

Uniform Application for Investment Adviser Registration

OMB APPROVAL	
OMB Number:	3235-0049
Expires:	February 28, 2011
Estimated average burden hours per response	4.07

Name of Investment Adviser: Houston Asset Management, Inc.				
Address: (Number and Street)	(City)	(State)	(Zip Code)	Area Code Telephone Number
1800 West Loop South #1980	Houston	TX	77027	(713) 629-1534

**This part of Form ADV gives information about the investment adviser and its business for the use of clients.
The information has not been approved or verified by any governmental authority.**

Table of Contents

<u>Item Number</u>	<u>Item</u>	<u>Page</u>
1	Advisory Services and Fees	2
2	Types of Clients	2
3	Types of Investments	3
4	Methods of Analysis, Sources of Information and Investment Strategies	3
5	Education and Business Standards	4
6	Education and Business Background	4
7	Other Business Activities	4
8	Other Financial Industry Activities or Affiliations	4
9	Participation or Interest in Client Transactions	5
10	Conditions for Managing Accounts	5
11	Review of Accounts	5
12	Investment or Brokerage Discretion	6
13	Additional Compensation	6
14	Balance Sheet	6
	Continuation Sheet	Schedule F
	Balance Sheet, if required	Schedule G

(Schedules A, B, C, D, and E are included with Part I of this Form, for the use of regulatory bodies, and are not distributed to clients.)

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

1. A. Advisory Services and Fees. (check the applicable boxes) For each type of service provided, state the approximate % of total advisory billings from that service. (See instruction below.)

Applicant:

<input checked="" type="checkbox"/>	(1)	Provides investment supervisory services	<u>75</u>	%
<input type="checkbox"/>	(2)	Manages investment advisory accounts not involving investment supervisory services	_____	%
<input checked="" type="checkbox"/>	(3)	Furnishes investment advice through consultations not included in either service described above	<u>5</u>	%
<input type="checkbox"/>	(4)	Issues periodicals about securities by subscription	_____	%
<input type="checkbox"/>	(5)	Issues special reports about securities not included in any service described above	_____	%
<input type="checkbox"/>	(6)	Issues, not as part of any service described above, any charts, graphs, formulas, or other devices which clients may use to evaluate securities	_____	%
<input checked="" type="checkbox"/>	(7)	On more than an occasional basis, furnishes advice to clients on matters not involving securities	<u>10</u>	%
<input type="checkbox"/>	(8)	Provides a timing service	_____	%
<input checked="" type="checkbox"/>	(9)	Furnishes advice about securities in any manner not described above	<u>10</u>	%

(Percentages should be based on applicant's last fiscal year. If applicant has not completed its first fiscal year, provide estimates of advisory billings for that year and state that the percentages are estimates.)

B. Does applicant call any of the services it checked above financial planning or some similar term? Yes No

C. Applicant offers investment advisory services for: (check all that apply)

<input checked="" type="checkbox"/>	(1)	A percentage of assets under management	<input type="checkbox"/>	(4)	Subscription fees
<input checked="" type="checkbox"/>	(2)	Hourly charges	<input type="checkbox"/>	(5)	Commissions
<input checked="" type="checkbox"/>	(3)	Fixed fees (not including subscription fees)	<input type="checkbox"/>	(6)	Other

D. For each checked box in A above, describe on Schedule F:

- the services provided, including the name of any publication or report issued by the adviser on a subscription basis or for a fee
- applicant's basic fee schedule, how fees are charged and whether its fees are negotiable
- when compensation is payable, and if compensation is payable before service is provided, how a client may get a refund or may terminate an investment advisory contract before its expiration date

2. Types of Clients — Applicant generally provides investment advice to: (check those that apply)

<input checked="" type="checkbox"/>	A.	Individuals	<input checked="" type="checkbox"/>	E.	Trusts, estates, or charitable organizations
<input type="checkbox"/>	B.	Banks or thrift institutions	<input checked="" type="checkbox"/>	F.	Corporations or business entities other than those listed above
<input type="checkbox"/>	C.	Investment companies	<input type="checkbox"/>	G.	Other (describe on Schedule F)
<input checked="" type="checkbox"/>	D.	Pension and profit sharing plans			

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).

