

# S.A. Mason LLC

## Firm Brochure

*This brochure provides information about the qualifications and business practices of S.A. Mason LLC. If you have any questions about the contents of this brochure, please contact us at (616) 355-3500 or by email at: [smason@masoncapllc.com](mailto:smason@masoncapllc.com). 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 S.A. Mason LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). S.A. Mason LLC's CRD number is: 151440*

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*Registration does not imply a certain level of skill or training.*

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## **Item 2: Material Changes**

There are no material changes in this brochure from the last annual updating amendment of S.A. Mason LLC on March 7, 2023. Material changes relate to S.A. Mason LLC's policies, practices or conflicts of interests only.

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## Item 4: Advisory Business

### A. Description of the Advisory Firm

This firm has been in business since September 15, 2009, and the principal owner is Samuel Arthur Mason.

### B. Types of Advisory Services

S.A. Mason LLC (hereinafter "SAM") offers the following services to advisory clients:

#### *Investment Management Services*

SAM offers ongoing portfolio management services based on the individual goals, objectives, time horizon, and risk tolerance of each client. SAM creates an Investment Policy Statement for each client, which outlines the client's current situation (income, tax levels, and risk tolerance levels) and then constructs a plan (the Investment Policy Statement) to aid in the selection of a portfolio that matches each client's specific situation. Investment Management Supervisory Services include, but are not limited to, the following:

- |                       |                                |
|-----------------------|--------------------------------|
| • Investment strategy | • Personal investment policy   |
| • Asset allocation    | • Asset selection              |
| • Risk tolerance      | • Regular portfolio monitoring |

SAM evaluates the current investments of each client with respect to their risk tolerance levels and time horizon. SAM will request discretionary authority from clients in order to select securities and execute transactions without permission from the client prior to each transaction. Risk tolerance levels are documented in the Investment Policy Statement, which is given to each client.

#### *Financial Planning*

Financial plans and financial planning may include, statements of net worth, projections of cash flow, income tax projections, life insurance summary and estate document analysis. These services are based on fixed fees or hourly fees and the final fee structure is documented in Exhibit II of the Financial Planning Agreement.

#### *Services Limited to Specific Types of Investments*

SAM limits its investment advice and/or money management to bonds, equities, mutual funds, fixed income, debt securities, ETFs, hedge funds, hedge fund funds of funds, REITs, private placements, options, and government securities. SAM may use other securities as well to help diversify a portfolio when applicable.

### C. Client Tailored Services and Client Imposed Restrictions

SAM offers the same suite of services to all of its clients. However, specific client financial plans and their implementation are dependent upon the client Investment Policy Statement which outlines each client's current situation (income, tax levels, and risk tolerance levels) and is used to construct a client specific plan to aid in the selection of a portfolio that matches restrictions, needs, and targets.

Clients may impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs. However, if the restrictions prevent SAM from properly servicing the client account, or if the restrictions would require SAM to deviate from its standard suite of services, SAM reserves the right to end the relationship.

### D. Wrap Fee Programs

SAM does not participate in any wrap fee programs.

### E. Amounts Under Management

SAM has the following assets under management:

Discretionary Amounts:	Non-discretionary Amounts:	Date Calculated:
/	\$ 297,318,233.00	December 2023

## Item 5: Fees and Compensation

### A. Fee Schedule

#### *Investment Management Services Fees*

Total Assets Under Management	Annual Fee
\$250,000 - \$1,000,000	1.00%
\$1,000,001 - \$2,000,000	0.75%
Above \$2,000,000	0.60%

All fees are subject to negotiation. The manner in which fees are charged by SAM is established in each client's written Investment Advisory Contract with SAM. The agreed upon final fee schedule is attached as Exhibit II of the Investment Advisory Contract. Fees are paid quarterly in arrears, and clients may terminate their contracts with thirty days' written notice. Because fees are charged in arrears, no refund policy is

necessary. Clients may terminate their accounts without penalty within 5 business days of signing the advisory contract.

Clients may elect to be billed directly for fees or to authorize SAM to directly debit fees from client accounts. Advisory fees are typically withdrawn directly from the client's custodial accounts. Investment management fees shall not be prorated for each capital contribution and withdrawal made during the applicable calendar quarter. Accounts initiated or terminated during a calendar quarter will be charged a prorated fee.

### ***Performance Based Fees***

Qualified investors may be charged a performance based fee of 10% of net profits above a mutually agreed upon high water mark. The annual portfolio value will need to increase over the previous year for the fee to be charged. Performance fees will only be charged in accordance with the provisions of CCR Section 260.234.

