

## Customer Relationship Summary ADV Part 3

### Item 1: Introduction

January 25, 2021, Spring Capital Management, L.L.C. ("Spring Capital"), SEC Registered Investment Adviser. Brokerage and investment advisory services and fees differ. Free and simple tools are available to research firms and financial professionals at [Investor.gov/CRS](https://www.investor.gov/CRS), which also provides educational materials about broker-dealers, investment advisers, and investing.

#### Is an Investment Advisory Account Right for You?

You should carefully consider which types of accounts and services are right for you. This document gives you a summary of the types of services we provide and how you pay. Please ask us for more information. There are some suggested questions under Item 5 below.

### Item 2: Relationship and Services

#### What investment services and advice can you provide me?

**We are an investment adviser and provide advisory accounts and services rather than brokerage accounts and services.** Please refer to our ADV Part 2A for a more detailed description of our services and fees. Upon engaging us you will pay an on-going fee on the amount of assets under our management, based on the value of the cash and investments in your advisory account. Financial Service Providers vary in the way they provide planning, advising and brokerage services. You should carefully consider which types of programs and services are right for you; investment adviser or brokerage.

#### *Description of Services*

We provide assets management on a discretionary basis through The Spring Capital ADEPT Wrap Fee Program. Our minimum account opening balance is \$1,000,000 (one million dollars) which may be negotiable. We will monitor your account on a regular basis and meet with clients annually. Our portfolio management services are provided on both a discretionary and non-discretionary basis. For discretionary asset management you grant us the authority to determine the securities and amount to be bought or sold without your consent prior to each trade. We do not offer advice only with respect to proprietary products.

#### *Our Obligations to You*

As registered investment advisers, we must abide by laws and regulations and are held to a fiduciary standard. We are required to monitor your portfolio, investment strategy, and investments on an ongoing basis. Our interests can conflict with your interests. We must eliminate these conflicts or tell you about them in a way you can understand so that you can decide whether to agree to them.

#### *Conversation Starters*

Given my financial situation, should I choose an investment advisory service? Why or why not?

How will you choose investments to recommend to me?

What is your relevant experience, including your licenses, education and other qualifications? What do these qualifications mean?

### Item 3: Fees, Costs, Conflicts, and Standard of Conduct

#### What fees will I pay?

Fees and costs affect the value of your account. Please ask your financial professional to give you personalized information on your fees and costs. Our fees do not vary based on the type of investment. We charge a fee based on the assets under our management for asset management services. Our Financial Professionals are registered representatives of Purshe, Kaplan, Sterling Investments CRD # 35747 ("PKS"), an SEC registered broker-dealer. This means your Financial Professional may offer you brokerage services through PKS or investment advisory services through our Firm. Brokerage services and investment advisory services are different, and the fees we, and PKS charge for those services are different. It is important that you understand the differences. In particular, your Financial Professional may earn additional transaction-based compensation and have additional conflicts of interest as a result of providing brokerage services through PKS. Our Financial Professionals will receive commissions for the sale of insurance products. Our fees reduce your investable assets and will be deducted from your account. The more assets you have in the advisory account, including cash, the more you will pay. This creates an incentive to increase the assets in your account in order to increase our fees. You pay our fee even if we do not trade in your account(s) and if your account does not appreciate in value. Our fees do not vary but are negotiable.

### Other Fees and Costs

Some investments impose additional fees that will reduce the value of your investments over time such as mutual funds and variable annuities. You could be required to pay fees when certain investments are sold (e.g., **surrender charges** for selling variable annuities).

#### Additional Information

You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying.

#### Conversation Starters

Help me understand how these fees and costs might affect my investments. If I give you \$10,000 to invest, how much will go to fees and costs, and how much will be invested for me?

What are your legal obligations to me when acting as my investment adviser? How else does your firm make money and what conflicts of interest do you have?

#### Compare with Typical Brokerage Accounts

With a brokerage account with a **broker-dealer** you will pay a **transaction-based fee**, referred to as a commission, when the broker-dealer trades in your account. Brokerage account features: **1)** You may select, or the broker-dealer may recommend, investments, but the ultimate decision will be yours; **2)** A broker-dealer must act in your best interest when it recommends investment /investment strategies. Broker-dealers must treat you fairly and comply with Rules and specific obligations. Unless agreed to otherwise, the broker-dealer is not required to monitor your portfolio or investments on an ongoing basis; **3)** The more trades in your account, the more fees you pay. This incentivizes the broker representative to trade often, and; **4)** You can receive advice in either type of account, but you may prefer paying:

<b>a transaction-based fee</b> from a cost perspective, if you do not trade often or if you plan to buy and hold investments for longer periods of time	<b>an asset-based fee</b> for continuing advice or want someone to make investment decisions for you, which may cost more than a transaction-based fee.
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#### Conversation Starter

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#### Conflicts of Interest

Advisers are fiduciaries, and therefore, we are held to a fiduciary standard that covers our entire investment advisory relationship. When we act as your investment adviser, *we must act in your best interest and not put our interest ahead of yours*. However, the way we make money creates a conflict. You should understand and ask us about these conflicts. For example, we benefit from the advisory services we provide to you as our financial professionals are paid based on the value of the assets in your account(s).

#### Conversation Starters

How might your conflicts of interest affect me, and how will you address them?

#### Item 4: Disciplinary History

Do you or your financial professionals have legal or disciplinary history?

No. We do not have any disciplinary history to disclose. Please visit [Investor.gov/CRS](http://Investor.gov/CRS) for a free and simple search tool to research us and our financial professionals.

#### Conversation Starter

As a financial professional, do you have any disciplinary history? For what type of conduct?

#### ITEM 5 – ADDITIONAL INFORMATION

To report a problem to the SEC, visit [Investor.gov](http://Investor.gov) or call the SEC’s toll-free investor assistance line at (800) 732-0330. For additional information on our investment advisory services, see our Form ADV brochure on IAPD at [Investor.gov](http://Investor.gov), [advisorinfo.sec.gov](http://advisorinfo.sec.gov) or on any brochure supplement provided. You may also find our ADV Brochure on our website at [springcapitalmanagement.com](http://springcapitalmanagement.com). You may also contact us at (806) 322-5000 or 600 S. Tyler, Suite 1515, Amarillo, Texas 79101 for up-to-date information.

#### Conversation Starter

Who is my primary contact person? Is he or she a representative of an investment adviser or a broker-dealer? Who can I talk to if I have concerns about how this person is treating me?