

## INVESTMENT ADVISOR BROCHURE

FIRST MASON FINANCIAL, LLC  
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This brochure provides information about the qualifications and business practices of First Mason Financial, LLC. If you have any questions about the contents of this brochure, please contact us at 330-722-5777 or email address. 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 First Mason Financial, LLC also is available on the SEC's website at. You can search the site for registered investment advisors by an identifying number known as a CRD number. The CRD number for First Mason Financial, LLC is 145025.

Please recognize that anywhere you see First Mason Financial, LLC identified as a "registered investment advisor" or "registered", that registration in this context does not imply a certain level of skill or training.

### Material Changes

This brochure updates our previous brochure dated July 23, 2010 by providing our information in a narrative format.



## Advisory Business

First Mason Financial, LLC was formed as an Ohio limited liability company in August, 2007. The principal owner of First Mason Financial, LLC is Daniel J. Mason. First Mason Financial, LLC does not have a parent company or intermediate subsidiaries. Our principal business is to provide investment advice and services to our clients who are typically individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations and other business entities.

First Mason Financial, LLC analyzes, constructs, and manages customized investment portfolios based on the particular goals of each client in a manner which takes into account facts and information such as: income needs, liquidity requirements, investment time horizons, rate of return objective, tax considerations, risk tolerance and existing investments. First Mason Financial, LLC utilizes an array of investment vehicles including, but not limited to: equity securities, warrants, debt securities, certificates of deposit, municipal securities, investment company securities, United States government securities, options contracts, insurance contracts and commercial paper.

Depending on the particular investment portfolio and/or investment strategy, First Mason Financial, LLC employs a variety of security analysis methods including fundamental, technical, and statistical analysis. We also consult on wide range of information to analyze and execute investment strategies, such as: financial newspapers and magazines, third party research materials, annual reports, prospectuses, regulatory filings, press releases and the internet.

The minimum account size is generally \$100,000, although First Mason Financial, LLC may accept a limited number of accounts smaller than \$100,000. There currently is no maximum account size. First Mason Financial, LLC manages client assets on either a discretionary basis or a non-discretionary basis. As of March 31, 2011, First Mason Financial, LLC managed \$0 client assets on a discretionary basis and approximately \$154,800,000 client assets on a non-discretionary basis.

## Fees and Compensation

First Mason Financial, LLC charges a management fee on each account for the above outlined management service, which is charged as a percentage of the assets under management in an amount equal to .10% to 1.50%, depending on the types of services rendered and the size of the account. New accounts will be pro-rated based on the initial value and the number of days remaining in the quarter. Thereafter, the fee will be based on the account value on the last business day of the preceding calendar quarter, and will cover that calendar quarter. During the calendar quarter, First Mason Financial, LLC shall not be compensated on the basis of a share of capital gains, capital appreciation of the funds or any portion of the funds of the client. No fee adjustment will be made for additional contributions or for account appreciation or depreciation within a billing period. A pro-rata fee will be charged if an account is closed within a billing period. First Mason Financial, LLC will impose no start-up, closing, or penalty fees in connection with an account; however, the custodian may charge some or all of these fees. First Mason Financial, LLC's

fees do not include variable life and annuity contracts, or hedge funds. Some other types of assets would also be subject to additional advisory and other fees/expenses, which are described in the prospectuses of those investments and paid by the investments, but ultimately borne by the investor.

The client authorizes First Mason Financial, LLC to bill the custodian the fees described above and the client authorizes, or will authorize the custodian to pay First Mason Financial, LLC directly. The client agrees that the custodian will send, at least quarterly, a statement indicating all amounts disbursed from the client's account, including the amount of fees paid directly to First Mason Financial, LLC.

All fees will be invoiced and paid as directed in the agreed upon fee schedule to the Investment Advisory Agreement. A copy of each quarterly invoice will be sent to the client by first class mail not less than ten (10) days prior to the proposed date of withdrawal, of the exact amount of the proposed withdrawal, and the specific manner or basis on which the fee has been calculated. The notice shall advise the client of the opportunity to object to the invoiced amount and the manner in which the objection shall be made. In addition, if applicable, the custodian of each account shall receive a statement of the exact amount of proposed withdrawals. The management fee will be deducted by the custodian on a quarterly basis and paid to First Mason Financial, LLC, unless otherwise noted in the Investment Advisory Agreement between the client and First Mason Financial, LLC.