3. Types of Investments. Applicant offers advice on the following: (check those that apply)

- A. Equity securities
 - (1) exchange-listed securities
 - (2) securities traded over-the-counter
 - (3) foreign issuers
- B. Warrants
- C. Corporate debt securities (other than commercial paper)
- D. Commercial paper
- E. Certificates of deposit
- F. Municipal securities
- G. Investment company securities:
 - (1) variable life insurance
 - (2) variable annuities
 - (3) mutual fund shares
- H. United States government securities
- I. Options contracts on:
 - (1) securities
 - (2) commodities
- J. Futures contracts on:
 - (1) tangibles
 - (2) intangibles
- K. Interests in partnerships investing in:
 - (1) real estate
 - (2) oil and gas interests
 - (3) other (explain on Schedule F)
- L. Other (explain on Schedule F)

4. Methods of Analysis, Sources of Information, and Investment Strategies.

- A. Applicant's security analysis methods include: (check those that apply)
- (1) Charting
 - (2) Fundamental
 - (3) Technical
 - (4) Cyclical
 - (5) Other (explain on Schedule F)

- B. The main sources of information applicant uses include: (check those that apply)
- (1) Financial newspapers and magazines
 - (2) Inspections of corporate activities
 - (3) Research materials prepared by others
 - (4) Corporate rating services
 - (5) Timing services
 - (6) Annual reports, prospectuses, filings with the Securities and Exchange Commission
 - (7) Company press releases
 - (8) Other (explain on Schedule F)

- C. The investment strategies used to implement any investment advice given to clients include: (check those that apply)
- (1) Long term purchases (securities held at least a year)
 - (2) Short term purchases (securities sold within a year)
 - (3) Trading (securities sold within 30 days)
 - (4) Short sales
 - (5) Margin transactions
 - (6) Option writing, including covered options, uncovered options, or spreading strategies
 - (7) Other (explain on Schedule F)

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).

5. Education and Business Standards.

Are there any general standards of education or business experience that applicant requires of those involved in determining or giving investment advice to clients? Yes No

(If yes, describe these standards on Schedule F.)

6. Education and Business Background.

For:

- each member of the investment committee or group that determines general investment advice to be given to clients, or
- if the applicant has no investment committee or group, each individual who determines general investment advice given to clients (if more than five, respond only for their supervisors)
- each principal executive officer of applicant or each person with similar status or performing similar functions.

On Schedule F, give the:

- name
- formal education after high school
- year of birth
- business background for the preceding five years

7. Other Business Activities. (check those that apply)

- A. Applicant is actively engaged in a business other than giving investment advice.
- B. Applicant sells products or services other than investment advice to clients.
- C. The principal business of applicant or its principal executive officers involves something other than providing investment advice.

(For each checked box describe the other activities, including the time spent on them, on Schedule F.)

8. Other Financial Industry Activities or Affiliations. (check those that apply)

- A. Applicant is registered (or has an application pending) as a securities broker-dealer.
- B. Applicant is registered (or has an application pending) as a futures commission merchant, commodity pool operator or commodity trading adviser.
- C. Applicant has arrangements that are material to its advisory business or its clients with a related person who is a:
 - (1) broker-dealer
 - (2) investment company
 - (3) other investment adviser
 - (4) financial planning firm
 - (5) commodity pool operator, commodity trading adviser or futures commission merchant
 - (6) banking or thrift institution
 - (7) accounting firm
 - (8) law firm
 - (9) insurance company or agency
 - (10) pension consultant
 - (11) real estate broker or dealer
 - (12) entity that creates or packages limited partnerships

(For each checked box in C, on Schedule F identify the related person and describe the relationship and the arrangements.)

D. Is applicant or a related person a general partner in any partnership in which clients are solicited to invest? Yes No

(If yes, describe on Schedule F the partnerships and what they invest in.)

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).

9. Participation or Interest in Client Transactions.

Applicant or a related person: (check those that apply)

- A. As principal, buys securities for itself from or sells securities it owns to any client.
- B. As broker or agent effects securities transactions for compensation for any client.
- C. As broker or agent for any person other than a client effects transactions in which client securities are sold to or bought from a brokerage customer.
- D. Recommends to clients that they buy or sell securities or investment products in which the applicant or a related person has some financial interest.
- E. Buys or sells for itself securities that it also recommends to clients.