### ***Financial Planning Fees***

#### ***Fixed Fees***

Depending upon the complexity of the situation and the needs of the client, the rate for creating client financial plans is between \$2,000 and \$50,000. Fees are paid in arrears upon completion. Because fees are charged in arrears, no refund is necessary. The fees are negotiable and the final fee schedule will be attached as Exhibit II of the Financial Planning Agreement. Clients may terminate their contracts without penalty within five business days of signing the advisory contract.

#### ***Hourly Fees***

Depending upon the complexity of the situation and the needs of the client, the hourly fee for these services is between \$150 and \$300. The fees are negotiable and the final fee schedule will be attached as Exhibit II of the Financial Planning Agreement. Fees are paid in arrears upon completion. Because fees are charged in arrears, no refund is necessary. Clients may terminate their contracts without penalty within five business days of signing the advisory contract.

## **B. Payment of Fees**

### ***Payment of Investment Supervisory Fees***

Advisory fees are withdrawn directly from the client's accounts. Fees are paid quarterly in arrears.

Advisory fees may be invoiced and billed directly to the client with payments due by the 15<sup>th</sup> of the month following the end of the quarter. Clients may select the method in which they are billed.

### *Payment of Financial Planning Fees*

Hourly Financial Planning fees are paid via check in arrears upon completion. Because fees are charged in arrears, no refund is necessary.

Fixed Financial Planning fees are paid via check or withdrawn from custodial account in arrears upon completion. Because fees are charged in arrears, no refund is necessary.

### **C. Clients Are Responsible For Third Party Fees**

Clients are responsible for the payment of all third party fees (i.e. custodian fees, mutual fund fees, transaction fees, etc.). Those fees are separate and distinct from the fees and expenses charged by SAM. Please see Item 12 of this brochure regarding broker/custodian.

### **D. Prepayment of Fees**

SAM collects its fees in arrears. It does not collect fees in advance.

### **E. Outside Compensation For the Sale of Securities to Clients**

Neither SAM nor its supervised persons accept any compensation for the sale of securities or other investment products, including asset-based sales charges or services fees from the sale of mutual funds. SAM has set up the firm to align the interest of the firm with that of its clients.

## **Item 6: Performance-Based Fees and Side-By-Side Management**

SAM manages accounts that are not billed on performance based fees and reserves the right at the request of a client to base fees based upon the account performance. Currently, no client has requested that their investment advisory fees be based upon the performance of their accounts. Managing both kinds of accounts at the same time presents a conflict of interest because SAM or its supervised person's have an incentive to favor accounts for which SAM and its supervised persons receive a performance-based fee. SAM addresses the conflicts by ensuring that any client requesting performance based fees will not receive preferential treatment. **SAM provides best execution practices and upholds its fiduciary duty for all clients.**

Clients considering establishing a performance based fee schedule should be aware that investment advisors have an incentive to invest in riskier investments when paid a performance based fee due to the higher risk/higher reward attributes of this structure.



## Item 7: Types of Clients

SAM generally provides investment advice and/or management supervisory services to the following Types of Clients:

- ❖ Individuals
- ❖ High-Net-Worth Individuals
- ❖ Trusts, Estates, or Charitable Organizations

### *Minimum Account Size*

There is an account minimum, \$250,000, which may be waived by the investment advisor, based on the needs of the client and the complexity of the situation.

## Item 8: Methods of Analysis, Investment Strategies, and Risk of Investment Loss

### A. Methods of Analysis and Investment Strategies

#### *Methods of Analysis*

SAM's utilizes a variety of methods of analysis in selecting securities which may include both fundamental and technical analysis.

**Fundamental analysis** involves the analysis of financial statements, the general financial health of companies, and/or the analysis of management or competitive advantages.

SAM utilizes various computer programs to screen and analyze securities in order to establish which securities may be either attractive or unattractive for investment. This may include fundamental factors including a company's profitability, financial strength, current valuation, and the strength of management. SAM invests in companies that offer attractive risk/reward attributes based upon a company's business prospects, management history, the consistency of the business model, and the valuation of business. Fundamental analysis is the primary method of selecting individual securities for client accounts.

**Technical analysis** involves the analysis of past market data; primarily price and volume. SAM may use technical analysis to determine the appropriate timing to buy or sell a security that is either attractive (buy) or unattractive (sell) from a fundamental analysis standpoint.

#### *Investment Strategies*

SAM primarily intends to by securities that are suitable for clients' implementation of an asset allocation plan, typically for the long-term holding period. Occasionally, SAM may

engage in short term trading, short sales, margin transactions, and options transactions (including covered options).

**Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

## **B. Material Risks Involved**

### *Methods of Analysis*

**Fundamental analysis** concentrates on factors that determine a company's value and expected future earnings. This strategy would normally encourage equity purchases in stocks that are undervalued or priced below their perceived value. The risk assumed is that the market will fail to reach expectations of perceived value.

**Technical analysis** attempts to predict a future stock price or direction based on market trends. The assumption is that the market follows discernible patterns and if these patterns can be identified then a prediction can be made. The risk is that markets do not always follow patterns and relying solely on this method may not work long term.

### *Investment Strategies*

Long term trading is designed to capture market rates of both return and risk. Frequent trading, when done, can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.

Short term trading, short sales, margin transactions, and options writing generally hold greater risk and clients should be aware that there is a chance of material risk of loss using any of those strategies. Short-term trading, margin transactions and options transactions are limited in nature due to the higher costs of such strategies.

**Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

## **C. Risks of Specific Securities Utilized**

SAM generally seeks investment strategies that do not involve significant or unusual risk beyond that of the general domestic and/or international equity markets. However, it will utilize short sales, margin transactions, and options transactions as it fits into the implementation of a client asset allocation. Short sales, margin transactions, and options writing generally hold greater risk of capital loss and clients should be aware that there is a chance of material risk of loss using any of those strategies. These strategies are limited due to the increased level of risk and increased transaction costs of such strategies.

**Past performance is not a guarantee of future returns. Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

## **Item 9: Disciplinary Information**

There are no legal or disciplinary events that are material to a client's or prospective client's evaluation of this advisory business or the integrity of our management.

## **Item 10: Other Financial Industry Activities and Affiliations**

### **A. Registration as a Broker/Dealer or Broker/Dealer Representative**

Neither SAM nor its representatives are registered as a broker/dealer or as representatives of a broker/dealer.

### **B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor**

Neither SAM nor its representatives are registered as a FCM, CPO, or CTA.

### **C. Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests**

Neither SAM nor its representatives have any material relationships to this advisory business that would present a possible conflict of interest.

### **D. Selection of Other Advisors or Managers and How This Adviser is Compensated for Those Selections**

SAM has tried to align the firm interests with that of the firm clients. Given this SAM will receive not compensation from outside advisors that would distort the objectivity of SAM with respect to client investments. The merits of any investment are based solely upon the merits of the investment opportunity objectively. SAM will always act in the best interests of the client, including when determining which third party manager to recommend to clients.

## **Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

### **A. Code of Ethics**

We have a written Code of Ethics that covers the following areas: Prohibited Purchases and Sales, Insider Trading, Personal Securities Transactions, Exempted Transactions, Prohibited Activities, Conflicts of Interest, Gifts and Entertainment, Confidentiality, Service on a Board of Directors, Compliance Procedures, Compliance with Laws and Regulations, Procedures and Reporting, Certification of Compliance, Reporting Violations, Compliance Officer Duties, Training and Education, Recordkeeping, Annual Review, and Sanctions. Clients may request a copy of our Code of Ethics from management.

### **B. Recommendations Involving Material Financial Interests**

SAM does not recommend that clients buy or sell any security in which a related person to SAM has a material financial interest.

### **C. Investing Personal Money in the Same Securities as Clients**

From time to time, representatives of SAM may buy or sell securities for themselves that they also recommend to clients. SAM will always document any transactions that could be construed as conflicts of interest and client transactions will always receive precedence before employees transact for their own account when similar securities are being bought or sold. An investment that is deemed attractive for client accounts is also attractive for SAM firm employees, as we really believe that our interest are completely aligned if we “eat the same cooking” as our clients. Orders to buy or sell a security may be aggregated in an effort to reduce transaction costs. When orders are aggregated in an effort to reduce the transaction costs SAM employees may participate in this aggregation as it benefits the client and aligns the interests of the employees with that of the client. When orders are aggregated the average transaction price will be prorated between clients.

### **D. Trading Securities At/Around the Same Time as Clients’ Securities**

From time to time, representatives of SAM may buy or sell securities for themselves at or around the same time as clients. SAM will make sure all clients’ transactions are given priority and that clients’ interests are always placed ahead of the firms or the firm’s representatives.

## **Item 12: Brokerage Practices**

### **A. Factors Used to Select Custodians and/or Broker/Dealers**

The Custodian, Schwab Institutional, a division of Charles Schwab & Co., Inc., was chosen based on their relatively low transaction fees and access to mutual funds and ETFs. SAM will never charge a premium or commission on transactions, beyond the actual cost imposed by Custodian. The Custodian, Fifth Third Bank is also utilized at the discretion of some individual clients due to a long-term historic relationship with that custodian. It is understood that the transaction fees, custodial fees, and access to mutual funds may not be as advantageous at Fifth Third Bank when compared to Schwab Institutional.

