

Item 1 - Cover Page

MASON WELLS BUYOUT PARTNERS III, LLC
FORM ADV – PART 2A INFORMATION
March 31, 2015

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This brochure provides information about the qualifications and business practices of Mason Wells Buyout Partners III, LLC. If you have any questions about the contents of this brochure, please contact us at 414-727-6400. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Additional information about Mason Wells Buyout Partners III, LLC, including a copy of its Form ADV Part I, is available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2- Material Changes To This Brochure Since Its Last Annual Update

Future material changes to this brochure shall be noted in this section.

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Item 4 - Advisory Business

Mason Wells Buyout Partners III, LLC (referred to herein as either “Mason Wells Partners III” or the “General Partner”) is a Wisconsin limited liability company in existence since June 2008. It is the General Partner of Mason Wells Buyout Fund III, Limited Partnership (“Fund III”) to which it currently provides investment advisory services, though Mason Wells Partners III is permitted to establish one or more collective investment vehicles or alternative investment structures or arrangements to facilitate investment by certain investors (each, a “Parallel Fund”). John T. Byrnes and Thomas G. Smith are principal owners of the General Partner.

Fund III is a private equity fund with the objective of completing buyout transactions of middle market companies generally operating within three targeted industry sectors, and generally located in the Midwestern United States. Investment limitations are further incorporated in Fund III’s governing agreement. Mason Wells Partners III applies these parameters as it provides investment advisory services to Fund III, and limits its services as provided in Fund III’s governing agreement. In particular, investment advisory services provided include identifying investment opportunities for Fund III, and participating in the acquisition, management, monitoring and disposition of investments of Fund III. Mason Wells Partners III tailors its investment advisory services to the specific needs and objectives of Fund III, which is its primary client.

In addition, Fund III is structured with a companion, or side-by-side, fund which invests in all portfolio investments of Fund III, on a pro rata basis, based on the total amount of capital committed by Fund III and the companion fund. The companion fund to Fund III is MW Buyout Executive Fund III, LLC (“Executive Fund III”). Executive Fund III is intended to allow investment by certain principals, executive operating partners, and advisors to the General Partner.

Mason Wells Partners III has no clients other than Fund III and Executive Fund III. As of December 31, 2014, Mason Wells Partners III managed Fund III and Executive Fund III assets totaling approximately \$582,544,863, all of which are managed on a discretionary basis. This figure includes uncalled capital commitments by investors in Fund III and Executive Fund III.

Item 5 - Fees and Compensation

For providing its management services, Mason Wells Partners III is entitled to receive from Fund III both management and growth-based fees, as described in this Item and Item 6 below. Fees are established by the terms of Fund III’s Partnership Agreement, and are deducted from Fund III’s assets as they become due (in the case of the Management Fees, quarterly in advance.) Mason Wells Partners III also receives certain Management Fees from Executive Fund III, in accordance with its Operating Agreement.

Management Fees. Management Fees are paid by Fund III to Mason Wells Partners III quarterly in advance, and are currently 2% of the aggregate Capital Contribution Obligation. “Capital Contribution Obligation” means the obligation of each limited partner in Fund III to contribute cash to Fund III, not including interest or adjustments. The Management Fee percentage may vary as follows:

- From and after the earlier of: (a) the Final Call Date; or (b) the creation and funding of a Successor Fund and until the earlier of (i) the dissolution or termination of Fund III; (iii) the creation and funding of a Successor Fund (if after the Final Call Date) or (iv) the Final Call Date (if after the creation and funding of a Successor Fund), the Management Fee shall be 2% of the Net Invested Capital.
- From and after both the Final Call Date and the creation and funding of a Successor Fund and until the earlier of the dissolution or termination of Fund III, the Management Fee shall be 1% of the Net Invested Capital.
- If Fund III's term continues after August 1, 2020, then the Management Fees will be reduced to 0.25% of Net Invested Capital, unless the Fund III limited partners approve the continuation of a higher fee.