(For each box checked, describe on Schedule F when the applicant or a related person engages in these transactions and what restrictions, internal procedures, or disclosures are used for conflicts of interest in those transactions.)

Describe, on Schedule F, your code of ethics, and state that you will provide a copy of your code of ethics to any client or prospective client upon request.

- 10. Conditions for Managing Accounts.** Does the applicant provide investment supervisory services, manage investment advisory accounts or hold itself out as providing financial planning or some similarly termed services *and* impose a minimum dollar value of assets or other conditions for starting or maintaining an account? Yes No
-

(If yes, describe on Schedule F.)

11. Review of Accounts. If applicant provides investment supervisory services, manages investment advisory accounts, or holds itself out as providing financial planning or some similarly termed services:

- A. Describe below the reviews and reviewers of the accounts. **For reviews**, include their frequency, different levels, and triggering factors. **For reviewers**, include the number of reviewers, their titles and functions, instructions they receive from applicant on performing reviews, and number of accounts assigned each.

SEE SCHEDULE F

- B. Describe below the nature and frequency of regular reports to clients on their accounts.

SEE SCHEDULE F

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).

12. Investment or Brokerage Discretion.

- A. Does applicant or any related person have authority to determine, without obtaining specific client consent, the:
- | | | |
|--|------------------------------|--|
| (1) securities to be bought or sold? | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> |
| (2) amount of the securities to be bought or sold? | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> |
| (3) broker or dealer to be used? | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> |
| (4) commission rates paid? | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> |

- B. Does applicant or a related person suggest brokers to clients? Yes No

For each yes answer to A describe on Schedule F any limitations on the authority. For each yes to A(3), A(4) or B, describe on Schedule F the factors considered in selecting brokers and determining the reasonableness of their commissions. If the value of products, research and services given to the applicant or a related person is a factor, describe:

- the products, research and services
- whether clients may pay commissions higher than those obtainable from other brokers in return for those products and services
- whether research is used to service all of applicant's accounts or just those accounts paying for it; and
- any procedures the applicant used during the last fiscal year to direct client transactions to a particular broker in return for products and research services received.

13. Additional Compensation.

Does the applicant or a related person have any arrangements, oral or in writing, where it:

- A. is paid cash by or receives some economic benefit (including commissions, equipment or non-research services) from a non-client in connection with giving advice to clients? Yes No
- B. directly or indirectly compensates any person for client referrals? Yes No

(For each yes, describe the arrangements on Schedule F.)

14. Balance Sheet. Applicant must provide a balance sheet for the most recent fiscal year on Schedule G if applicant:

- has custody of client funds or securities (unless applicant is registered or registering only with the Securities and Exchange Commission); or
 - requires prepayment of more than \$500 in fees per client and 6 or more months in advance
- Has applicant provided a Schedule G balance sheet? Yes No

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: Houston Asset Management, Inc.	IRS Empl. Ident. No.:
--	-----------------------

