



Form ADV Part 3 (“Form CRS”)  
March 28, 2023

DG Capital Management, LLC  
460 Park Avenue, 22nd Floor  
New York, New York 10022

Tel: 646.942.5700  
Fax: 212.202.4639

## **Item 1. Introduction**

DG Capital Management, LLC and DG Capital Advisors, LLC (collectively, the “Adviser”) is an investment adviser registered with the Securities and Exchange Commission. Brokerage and investment advisory services and fees differ, and it is important for you to understand these differences. Free and simple tools are available to research firms and financial professionals at [Investor.gov/CRS](http://Investor.gov/CRS), which also provides educational materials about broker-dealers, investment advisers, and investing.

## **Item 2. Relationships and Services**

### **What Investment Services and Advice Can You Provide Me?**

The Adviser offers investment advisory services to retail investors, which include individuals and families who seek investment services primarily for personal or family purposes, with a particular focus on high-net-worth individuals and families. The Adviser monitors retail investors’ investments on a periodic basis, generally daily. The frequency of account reviews depends on several factors, including market conditions and your requests. The investment advisory and monitoring services described in response to this Item 2 are offered as part of our standard services.

The Adviser provides investment advisory services on a discretionary basis. The Adviser provides advice with respect to all transactions in cash, stocks, bonds, options, derivatives and other securities and financial instruments. Retail investors enter into an investment management agreement with the Adviser, which gives the Adviser this authority until such agreement is terminated.

The Adviser does not require a minimum account size or investment amount for retail investors to open or maintain an account – instead, these terms are individually negotiated with each retail investor. However, each retail investor must be sufficiently financially sophisticated and experienced, and generally must represent to being (ii) an “accredited investor” and (iii) a “qualified client” (each as defined by SEC rules). For additional information about our advisory services, please see Items 4 and 7 of our Form ADV Part 2A Firm Brochure.

Conversation Starters: (i) Given my financial situation, should I choose an investment advisory service? Why or why not?  
(ii) How will you choose investments to recommend to me?  
(iii) 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?**

Retail investors will generally pay a fixed management fee of up to 2% per annum to the Adviser for its investment advisory services, paid monthly in advance. Retail investors will generally also be subject to an incentive fee on an annual basis following the end of each calendar year of up to 20% of net realized and unrealized appreciation in the net asset value of the retail investor’s account.



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Such fees may create conflicts of interest, for example, the more assets there are in a retail investor’s advisory account, the more a retail investor will pay in management fees. Thus, the Adviser may have an incentive to encourage a retail investor to increase the assets in his or her account. Further, an incentive fee arrangement may create an incentive for the Adviser to make investments that are riskier or more speculative than would be the case in the absence of an incentive fee. The Adviser has adopted and implemented policies and procedures intended to address conflicts of interest relating to the management of multiple accounts, including accounts with different fee arrangements.

In addition, retail investors will generally pay, by reimbursement to the Adviser, all reasonable expenses incurred in the ordinary course of business relating to their accounts including, but not limited to legal, compliance, administrator, audit and accounting expenses (including third-party accounting services); research fees and expenses (including Bloomberg and similar subscriptions and data services and research-related travel, meals and lodging); borrowing charges on securities sold short; bank service fees; the expense of all brokerage commissions, spreads and markups; trading-related technology software costs such as portfolio, order, and risk management systems; investment expenses such as commissions, interest on margin accounts and other indebtedness; interest expenses; custodial fees; other expenses related to securities transactions; filing fees and expenses (including, expenses associated with regulatory filings); insurance costs; and any other expenses related to the purchase, sale or transmittal or due diligence regarding account investments whether or not such investments are consummated (including expenses of consultants, investment banks, attorneys, accounting and other experts).

**Conversation Starter:** 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?

#### **How do your financial professionals make money?**

The Adviser’s financial professionals receive cash compensation. You pay fees and costs whether you make or lose money on your investments. Fees and costs reduce your investment over time. Please make sure you understand what fees and costs you are paying.

#### **Item 4. Disciplinary History**

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

No. You may visit [Investor.gov/CRS](http://Investor.gov/CRS) for a free and simple search tool to research the Adviser 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**

You can find additional information about our investment advisory services by visiting our website at <http://www.dgcapitalmgmt.com/>. Additionally, you may request up-to-date information and request a copy of the relationship summary by emailing Eric Evanter, our Chief Compliance Officer/Chief Financial Officer, at [eevanter@dgcapitalmgmt.com](mailto:eevanter@dgcapitalmgmt.com).