Mason Wells Partners III may waive the payment of some or all of the Management Fees by providing Fund III with at least 60 days prior written notice. Any Management Fees that are waived by Mason Wells Partners III will be used to offset the capital contributions Mason Wells Partners III would otherwise be required to make to Fund III.

As used above, "Final Call Date" generally means August 1, 2016, but it may occur on an earlier date in certain limited circumstances described in Fund III's Partnership Agreement. "Net Invested Capital" means the aggregate amount of money invested by Fund III in portfolio companies (less dividends which constitute a return of capital) which are still owned by Fund III as of the date of determination, excluding any portfolio company investments which have been completely written off the financial books and records of Fund III. "Successor Fund" means any new investment partnership managed by Mason Wells Partners III or its affiliates and having the same or similar private equity investment strategies as Fund III; provided that in no event shall MW Buyout Executive Fund III, any Parallel Funds, or any co-investment vehicles relating to the co-investment of capital in a Fund III portfolio company as permitted by the Limited Partnership Agreement be deemed to be Successor Funds.

Executive Fund III currently pay a Management Fee to Mason Wells Partners III at the negotiated rate of \$200,000 per year.

Transaction Fees. Mason Wells Partners III may receive from portfolio companies transaction fees. All transaction fees received in the previous quarter will be credited against the Management Fee.

Break-up Fees. In addition, Mason Wells Partners III may receive break-up fees and all break-up fees (net of expenses) will be 100% credited against the Management Fee.

Except as described above, Mason Wells Partners III does not receive any other form of compensation from Fund III or Executive Fund III other than the growth participation described in Item 6. However, Fund III is responsible for reimbursing Mason Wells Partners III for expenses incurred on behalf of Fund III. Further, Fund III absorbs all of its own operating expenses, such as those for accounting, legal and other third-party services.

Item 6 - Performance Based Fees and Side-by-Side Management

As indicated above, Mason Wells Partners III receives from Fund III a carried interest or performance fee from investors in Fund III equal to 20% of all realized profits (as described more fully in Fund III's partnership agreement). These fees are conditioned on the Fund III limited partners realizing a preferred return (described in Fund III's partnership agreement) and receiving sufficient distributions annually to pay any state and federal income taxes due on their shares of Fund III's income from all prior years. Because the General Partner's carried interest is based on a percentage of profits, an incentive may be created for the General Partner to cause Fund III to make riskier or more speculative investments than otherwise might be the case. This risk is intended to be minimized by the significant investment in Fund III by members of the investment advisory team of Mason Wells Partners III, which should tend to align the interests of these individuals with the interests of the investors to some extent.

Executive Fund III does not pay a carried interest or other performance-based fee to Mason Wells Partners III.

Item 7 - Types of Clients/Minimum Account Size

The only clients of Mason Wells Partners III are Fund III and Executive Fund III, both of which are closed to new investors. The stated minimum commitment amount for Fund III was \$5 million, and the minimum stated commitment amount for Executive Fund III was \$100,000; however, Mason Wells Partners III exercised discretion in both funds to accept a smaller commitment amount from some investors.

Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss

Mason Wells Partners III employs an investment strategy on behalf of Fund III which causes Fund III's portfolio to consist primarily of control portions of securities issued by privately held companies. These securities are also invested in by Executive Fund III on a side-by-side, pro rata basis. Mason Wells Partners III believes the following key elements of this investment strategy will enable Fund III to generate above market rates of return:

Middle Market. Mason Wells Partners III focuses its strategy on middle market buyout transactions involving the purchase and sale of control interests of firms which meet Fund III's investment objectives. Mason Wells Partners III believes this market segment is less competitive than other market segments, resulting in attractive purchase price multiples that have the potential to yield higher selling multiples upon exit.

Geographic Focus. Mason Wells Partners III generally originates buyout transactions of companies located in the Midwestern United States, a geographic region that Mason Wells Partners III believes is under-served by the private equity industry.

Industry Focus. Mason Wells Partners III generally targets investments within three industry sectors (specialty packaging and paper, engineered products and services, and outsourced business services) in which Mason Wells Partners III possesses an in-depth understanding and has extensive industry contacts.