Item of Form (identify)	Answer
1.D.	<p style="text-align: center;">INTRODUCTION</p> <p>This Brochure provides information about the qualifications and business practices of Houston Asset Management, Inc. (“Adviser”). Please contact John Payne if you have any questions about the contents of this Brochure. The information in this Brochure has not been approved or verified by the U.S. Securities and Exchange Commission or by any State securities authority.</p> <p>Additional information about Adviser is available on the Internet at:</p> <p>http://www.adviserinfo.sec.gov/IAPD/Content/IapdMain/iapd_SiteMap.aspx.</p> <p>You can search this site by a unique identifying number, known as a CRD number. The CRD number for Adviser is 114126.</p> <p>Adviser is an investment adviser registered with the Texas and Louisiana securities regulatory authorities, and its investment adviser representatives (the “IARs”) are registered as investment advisory representatives providing advisory services on behalf of Adviser. Separate and apart from their registration as advisory representatives of the Adviser, the IARs are also associated with SagePoint Financial, Inc. (“SagePoint”), which is a broker-dealer and investment adviser registered with the United States Securities and Exchange Commission. SagePoint is also a member of the Financial Industry Regulatory Authority (“FINRA”), and is registered with various state securities regulatory authorities.</p> <p>SagePoint and Adviser are independent companies that do not share common ownership. Because the same IARs provide investment advisory services on behalf of Adviser and provide brokerage services on behalf of SagePoint, it is important for Clients to understand which products and services are being provided by each company. Unless stated otherwise below or in the Client agreement, all investment advisory services are provided by Adviser, and all brokerage services are provided by SagePoint and its clearing firm, Pershing, LLC.</p> <p style="text-align: center;">INVESTMENT ADVISORY SERVICES</p> <p>Adviser offers a variety of investment advisory services to meet the needs of its Clients. Generally, Adviser provides its Clients with one or more of the following services:</p> <p>VISION2020 Advisory Program (“Vision2020 Program”) Through the Vision2020 Program, Adviser manages Client accounts (including variable annuity subaccounts) on a non-discretionary basis.</p> <p>Third-Party Investment Advisory Services Program (“Third-Party Advisory Program”) Through the Third-Party Advisory Program, Adviser recommends and monitors one or more third-party investment advisers to manage all or a portion of the Client’s account.</p>

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: Houston Asset Management, Inc.	IRS Empl. Ident. No.:
--	-----------------------

Item of Form (identify)	Answer
1.A.1.	<p>Financial Planning Services</p> <p>Through its financial planning services, Adviser analyzes the Client’s current and anticipated financial condition, investment goals and objectives, risk tolerance, investment time horizon, among other factors, and provides a plan recommending the purchase or sale of securities or insurance products, and other actions to take to achieve the Client’s objectives.</p> <p>This Brochure discusses Adviser’s services and Adviser’s fees for such services. Each account will enter into an advisory agreement with Adviser which describes the nature and extent of Adviser’s services, the terms and conditions applicable to such services, and the fees to be charged for that account. The services, terms, conditions, and fees described in an account’s advisory agreement may differ from the information in this Brochure. In the event of any difference between the information in this Brochure and the advisory agreement, the advisory agreement shall control.</p> <p>In addition to the services described below, Adviser may, when it deems appropriate, provide other investment advisory services upon request of a Client. The nature and extent of such services, the terms and conditions applicable to such services, and the fees to be charged will be described in the account’s advisory agreement with Adviser.</p> <p><u>DIRECT ASSET ALLOCATION SERVICES THROUGH THE VISION2020 ADVISOR PROGRAM</u></p> <p>Separate and apart from their registration as Advisory Representatives of the Adviser, the Investment Advisory Representatives are also Financial Advisors (“FAs”) of SagePoint Financial, Inc., (“SagePoint”), a SEC registered broker dealer and investment adviser. SagePoint is also a member of the Financial Industry Regulatory Authority (“FINRA”) and various other regulatory bodies. SagePoint does not provide any investment advisory services in conjunction with or as part of the financial planning and/or investment advisory services provided by the Adviser.</p> <p>SagePoint sponsors the VISION2020Advisor Program (the "Program"). Their FAs offer the Program, in their capacity as the Adviser’s Investment Advisory Representatives (“Investment Advisory Representatives”).</p> <p>The Program provides comprehensive investment management of Client assets through the provision of asset allocation planning software as well as execution, clearing and custodial services. With respect to its asset allocation services, the Program utilizes Ibbotson Associates to provide Clients access to risk tolerance assessment, efficient frontier plotting, fund profiling and performance data, as well as portfolio optimization and re-balancing tools.</p> <p>The Client, by selection available on Investment Advisory Client Services Agreement, will authorize the Investment Advisory Representative on behalf of Adviser to manage Client’s Program accounts on a discretionary or non-discretionary basis. The Investment Advisory Representatives will recommend load waived and no-load mutual funds, and other equity and debt securities. The Investment Advisory Representative may involve the sale of options and/or the use of other option strategies. The Investment Advisory Representative may also involve the use of borrowed money, or the use of “margin” within the Client account.</p>

