

Fundamental Capital Management LLC

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May 21, 2012

This brochure provides information about the qualifications and business practices of Fundamental Capital Management LLC. If you have any questions about the contents of this brochure, please contact us at the telephone number and/or e-mail address above. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or any state securities authority.

Fundamental Capital Management LLC is a registered investment advisor. Registration of an investment advisor does not imply any level of skill or training. The verbal and written communications of an investment adviser provide you with information you need to determine whether to hire or retain the advisor.

Additional information about Fundamental Capital Management LLC is also available on the SEC's website at www.adviserinfo.sec.gov.

Fundamental Capital Management LLC

Our last annual updating amendment was dated February 21, 2012.

The amendment dated May 21, 2012, which was filed as part of the conversion from SEC to state registration contained the following material changes:

Item 15: Disclosure was updated to reflect the procedures required by California for advisors who act as the general partner to pooled investment vehicles. The updated language is provided below and replaces the previous Item 15 disclosure in its entirety.

As the general partner for the Fund, we have custody of the Fund's assets. We have implemented the following procedures for the Fund:

- We have entered into a custody disbursements agreement with the Fund's Custodian. This agreement states that any distributions or allocations from the Fund must be reviewed by an independent third party who is a CPA.
- We have engaged a CPA as our independent representative to review all distributions and allocations from the Fund. This independent representative will prepare a letter to the Custodian for each distribution and/or allocation stating that the distribution request has been reviewed.

The addition of Item 19 in its entirety as follows.

ITEM 19: REQUIREMENTS FOR STATE REGISTERED ADVISORS

Principal Executive Officers and Management Persons

Our principal executive officer is John W. Krieger. Additional information regarding Mr. Krieger's education and business background is provided on Part 2B.

Neither Fundamental nor any management person has been involved in any of the items listed below.

- An award or otherwise being found liable in an arbitration claim alleging damages in excess of \$2,500, involving any of the following: 1) an investment or an investment-related business or activity; 2) fraud, false statement(s), or omissions; 3) theft, embezzlement, or other wrongful taking of property; 4) bribery, forgery, counterfeiting, or extortion; or 5) dishonest, unfair, or unethical practices.
- An award or otherwise being found liable in a civil, self-regulatory organization, or administrative proceeding involving any of the following: 1) an investment or an investment-related business or activity; 2) fraud, false statement(s), or omissions; 3) theft, embezzlement, or other wrongful taking of property; 4) bribery, forgery, counterfeiting, or extortion; or 5) dishonest, unfair, or unethical practices.

Please contact us if you would like a copy of our updated Part 2.

Fundamental Capital Management LLC

California Disclosure Requirements

In our opinion, all material conflicts of interest regarding Fundamental, our representatives or any of our employees which could be reasonably be expected to impair our rendering of unbiased and objective advice to an advisory client under Section 260.238(k) of the California Code of Regulations have been disclosed.

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ITEM 4: ADVISORY BUSINESS

Who we Are

Fundamental Capital Management LLC (referred to as “we,” “our,” “us,” or “Fundamental”) has been registered as an investment advisor since April 2004. Our principal owner and officer is John W. Krieger.

Services We Offer

Fundamental advises two investment partnerships: Fundamental, LP (FLP) and the Fundamental Credit Recovery Fund, LP (FCRF). These two partnerships are funds of hedges fund (commonly called “a fund of funds” or FoFs). The former fund invests in multiple (12 to 30) long/short value equity hedge funds and the latter in multiple “opportunistic” and “distressed” credit hedge funds. Fundamental is responsible for and has expertise in selecting, performing due diligence, and allocating to hedge funds which conform to the aforementioned strategies, “value”, “opportunistic”, and “distressed security investing”. Fundamental may, from time to time, cause FLP or FCRF to invest in securities, mutual funds, ETFs, or hedge funds whose strategies have not been defined above.

Our investments are tailored to comply with the investment guidelines disclosed in the offering materials for each of the Funds. Each potential investor receives a complete set of offering materials prior to investing in a Fund.

Assets Under Management

As of December 31, 2011, we have \$60.7 million in discretionary assets under management. We do not manage assets on a non-discretionary basis.

ITEM 5: FEES AND COMPENSATION

Fundamental Credit Recovery Fund LP

This Fund has an expected term of 42 months, which is divided into two periods as follows:

Investment Period. The Investment Period commenced on December 5, 2008 and continued through and include January 15, 2010. After September 30, 2009, the Fund was closed to new investors. During the Investment Period, Fundamental will invest and reinvest all of the assets of the Fund.

