

Form ADV Part 2A

Brochure

NewSpring Capital

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This Brochure provides information about the qualifications and business practices of NSV II Management Company, LLC and its related investment advisers, all collectively doing business as NewSpring Capital (“NewSpring Capital” or the “NewSpring Capital Entities”). For avoidance of doubt, the term NewSpring Capital is used in this Brochure to refer to this d/b/a for 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 on January 18, 2012. The related advisers to NSV II Management Company, LLC (the filing adviser) 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 NewSpring Capital 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. Additional information about NewSpring Capital is also available on the SEC’s website at www.adviserinfo.sec.gov.

All advisers doing business as NewSpring Capital are registered investment advisers under the Investment Advisers Act of 1940 (the “Advisers Act”). Registration of an investment adviser does not imply any certain level of skill or training.

ITEM 2: MATERIAL CHANGES

This Item of the Brochure discusses material changes from the last brochure and provides a summary of such material changes. The last brochure, dated February 14, 2012, was filed as part of the initial registration of the NewSpring Capital Entities.

The material changes to the last brochure, and other changes, are as follows:

Item 4: We provided more information on the NewSpring structure and added disclosure on the ownership of all of the investment advisers. We updated our assets under management figure, and provided a figure that reflects total committed capital as historically raised.

Item 5: We added clarification that we deduct fees quarterly.

Item 6: We added specification as to the common carry amount, and provided more disclosure on conflict of interest mitigation policy and procedures surrounding performance based fees.

Item 7: We added clarification as to the common minimum investment amounts.

Item 8: We provided more information on the types of risk of loss that clients and investors must bear in the private equity space.

Item 10: We provided more information on the NewSpring structure and specifically identified the general partners to the general partners of the Funds.

Item 11: We clarified language to try to better inform readers on our Code of Ethics.

Item 12: We clarified language to try to better inform readers on brokerage practices, and referenced Item 14 to inform readers that we may utilize placement agents who are registered broker-dealers.

Item 13: We provided clarification as to titles of persons who perform reviews of client accounts and provided more information on the types of reviews performed.

Item 15: We provided language that investors should review statements received from NewSpring and stated that NewSpring receives statements from qualified custodians and reconciles internal statements to these statements received from qualified custodians.

Item 16: We provide language on possible side letter topics that may restrict investments in certain sectors.

Item 17: We clarified language to try to better inform readers on proxy voting.

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ITEM 4: ADVISORY BUSINESS

NewSpring Capital is based in Radnor, Pennsylvania and is a provider of private equity capital focused in the Mid-Atlantic region. NewSpring Capital has satellite offices in Short Hills, New Jersey; Bethesda, Maryland; and Baltimore, Maryland. The Firm began in 1999.

NewSpring Capital is a group of related investment advisers that together file a single Form ADV in reliance on the position expressed in the SEC No-Action letter to the American Bar Association on January 18, 2012. The filing adviser is NSV II Management Company, LLC. 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. NewSpring Capital LLC is a partial direct or indirect owner of the investment advisers, and supports the advisory business with infrastructure.

Michael A. DiPiano, Marc R. Lederman, Glenn T. Rieger, and NewSpring Capital LLC are the principal owners of NSV II Management Company, LLC and NSG III Management Company, LLC. Michael A. DiPiano, Marc R. Lederman, and Brian Murphy are the principal owners of NSV I Management Company, LLC. Brian Murphy and NewSpring Capital LLC are the principal owners of Commerce Health Capital, LLC. Steve Hobman, Andrew Panzo, and NewSpring Capital LLC are the principal owners of NewSpring Mezzanine Capital Management, LLC and NewSpring Mezzanine Capital Management II, LLC.

As described more fully below, NewSpring Capital currently provides investment management services to several pooled investment vehicles (the “Funds”), managed under different investment strategies, each of which is offered to qualified investors exclusively on a “private placement” basis.

As of December 31, 2012, NewSpring Capital manages approximately \$896,700,000 million assets under management on a discretionary basis, representing total committed capital to all Funds, as historically raised. All of NewSpring Capital’s assets under management are discretionary. Regulatory assets under management figures are provided in Form ADV Part 1A.

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 Item 8 for more information on these investment strategies and NewSpring Capital’s advisory business.

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.

NewSpring Capital does not participate in Wrap Fee Programs.