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: Houston Asset Management, Inc.	IRS Empl. Ident. No.:
Item of Form (identify)	Answer
	<p>In a discretionary account, the Investment Advisory Representative will have discretionary limited buying and selling authority in the account on an as needed basis.</p> <p>In a non-discretionary account, the Investment Advisory Representative will recommend load waived and no-load mutual funds, and other equity and debt securities, for review and approval by their Clients. The Investment Advisory Representative will only purchase or sell securities, which have been approved by Clients in advance. Also, standing Agreements between the Adviser and the Client to maintain prior agreed upon static reallocation will not be considered use of discretion by the Adviser’s Investment Advisory Representatives.</p> <p>In addition, upon prior agreement with the Investment Advisory Representative and their Clients, Clients may grant such Investment Advisory Representative limited discretion authorizing to hold, buy or sell securities in their accounts.</p> <p>The Program offers both a wrap and an unbundled pricing structure. <u>Please note that the same or similar services may be available elsewhere at a lower cost to the Client.</u></p> <p>Wrap Pricing: The wrap pricing structure allows the Client to pay an all-inclusive fee for management, execution and administrative services. Clients should consider that depending upon the level of the wrap fee charges, the amount of portfolio activity in their accounts, the value of services that are provided under the Program, and other factors, the wrap fee may or may not exceed the aggregate cost of services if they were to be provided separately.</p> <p>Unbundled Pricing: As an alternative to the wrap pricing structure, the transaction charges can be unbundled from the advisory and administrative fees. This pricing arrangement may be more cost effective for accounts that do not experience frequent trading activity. Depending on the level of trading activity in the account, Clients may or may not pay higher total costs than the wrap pricing structure.</p> <p>.</p> <p><u>For further details on the Program, including costs, please refer to the VISION2020Advisor Schedule H Wrap Brochure.</u></p> <p>An Addendum A to the VISION2020Advisor Client Services Agreement (“Advisory Agreement”), will modify the Advisory Agreement as set forth below. All capitalizations herein shall have the same meanings as in the Advisory Agreement.</p> <p>Adviser’s Investment Advisory Representative(s) utilizing the VISION2020Advisor Program sponsored by SagePoint may provide variable Annuity Sub-Account services. The Investment Advisory Representative will obtain the necessary financial data from Client to assist Client in determining suitability for investment in Program. The information provided by Client will include a brief description of the investment objectives, guidelines and financial objectives for the Program VA(s). The Investment Advisory Representative will be available to Client on an on-going basis to monitor any changes in Client’s financial circumstances or investment objectives.</p> <p>Client retains Adviser to manage the Program VA(s) through one of the following mechanisms:</p>

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: Houston Asset Management, Inc.	IRS Empl. Ident. No.:
--	-----------------------

Item of Form (identify)	Answer
	<p>1. Non-Discretionary Rebalancing Limited To Maintaining Initial Agreed Upon Asset Allocation.</p> <p>Client by initialing the Addendum A to Investment Advisory Services Agreement appoints the Investment Advisory Representative on behalf of Adviser to manage Client's Program VA(s) in accordance with the investment objectives selected by Client, and subject to Client meeting the minimum Program Account size. The Investment Advisory Representative on behalf of Adviser shall allocate Program VA(s) sub-accounts, as part of the initial Client asset allocation, which Client will review and approve. The Investment Advisory Representative on behalf of Adviser may periodically, without prior Client consent, rebalance Client Program VA(s), sub-accounts to maintain the initial agreed upon asset allocation. However, the Investment Advisory Representative will not make changes to the initial Program VA(s), sub-account allocation without prior Client review and approval.</p> <p>2. Discretionary Trading Authorization</p> <p>Client by initialing the Addendum A to Investment Advisory Services Agreement appoints Investment Advisory Representative on behalf of Adviser to manage Client's Program VA(s) sub-accounts on a discretionary basis in accordance with the investment objectives selected by Client, and subject to Client meeting the minimum Program Account size. The Investment Advisory Representative agrees to manage the Program VA(s) sub-accounts on a discretionary basis in accordance with the investment objectives selected by Client, Advisory Representative on behalf of Adviser may reallocate program VA(s) sub-accounts without prior Client consent.</p> <p>Due to the unique nature of Variable Annuities, they must be maintained directly with the Variable Annuity sponsor. Neither Investment Advisory Representative nor Adviser creates or forwards Client Account Statements or Confirmations for Program VA(s). This responsibility remains exclusively with the Variable Annuity sponsor. All sub-account reallocations will be directed to and executed at the Variable Annuity sponsor.</p> <p>VA PROGRAM COMPENSATION</p> <p>As a participant in the VA Program, Client shall pay an Account Fees for Program VA(s) in the account. Program VA(s) are not assessed transaction fees since the reallocation of transactions are placed directly with the Variable Annuity sponsor. A portion of the Account Fees will be paid to SagePoint for its administrative services provided in sponsoring the Program.</p> <p>In the event that the Investment Advisory Representative received a selling commission with respect to any Program VA within two years of the date of this addendum, the Advisory Fee for the services described herein shall be offset. In order to determine the transactions subject to this fee exclusion, the Investment Advisory Representatives and the Client will complete the Addendum A schedule together with attaching supporting documentation evidencing the actual date of purchase of Program VA(s) within the past two years.</p> <p>A). Schedule Of Account Fees</p>

