

**Firm Brochure  
Part 2A of Form ADV**

**Item 1 – Cover Page**

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This brochure provides information about the qualifications and business practices of SPECIALIZED ADVISORS, LLC. If you have any questions regarding the contents of this brochure, please contact us at: 800-674-7758, or by email at: [kestrada@specializedadvisorsllc.com](mailto:kestrada@specializedadvisorsllc.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 concerning Specialized Advisors, LLC (CRD# 299308) is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)

Effective Date: October 2018

## **Item 2 - Material Changes**

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### **Annual Update**

The Material Changes section of this brochure is updated annually when material changes occur since the previous release of the Firm Brochure.

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### **Material Changes since the Last Update**

This is the inaugural ADV filing for the Firm.

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### **Full Brochure Available**

If you would like to receive a complete copy of our Firm Brochure, please contact us by telephone at: 800-674-7758 or by email at: [kestrada@SpecializedAdvisorsllc.com](mailto:kestrada@SpecializedAdvisorsllc.com)

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# ADV PART 2A

## Item – 4 Advisory Business

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### Firm Description

Specialized Advisors LLC, hereinafter (“SALLC and/or the Firm”) was founded in 2018 and is a federally registered investment adviser.

The Firm provides investment management services to Clients through mutual fund portfolios. The mutual funds utilized are exclusive to Secure Investment Management LLC (“SIM”) as identified in the Client Agreement as Program Funds. The Program Funds include a proprietary fund and a fund of funds of SIM. SALLC’s Clients (“Client”) enter into a co-advisory relationship with both SALLC and SIM for the provision of investment management services. SIM and SALLC work in tandem with the Client to provide the investment policy guidelines for Client accounts. SIM provides the custodial relationship and executes Client transactions in the Program Funds as directed by the Investment Adviser Representatives (“associated persons”) of SALLC. SIM is the investment adviser and fund manager for the Program Funds. SIM is compensated for providing the administrative structure and portfolio management services for the Program Funds.

SALLC is a fee-only investment management firm. The Firm does not sell securities on a commission basis. However, associated persons may receive commissions as compensation based on their relationship with entities offering other financial products and securities not affiliated and/or associated with SALLC.

SALLC does not act as a custodian of Client assets and the Client always maintains asset control of their custodial account established through SIM.

The Co-Advisory agreement provides for limited discretion of Client accounts for the purchase of Program Funds. SIM provides the analysis of the allocation among the Program Funds in a Client account based on the Client’s investment policy guidelines.

SALLC does not act as a sponsor and does not provide investment advice to a WRAP program.

Other professionals (e.g., lawyers, accountants, insurance agents, etc.) are engaged directly by the Client on an as-needed basis. Any conflicts of interest arising out of these relationships for SALLC or its associated persons are disclosed in this brochure.

Limited Liability Companies holding principal ownership percentages:

Spark, Phillips & Wyler, LLC: 66.7%

Financial Institution Group, LLC 33.3%

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**Types of Advisory Services**

SALLC provides investment management services only within the scope of the Client investment/financial needs addressed by the Program Funds. SALLC furnishes investment advice through consultations and may issue proprietary analysis; including but not limited to and market issues, charts, graphs, formulas, or other devices a Client may use in evaluating the offered investment management services.

As of October 17, 2018, SALLC has \$0.00 assets under management as this Brochure is the firm's initial ADV filing.

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**Tailored Relationships**

The goals and objectives for each Client are documented in the Firm's Client relationship management system. Allocations between the Program Funds are created to reflect the Client's investment needs and goals. Clients may not impose restrictions on investing in certain securities or types of securities within the Program Funds but may elect not to use one of the Program Funds in their portfolio. Should the Client desire investment products or services outside of the Program Funds, the Client should seek a third party financial professional.

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**Assignment of Investment Management Agreements**

Agreements may not be assigned without Client consent.

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**Types of Agreements**

The following agreements define the typical Client relationships.

***Co-Advisory Investment Management Agreement***

SALLC offers discretionary advisory services to its Clients using Program Funds. SALLC is not affiliated with SIM, and SALLC's associated persons are independent of, and unaffiliated with SIM with regards to investment management services. SIM is responsible for determining the allocation(s) for the Program Funds selected, on behalf of the Client, are suitable based on information collected, by SALLC associated persons, regarding the Client's age, risk tolerance and time horizon in relation to the Client's stated investment objective. The Co-Advisory agreement sets forth the services to be provided by each firm.