Management. Mason Wells Partners III strives to purchase control equity positions in “undermanaged” companies that have the potential for significant shareholder value creation through the implementation of the operational improvements and profitable growth initiatives of the Mason Wells Value Creation System. Further, Mason Wells Partners III believes it may increase returns and reduce risks by working actively with the management teams of Fund III’s portfolio companies to improve fundamental business practices.

Certain risk factors arise under Mason Wells Partners III’s investment strategy, which are more exhaustively described in the offering memorandum provided to investors. Investing in securities of any type, including the types held in Fund III’s portfolio, involves risk of loss, and an investor in Fund III should be prepared for the possibility of such a loss. Other pertinent risk factors include:

Business Risks and Illiquidity. Fund III’s investment portfolio consists primarily of securities issued by privately held companies, and operating results in any particular period may be difficult to predict. Further, investments may be relatively illiquid compared to other more readily available investments. Because of the nature of Fund III’s portfolio, significant degrees of business and financial risk exist which can cause substantial losses.

No Guarantee of Results. The performance of prior investments made by principals of Mason Wells Partners III is not necessarily indicative of Fund III’s future results, and Mason Wells Partners III does not guarantee the results of its investment methods.

Investment in Junior Securities. The securities in which Fund III invests may be junior to other securities of a portfolio company, and as such may be subject to a greater risk of loss than more senior securities. Generally, investments in these types of junior securities are not secured by collateral.

Concentration of Investments. Fund III participates and will participate in a limited number of investments, including potentially concentrating multiple investments in a single industry or industry segment. As a result, Fund III’s portfolio may be highly concentrated, and subject to the attendant risks of a relatively non-diversified portfolio, including being subject to industry-specific business risks.

Item 9 - Disciplinary Information

None of Fund III, Executive Fund III, Mason Wells Partners III, nor any of its principals, have been subject to any disciplinary action.

Item 10 - Other Financial Industry Activities and Affiliations

Fund III and Executive Fund III are sponsored by Mason Wells, Inc. (“Mason Wells”). Mason Wells also employs the individual members of Mason Wells Partners III, as well as the employees providing support services to Mason Wells Partners III. Mason Wells also sponsors other private funds, which use the services of the same Mason Wells employees. Mason Wells is a registered investment adviser and may be deemed to provide investment advisory services to Fund III and Executive Fund III. See the Form ADV filed for Mason Wells with the Securities and Exchange Commission for more information.

As described in Item 11 below, certain investors of Executive Fund III, which co-invests in all of the Fund III portfolio companies, are partners in or affiliates or members of Mason Wells Partners III and/or Mason Wells. Similar to investments made by such individuals in Fund III directly, Mason Wells Partners III believes such investments should have the effect of aligning such individuals interests with those of Fund III.

Item 11 - Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Mason Wells Partners III has developed a Code of Ethics in connection with its business as the general partner of Fund III. A copy of the Code of Ethics is available to investors in Fund III upon request.

Subject to limited exceptions described in the Fund III Partnership Agreement, Mason Wells Partners III does not invest in, and does not permit any of its officers or affiliates (other than Fund III) to invest in, (a) companies in which Fund III is actively considering making an investment, or (b) companies in which Fund III has an investment. However, some members and officers of Mason Wells Partners III have invested in Fund III and/or Executive Fund III. Members and officers of Mason Wells Partners III may have a conflict of interest in providing investment advice to Fund III because such investment advice will have an effect on their personal investments in Fund III and/or Executive Fund III.

Item 12 - Brokerage Practices

Mason Wells Partners III does not engage in securities transactions which result in “soft dollars.” Its transactions involve the purchase and sale of primarily equity interests in companies and providing equity capital.

Item 13 - Review of Accounts and Reports

Mason Wells Partners III reviews on a regular and ongoing basis Fund III portfolio companies and their respective financial plans. Mason Wells Partners III receives reports from Fund III’s portfolio companies on a regular basis, and uses those reports as one tool to monitor and influence the progress of the portfolio companies to achieve Fund III’s investment objectives.

