fund. Please refer to the relevant Offering Memorandum for the reporting schedule of each Fund.

NewSpring Capital will provide each investor with such tax information and schedules as are necessary to enable such investor to prepare its federal income tax return.

CLIENT REFERRALS AND OTHER COMPENSATION

NewSpring Capital may offer interests in a Fund through one or more selling agents, brokers, placement agents or finders, on an exclusive or nonexclusive basis, and pay referral or finder's fees and commissions which NewSpring Capital believes to be appropriate, subject (in the case of a fee paid out of Fund assets) to the overall cap on organizational expenses of a Fund, or the offset thereof against future management fees payable by a Fund. NewSpring Capital also may pay any such commissions, placement fees, referral fees or finder's fees by paying or assigning a portion of the management fee or carried interest to a selling agent, broker, placement agent or finder.

CUSTODY

NewSpring Capital maintains the Funds' cash and certificated securities with independent qualified custodians.

As the general partner of each of the Funds, an affiliate of NewSpring Capital will generally be deemed to have custody of client assets under the applicable Advisers Act rules (despite the fact that NewSpring Capital will never have actual physical custody of such assets). NewSpring Capital will generally comply with the Advisers Act custody rules by delivering audited financial statements for each Fund to its investors within 120 days after the end of each Fund's fiscal year.

INVESTMENT DISCRETION

NewSpring Capital has full discretionary authority over each Fund, subject only to the restrictions (if any) described in the Offering Memorandum relating to the applicable Fund.

VOTING CLIENT SECURITIES

The Funds do not generally hold the securities of publicly traded companies. However, the Funds may own such securities from time to time and may also be asked to vote as shareholders of privately held portfolio companies.

NewSpring Capital intends that, absent definitive reasons why a matter should not be voted on, all votes will be based on NewSpring Capital's voting policy. Investors may obtain a copy of NewSpring Capital's complete proxy voting policies and procedures upon request.

FINANCIAL INFORMATION

Registered investment advisers are required in this section to provide you with certain financial information or disclosures about NewSpring Capital's financial condition. NewSpring Capital has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.

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