SALLC Associated persons periodically review a Client's financial situation and portfolio through regular contact with the Client which may include meeting face to face with the Client. There is a conflict of interest for the SALLC associated persons related to the limitation of using only Program Funds to effect portfolio management services. Associated persons are not allowed to provide alternative services or investment products to Clients, outside of the Program Funds options. Thus associated persons are incentivized to provide investment management solutions to the Client that only include the Program Funds. This conflict is mitigated by the

SIM's Code of Ethics and fiduciary responsibility regarding the supervision of the portfolio solutions as well as SALLC's supervision of its associated persons.

In consideration of the Program Funds, SIM investment management and administrative fees are disclosed in the fund prospectus. These fees are separate and distinct from the fees charged in the Co-Advisory Agreement with SALLC and SIM. Further, the use of solely Program Funds is a conflict of interest for SIM due to its compensation within each fund. In addition, SIM does not receive compensation for the use of other financial products or services. SALLC does not ensure the Program Funds are available at the lowest cost and similar financial products may be available from other providers at a lower cost.

Individual stocks, bonds, options or other investments outside of the Program Funds as well as any form of Initial Public Offerings (IPOs) or Secondary Public Offerings are not utilized in Program Funds' portfolios and thus are not available through SALLC.

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### **Insurance Services**

The associated persons of SALLC are licensed to offer insurance products associated with an insurance company with which they have established a relationship. The associated persons earn commissions on these insurance products in addition to any fees earned from the investment management services offered through SALLC. The commissions are based on the standard commission schedule of the provider of the insurance products and are generally not negotiable. There is an inherent conflict of interest in providing these products as associated persons earn income from both investment management services and the sale of insurance products. SALLC does not make any representation that these products are available at the lowest cost and similar products are available from other providers. The Client is under no obligation to purchase insurance products from associated persons of SALLC. Investment management services from SALLC may be purchased without the purchase of any insurance product. SALLC mitigates this conflict by imposing the Code of Ethics on its associated persons to ensure they abide by their fiduciary responsibility to Clients that are within the scope of the Program Funds' limited investment management offering.

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### **Termination of Agreements**

A Client may terminate any of the aforementioned agreements at any time by notifying SALLC in writing. Clients shall be charged pro rata for services provided through close of business on the day of written termination notice is received by SALLC. If the Client made an advance payment, SALLC will refund any unearned portion of the advance payment.

SALLC may terminate any of the aforementioned agreements at any time by notifying the Client in writing. If the Client made an advance payment, SALLC will refund any unearned portion of the advance payment.

SALLC reserves the right to terminate any engagement where a Client has willfully concealed or has refused to provide pertinent information about financial situations when necessary and appropriate, in SALLC's judgment, to providing proper financial/investment advice. Any unused portion of fees collected in advance will be refunded.

## **Item 5 - Fees and Compensation**

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### **Investment Management**

SALLC bases its fees on the overall investment advisory services on an annual fee basis which is based on the amount of assets placed under SALLC's management. Lower fees for comparable services may be available from other sources.

Although the Co-Advisory Agreement is an ongoing agreement, the length of service to the Client is at the Client's discretion and the Client or the Firm may terminate an Agreement, by written notice to the other party. *See Item 4, Termination of Agreement.* At termination, fees are billed on a pro rata basis, for the portion of the quarter completed. The portfolio value, at the completion of the prior full billing quarter is the basis for the fee computation, which is adjusted for the number of days during the billing quarter prior to termination. The investment management fees are negotiable at the sole discretion of SALLC. Investment management services shall have an Annual Percentage Fee of 1.00%. Accounts of employees' related family members may have a lower annualized advisory fee rate. Additionally, some Clients may be under fee schedules from prior firms of the associated person resulting in fees calculated under different parameters; whereby the percentage fee may be higher or lower than the schedule in this disclosure.

The Annual Percentage Fee payable to SALLC is deducted from the Client account(s). SIM provides the custodial relationship and therefore deducts fees from the Client Account. Fees deducted by SIM are paid to SALLC who administers fees payable to in the SALLC associated persons. Notwithstanding, the Program Funds and the underlying investments of the Program Funds have independent underlying fees and expenses. Such fees and expenses are separate, distinct, and in addition to the fee charged by SALLC.

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### **Fee Billing**

Investment management fees are billed quarterly, in advance. Thus the Firm shall invoice Clients prior to the three-month billing period activity begins. Payment in full is due upon invoice presentation. Fees are deducted from the Client account(s) to facilitate billing as authorized by the investment management agreement.