Mason Wells Partners III prepares reports on behalf of Fund III and distributes such reports to Fund III’s limited partners. Reports are prepared and sent to such limited partners at least quarterly. The reports include information on recent acquisitions, sales, and performance reports of the companies acquired or equity capital contributed.

Item 14 - Client Referrals and Other Compensation

Mason Wells Partners III does not compensate any third party in connection with finding new clients. The General Partner has compensated, and may in the future compensate, finders of both portfolio companies and investors for Fund III. The compensation may be contingent on consummating the acquisition of the target portfolio company, and based on the size of the transaction as well as the potential growth of the portfolio company. With regard to finders of new investors for Fund III, the General Partner previously entered into, on behalf of Fund III, a

customary brokerage private placement agreement which resulted in compensation being paid by Fund III, both of a set fee and of a contingent fee based on a percentage of placement amounts, to a registered placement agent for locating new investors for Fund III's interests.

Item 15 - Custody

Mason Wells Partners III does have custody of client assets, which are placed with custodial banks. Custodial banks send account statements to Mason Wells Partners III which are reviewed for and on behalf of Fund III and Executive Fund III, and carefully compared on behalf of such funds with all other internal statements provided by such funds.

Fund III and Executive Fund III are audited annually by an accounting firm registered with and subject to regular inspection by the Public Company Accounting Oversight Board ("PCAOB"). A copy of the annual audit is delivered to each Fund III limited partner and Executive Fund III member, as appropriate, within 120 days of Fund III's fiscal year end.

Item 16 - Investment Discretion

Mason Wells Partners III exercises discretion to purchase and sell portfolio companies and other investments of its choice in the dollar amounts and at the times it deems it appropriate to do so. The General Partner also has discretion to use, acquire and sell all other Fund III assets on behalf of Fund III. Fund III does not impose any restrictions on the level of discretion that can be exercised by Mason Wells Partners III. Discretionary authority is granted by Fund III to Mason Wells Partners III by means of a written agreement. The operating agreement of Executive Fund III requires it to invest on a side-by-side, pro rata basis with Fund III. Accordingly, Mason Wells Partners III may be deemed to exercise discretion with respect to the investment activities of Executive Fund III.

Item 17 - Voting Proxies on Client Securities

Mason Wells Partners III votes proxies on behalf of Fund III. In general, Mason Wells Partners III intends to vote in a manner in Fund III's best interests. Fund III's investment strategy is to take controlling positions in the companies in which it invests, including representation on the boards of directors of each portfolio company. As result, while Mason Wells Partners III expects that Fund III's objectives will be aligned with management's objectives with respect to each portfolio company, Mason Wells Partners III votes proxies based on Fund III's objectives, not portfolio company management recommendations.

In evaluating a particular proxy proposal, Mason Wells Partners III will take into consideration, among other things, the period of time over which the voting shares of the company are expected to be held, the size of the position, the costs involved in the proxy proposal and the existing governance documents of the affected company, as well as its management and operations. Proxy proposals that change the existing status of a company will be reviewed to evaluate the desirability of the change, and to determine the benefits to the company and its shareholders, but Mason Wells Partners III's primary objective is always to protect and enhance the economic interest of Fund III.

In evaluating a proxy proposal, the managing member of Mason Wells Partners III is ultimately responsible for considering whether there are any circumstances that may give rise to a conflict of interest in connection with voting Fund III proxies. Fund III's Amended and Restated Agreement of Limited Partnership contains detailed conflict of interest provisions governing how any such conflicts of interest should be addressed.

Where Mason Wells Partners III receives written or electronic notice of a lawsuit, settlement, or verdict affecting securities owned by Fund III, it will complete all notices, proof of claim forms, and other materials for Fund III. It will also report all such suits and settlements to Limited Partners of Fund III.

Item 18 - Financial Information

There is no financial condition that is reasonably likely to impair Mason Wells Partners III's ability to meet its contractual commitment to Fund III, Executive Fund III, or any third party.