Some custodians of broker/dealers for the accounts of clients of First Mason Financial, LLC may charge maintenance or transaction fees that are separate from the advisory fees charged by First Mason Financial, LLC for its advisory services. The custodian of the client's account, which may be a mutual fund or insurance company, may provide confirmations with each transaction and statements either monthly or quarterly. Any transfer fees, transaction fees, redemption fees, sales loads wiring fees, etc. charged against an account are separate from the First Mason Financial, LLC management fee, and will be deducted from the account by the custodian.

### Performance-Based Fees

First Mason Financial, LLC does not charge fees based on a share of capital gains on a capital appreciation of the assets of a client. All fees charged by First Mason Financial, LLC are asset-based.

### Types of Clients

First Mason Financial, LLC clients are individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations and other business entities. The minimum account size is generally \$100,000, although First Mason Financial, LLC may accept a limited number of accounts smaller than \$100,000. There is currently no maximum account size.

## Methods of Analysis, Investment Strategies and Risk of Loss

### Asset Allocation and Monitoring

After conducting an in-depth analysis of the client's financial situation, objectives and risk tolerance, First Mason Financial, LLC will make recommendations on the asset management program First Mason Financial, LLC feels is most appropriate for the client. First Mason Financial, LLC will monitor the client's strategy to help ensure that it reflects changes in the financial markets and their needs. The goal of the asset allocation strategy is to diversify the client's portfolio among various asset classes is an appropriate investment strategy. Diversification can help smooth out the client's potential risk, help to make the investment performance less volatile and may increase their investment return as well.

The annual fee for asset allocation services is billed monthly or quarterly in advance and is based on the market value on the last day of the previous month or quarter. The asset based fee ranges from 0.10% to 1.50%.

### Mutual Fund Portfolio Management Services

First Mason financial, LLC provides non-discretionary mutual fund portfolio management services on a continuous basis. The investment advice provided is custom tailored to meet the needs and investment objectives of the client. The mutual funds will be selected on the basis of any or all of the following criteria: fund's performance history relative to peer groups, track record of the fund's management team; the fund's investment objectives; management style and management fee structure. Once the portfolio is constructed, First Mason Financial, LLC provides continuous supervision and re-optimization of the portfolio as changes in the market conditions and client circumstances may require.

The annual fee for mutual fund portfolio management services is billed monthly or quarterly in advance and is based on the market value on the last day of the previous month or quarter. The asset based fee ranges from 0.10% to 1.50%.

### Independent Portfolio Management Recommendation

First Mason Financial, LLC may refer its clients to various third party, independent investment advisor's for asset management services. All third-party advisors to whom First Mason Financial, LLC refers clients must be registered investment advisors with the SEC or appropriate state authority.

The third-party advisors will be selected on the basis of any or all of the following criteria: the advisors performance history relative to peer groups; track records of the advisor's management team; the advisor's investment objectives; management style and management fee structure. Once the portfolio is constructed, First Mason Financial, LLC provides continuous supervision and re-optimization of the portfolio as changes in the market conditions and client circumstances may require.

The annual fee for independent portfolio manager recommendation services is billed monthly or quarterly in advance and is based on the market value on the last day of the previous month or quarter. The asset based fee ranges from 0.10% to 1.50%.

### Defined Contribution Plan Consulting Services

First Mason Financial, LLC's defined benefit plan consulting services assist clients in reviewing performance, reporting and fees pertaining to plan vendors. Additionally, First Mason Financial, LLC reviews the client's current plan structure, record keeping, investment performance, employee communications and employee education.

- Risk of Loss

All investment programs have certain risks that are borne by the investor. Our investment approach constantly keeps the risk of loss in mind. Investors face the following investment risks:

**Interest-rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.

**Market Risk:** The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.

**Inflation Risk:** When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.

**Currency Risk:** Companies typically have substantial foreign investments which are subject to fluctuations in the value of the dollar against the currency of the investment's originating country causing exchange rate risk.

**Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.

**Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.

**Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.

**Financial Risk:** Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.



### Disciplinary Information.

There are no legal or disciplinary actions or outstanding judgments against First Mason Financial, LLC or Daniel J. Mason, the principal of First Mason Financial, LLC.