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**Other Fees**

Clients invested in Program Funds ultimately bear all fund-related fees and expenses, including custodial fees and operating expenses, as well as the expenses derived from the underlying investments in which the Program Funds invest. Assets invested in shares of the Program Funds are subject to embedded advisory and other fees and expenses, as set forth in the prospectus of each fund. These fees are paid by the funds, but ultimately borne by the Client. SIM receives a maximum annual fee rate of 0.50% on each Fund's average daily net assets as described in the prospectus. As funds of funds, the SIM-managed mutual funds invest in shares of other registered investment companies. Advisers to the underlying funds, including Dimensional Fund Advisors (DFA), are paid an advisory fee by each underlying fund they manage. Thus, Clients bear their asset-based share of the fees and expenses of each underlying fund in addition to the SIM-managed Mutual Fund series in which their assets are invested.

Neither SIM nor SALLC receive a sales load in connection with Client investments in the Program Funds. Clients do not pay SIM any separate advisory fee above or beyond the fees embedded in the Program Funds as disclosed in their respective prospectus. The fees and expenses charged by the SIM-managed mutual funds are separate and distinct from the management fee charged by SALLC.

**Item 6 - Performance Fees**

Fees are not based on a share of the capital gains or capital appreciation of managed securities. SALLC does not use a performance-based fee structure.

**Item 7 - Types of Clients**

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**Description**

SALLC generally provides investment advice to individuals, pension and profit sharing plans, trusts, estates, or charitable organizations, corporations or business entities. Client relationships vary in scope and length of service.

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**Account Minimums**

The minimum account size is \$10,000 of assets under management. SALLC has the sole discretion to waive the account minimum. Accounts approved below the minimum may be established when the Client and the advisor anticipate the Client's intent to add additional funds, within a reasonable timeframe, exceeding the initial minimum account size. Other exceptions shall apply to employees of SALLC and their relatives, or relatives of existing Clients.



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

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### **Methods of Analysis**

Security analysis methods are provided by SIM and may include fundamental analysis, technical analysis or cyclical analysis of the broader market conditions.

The main sources of information include financial newspapers and magazines, inspections of corporate activities, research materials prepared by others, prospectuses and filings with the Securities and Exchange Commission as well as public business news sources.

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### **Investment Strategies**

Strategies are typically long-term purchases. The primary investment strategy used on Client accounts is strategic asset allocation between the Program Funds. The investment strategy for a specific Client is based upon the objectives stated by the Client during consultations. The Client may change these objectives at any time.

SALLC's strategies do not involve frequent trading.

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### **Market, Security and Regulatory Risks**

Any investment with SALLC involves significant risk, including a complete loss of capital and conflicts of interest. All investment programs have certain risks that are borne by the investor including but not limited to the following:

#### **Market Risks:**

Market Volatility. The profitability of SALLC substantially depends upon it correctly assessing the future price movements of stocks, bonds, options on stocks, and other securities and the movements of interest rates. SALLC cannot guarantee that it will be successful in accurately predicting price and interest rate movements.

SALLC's Investment Activities. The Program Funds utilized by SALLC involve a significant degree of risk. The performance of any investment is subject to numerous factors which are neither within the control of nor predictable by SALLC or SIM. Such factors include a wide range of economic, political, competitive, technological and other conditions (including acts of terrorism and war) that may affect investments in general or specific industries or companies. The securities markets is volatile, which may adversely affect the ability of SALLC and/or /SIM to realize profits.

Material Non-Public Information. By reason of their responsibilities in connection with other activities of SALLC, SIM and/or its affiliates, certain principals or employees of SALLC, SIM and/or its affiliates may acquire confidential or material non-public information or be restricted from initiating transactions in certain

securities. SALLC nor SIM are free to act upon any such information. Due to these restrictions, SALLC nor SIM may not be able to initiate a transaction that it otherwise might have initiated and may not be able to sell an investment that it otherwise might have sold.

Market or Interest Rate Risk. The price of most fixed income securities move in the opposite direction of the change in interest rates. For example, as interest rates rise, the price of fixed income securities falls. If SIM utilizes a fixed income based investment, the value of that investment decreases as interest rates increase.

#### **Regulatory Risks:**

Strategy Restrictions. The reliance on the allocation between the two Program Funds may not incorporate all economic and market factors and may not be suitable as the only investment solution. Clients should consult their accountants, lawyers and other professionals to determine other potential needs for their specific situation.

Conflicts of Interest: In the administration of Client accounts, portfolios and financial reporting, SALLC faces inherent conflicts of interest which are described in this brochure. Generally, SALLC mitigates these conflicts through its Code of Ethics and its fiduciary responsibility to Clients. The Firm holds the Client's interest above that of SALLC and its associated persons.