#### **1. *Research and Other Soft-Dollar Benefits***

SAM receives no research, product, or service other than execution from a broker-dealer or third-party in connection with client securities transactions ("soft dollar benefits").

#### **2. *Brokerage for Client Referrals***

SAM receives no referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.

#### **3. *Clients Directing Which Broker/Dealer/Custodian to Use***

SAM allows clients to direct brokerage. SAM may be unable to achieve most favorable execution of client transactions if clients choose to direct brokerage. This may cost clients money because without the ability to direct brokerage SAM may not be able to aggregate orders to reduce transactions costs resulting in higher brokerage commissions and less favorable prices.

### **B. Aggregating (Block) Trading for Multiple Client Accounts**

SAM maintains the ability to block trade purchases across multiple accounts. While block trading may benefit clients by purchasing larger blocks in groups, we do not feel that the clients are at a disadvantage due to the best execution practices of our custodian and the relatively small size of the blocked transactions when compared to the daily liquidity of the security.

## **Item 13: Reviews of Accounts**

### **A. Frequency and Nature of Periodic Reviews and Who Makes Those Reviews**

Client accounts are reviewed at least monthly only by Samuel Arthur Mason, President. Samuel Arthur Mason is the chief advisor and is instructed to review clients' accounts with regards to their investment policies and risk tolerance levels. All accounts at SAM are assigned to this reviewer.

All financial planning accounts are reviewed upon financial plan creation and plan delivery by Samuel Arthur Mason, President. There is only one level of review and that is the total review conducted to create the financial plan.

### **B. Factors That Will Trigger a Non-Periodic Review of Client Accounts**

Reviews may be triggered by material market, economic or political events, or by changes in client's financial situations (such as retirement, termination of employment, physical move, or inheritance).

### **C. Content and Frequency of Regular Reports Provided to Clients**

Each client will receive at least quarterly or monthly a written report detailing the client's account which will come directly from the custodian.

SAM will provide client reports prepared for client meetings periodically. SAM will also provide quarterly or monthly performance reports to clients. At the beginning of a new client relationship, reports are generated and reviewed with clients in an effort to objectively ascertain an appropriate asset allocation. These reports are updated periodically, at least annually to confirm the current asset allocation and implementation. Clients may request additional plans or reports for a fee.

## **Item 14: Client Referrals and Other Compensation**

### **A. Economic Benefits Provided by Third Parties for Advice Rendered to Clients (Includes Sales Awards or Other Prizes)**

SAM does not receive any economic benefit, directly or indirectly from any third party for advice rendered to SAM clients.

### **B. Compensation to Non -Advisory Personnel for Client Referrals**

SAM may, via written arrangement, retain third parties to act as solicitors for SAM's investment management services. All compensation with respect to the foregoing will be

fully disclosed to each client to the extent required by applicable law. SAM will ensure each solicitor is properly registered in all appropriate jurisdictions.

### **Item 15: Custody**

SAM does not take custody of client accounts at any time. Custody of client's accounts is held at two custodians, Schwab Institutional, a division of Charles Schwab & Co., Inc., and Fifth Third Bank. Clients will receive account statements from the custodian and should carefully review those statements. SAM urges clients to compare the account statements they receive from the custodian with those they received from SAM.

### **Item 16: Investment Discretion**

For those client accounts where SAM provides ongoing supervision, SAM maintains limited power of authority over client accounts with respect to securities to be bought and sold and amount of securities to be bought and sold. All buying and selling of securities is explained to clients in detail before an advisory relationship has commenced.

### **Item 17: Voting Client Securities (Proxy Voting)**

It is SAM's policy to NOT accept voting authority for client securities. Clients who wish to vote their proxies should be sure to check appropriate choices on the Custodian's or other account opening documents for them to directly receive all proxy voting information. SAM may infrequently provide information to clients about specific proxy votes if SAM feels that a specific vote may be in the client's best interest but client is under no obligation to follow SAM's recommendations.

### **Item 18: Financial Information**

#### **A. Balance Sheet**

SAM does not require nor solicit prepayment of more than \$1,200 in fees per client, six months or more in advance and therefore does not need to include a balance sheet with this brochure.

#### **B. Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients**

Neither SAM nor its management have any financial conditions that are likely to reasonably impair their ability to meet contractual commitments to clients.

#### **C. Bankruptcy Petitions in Previous Ten Years**

SAM has not been the subject of a bankruptcy petition in the last ten years.