Distribution Period. The Distribution Period will commence on the day immediately following the Investment Period and end on the earlier of (i) September 30, 2012 or (ii) the complete liquidation and distribution of the Fund’s assets. During the Distribution Period, no new investments will be made. Investments made during the Investment Period will be liquidated and the net proceeds from the liquidation will be distributed to the investors.

The Fund has a preferred return amount which is calculated separately for each investor and is equal to the amount of net profits needed to generate an annualized cumulative return on the investor’s opening capital account balance equal to six percent (6%) (“Preferred Return Amount”).

At each quarter-end during the Distribution Period after each investor has received distributions in an amount equal to their capital contributions, and the Preferred Return Amount, Fundamental shall receive an incentive allocation equal to 10% of the net profits of the Fund in excess of the Preferred Return Amount distributed to each investor at such quarter-end. When profits for the current period exceed the unrecouped net losses for prior years, we will receive an incentive allocation of 10% of the profits generated above the Preferred Return Amount. If you withdraw capital from the Fund, the incentive allocation for the amount withdrawn will be calculated as of the withdrawal date.

In addition, we will receive an asset-based fee of 1% per year of the Fund assets. This fee is billed monthly in advance, based on the value of the Fund as of the last day of the prior month.

Fundamental LP

We receive both an asset-based fee and an incentive allocation for managing the Fund. The asset-based fee is 1% per year, billed in monthly installments. This fee is billed monthly in advance, based on the value of the Fund as of last day of the previous month. The incentive allocation is calculated as of December 31st each year. When profits for the current year exceed the unrecouped net losses for prior years, we will receive an incentive allocation of 10% of the profits generated. Solely for purposes of computing the incentive allocation, net profits and net losses include unrealized gains and losses. If you withdraw capital from the Fund, the incentive allocation for the amount withdrawn will be calculated as of the withdrawal date.

Investors are required to invest for a period of one year before making any withdrawals. After the one year, investors may make withdrawals as of the last day of any calendar quarter by giving us 60 days written notice.

General Disclosures

In order to pay an incentive allocation you must meet certain requirements. Effective September 19, 2011, typically, you must meet one of the following criteria:

- You have a net worth (or together with your spouse have a net worth) of at least \$2 million.
- You have at least \$1,000,000 invested with us.

Investors with initial contributions prior to September 19, 2011, may continue to rely on the exemption available at the time of initial investment.

All incentive allocations will be made in a manner that complies with applicable rules and regulations, including Section 260.234 of the California Code of Regulations.

We will not accept investors into the Funds who are not both accredited and qualified to pay an incentive allocation.

Incentive allocation arrangements could create an incentive for us to make investments that are riskier or more speculative than would be the case in the absence of the arrangement. In some circumstances, we may receive increased compensation as a result of unrealized appreciation as well as realized gains.

Other Costs Involved

In addition to our advisory fees shown above, expenses associated with making investments on behalf of the Funds will also be incurred. These fees include:

- fees paid to the subadvisors who manage the Funds investments.
- brokerage costs and transaction fees for any securities or fixed income trades placed by the subadvisors. These are generally charged by the custodian and/or executing broker.
- non-administrative expenses such as investment expenses, legal expenses, professional fees relating to investments, investment due diligence, discovery and evaluation, accounting, auditing and tax preparation expenses, organizational expenses and extraordinary expenses. These are more fully disclosed in the offering materials for the Funds.
- costs of the offer and sale of Interests in the Funds including, but not limited to, printing offering memorandum, documentation of performance and admission of investors.
- mutual fund loads (if applicable). These charges are paid to brokers as a form of commission.
- management fees for ETFs and mutual funds. These are fees charged by the managers of the ETF or mutual fund and are a portion of the expenses of the ETF or mutual fund.

Additional information about brokerage costs and services is provided in “Item 12: Brokerage Practices.”

We believe the fees mentioned above are competitive; however you may be able to obtain similar services from other sources at a lower price.

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

We receive an incentive allocation for advice provided to each of the Funds.

ITEM 7: TYPES OF CLIENTS

We provide investment advice solely to the Funds, which is a pooled investment vehicle. Generally investors are required to maintain a minimum of \$500,000 invested with the Funds. This minimum may be waived at our sole discretion.

ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Methods of Analysis

The first tier of analysis applied to a prospective hedge fund investment selects for compelling investment strategies and for track record. A prospective fund must have generated trailing results that would have complimented FLP’s performance. A prospective fund must compare favorably to its peer group. Track records that are not verifiable are excluded.

