

DISCLOSURE BROCHURE

THE INVESTMENT ADVISERS ACT OF 1940 RULE 203-1

Part 2A of Form ADV: Firm Brochure

D E V O N

INVESTMENT ADVISORY

SEC File #: 801-114850
Firm IARD/CRD #: 300425

Devon Investment Advisory, LLC

REGISTERED INVESTMENT ADVISOR

5847 San Felipe Street
Suite 4550
Houston, Texas 77057

Tel: 713.893.0733

This Disclosure Brochure provides information about the qualifications and business practices of Devon Investment Advisory, LLC, which should be considered before becoming a client. You are welcome to contact us if you have any questions about the contents of this brochure - our contact information is listed to the right. Additional information about Devon Investment Advisory, LLC is also available on the SEC's website at www.adviserinfo.sec.gov.

The information contained in this Disclosure Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any State Securities Administrator. Furthermore, the term "registered investment advisor" is not intended to imply that Devon Investment Advisory, LLC has attained a certain level of skill or training.

BROCHURE
DATED

**1
JULY
2019**

MATERIAL CHANGES

ITEM 2

SEC Rule 204-3(b)(2) allows us to provide you with a summary page of Material Changes in lieu of sending out our entire Disclosure Brochure. If you are being offered this Material Change page as a separate piece from our Disclosure Brochure and you have questions about these summary disclosures or would like a current copy of our Disclosure Brochure to review, **you may contact us and a current, complete Disclosure Brochure will be sent free of charge.**

Portfolio Management Services

We have removed all language from our Disclosure Brochure relating to portfolio management services. We have elected to discontinue this service and focus on referring assets to third-parties for portfolio management. This Brochure has been revised to reflect these changes.

DEVON INVESTMENT ADVISORY, LLC

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TEL: 713.893.0733

This brief is being provided to you as a summary of what has been fully disclosed in our Disclosure Brochure dated July 1, 2019. The information contained on this Material Change page has not been approved or verified by the United States Securities and Exchange Commission or by any State Securities Administrator.

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ADVISORY BUSINESS

Who We Are

Devon Investment Advisory, LLC (hereinafter referred to as “Devon”, the “Company”, “we”, “us” and “our”), is a registered investment advisor¹ organized in the State of Delaware in January of 2019 to act as a referring advisor to offer you, our client², access to a select group of independent third-party money managers (hereinafter referred to as “Portfolio Managers”)

Owners

The following persons control the Company:

Name	Title	CRD#
Scott H. Freeman	Managing Member	4042980
Sean J. Coleman	Managing Member	6879937
Kyle M. Bollman	Managing Member	6879938
J. Ross Rutherford	Chief Compliance Officer	7046269

Assets Under Management

We do not offer discretionary or non-discretionary portfolio management services. We are a referring advisor registered only to introduce Portfolio Managers for you to consider for the management of your investable assets.

What We Do

Our function is to introduce a group of Portfolio Managers for you to consider for the management of any assets. We will provide information on each Portfolio Manager, answer questions about their advisory practice to establish an advisory relationship, and explain their management practices; that can include, reviewing their fee structure and investment strategies.

Once you have made your decision on the Portfolio Manager to manage your investable assets, **our service to you is complete.** We do not provide on-going advisory services and we do not manage portfolio accounts. We are strictly a referring advisor registered to introduce other investment advisors. When the relationship is established, we step-away from any further involvement on an advisory basis. We currently serve as a referring advisor (solicitor) for the following Portfolio Managers: UBS, Morgan Stanley, Alex Brown, Raymond James, Caerus Investment Advisors, LLC and Mastodon Advisory Group, LLC.

¹ The term “registered investment advisor” is not intended to imply that Devon Investment Advisory, LLC has attained a certain level of skill or training. It is used strictly to reference the fact that we are “Registered” as an “Investment Advisor” with the United States Securities & Exchange Commission - and “Notice Filed” with State Regulatory Agencies that have limited regulatory jurisdiction over our business practices.

² A client could be an individual and their family members, a foundation or endowment, a charitable organization, a corporation and/or small business, a trust, a guardianship, an estate, or any other type of entity to which we choose to give investment advice.