#### **Security Specific Risks:**

There are no material security specific risks other than those of any Investment Company share class with similar share rights and privileges.

### **Item 9 – Disciplinary Information**

The Firm and its employees have not been involved in legal or disciplinary events related to past or present investment Clients.

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

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#### **Affiliations**

SALLC has entered into contractual arrangements with SIM, a non-related, third party investment advisor. SIM provides the Program Funds used in Client portfolios. SALLC's affiliation with SIM is a conflict of interest as SALLC and its personnel receive compensation from the exclusive use of Program Funds. However, Clients of SALLC are not required to use or solely use the services offered by the associated persons of SALLC. The Firm does not make any representation that the Program Funds are provided at the lowest cost available and Clients may be able to obtain those or substitute services at a more favorable rate from other service providers.

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

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### **Code of Ethics**

SALLC has adopted a Code of Ethics which establishes standards of conduct for its supervised persons. The Code of Ethics includes general requirements that such supervised persons comply with their fiduciary obligations to Clients and applicable securities laws, including specific requirements relating to, among other things, personal trading, insider trading, conflicts of interest and confidentiality of Client information. The Firm requires supervised persons to report their personal securities transactions and holdings quarterly to SALLC's Chief Compliance Officer (CCO) or her designee for review. Each supervised person of SALLC receives a copy of the Firm's Code of Ethics including applicable amendments. Supervised persons must acknowledge receipt of the materials, in writing, and are required to report any Code of Ethics violations in a prompt manner to the CCO or her designee. At a minimum, supervised persons certify compliance with the Firm's Code of Ethics on an annual basis. Clients and prospective Clients may obtain a copy of SALLC's Code of Ethics by contacting the SALLC CCO.

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### **Participation or Interest in Client Transactions**

Under SALLC's Code of Ethics, the Firm and its managers, members, officers and employees may own SIM Fund shares similar to those purchased for Clients. Should any associated persons purchase SIM Fund shares, their transactions shall settle at end of day along with Clients of SALLC and without any special considerations or pricing. SALLC and its managers, members, officers and employee may also buy or sell specific securities for their own accounts based on personal investment considerations which Clients may not purchase through the Firm.

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### **Personal Trading**

The Chief Compliance Officer of SALLC is Lisa Kim Estrada. Ms. Estrada or her designee reviews employee trades each quarter (except for her own trading activity which is reviewed by another principal or officer of the Firm. The personal trading reviews ensure the personal trading of employees does not affect the markets or that employees do not engage in trading or investments deemed inappropriate by the Firm.

## **Item 12 - Brokerage Practices**

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### **Brokerage Selection and Soft Dollars**

SALLC does not participate in the selection of the custodian or the broker dealers identified to execute trades. The Firm does not receive fees or commissions from any broker dealer or custodian. As such, SALLC does not have any execution only

contracts or arrangements where a Client could be deemed to be paying for research and related services (i.e., "soft dollars").

Likewise, due to the nature of the Firm services provided for Clients, SALLC does not execute trades and does not aggregate trades.

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**Directing Brokerage for Client Referrals**

SALLC and its associated persons do not receive Client referrals from broker dealers or third parties as consideration for selecting or recommending brokers for Client accounts.

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**Directed Brokerage**

SALLC does not determine the custodian for Client accounts and thus is not able to accept directed brokerage.

## **Item 13 - Review of Accounts**

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**Periodic Reviews**

Account reviews are performed quarterly by the associated persons. Part of the review process includes but is not limited to assessing the Client's current security positions and the likelihood the performance of each security contributes to the Client's investment objectives. The Firm CCO or her designee shall of periodically sample review Client accounts to ensure account objectives are reviewed in a timely manner by associated persons and adhere to the Investment Policy Statement.

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**Review Triggers**

Accounts are reviewed quarterly or more frequently when market conditions dictate. Other conditions that may trigger a review are changes in the tax laws, new investment information, or changes in a Client's financial or personal situation.

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**Regular Reports**

Clients receive periodic reports on a quarterly basis. The written reports may include account valuation, net worth statement, portfolio statement, and/or a summary of objectives including progress towards meeting Client objectives. Clients receive statements of account positions no less than quarterly from the account custodian.

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

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### **Incoming Client Referrals**

SALLC receives Client referrals which may come from current Clients, estate planning attorneys, accountants, employees, personal friends of employees and other similar sources. The Firm does not compensate referring parties for these referrals.

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### **Referrals to Third Parties**

SALLC does not accept referral fees or any form of remuneration from other professionals when a prospect or Client is referred to the Firm.