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: Houston Asset Management, Inc.	IRS Empl. Ident. No.:
--	-----------------------

Item of Form (identify)	Answer																						
1.A.3.	<table style="width:100%"> <tr> <td style="width:50%">Asset Size</td> <td style="width:50%">Account Fee Range</td> </tr> <tr> <td>Minimum and Maximum</td> <td>Total Client Fee</td> </tr> <tr> <td>\$50,000 - \$99,999.99</td> <td>0.250% - 2.50%</td> </tr> <tr> <td>\$100,000 - \$249,999.99</td> <td>0.200% - 2.30%</td> </tr> <tr> <td>\$250,000 - \$499,999.99</td> <td>0.175% - 2.05%</td> </tr> <tr> <td>\$500,000 - \$749,999.99</td> <td>0.150% - 1.80%</td> </tr> <tr> <td>\$750,000 - \$1,249,999.99</td> <td>0.125% - 1.55%</td> </tr> <tr> <td>\$1,250,000 - \$1,999,999.99</td> <td>0.100% - 1.30%</td> </tr> <tr> <td>\$2,000,000 - \$4,999,999.99</td> <td>0.075% - 1.05%</td> </tr> <tr> <td>\$5,000,000 - \$24,999,999.99</td> <td>0.050% - 1.05%</td> </tr> <tr> <td>Over \$25,000,000</td> <td>0.025% - 0.80%</td> </tr> </table> <p>In addition, the Client may incur certain charges imposed by third parties other than Adviser in connection with Program VA(s), including but not limited to internal Variable Annuity sponsor fees, as well as 12b-1 or other distribution Fees (trail commissions) on certain underlying sub-accounts. In addition, there may be certain deferred sales charges on previously purchased variable annuities as well as IRA and Qualified Retirement Plan fees.</p> <p>For further details on the Program, including costs, please refer to the VISION2020Advisor Schedule H Wrap Brochure.</p> <p style="text-align:center"><u>Selection, Recommendation, Due Diligence And Performance Review Of Third Party Investment Advisory Services</u></p> <p>Adviser or SagePoint has entered into agreements with various third party investment advisers ("Third Party Advisers") pursuant to which Adviser's Clients may participate in investment programs ("Third Party Advisory Programs") offered by or through the Third Party Adviser. If the IAR determines it appropriate based upon the individual needs and objectives of Client, the IAR may recommend that Client participate in one or more of the Third Party Advisory Programs.</p> <p><u>Selection of Third-Party Advisory Programs.</u> Among the factors an IAR may consider in recommending a Third Party Advisory Service are the following: i) the IAR's preference for a particular Third Party Adviser or Program; ii) the Client's risk tolerance, goals and objectives, as well as investment experience; and, iii) the size of Client assets available for investment. In order to assist in the selection of a Third Party Advisory Program, the IAR will typically gather information from the Client about the Client's financial situation, investment objectives, and reasonable restrictions the Client wants imposed on the management of the account.</p> <p>Clients should be aware that Adviser and its IARs will recommend only Third Party Advisers who compensate Adviser and the IARs for referring Clients. The fact of such compensation creates a conflict of interest. Although Advisory and the IARs are committed to making such recommendations only when in the best interests of the Client, the possibility of such compensation may affect their recommendations, and because such compensation may differ</p>	Asset Size	Account Fee Range	Minimum and Maximum	Total Client Fee	\$50,000 - \$99,999.99	0.250% - 2.50%	\$100,000 - \$249,999.99	0.200% - 2.30%	\$250,000 - \$499,999.99	0.175% - 2.05%	\$500,000 - \$749,999.99	0.150% - 1.80%	\$750,000 - \$1,249,999.99	0.125% - 1.55%	\$1,250,000 - \$1,999,999.99	0.100% - 1.30%	\$2,000,000 - \$4,999,999.99	0.075% - 1.05%	\$5,000,000 - \$24,999,999.99	0.050% - 1.05%	Over \$25,000,000	0.025% - 0.80%
Asset Size	Account Fee Range																						
Minimum and Maximum	Total Client Fee																						
\$50,000 - \$99,999.99	0.250% - 2.50%																						
\$100,000 - \$249,999.99	0.200% - 2.30%																						
\$250,000 - \$499,999.99	0.175% - 2.05%																						
\$500,000 - \$749,999.99	0.150% - 1.80%																						
\$750,000 - \$1,249,999.99	0.125% - 1.55%																						
\$1,250,000 - \$1,999,999.99	0.100% - 1.30%																						
\$2,000,000 - \$4,999,999.99	0.075% - 1.05%																						
\$5,000,000 - \$24,999,999.99	0.050% - 1.05%																						
Over \$25,000,000	0.025% - 0.80%																						