Please note that the list of Portfolio Managers above is current as of the date of this Brochure and may not reflect changes that have since occurred. You may contact us for an up-to-date list of Portfolio Managers.

Information regarding the fee we can earn from referring your account is disclosed under Item 5, "Fees & Compensation".

FEES & COMPENSATION

ITEM 5

The Portfolio Manager we introduce under a referral/solicitation relationship have agreed to pay us a referral/solicitation fee of between **25% and 100% of the total management fee** charged for the management of your account. The Portfolio Manager's **management fee will not exceed 2.00% annually**. In addition, sharing the management fee will **not result in you paying a higher management fee** over someone who becomes a client of the Portfolio Manager who was not introduced by us under a referral/solicitation arrangement.

We do not collect any fees from you paid in advance. All compensation we receive will be paid by the Portfolio Manager you selected based on their management fee schedule as disclosed in their Disclosure Brochure; and, such compensation will continue to be paid to us for as long as your account remains with the Portfolio Manager beginning when you sign agreeing to the terms included in their advisory agreement.

We are strictly a referring advisor registered to introduce Portfolio Managers to manage your investable assets. When your relationship is established with a Portfolio Manager, we step-away and have no further interaction with you in an advisory capacity.

You will want to consult the Portfolio Manager's Disclosure Brochure for their policies on how they will handle your account; such as, billing, deposits and withdrawals, fee exclusions, termination, and any other unique advisory costs associated with their service. We will discuss these arrangements with you when we assist you with opening your account with a Portfolio Manager; however, **you are also encouraged to read their terms for management on your own.**

Other Services

Devon has a referral relationship with a trust account administration firm. In a legal proceeding where resolution of a case has been reached, either by settlement or jury award, a Special Needs Trust or Minor's Trust may be needed. In such instances, Devon will refer trusts to the trust account administration firm, who will act, on behalf of the trust, as a Distribution Director.

Devon will be compensated from the trust administration fees for this referral. See Item 10, "Other Financial Industry Activities & Affiliations" for other disclosures relating to affiliated business activities.

PERFORMANCE-BASED FEES & SIDE-BY-SIDE MANAGEMENT

ITEM 6

We do not charge fees based on a share of capital gains or the capital appreciation of the assets held in your accounts.

TYPES OF CLIENTS

ITEM 7

The types of clients we refer to Portfolio Managers are disclosed under “Who We Are” in Item 4, the “Advisory Business” section. Since we do not manage assets, we do not have a minimum portfolio account size; however, such minimums maybe required by the Portfolio Manager hired to manage your account.

METHODS OF ANALYSIS, INVESTMENT STRATEGIES & RISK OF LOSS

ITEM 8

We **do not** provide on-going advisory services and we **do not** manage portfolio accounts. The specific methods of analysis, investment strategies, and risk management will be handled at the discretion of the Portfolio Manager.

DISCIPLINARY INFORMATION

ITEM 9

Neither the Company nor any of its management persons has been the subject of any criminal or civil litigation, self-regulatory organization/administrative proceeding at any time during the past ten years.

OTHER FINANCIAL INDUSTRY ACTIVITIES & AFFILIATIONS

ITEM 10

Financial Industry Affiliations

The Managing Members of Devon: Scott H. Freeman, Sean J. Coleman, and Kyle M. Bollman, in one or more companies, may: (i) serve as a member on the Board of Directors and/or as an officer or partner in which they have other managerial duties; (ii) serve on an Investment Committee; (iii) act simply as a passive shareholder; and/or (iv) provide additional services as a representative of that entity. These personal business interests are separate and distinct from the operations of Devon, including certain advising and consulting activities that are beyond the scope of services we provide. Those businesses that are financial industry related are listed as follows:

- ❖ **DTI Funds Holding, LLC** - DTI Funds is a majority shareholder of Alpha Artists, LLC. Alpha Artists provides solutions to enhance risk assessments on insurance-based products using predictive annuity algorithms. Mr. Coleman and Mr. Bollman are each Members of DTI Funds with limited operational involvement of Alpha Artists.
- ❖ **Investment Horizons, LLC** - Investment Horizons is a majority shareholder of Applied Investment Strategies, LLC (“AIS”). AIS is a Texas based registered investment advisor specializing in designing portfolio risk-mitigation algorithms. Mr. Coleman and Mr. Bollman are each Members of Investment Horizons with limited operational involvement of AIS.
- ❖ **Sage Settlement Consulting, LLC** - Sage Settlement is a general insurance agency offering full-service settlement planning solutions for structured settlements. Sage Settlements is majority owned by two separate entities that are in turn owned by the Managing Members of Devon. Through these entities, the Managing Members control the operations of Sage Settlement.