### Other Financial Industry Activities and Affiliations

First Mason Financial, LLC has no financial industry activities or affiliations that require disclosure. Specifically,

- Neither First Mason Financial, LLC nor First Mason Financial, LLC principals are registered nor do they have an application pending to register as a broker-dealer or a registered representative of a broker-dealer.
- Neither First Mason Financial, LLC nor its principals are registered or do they have an application pending as a futures commission merchant, a commodity pool operator, or a commodity trading advisor.
- Neither First Mason Financial, LLC nor its principals have any materials relationships or arrangement with any related person listed below:
  - Broker-dealer, municipal securities dealer, or government securities dealer or broker;
  - An investment holding company, a mutual fund, closed-end investment company, unit investment trust, private investment company of “hedge fund,” nor an offshore fund;
  - Investment adviser or financial planner;
  - Futures commission merchant, commodity pool operator, or commodity trading advisor;
  - Banking or thrift institution;
  - Accountant or accounting firm;
  - Lawyer or law firm;
  - Insurance company or agency;
  - Pension consultant;
  - Real estate broker or dealer;
  - Sponsor or syndicate of limited partnerships; and



- Securities exchange, securities association, or alternative trading system.

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

First Mason Financial, LLC has adopted a Code of Ethics, a copy of which will be provided to any client or prospective client upon request. First Mason Financial, LLC has a duty to exercise its authority and responsibility for the benefit of its clients, to place the interest of its clients first, and to refrain from having outside interests that conflict with the interests of its clients and to disclose any conflicts if they do exist.

In the event First Mason Financial, LLC engages in agency cross or principal transactions with its clients, it will only do so with a written confirmation at or before the completion of each such transaction containing:

1. A statement and/or documents describing the nature of the transaction and the conflict of interest;
2. The date and time of the transaction;
3. The source and amount of remuneration received by a to be received by First Mason Financial, LLC; and
4. That the client's authorization may be revoked at any time prior to completion of the transaction.

First Mason Financial, LLC may maintain its own accounts and may buy and sell securities for its own account or the accounts of its principals. The advice given and the actions taken with respect to a client and to First Mason Financial, LLC's own accounts may differ from advice given or the timing and nature of actions taken with respect to other client accounts.

### Brokerage Practices

First Mason Financial, LLC has a relationship with Triad Advisors Inc. for brokerage transactions, and executes the majority of trades with Triad Advisors Inc. On occasion First Mason Financial, LLC may execute a trade with another broker dealer for better execution.

In circumstances where a client directs First Mason Financial, LLC to use a certain broker dealer, we will request that the direction be in writing from the client and we will make each of the following disclosures that may apply:

1. Our inability under those circumstances to negotiate commissions or obtain best execution;
2. Our inability to obtain volume discounts;

3. That there may be a disparity in commission charges; and
4. Any conflicts of interest arising from brokerage firm referrals.

First Mason Financial, LLC may select or recommend broker dealers for client transactions based in part on the research or other services made available by those broker dealers. We do not intend to pay brokerage commissions higher than those obtainable from other broker dealers in return for research and broker age products of services. First Mason Financial, LLC does not have any fixed soft dollar relationships with any broker dealers, vendors of research information, or vendors of equipment or other services.

#### Review of Accounts

First Mason Financial, LLC reviews client accounts periodically (at least quarterly) throughout the calendar year, upon request of the client, in response to a material change in the client's investment situation and/or when specific investment recommendations change for a given asset class. Daniel Mason completes these reviews.

First Mason Financial, LLC issues no regular reports to clients, other than quarterly billing statements. Custodians issue periodic statements and reports of accounts activity directly to clients.

#### Client Referrals and Other Compensation

First Mason Financial, LLC may offer remuneration to individuals or organizations that make referrals of potential clients under the following circumstances:

1. First Mason Financial, LLC has a written agreement with the person making the referral;
2. A separate written disclosure document is furnished to the referral client disclosing the relationship between the person making the referral and First Mason Financial, LLC, the terms of the compensation arrangement between the person making the referral and First Mason Financial, LLC, and any additional charges client will incur as a result of the referral.