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: Houston Asset Management, Inc.	IRS Empl. Ident. No.:
Item of Form (identify)	Answer
	<p>depending on the individual agreement with each Third Party Adviser, Adviser or the IARs may have an incentive to recommend a particular Third Party Adviser or Program over other investment managers with which Adviser may have less favorable compensation arrangements or, over alternative investment advisory programs, including programs offered through their own separately registered investment advisory entities.</p> <p><u>Performance Review of Third Party Advisory Programs.</u> The IAR will contact the Client periodically, as agreed upon with each Client, to review the Client's financial situation and objectives, will communicate information to the Third Party Adviser managing the account, to the extent provided in the advisory agreement, and will assist the Client in understanding and evaluating the services provided by the Third Party Adviser. Upon request of Client at the time of a scheduled periodic review, the IAR will discuss with the Client any reports provided by a Third Party Adviser. Clients will be expected to notify their IAR of any changes in their financial situation, investment objectives, or account restrictions. Clients may also directly contact the Third Party Adviser managing the Account or sponsoring the Program.</p> <p>Adviser will not advise the Client regarding any specific securities or other investments in an Account managed by a Third Party Adviser. Adviser will assist the Client in selecting the Third Party Adviser(s) whose investment programs and strategies have been reviewed by Adviser and determined appropriate for Adviser's Clients based on their individual circumstances and investment goals.</p> <p>Certain Third Party Advisers offer advisory services under which the IAR assists the Client in selecting: i) asset allocation classes; ii) an investment strategy or a model portfolio consisting of mutual funds and/or variable annuities; or iii) particular mutual funds and/or variable annuities. The Third Party Adviser will either rebalance the funds, annuities, asset classes, or model portfolios selected by the Client on a predetermined schedule or actively manage a portfolio of mutual funds and/or variable annuities in accordance with the Client's stated general strategy or objectives. Any re-balancing or reallocation may involve capital gains and/or losses for each transaction, and in non-tax deferred accounts, may result in additional taxes and/or tax reporting.</p> <p><u>Additional Information Concerning Third Party Advisers and Third Party Advisory Services.</u> A complete description of the programs and services available through Third Party Advisers will be provided to Clients upon request. Clients will be provided with the applicable Third Party Adviser's Form ADV – Part II or alternative disclosure document, applicable Account agreements, and Account opening documents. Where required, Clients will also receive the appropriate disclosure documents of portfolio managers who will manage the Client's Account in the Third Party Advisory Program.</p> <p>Please Note: When investing in mutual funds and variable annuities, Clients are strongly encouraged to review the applicable prospectus. Mutual funds and variable annuities may impose certain restrictions on the frequency, timing and dollar amount of transactions and may impose penalty fees based upon short-term trading patterns. Such restrictions may impact the services provided by a Third Party Adviser.</p>

**Schedule F of
Form ADV
Continuation Sheet for Form ADV Part II**

Applicant:
Houston Asset Management, Inc.

