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ITEM 1 COVER PAGE

BROCHURE SUPPLEMENT
(Part 2B of Form ADV)

March 14, 2011

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This brochure supplement provides information about Kristin Hetzer that supplements the Royal Palms Capital, LLC brochure. You should have received a copy of that brochure. Please contact our Chief Compliance Officer at (310) 265-5939 if you did not receive Royal Palms Capital, LLC's brochure or if you have any questions about the contents of this supplement. Thank you.

Additional information about Kristin Hetzer is available on the SEC's website at www.adviserinfo.sec.gov.

ITEM 2 EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE

Kristin S. Hetzer, CMT, CIMA[®], CFP[®]

Year of Birth: 1956

Educational Background

- Market Technician Association, 2003, Chartered Market Technician (CMT)
- Wharton School of Business, 2000, Investment Management Consulting Association, Certified Investment Management AnalystSM (CIMA[®])
- College of Financial Planning, 1989, CERTIFIED FINANCIAL PLANNERTM (CFP[®])
- California State University – Long Beach, 1982, Graduate School of Business, Business Masters Program
- Hope College, 1978, BA Biology

Business Background

- Royal Palms Capital, LLC, Chief Executive Officer (April 2005 to Present)
- UBS Financial Services Inc., First Vice President – Investments/Senior Portfolio Manager (March 2001 to March 2005)
- Prudential Securities, First Vice President – Investments/Portfolio Manager (March 1988 to March 2001)

Explanation of Professional Designations

Chartered Market Technician (CMT)

Chartered Market Technician (CMT) is a professional designation that confirms proficiency in technical analysis of the financial markets. To hold the CMT designation, the individual must be a member of the Market Technicians Association (MTA) and must agree to adhere to the MTA code of ethics.

The CMT designation requires completion of an education program and examination series in a broad range of technical analysis subjects. The Market Technicians Association (MTA) oversees the program curriculum and administration of exams. The CMT Program consists of three levels: CMT Levels 1 & 2 are multiple choice exams while CMT Level 3 is in essay form. Candidates who pass all three examination levels of the program can earn the Chartered Market Technician designation, which certifies that the individual is competent in technical analysis.

Certified Investment Management AnalystSM (CIMA[®])

The Certified Investment Management AnalystSM (CIMA[®]) designation is a professional certification program offered by the Investment Management Consultants Association

(IMCA). The CIMA[®] certification program requires that candidates meet all eligibility requirements, including experience, education, examination, and ethics.

Only individuals who are investment consultants with at least three years of professional experience are eligible to try to obtain this certification. This requires candidates to have spent a material amount of business hours on the Investment Consulting process, including, but not limited to: developing asset allocation strategies, writing investment policy statements, conducting manager searches, performance measurement and evaluation.

The education curriculum for the CIMA[®] certification program focuses on asset allocation, investment policy, manager search and selection, performance measurement and attribution, behavioral finance, risk management, derivatives, legal & regulatory environment, and ethics. To obtain the CIMA[®] designation, candidates must pass a Qualification Examination and a Certification Examination and must agree to adhere to IMCA's Code of Professional Responsibility, Standards of Practice, and Rules and Guidelines for the Use of Marks.

Individuals who hold CIMA[®] designations are required to prove their expertise through continual recertification, which requires CIMA[®] designees to complete at least 40 hours of continuing education every two years by attending or teaching relevant courses, writing professional articles and books, and attending IMCA educational conferences.

CERTIFIED FINANCIAL PLANNER[™] (CFP[®])

The CERTIFIED FINANCIAL PLANNER[™], CFP[®] and federally registered CFP (with flame design) marks (collectively, the "CFP[®] marks") are professional certification marks granted in the United States by Certified Financial Planner Board of Standards, Inc. ("CFP Board").

The CFP[®] certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP[®] certification. It is recognized in the United States and a number of other countries for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical requirements that govern professional engagements with clients. Currently, more than 62,000 individuals have obtained CFP[®] certification in the United States.