A prospective fund must have a compelling investment strategy and demonstrate an ability to execute on that strategy. The second tier of analysis dwells on a fund's stock selection process. A fund manager's modeling, channel checks, and competitive position analysis of his or her core holdings are reviewed and challenged by Fundamental. Fundamental will also attempt to corroborate a prospective fund manager's core investment theses against sell-side research, available filings, and the analysis of other fund managers.

The stability of a fund's management team is assessed. Fund managers are expected to be rigorous, hard-working, thorough, and focused. Funds that have experienced sudden large inflows of capital are avoided.

A prospective fund's investment process is evaluated for reproducibility. For example a fund that has produced superior performance investing in microcap stocks but is now managing assets too great to deploy in the microcap asset class is unlikely to reproduce its past performance.

In the third tier of analysis background and reference checks are performed. Former and former partners, employers, and co-workers are interviewed. A fund manager's vendors are verified or in some cases interviewed. In the case of funds managing hard to price assets third party administrators and any other pricing resources are interviewed. Funds with unfamiliar auditors are excluded from consideration.

Investment Risks

Systemic break down poses the biggest risk to FLP. In September of 2008 additional short selling in certain stocks was banned for 2 weeks. This resulted in a temporary short squeeze in fund positions. Major changes in government and central bank policies can also pose risks. Our fund managers select securities based on their intrinsic fundamentals. Large macro shifts can cause securities to trade at level divergent from their fundamental value. For example Quantitative Easing appears to have inflated the prices of all equities, some of which our funds are short. Sharp inflections in market direction pose challenges to our fund managers as well.

FLP invests in private partnerships managed by other managers consequently FLP does not have custody or discretion over its assets after an allocation has been made.

The hedge fund interests in which FLP and FCRF invest are private partnerships offered under the 3c-1 and 3c-7 exemption from SEC registration. FLP and FCRF do not receive and custody securities therefore.

All investments involve different degrees of risk. You should be aware of your risk tolerance level and financial situations at all times. We cannot guarantee the successful performance of an investment and we are expressly prohibited from guaranteeing accounts against losses arising from market conditions.

ITEM 9: DISCIPLINARY INFORMATION

Registered investment advisors are required to disclose any material facts regarding any legal or disciplinary actions that would be material to your evaluation of the investment advisor and each investment advisor representative providing investment advice to you. We have no information of this type to report.

ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

As a registered investment advisor, we are required to disclose when we, or any of our principals, have any other financial industry affiliations.

We serve as the general partner and investment advisor to the Funds. We do not expect to be engaged to advise investors as to the appropriateness of investing in the Funds, and we will not receive any compensation for doing so, or for selling interests in the Funds.

Mr. Krieger is also the Managing Principal and portfolio manager for HarborView Capital Management, LLC, a registered investment advisory firm that manages a pooled investment vehicle (“Harbor Fund”). Other than cash holdings, Harbor Fund is fully invested in Fundamental LP. Mr. Krieger has no ownership stake in HarborView or the Harbor Fund.

Mr. Krieger continues to serve as the managing general partner of October Partners III and as the managing member of Acme Debt Partners however both funds are in wind down requiring no material time or effort.

ITEM 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

Code of Ethics

We have adopted a set of enforceable guidelines (Code of Ethics), which describes unacceptable conduct by Fundamental and our associated persons. Associated persons include officers, directors, employees and independent contractors that have access to client information. Summarized, this Code of Ethics prohibits us from:

- placing our interests before yours,
- using non public information gathered when providing services to you for our own gains, or
- engaging in any act, practice or course of business that is, or might be considered, fraudulent, deceptive, manipulative, or in violation of any applicable law, rule or regulation of a governmental agency.

Please contact us if you would like to receive a full copy of this Code of Ethics.

Personal Trading for Associated Persons

Fundamental and associated persons may invest in the same securities that we trade on behalf of the Funds. We may buy or sell some of same securities the Funds that we already hold in our personal account. We may also buy for our personal account some of the same securities that are already held in the Funds. Our associated persons may also invest directly in the Funds. It is our policy not to permit our associated persons (or their immediate relatives) to trade in a way that takes advantage of price movements caused by Funds transactions.

The subadvisors to the Funds trade independently of Fundamental, without our knowledge of what trades will be placed on any given trading day. Therefore, we do not restrict trading of securities in our accounts

or those of our associated person. Preapproval is required for certain types of investments, as outlined in our personal trading policy.

Fundamental and its associated persons may purchase or sell specific securities for their own account based on personal investment considerations without regard to whether the purchase or sale of such security is appropriate for the Funds.