#### Custody

Each client appoints, or will appoint, a separate custodian (the custodian) to take possession of the cash, securities, and other assets in the client's account. As a result, First Mason Financial, LLC will have no access to the assets in the account or to the income produced there from and will not be responsible for any acts or omissions of the custodian. The custodian sends to the client, at least quarterly, a statement indicating all amounts disbursed from the account (including the amount of any fees paid to First Mason Financial, LLC pursuant to the client's authorization), all transactions occurring in the account during the period covered by the statement, and a summary of the account positions and portfolio value at the end of the period. The custodian will be directed to send copies of the account

statements to First Mason Financial, LLC, along with an indication that the statements have been sent to the client.

In the event that the client directs First Mason Financial, LLC to use a particular custodian or broker/dealer, the client will be responsible for all costs associated with this relationship. First Mason Financial, LLC may not be authorized under those circumstances to negotiate commissions and may not be able to obtain volume discounts or best execution. In addition, under these circumstances a disparity in commission charges may exist between the commissions charged to clients who direct First Mason Financial, LLC to use a particular broker/dealer and other clients who do not direct First Mason Financial, LLC to use a particular broker/dealer.

### Investment Discretion

By signing the Investment Advisory Agreement, the client may grant First Mason Financial, LLC the authority to invest/reinvest the assets under First Mason Financial, LLC's management on the client's behalf with prior consultation from the client and, subject to the client's stated investment objectives and any other client instructions. In those circumstances, First Mason Financial, LLC will invest in the investment types listed in this brochure which include, but are not limited to: cash, cash equivalents, U.S. Government securities, equities, options, mutual funds and alternative investments, which include, but are not limited to direct participation programs.

The client also will authorize First Mason Financial, LLC to take any other necessary action in connection with the opening and maintenance of the client's account as well as for the completion and payment of transactions for the account. First Mason Financial, LLC will make investment decisions for the client's account according to the client's investment objectives and financial circumstances as described by the client. The client agrees to promptly inform First Mason Financial, LLC if the information provided in the client information and investor profile becomes materially inaccurate and to consult with First Mason Financial, LLC to provide updated information on an annual basis.

At the present time, all of First Mason Financial, LLC's client accounts are managed on a non-discretionary basis. As a result, First Mason Financial, LLC seeks approval from each client before making any trades in that client's account.

### Voting Client Securities

Unless the parties have otherwise agreed in writing (and such writing, in the case of an account subject to the provisions of ERISA, is consistent with plan documents), First Mason Financial, LLC shall have no authority or obligation to take any action or render any advice with respect to the voting of proxies solicited by, or with respect to, issuers of securities in which assets of the client's account may be invested from time to time. The client (or the plan fiduciary in the case of an account subject to the provisions of ERISA) expressly retains the authority and responsibility for the voting of such proxies.

## Financial Information

No disclosure of financial information (a balance sheet) is required because First Mason Financial, LLC does not have custody of client funds and does not require prepayment of potential fees. Neither First Mason Financial, LLC nor Daniel J. Mason have been the subject of a bankruptcy petition at any time during the past 10 years.

## Requirements for SEC-Registered Advisers

The sole managing member and owner of First Mason Financial, LLC is Daniel J. Mason. Mr. Mason, born 1978, attended Cuyahoga Community College, Kent State University and Cleveland State University. Mr. Mason founded First Mason Financial, LLC in August 2007. Prior to founding First Mason Financial, LLC, Mr. Mason was an investment advisor representative with Prim Capital Corporation (2004-2007) and UBS Financial Services (2001-2004). Mr. Mason holds FINRA Series 7, 65 and 66 licenses. Mr. Mason also holds the AIF designation. Accredited Investment Fiduciary® (AIF®) The AIF designation certifies that the recipient has specialized knowledge of fiduciary standards of care and their application to the investment management process. To receive the AIF designation, individuals must complete a training program, successfully pass a comprehensive, closed-book final examination under the supervision of a proctor and agree to abide by the AIF Code of Ethics. In order to maintain the AIF designation, the individual must annually renew their affirmation of the AIF Code of Ethics and complete six hours of continuing education credits. The certification is administered by the Center for Fiduciary Studies, LLC (a Fiduciary360 (fi360) company).

Mr. Mason has not been involved in any civil, self-regulatory organization or administrative proceedings involving an investment related business or activity, fraud, theft or dishonest, unfair or unethical practices.