



STEGENT EQUITY ADVISORS, INC.

Financial Planning • Investments • Tax

Loyd J. Stegent, CPA/PFS, CFP®

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This brochure supplement provides information about Loyd J. Stegent that supplements the Stegent Equity Advisors, Inc. brochure. You should have received a copy of that brochure. Please contact Loyd Stegent at 713-840-9300 x104 if you did not receive Stegent Equity Advisors, Inc.'s brochure or if you have any questions about the contents of this supplement.

Additional information about Loyd J. Stegent is available on the SEC's website at www.adviserinfo.sec.gov. Registration does not imply a certain level of skill or training.

EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE

Loyd J. Stegent, CPA/PFS, CFP®, born 1963

Business Background:

President, Stegent Equity Advisors, Inc., 10/95 to present

President, Stegent Financial Services, PC, 01/96 to present

Education:

University of Houston, BBA in Accounting, 1985

Mr. Stegent is the founder and President of Stegent Financial Services, PC, a Houston-based CPA firm that focuses on tax compliance for high net worth individuals. He is also the founder and President of Stegent Equity Advisors, Inc., a fee-for-service investment and financial counseling firm in Houston, Texas, that serves the clients of Stegent Financial Services, PC.

He is a former Manager of Financial Counseling Services with Deloitte & Touche, LLP and has over 30 years of experience serving the tax, financial and investment planning needs of families, entrepreneurs and charitable organizations. He is a Certified Financial Planner and one of a limited number of Certified Public Accountants with the Personal Financial Specialist designation. His firm is a Registered Investment Advisor. Registration does not require or imply a certain level of skill or training.

His practice focuses on individual wealth creation and preservation, including income and estate tax minimization, investment and retirement planning and insurance needs analysis. He assists clients in the development of their financial and investment plans, providing the foundation for the selection of independent money managers best suited to their financial needs.

He is an active member of many professional organizations, including the American Institute of Certified Public Accountants Personal Financial Planning Division and the Financial Planning Association of Houston. He has previously served on the Texas Society of CPAs Professional Ethics Committee and as a member of the Board of Directors of the Texas Society of CPAs and the Houston CPA Chapter.

The CPA License

CPAs are licensed and regulated by their state boards of accountancy. While state laws and regulations vary, the education, experience and testing requirements for licensure as a CPA generally include minimum college education (typically 150 credit hours with at least a baccalaureate degree and a concentration in accounting), minimum experience levels (most states require at least one year of experience providing services that involve the use of accounting, attest, compilation, management advisory, financial advisory, tax or consulting skills, all of which must be achieved under the supervision of or verification by a CPA), and successful passage of the Uniform CPA Examination. To maintain a CPA license, states generally require the completion of 40 hours of continuing professional education (CPE) each year (or 80 hours over a two-year period or 120 hours over a three-year period). Additionally, all American Institute of Certified Public Accountants (AICPA) members are required to follow a rigorous *Code of Professional Conduct* which requires that they act with integrity, objectivity, due care, competence, fully disclose any conflicts of interest (and obtain client consent if a

conflict exists), maintain client confidentiality, disclose to the client any commission or referral fees, and serve the public interest when providing financial services. The clear majority of state boards of accountancy have adopted the AICPA's *Code of Professional Conduct* within their state accountancy laws or have created their own.

The PFS Credential

The PFS credential demonstrates that an individual has met the minimum education, experience and testing required of a CPA in addition to a minimum level of expertise in personal financial planning. To attain the PFS credential, a candidate must hold an unrevoked CPA license, fulfill 3,000 hours of personal financial planning business experience, complete 80 hours of personal financial planning CPE credits, pass a comprehensive financial planning exam and be an active member of the AICPA. A PFS credential holder is required to adhere to AICPA's *Code of Professional Conduct* and is encouraged to follow AICPA's *Statement on Responsibilities in Financial Planning Practice*. To maintain their PFS credential, the recipient must complete 60 hours of financial planning CPE credits every three years. The PFS credential is administered through the AICPA.

The CFP® Certification

The CFP® certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP® certification. It is recognized in the United States and several other countries for its (1) high standard of professional education, (2) stringent code of conduct and standards of practice and (3) ethical requirements that govern professional engagements with clients.

To attain the right to use the CFP® marks, an individual must satisfactorily fulfill the following requirements:

- Education – Complete an advanced college-level course of study addressing the financial planning subject areas that CFP Board's studies have determined as necessary.
- Examination – Pass the comprehensive CFP® Certification Examination, a 6-hour exam.
- Experience – Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year).
- Ethics – Agree to be bound by CFP Board's *Standards of Professional Conduct*, a set of documents outlining the ethical and practice standards for CFP® professionals.

Individuals who become certified must complete the following ongoing education and ethics requirements to maintain the right to continue to use the CFP® marks:

- Continuing Education – Complete 30 hours of continuing education hours every two years.
- Ethics – Renew an agreement to be bound by the *Standards of Professional Conduct*.

CFP® professionals who fail to comply with the above standards and requirements may be subject to CFP Board's enforcement process, which could result in suspension or permanent revocation of their CFP® certification.

DISCIPLINARY INFORMATION

There are no legal or disciplinary events which might be material to a client's or prospective client's evaluation of Mr. Stegent.

OTHER BUSINESS ACTIVITIES

Lloyd Stegent, President of Stegent Equity Advisors, Inc., is also President of Stegent Financial Services, PC, which is an accounting firm where he gets compensated separately for tax compliance services. Some of the clients of the accounting firm may become investment advisory clients, and vice versa.

He spends approximately 25% of his time as a practicing CPA.

ADDITIONAL COMPENSATION

Mr. Stegent does not receive economic benefit from any non-client source.

SUPERVISION

Mr. Stegent is the senior person and does not have a supervisor.