All persons associated with us are required to report all personal securities transactions to us quarterly.

We serve as the general partner and investment adviser to the Funds, which is our only client.

ITEM 12: BROKERAGE PRACTICES

All trading on behalf of the Funds is done by the subadvisors, who have the authority to choose brokers to execute trades. We do not recommend or select broker/dealers.

ITEM 13: REVIEW OF ACCOUNTS

Mr. Jay Krieger, Managing Member, reviews and analyzes sub-fund performance, holdings, position and sector concentration, option positions, restricted security positions. Fundamental analyzes and monitors the success rate of the sub-funds' core stock selection. Fundamental monitors sub-funds for style drift.

On a monthly basis investors receive capital account statements and fund performance estimates. On an annual basis investors receive audited financial statements and K-1s. Partnership letters are sent when there is material information to report.

Verbal updates are available upon requested.

ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION

We may also engage solicitors to provide client or investor referrals. We pay these solicitors a portion of the fees we earn for managing the client or investor that was referred. If you are referred by a solicitor, this practice will be disclosed in writing and we will comply with applicable state rules or statutes.

ITEM 15: CUSTODY

As the general partner for the Fund, we have custody of the Fund's assets. We have implemented the following procedures for the Fund:

- We have entered into a custody disbursements agreement with the Fund's Custodian. This agreement states that any distributions or allocations from the Fund must be reviewed by an independent third party who is a CPA.
- We have engaged a CPA as our independent representative to review all distributions and allocations from the Fund. This independent representative will prepare a letter to the Custodian for each distribution and/or allocation stating that the distribution request has been reviewed.

ITEM 16: INVESTMENT DISCRETION

We manage the Funds on a discretionary basis and do not allow for any limitations to be placed on our investment authority. Our investment philosophy is summarized above, and more completely described in the offering materials for the Funds. In order to invest in the Funds, you must:

- Review the offering materials we provide. This Part 2A and the Part 2B for Jay Krieger are included with the offering materials.
- Sign a copy of the limited partnership agreement for the Funds.
- Complete subscription documents for the Funds. These provide information about your qualifications to invest in the Funds.

ITEM 17: VOTING CLIENT SECURITIES

We have designated the authority to vote proxies to the subadvisors who manage the underlying investors in the Funds.

ITEM 18: FINANCIAL INFORMATION

We do not charge or solicit pre-payment of more than \$1,200 in fees per client six months or more in advance. We have never filed for bankruptcy and are not aware of any financial conditions that are reasonably likely to impair our ability to meet our contractual obligations to clients.

ITEM 19: REQUIREMENTS FOR STATE-REGISTERED ADVISORS

Principal Executive Officers and Management Persons

Our principal executive officer is John W. Krieger. Additional information regarding Mr. Krieger's education and business background is provided on Part 2B.

Neither Fundamental nor any management person has been involved in any of the items listed below.

- An award or otherwise being found liable in an arbitration claim alleging damages in excess of \$2,500, involving any of the following: 1) an investment or an investment-related business or activity; 2) fraud, false statement(s), or omissions; 3) theft, embezzlement, or other wrongful taking of property; 4) bribery, forgery, counterfeiting, or extortion; or 5) dishonest, unfair, or unethical practices.
- An award or otherwise being found liable in a civil, self-regulatory organization, or administrative proceeding involving any of the following: 1) an investment or an investment-related business or activity; 2) fraud, false statement(s), or omissions; 3) theft, embezzlement, or other wrongful taking of property; 4) bribery, forgery, counterfeiting, or extortion; or 5) dishonest, unfair, or unethical practices.

California Disclosure Requirements

In our opinion, all material conflicts of interest regarding Fundamental, our representatives or any of our employees which could be reasonably be expected to impair our rendering of unbiased and objective advice to an advisory client under Section 260.238(k) of the California Code of Regulations have been disclosed.

BROCHURE SUPPLEMENT
ITEM 1: COVER SHEET

John W. Krieger

Fundamental Capital Management, LLC

140 South Lake Avenue, Suite 302

Pasadena, CA 91101

(626) 405-4012

May 21, 2012

This Brochure Supplement provides information about John W. Krieger that supplements the Fundamental Capital Management, LLC Brochure. You should have received a copy of that Brochure. Please contact Jay Krieger, Managing Member at (626) 405-4012 or jkrieger@fundamentallp.com if you did not receive Fundamental Capital Management, LLC's Brochure or if you have any questions about the content of this supplement.

Additional information about John W. Krieger is available on the SEC's website at www.adviserinfo.sec.gov.