- ❖ **Archer Systems, LLC** - Archer offers comprehensive pre- and post-settlement services, including healthcare lien resolution, Qualified Settlement Fund and treasury management, medical record review, claims administration, bankruptcy and probate coordination services, and Medicare Set-Asides. Mr. Freeman is a Managing Member and co-Chairman of Archer with influencing control over the operations of Archer.
- ❖ **Integrated Financial Settlements, Inc.** - Integrated Financial Settlements ("IFS") is a general insurance agency dedicated to bringing care and financial security to individuals and families who have experienced personal injury. IFS is wholly owned by Growth Settlements II, LLC that Mr. Coleman and Mr. Bollman are each Members that control IFS operations.
- ❖ **Structures, LLC** - Structures is a general insurance agency and leading innovator and manufacturer of cutting-edge settlement solutions for plaintiffs and their legal counsel. Structures is majority owned by Plaintiff Settlement Solutions, LLC with Mr. Freeman, Mr. Coleman and Mr. Bollman as Members that control Structures operations.
- ❖ **Freeman Financial Services, LLC** - Freeman Financial is Mr. Freeman's personal entity for cases involving structured settlement and fixed annuity insurance business. Mr. Freeman is the sole owner of Freeman Financial and provides operational oversight of the business.

Potential Time Management Conflict

In addition to the Managing Members' affiliation with financial industry related businesses, they each manage and operate separate non-industry related companies. Their time devoted to all these different companies can range from 50% to 100% of their time depending on their responsibilities, operating constraints, and administrative duties. The Managing Members' responsibilities to these different companies can create a time management conflict, which might impede their ability to address your needs when hiring a Portfolio Manager. You should consider this conflict of interest before making your final decision to engage us for advisory services. Regardless, the Managing Members feel their responsibilities to these other businesses will have little impact on the referral services offered by Devon since we do not manage investment accounts.

Conflicts Working with Affiliated Entities

Referral to, from, and between the above-named entities the Managing Members own creates a potential conflict of interest to our fiduciary duty to be impartial with our advice and to keep your interests ahead of our own. As control persons, shareholders, and/or representatives in each of the above-named entities, the Managing Members are able to influence the direction of investment activities - keeping all services in house.

Accepting any of the Managing Members' recommendations to use one of the above-named entities, can lead to increased personal revenues in the form of advisory/referral fees, salary, income/dividend returns, bonuses, and incentive fees. Therefore, before accepting any recommendation to engage an affiliated company, you may wish to consider other options to ensure that the services from our affiliates are comparable or equivalent to the service you might receive from other independent firms.

Insurance Company Activities & Affiliations

The Managing Members of Devon: Scott H. Freeman, Sean J. Coleman, and Kyle M. Bollman are licensed as life, health, annuity, insurance agents in the state where they reside. As agents, each of the Managing Members are licensed to sell insurance-related products and earn commissions from the sale of these products. A conflict of interest can potentially occur when,

as a trusted advisor, they recommend you purchase an insurance product in which they will earn a commission. This can create a situation of divided loyalty and the objectivity of the advice we render could be subjective and create a disadvantage to you.

Therefore, keep in mind you are under no obligation to accept recommendations that you purchase insurance related products. **You are free to reject our recommendation** or, if you need the insurance, to choose the insurance agency, agent, and insurance company from whom to purchase the insurance. However, if you elect to purchase the insurance, regardless of where, and from whom you purchase it, such person will be entitled to earn a commission.

CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS & PERSONAL TRADING

ITEM 11

Code of Ethics

As a fiduciary, we have an affirmative duty to render continuous, unbiased investment advice, and at all times act in your best interest. To maintain this ethical responsibility, we have adopted a Code of Ethics that establishes the fundamental principles of conduct and professionalism expected by all personnel in discharging their duties. This Code is a value-laden guide committing such persons to uphold the highest ethical standards, rooted in the most elementary maxim - to do right by others. Our Code of Ethics is designed to deter inappropriate behavior and heighten awareness as to what is right, fair, just and good by promoting:

- ❖ Honest and ethical conduct.
- ❖ Full, fair and accurate disclosure.
- ❖ Compliance with applicable rules and regulations.
- ❖ Reporting of any violation of the Code.
- ❖ Accountability.

To help you understand our ethical culture and standards, how we control sensitive information and what steps have been taken to prevent personnel from abusing their inside position, a copy of our Code of Ethics is available for review upon request.

Client Transactions

Even though we only act as a referring advisor and have no on-going relationship to advise you on your asset management account, we do however recognize we have a fiduciary duty to ensure that your welfare is not subordinated to any interests of ours or to any of our personnel. Therefore, we have adopted the following internal guidelines to assist us in your protection.

Insider Trading Policy

We comply with the Insider Trading and Securities Fraud Enforcement Act of 1988. We do not share any non-public information with anyone who does not need to know and have established internal controls to guard your personal information.

Class Action Policy

The Company, as a general policy, does not elect to participate in class action lawsuits on your behalf. Rather, such decisions shall remain with you or with an entity you designate.

BROKERAGE PRACTICES

ITEM 12

We will make available a select group of Portfolio Managers from which you may choose to manage your account(s). **The brokerage practices of the Portfolio Manager will be disclosed in their ADV Part 2A: Firm Brochure or Part 2A Appendix 1: Wrap Fee Program Brochure, which we will provide you prior to, or at the same time as, opening an account.**

We make no representation that the Portfolio Manager with which we refer you has the best investment performance or lowest management costs. In addition, your selection of such Portfolio Managers will be limited to those with whom we have entered into service agreements. **Therefore, it is possible that you might be able to contract for similar services elsewhere or separately, with equivalent or better performance and at lower cost.**

Furthermore, **the fee we earn can vary from Portfolio Manager creating an incentive for us to recommend the Portfolio Manager that would pay us a larger referral fee.** This can create a situation of divided loyalty and the objectivity of the advice we render subjective and a disadvantage to you. Therefore, in situations where we recommend similar Portfolio Managers to manage your account, we will clearly indicate the fee we could earn from each Portfolio Manager for you to make an informed decision.

REVIEW OF ACCOUNTS

ITEM 13

We are strictly a referring advisor registered to introduce Portfolio Managers to manage your investable assets. When your relationship is established with a Portfolio Manager, we step-away and have no further interaction with you in an advisory capacity. Any on-going reviews will be handled at the discretion of the Portfolio Manager.

CLIENT REFERRALS & OTHER COMPENSATION

ITEM 14

We do not compensate persons/firms for client referrals.

CUSTODY

ITEM 15

We are strictly a referring advisor registered to introduce Portfolio Managers to manage your investable assets. When your relationship is established with a Portfolio Manager, we step-away and have no further interaction with you in an advisory capacity. You will want to consult the Portfolio Manager's Disclosure Brochure on their custody arrangements.

INVESTMENT DISCRETION

ITEM 16

We are strictly a referring advisor registered to introduce Portfolio Managers to manage your investable assets. We do not take investment discretion on your accounts.

VOTING CLIENT SECURITIES

ITEM 17

We are strictly a referring advisor registered to introduce Portfolio Managers to manage your investable assets. You will want to consult the Portfolio Manager's Disclosure Brochure on their proxy voting policy.

FINANCIAL INFORMATION

ITEM 18

We do not take physical custody of any funds or securities and we do not bill management fees. We are strictly a referring advisor registered to introduce Portfolio Managers to manage your investable assets.

We are not aware of any current financial conditions that are likely to impair our ability to meet our commitments to you. In addition, the Company has not, nor have any of our officers and directors, been the subject of a bankruptcy petition at any time during the past ten years.

END OF DISCLOSURE BROCHURE