ITEM 5: FEES AND COMPENSATION

Management Fee

The NewSpring Capital Entities receive their respective management fee from each Fund. The management fee may differ from Fund to Fund, but is generally 2.00% of each investor’s commitment during the respective Fund’s investment period, as negotiated with the investors per the respective

Limited Partnership Agreement. After the investment period, the respective Fund pays the management fee based on each investor's pro rata share of the Fund's invested capital.

The NewSpring Capital Entities may waive all or a portion of their management fee. Fees are deducted quarterly in accordance with the provisions of each Fund's Limited Partnership Agreement and paid to each Fund's specific adviser. If any NewSpring Capital Entity 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.

Other Fees

The NewSpring Capital Entities may also receive monitoring, transaction, consulting, directors and other fees in connection with the activities of the Funds ("Other Fees"), paid by the Fund's portfolio companies. Such fees would generally result in offsets to the Management Fees. In addition, the NewSpring Capital Entities may be reimbursed by the Funds' portfolio companies for expenses incurred by the respective NewSpring Capital Entity in connection with the performance of 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 the NewSpring Entities is reduced by a portion of any Other Fees received by the NewSpring Entities 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. For example, Funds are also responsible for the fees and expenses charged by custodians and broker-dealers. Such fees may include but are not limited to transaction charges, fees for duplicate statements, fees for transaction confirmations, and fees for electronic data feeds and reports. Please see Item 12 of this Brochure for additional information regarding brokerage.

ITEM 6: PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

NewSpring Capital charges the performance-based fees described as Carried Interest. Specifically, the general partner of each Fund (in each case an affiliate of NewSpring Capital) is generally entitled to a "carried interest," usually 20%, on the respective 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.

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, including allocation and conflicts of interest policies and procedures, 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.

ITEM 7: TYPES OF CLIENTS

NewSpring Capital provides investment management services to private investment funds.

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.

Additionally, each Fund is subject to a minimum investment amount. Although the minimum investment amount often ranges from 250,000 to 500,000, please see the relevant Fund's Offering Memorandum for more information on the minimum investment amount for that Fund. 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.

ITEM 8: 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; and 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.

Investing in securities involves risk of loss, including to principal, that clients and investors must be prepared to bear. There are risks inherent to investing in private securities. Some of the above risks are: business risks of the portfolio company which may be difficult to predict; risks associated with investment concentration in one industry or segment; lack of investment opportunities; illiquidity; lack of a public market; director liability; foreign investment risk such as exchange fluctuations or political risk; financing risks; and investor default risks. Past performance of any fund or strategy is not a guarantee of future returns. Please see the relevant Fund's Offering Memorandum for a detailed discussion of the primary risks associated with an investment in that Fund.

ITEM 9: 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.

ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Each of the related investment advisers that are together filing this single Form ADV Part 2A are affiliates of each other. They are advisers under common control. Please see Item 4 for the list of the related advisers and ownership thereof.

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. Additionally, each general partner of the Fund has a general partner. The affiliated general partners of the Funds, with their general partner in parentheses, are Commerce Health Capital, LP (Commerce Health, GP), NewSpring Mezzanine Partners, LP (NewSpring Mezzanine Partners, LLC), NSG III GP, LP (NSG III GP, LLC),

NSH II GP, LP (NSH II GP, LLC), NSV II GP, LP (NSV II GP, LLC), NSM II GP, LP (NSM II GP, LLC), and Progress Capital II, LP (Progress Capital II, Inc.).

As mentioned in Item 4, NewSpring Capital LLC is the entity that provides infrastructure to the advisory business. Additionally, NewSpring Capital LLC wholly owns NewSpring Capital, Inc. NewSpring Capital, Inc. was established to provide payroll and related employee benefits to all employees of NewSpring Capital.

NewSpring Capital does not believe that any of these affiliations are, or will become, a conflict of interest, as they are all part of a single advisory business with the purpose of serving the Funds' best interests.

If a situation presents a material conflict of interest to a Fund, NewSpring Capital has conflicts of interest policies and procedures. Additionally, each Fund has an advisory committee of limited partners with which NewSpring Capital communicates. Please see Item 11 for more information on our Code of Ethics and conflict policies.

ITEM 11: CODE OF ETHICS

NewSpring Capital has adopted a Code of Ethics for all supervised persons of the NewSpring Capital Entities that describes our standard of business conduct and fiduciary duty to the Funds. The Code of Ethics as well as other portions of our Compliance Manual include provisions relating to the confidentiality of investor information, the prohibition on insider trading, restrictions on the acceptance of significant gifts, 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.

