

L. Hardy Mason, Investment Adviser

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This brochure provides information about the qualifications and business practices of L. Hardy Mason. If you have any questions about the contents of this brochure, please contact me at the telephone number or email address above. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about L. Hardy Mason is available on the SEC's website at www.advisorinfo.sec.gov by searching for investment adviser firm CRD # 125803.

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Material Changes

None. This is the initial version of this brochure.

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Advisory Business

My primary business is managing the stock portfolio of a single pooled investment vehicle, Mason Securities Fund, LLC ("the Fund"). The Fund has recently had between 60 and 80 investors (depending on how joint accounts are counted) and between \$36 million and \$40 million of assets.

I also provide similar portfolio management services to one high net-worth individual, and (without compensation) to some members of my family.

I became an adviser and founded the Fund in 1998. I am a sole proprietor.

I generally try to pick stocks that seem undervalued and thus likely to outperform the broader stock market in the long term. To enhance portfolio performance, I also consider some short-term ("technical") factors, and will occasionally invest in bonds.

Within this general approach, I make some adjustments to suit client preferences and the need for growth or income. Clients may also exclude particular stocks or bonds.

I have discretion to trade the bulk of the assets I manage, totaling \$42,900,000 as of March 1, 2011. I lack trading discretion for the remaining \$300,000 managed on the same date.

Fees and Compensation

I am paid a percentage of assets managed, with the details negotiated. The Fund pays me 0.8% of assets per year, minus trading expenses. My individual client pays annual fees of 1.5% of the first \$500,000 in assets, and 1% of assets in excess of \$500,000. His brokerage firm deducts trading fees for his account directly from his assets.

The Fund calculates and pays my fee monthly. I bill my individual client quarterly. All payments are in arrears.

The section "Brokerage Practices" below contains related information.

Performance-Based Fees and Side-By-Side Management

I charge no performance-based fees.

Types of Clients

My primary client is a single pooled investment fund. I also provide similar portfolio management services to one high net worth individual (and without compensation to some family members). I am not seeking additional clients, but may consider them on a negotiated basis.

Methods of Analysis, Investment Strategies and Risk of Loss

I generally try to pick stocks that seem undervalued and thus likely to outperform the broader stock market in the long term. I rate and rank stocks using a number of fundamental measures such as price/earnings and return on equity. To enhance portfolio performance, I also consider some short-term ("technical") factors based on stocks' price movement.

I combine a number of metrics that have been shown over time to select stocks that outperform the market with other metrics that I think are likely to do the same. However all metrics of which I know are wrong a large percentage of the time and stock-picking is inherently risky. In the short term, stocks are a zero-sum game: half of choices are profitable and half are not. Trading expenses make it a losing game -- *in the short term*. In the longer term the profits that companies earn should drive the value and price of stocks up. I try to pick stocks with the best chances to rise more than most.

The portfolios I manage contain relatively small numbers of stocks. Combined with how I pick stocks, I think this improves results over the long term. In the short term, this probably increases volatility. As an example, since inception of the Fund, unit values have increased as much as 39% and declined as much as 32% in single calendar quarters.

While I buy stocks with a long-term view, in larger accounts I try to improve results by buying and selling relatively small amounts

of stock in response to market volatility. I believe this is profitable even after tax, but probably increases annual tax liability. It also increases trading costs, but all the brokerage firms I use have very low commissions, \$10 or less; and the Fund is reimbursed for trading costs through a reduction in my management fee.

I invest only in U.S. traded stocks and occasionally in bonds. I do not short-sell, trade derivatives, or borrow money to buy stocks.

Disciplinary Information

I have not been subject to any legal or regulatory discipline for misbehavior as an investment adviser.

Other Financial Industry Activities and Affiliations

I have no other financial industry affiliations or activities, except that I am an investor in the Fund with the same rights as any other.

Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

I own, buy, and sell many of the same stocks in client accounts as in my personal accounts. I have established and documented certain trading practices to minimize potential conflicts of interest.

Each weekend I decide what I want to buy and sell (if anything) for each account and at what price to approximate my model portfolios. I generally enter only one order for each stock at a time. The Fund gets first priority, followed by my individual client (by written agreement), then my family's accounts, and lastly my own.

More detail on these trading commitments and my other ethical commitments are contained in my Compliance Manual, a copy of which is available on request.

Brokerage Practices

My contract with the Fund allows me to select the brokerage firm used to buy and sell for the Fund because the trading costs are deducted from my compensation. My other clients are free to select any brokerage firm that allows online access, including those that charge higher rates. Given my small client base, I am unable to negotiate lower brokerage rates for my clients.

I receive no compensation of any sort, direct or indirect, from any brokerage firm, and seldom recommend any for use by clients. On those rare occasions that I am asked for a recommendation, I recommend the same low cost, online firm I recommended to my own children.

Review of Accounts

I review all accounts weekly, and provide written reports to all paying (i.e. non-family) clients quarterly. The written reports include comparison of results versus indices of the stock market and mutual funds; a table of and comments about portfolio contents; and some musings about the market in general and what the future might hold.

Client Referrals and Other Compensation

I neither give nor receive any compensation other than that described in the item "Fees and Compensation" above.

Custody

I do not have custody of any client cash or securities.

Investment Discretion

I do accept discretionary authority to trade securities within client accounts. This authority is defined in the written advisory agreement with each client.

Voting Client Securities

I vote proxies for stocks in the Fund as allowed under my investment advisory agreement with the Fund. I do not have similar power for my individual paying client, who receives his proxies directly.

I vote proxies for my personal accounts and (where I have that power) for clients using the same criteria. If a company lacks notable takeover defenses and pays its Chief Executive Officer reasonably, I vote as recommended by the company. Otherwise, I vote against. These criteria are described in greater detail in my Compliance Manual. A copy of that section or the entire manual is available on request.

Financial Information

I do not require or solicit the prepayment of any client fees. I am personally well capitalized with no debt and have never been the subject of any bankruptcy petition.

Requirements for State-Registered Advisers

I was born in 1954, received a B.S. in Computer Science from Virginia Tech in 1978, and was graduated first in my college class. Before founding Mason Securities Fund in 1998, I worked as a 2nd Vice President of Travelers Life & Annuity, from March of 1998 until October of 1998.

I worked previously for Aetna Services, Inc. from May of 1988 until November of 1997. At the time of my departure, I had served as a Vice President of Aetna Investment Services, Inc., Aetna's primary broker/dealer, for more than a year. I held a variety of positions within Aetna, including Assistant Vice President of Individual Customer Service for Aetna Retirement Services. In that capacity I supervised service to customers of Aetna's individual annuity, individual retirement account (IRA), and variable universal life products.

I was also employed from June of 1990 until September of 1995 as a part-time independent contractor and registered representative with Quest Capital Strategies, a California-based

broker/dealer. I passed the NASD General Securities Representative (Series 7) examination in June of 1990, the Series 63 examination in 1991, and the Limited Securities Principal (Series 26) examination in August of 1996.

Prior to joining Aetna, I held a number of increasingly responsible information technology positions with Shared Technologies, Inc. (1985 - 1988), Digital Equipment Corporation (1983 - 1985), Virginia Tech (1978 - 1983), and NASA Johnson Space Center (1975 - 1977).