## **Item 15 - Custody**

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### **Custody Policy**

SALLC does not accept or permit its associated persons from obtaining custody of Client assets including cash, securities, acting as trustee, provide bill paying service, have password access to control account activity or any other form of controlling Client assets. All checks or wire transfer to fund Client accounts are required to be made out to/sent to the account custodian. SIM administrates the custodial accounts removing SALLC from effective custody regarding fee withdrawal or limited power of attorney (LPOA).

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### **Account Statements**

All assets are held at qualified custodians. Qualified custodians provide account statements not less than quarterly to Clients at their address of record. Clients are encouraged to carefully review such statements for any discrepancies or inaccuracies.

## **Item 16 - Investment Discretion**

SALLC contracts for limited discretionary authority to transact portfolio securities accounts on behalf of Clients. Discretionary authority is granted either by SALLC's investment management agreement and/or by a separate LPOA, where such document is required. SALLC and/or SIM have the authority to determine, without obtaining specific Client consent, the allocation of the Program Funds to be bought or sold.

The Client authorizes the discretion to select the custodian to be used to SIM. Clients may impose reasonable restrictions, in writing, on SALLC's discretionary authority but do not have the authority to impose restrictions on the underlying investments of the Program Funds.

## **Item 17 - Voting Client Securities**

SALLC shall not vote nor advise Clients how to vote proxies for securities held in Client accounts. The Client should review the Form ADV and SIM Fund prospectus for the respective proxy voting policies.

## **Item 18 - Financial Information**

SALLC does not have any financial impairment which precludes the Firm from meeting contractual commitments to Clients. SALLC meets all net capital requirements the Firm is required to maintain. SALLC has not been the subject of a bankruptcy petition since its inception.

SALLC is not required to provide a balance sheet as it does not serve as a custodian for Client funds or securities, and does not require prepayment of fees of more than \$1,200 per Client, six months or more in advance.

## **Business Continuity Plan**

SALLC has a Business Continuity Plan (BCP) in place that provides detailed steps to mitigate and recover from the loss of office space, communications, services or key people.

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### **Disasters**

The BCP covers natural disasters such as snow storms, hurricanes, tornados, and flooding. The Plan covers man-made disasters such as loss of electrical power, loss of water pressure, fire, bomb threat, nuclear emergency, chemical event, biological event, T-1 communications line outage, Internet outage, railway accident and aircraft accident. Electronic files are backed up daily and archived offsite.

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### **Alternate Offices**

Alternate offices are identified to support ongoing operations in the event the main office is unavailable. It is the Firm's intention to contact Clients within five business days of a disaster when the event dictates moving the SALLC office to an alternate location.

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### **Summary of Business Continuity Plan**

A summary of the Firm's BCP is available, upon request, to the SALLC CCO.

# Information Security Program

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## Information Security

SALLC maintains an information security program to reduce the risks associated with potential personal and confidential information breaches.

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## Privacy Policy

Below is a summary of SALLC's Privacy Policy regarding Client personal non-public financial information. A comprehensive Privacy Policy is contained in the Client Investment Advisory Agreement and may be obtained by contacting the SALLC CCO.

Specialized Advisors, LLC:

- a) Collects non-public personal information about its Clients from the following sources:
  - Information received from Clients on applications or other forms;
  - Information about Clients' transactions with SALLC, its affiliates and others;
  - Information received from our correspondent clearing broker with respect to Client accounts; and
  - Information received from service bureaus or other third parties.
- b) The Firm does not share the noted non-public personal information with affiliated or nonaffiliated third parties except:
  - When necessary to complete a transaction in a Client account, such as with the clearing firm or account custodians;
  - When required to maintain or service a Client account;
  - To resolve Client disputes or inquiries;
  - With persons acting in a fiduciary or representative capacity on behalf of the Client;
  - With rating agencies, persons assessing compliance with industry standards, or to the attorneys, accountants and auditors of the Firm;
  - In connection with a sale or merger of SALLC's business;
  - To protect against or prevent actual or potential fraud, identity theft, unauthorized transactions, claims or other liability;
  - To comply with federal, state or local laws, rules and other applicable legal requirements;

- In connection with a written agreement to provide investment management or advisory services when the information is released for the sole purpose of providing the products or services covered by the agreement;
  - In any circumstances with the Client's instruction or consent.
- c) Restricts access to confidential Client information to individuals who are authorized to have access to confidential Client information and need to know that information to provide services to Clients.
- d) Maintains physical, electronic and procedural security measures that comply with applicable state and federal regulations to safeguard confidential Client information.