The Code of Ethics also is designed to ensure that the personal securities transactions of the NewSpring Capital employees will not interfere with making decisions in the best interest of the Funds, or interfere with implementing such decisions, while, at the same time, allowing employees to make personal securities transactions for their own accounts. The Code of Ethics requires pre-clearance of some transactions, and places some restrictions on employee trading in close proximity to client trading activity.

From time to time, opportunities may present for one NewSpring Fund to co-invest with another NewSpring Fund in a portfolio company. NewSpring Capital believes that in certain circumstances, funds and investors could benefit from enhanced deal flow as a result of the ability to co-invest. NewSpring Capital has controls around these opportunities, including, in some instances, that the deals be new opportunities to each Fund and not an investment in an already existing portfolio company of a Fund.

The following generally summarizes NewSpring Capital's policy regarding investment by more than one Fund. The limited partner advisory board participating in the proposed transaction would regularly 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 Fund, unless it pertains to a specific investment by a successor fund in the same strategy (a fund III to a fund II, for example) and is approved by the limited partner advisory board;

2) In any scenario where the Funds are interested in investing in the same security, each Fund 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 the other Fund desires to invest in the equity security, 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 to investors or potential investors.

ITEM 12: 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 Funds' securities are generally acquired and/or disposed of in privately negotiated purchase and sale transactions.

If we determine to engage a broker, for example, if we wind up with public securities through a mergers and acquisitions transaction or IPO, the general partner of each Fund will select the broker considering the range and quality of its brokerage services, its execution capability, commission rate, financial responsibility, responsiveness to us, the value 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 they will be competitive with rates paid by similar customers. Each investor could determine whether to sell, hold, or transfer to another account.

In connection with Fund transactions, NewSpring Capital does not currently receive any soft dollar benefits or referrals from broker-dealers in connection with Fund transactions. (NewSpring Capital may use a placement agent that is a registered broker-dealer, and one Fund is currently using such a placement agent. Please see Item 14.) Please see Item 11 for information on co-investments amongst Funds.

ITEM 13: 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 at least quarterly reviews of the performance, risks, and outlook for each portfolio company. The General Partners, Investment Professionals, and Chief Financial Officer also conduct such reviews, on a consistent, ongoing basis.

The valuation of each Fund's portfolio companies is reviewed at least semi-annually by the General Partner and also 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. Quarterly and annual reports are provided to all Limited Partners, including both summary and detailed information on the Portfolio Investments in the Fund as well as financial statements of the Funds. 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. Please refer to the relevant Offering Memorandum for the reporting schedule of each Fund.

ITEM 14: 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 fees, finder's fees, or 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. Currently, one Fund is utilizing a placement agent.

ITEM 15: CUSTODY

As NewSpring Capital affiliates are the general partners of each of the Funds, NewSpring Capital is deemed under the Advisers Act to have custody of client assets. NewSpring Capital maintains the Funds' cash and certificated securities with independent qualified custodians. The qualified custodians send statements to NewSpring Capital, and these are reviewed by NewSpring's accounting department to reconcile to internal Fund records. NewSpring Capital has its Funds annually audited by a PCAOB registered independent accountant and in accordance with GAAP, and the audited statements delivered to investors within 120 days after the end of each Fund's fiscal year. NewSpring Capital urges investors to carefully review those statements, as well as NewSpring Capital reports to investors.

ITEM 16: INVESTMENT DISCRETION

Per each negotiated limited partnership agreement, NewSpring Capital has full discretionary authority over each Fund. Each limited partnership agreement and offering memorandum describes the investment strategy and thesis for each particular Fund. The general partners and investment advisers adhere to these guidelines. Please see Items 4 and 8 of this Brochure, as well as the limited partnership agreement and offering memorandum, for more description on these strategies. In certain cases, NewSpring may enter into side letters with certain investors that further restrict investments in certain sectors. Examples of such restrictions are: alcohol, firearm, and tobacco company restrictions, geographic region restrictions, and/or specific country restrictions.

ITEM 17: VOTING CLIENT SECURITIES

As NewSpring Capital is in the private equity space, the Funds do not hold the securities of publicly traded companies, and would do so only in rare circumstances. In the unlikely event that a Fund would come into ownership of such securities or would be asked to vote as shareholders, our CCO will be consulted to ensure that the Fund's best interests are represented, whether by NewSpring Capital or a third party service if needed to address any conflict of interest. Investors may obtain a copy of NewSpring Capital's proxy voting policies and procedures upon request.

ITEM 18: 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.