ITEM 2: EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE

John W. Krieger was born in 1962. He received a BA in English and Film Production from Denison University in 1984.

Employment Background

Employment Dates: 1/2005 - Present
Firm Name: Fundamental Capital Management, LLC
Type of Business: Investment Advisor
Job Title & Duties: Portfolio Manager

Employment Dates: 1/2003 - Present
Firm Name: HarborView Capital Management, LLC
Type of Business: Investment Advisor
Job Title & Duties: Portfolio Manager

Employment Background (continued)

Employment Dates: 1/1986 - 1/2005
Firm Name: Krieger & Associates
Type of Business: Investment Advisor
Job Title & Duties: Portfolio Manager

Employment Dates: 1994 - 2000
Firm Name: October Partners I, II, IV, V
Type of Business: Hedge Funds
Job Title & Duties: Managing General Partner

Employment Dates: 1997 - Present
Firm Name: Acme Debt Partners, LLC
Type of Business: Private Investments
Job Title & Duties: Managing Member

Employment Dates: 1997 - Present
Firm Name: October Partners III, GP
Type of Business: Private Investments
Job Title & Duties: Managing General Partner

ITEM 3: DISCIPLINARY INFORMATION

Registered investment advisors are required to disclose any material facts regarding any legal or disciplinary actions that would be material to your evaluation of each investment advisor representative providing investment advice to you. There is no information of this type to report.

ITEM 4: OTHER BUSINESS ACTIVITIES

Mr. Krieger is also the Managing Principal and portfolio manager for HarborView Capital Management, LLC, a registered investment advisory firm that manages a pooled investment vehicle ("Harbor Fund"). Other than cash holdings, Harbor Fund is fully invested in Fundamental LP. Mr. Krieger has no ownership stake in HarborView or the Harbor Fund.

ITEM 5: ADDITIONAL COMPENSATION

Mr. Krieger does not receive any economic benefit from any non-client for providing advisory services.

ITEM 6: SUPERVISION

Mr. Krieger, Managing Member, is the owner and sole person responsible for managing Fundamental Capital Management's advisory personnel. His telephone number is (626) 405-4012.

ITEM 7: REQUIREMENTS FOR STATE-REGISTERED ADVISORS

Investment advisors who are registered with a state regulatory agency rather than the SEC are required to provide information about a wider range of disciplinary information than that described above.

Mr. Krieger has not filed for personal bankruptcy and has no disciplinary information to report.

BROCHURE SUPPLEMENT
ITEM 1: COVER SHEET

William T. Bermingham

Fundamental Capital Management, LLC

140 South Lake Avenue, Suite 302

Pasadena, CA 91101

(626) 405-4012

May 21, 2012

This Brochure Supplement provides information about William T. Bermingham that supplements the Fundamental Capital Management, LLC Brochure. You should have received a copy of that Brochure. Please contact Jay Krieger, Managing Member at (626) 405-4012 or jkrieger@fundamentallp.com if you did not receive Fundamental Capital Management, LLC's Brochure or if you have any questions about the content of this supplement.

Additional information about William T. Bermingham is available on the SEC's website at www.adviserinfo.sec.gov.

ITEM 2: EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE

William T. Bermingham was born in 1965. He received a BA in Communication from University of Colorado at Boulder in 1987.

Employment Background

Employment Dates: 8/2008 - Present
Firm Name: Fundamental Capital Management, LLC
Type of Business: Investment Advisor
Job Title & Duties: Marketing / Client Service

Employment Dates: 6/2006 - 8/2008
Firm Name: Viewpoint Investment Partners
Type of Business: Investment Advisor
Job Title & Duties: Marketing / Client Service

ITEM 3: DISCIPLINARY INFORMATION

Registered investment advisors are required to disclose any material facts regarding any legal or disciplinary actions that would be material to your evaluation of each investment advisor representative providing investment advice to you. There is no information of this type to report.

ITEM 4: OTHER BUSINESS ACTIVITIES

Mr. Bermingham is not involved in any other business activities.

ITEM 5: ADDITIONAL COMPENSATION

Mr. Bermingham does not receive any economic benefit from any non-client for providing advisory services.

ITEM 6: SUPERVISION

Jay Krieger, Managing Member, is responsible for the supervision of Mr. Bermingham. His telephone number is (626) 405-4012.

ITEM 7: REQUIREMENTS FOR STATE-REGISTERED ADVISORS

Investment advisors who are registered with a state regulatory agency rather than the SEC are required to provide information about a wider range of disciplinary information than that described above. Mr. Bermingham has not filed for personal bankruptcy and has no disciplinary information to report.