To attain the right to use the CFP[®] marks, an individual must satisfactorily fulfill the following requirements:

- Education – Complete an advanced college-level course of study addressing the financial planning subject areas that CFP Board's studies have determined as necessary for the competent and professional delivery of financial planning services, and attain a Bachelor's Degree from a regionally accredited United States college or university (or its equivalent from a foreign university). CFP Board's financial planning subject areas include insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning;
- Examination – Pass the comprehensive CFP[®] Certification Examination. The examination, administered in 10 hours over a two-day period, includes case studies and

client scenarios designed to test one's ability to correctly diagnose financial planning issues and apply one's knowledge of financial planning to real world circumstances;

- Experience – Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year); and
- Ethics – Agree to be bound by CFP Board's *Standards of Professional Conduct*, a set of documents outlining the ethical and practice standards for CFP® professionals.

Individuals who become certified must complete the following ongoing education and ethics requirements in order to maintain the right to continue to use the CFP® marks:

- Continuing Education – Complete 30 hours of continuing education hours every two years, including two hours on the *Code of Ethics* and other parts of the *Standards of Professional Conduct*, to maintain competence and keep up with developments in the financial planning field; and
- Ethics – Renew an agreement to be bound by the *Standards of Professional Conduct*. The Standards prominently require that CFP® professionals provide financial planning services at a fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interests of their clients.

CFP® professionals who fail to comply with the above standards and requirements may be subject to CFP Board's enforcement process, which could result in suspension or permanent revocation of their CFP® certification.

ITEM 3 DISCIPLINARY INFORMATION

Royal Palms Capital, LLC ("RPC") is required to disclose all material facts regarding any legal or disciplinary event that would be material to your evaluation of each investment person providing advice to you. Ms. Hetzer has no material disciplinary events required to be disclosed with respect to this item.

ITEM 4 OTHER BUSINESS ACTIVITIES

In addition to her activities at RPC, Ms. Hetzer is licensed as an insurance agent on behalf of multiple insurance companies. As a licensed insurance agent, she may receive commission-based compensation for the sale of insurance related products. She also currently serves on the Board of Directors of the Market Technicians Association (MTA), a global organization of over 3,900 investment analysts, stock market analysis professionals, and certified market technicians dedicated to the theory, practice and application of technical analysis.

Although some time may be spent on such insurance-related or other outside business activities, the majority of Ms. Hetzer's time is spent on the investment advisory services offered by RPC. Moreover, despite any involvement in outside business activities, all officers and employees of RPC will devote as much time to the business and affairs of RPC as they believe is necessary to deliver the investment supervisory and management services described in RPC's Firm Brochure.

Other than these activities, Ms. Hetzer does not engage in other business activities outside of her position with RPC which represent a substantial source (*i.e.*, more than 10%) of her time or income.

ITEM 5 ADDITIONAL COMPENSATION

Outside of the typical and ordinary compensation earned from her activities at RPC, Ms. Hetzer may receive economic benefits for providing advisory services from someone who is not a client. For example, she may receive typical commissions or fees in her capacity as a licensed insurance agent to the extent that she recommends that RPC clients purchase insurance products offered through one or more insurance companies. RPC is not affiliated with any of these insurance companies. Nevertheless, to the extent that Ms. Hetzer recommends the purchase of insurance products where she receives commissions or other compensation for doing so, a conflict of interest exists because Ms. Hetzer may have an incentive to make recommendations based on the compensation received rather than on a client's needs.

RPC has adopted certain procedures designed to mitigate the effects of these conflicts. For example, as part of RPC's fiduciary duty to clients, RPC and its representatives will endeavor at all times to put the interests of the clients first, and recommendations will only be made to the extent that they are reasonably believed to be in the best interests of the client. Additionally, the conflicts presented by these practices are disclosed to clients at the time of entering into an advisory agreement.

ITEM 6 SUPERVISION

Kristin Hetzer is the President and Chief Compliance Officer of RPC and is responsible for all advice provided to clients. Ms. Hetzer can be reached at (310) 265-5939.