SEC File Number:
801-

Date:
06/25/2010

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: Houston Asset Management, Inc.	IRS Empl. Ident. No.:
--	-----------------------

Item of Form (identify)	Answer
	<p>The list of approved unaffiliated Third Party Advisers and Program is under periodic review and revision and is therefore subject to change. Clients should consult directly with their IAR to confirm the most current list. In certain circumstances. Certain Third Party Advisers or Programs may not be available to all Clients.</p> <p><u>Third Party Advisory Program Compensation.</u> Compensation with respect to Third Party Advisory Programs generally, consists of four elements: (i) management and advisory fees shared by the Third Party Advisory Services, Adviser, and its Advisory IARs; (ii) transaction costs -if applicable -which may be paid by the Account to purchase and sell securities; (iii) custodial fees; and (iv) an additional Administrative fee paid to SagePoint for its supervisory services. Such compensation is paid by the Account through one of the following pricing structures:</p>

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: Houston Asset Management, Inc.		IRS Empl. Ident. No.:
--	--	-----------------------

Item of Form (identify)	Answer
	<p>Wrap Pricing: In Third Party Advisory Programs with wrap fee pricing, the inclusive "wrap" fee covers account management, brokerage, clearance, custody and administrative services. In other programs, the Client may be charged separately for such services. The wrap fees may be higher or lower than if such services were obtained separately. Generally, wrap programs are relatively less expensive for actively traded accounts. However, they may result in higher overall costs to the Client in accounts that experience little trading activity. Please note that the same or similar services may be available elsewhere at a lower cost to the Client.</p> <p>Unbundled Pricing: Other Third Party Advisory Program may be provided on an "unbundled" fee basis. In such cases, the Third Party Adviser's fee maybe separate from the advisory fee charged by the Adviser. Transaction costs may also be charged for the execution and clearance of advisory transactions directed by such Third Party Advisory Services. Further, compensation to the IAR may include commissions earned with respect to transactions involving the underlying securities portfolios, which are managed by the Third Party Adviser. In addition to receiving a share of the Third Party Adviser's Fee, SagePoint may receive an additional administrative fee for its administrative and supervisory services. Please note that the same or similar services may be available elsewhere at a lower cost to the Client.</p> <p>Clients will receive an account statement from the custodian of the Third Party Advisory Program Account at least quarterly, which includes the amount of any fees paid directly to such Third Party Adviser, Adviser, and any other adviser selected by the Client to manage the Account. <u>These fees are in addition to the internal advisory fees and expenses paid by the mutual funds or variable annuity companies to their separate investment advisers. In addition, in the case of Third Party Advisers who manage variable annuity sub-accounts, the variable annuity companies generally impose mortality charges on such accounts of approximately 1.25% annually.</u></p> <p>Any Administrative fees will either be bundled into the wrap fee or disclosed as a separate charge in unbundled programs. The amount of total fees, the services provided, the payment structure, termination provisions and other aspects of each program are detailed and disclosed in: (i) the Third Party Investment Advisory Service's Form ADV Part II; (ii) the program wrap brochure (if applicable) or other applicable disclosure documents; (iii) the disclosure documents of the portfolio manager or managers selected; or, (iv) the Third Party Advisory Service's account opening documents.</p> <p>In cases where Adviser is acting solely as a solicitor for the Third Party Adviser, Adviser will not be paid fees through a direct contract with the Client, but will receive a portion of the Client's advisory fee as a solicitor in accordance with Rule 206(4)-3 promulgated by the Securities and Exchange Commission pursuant to the Investment Advisers Act of 1940.</p> <p><u>Engaging A Third Party Investment Adviser.</u> The Client will sign an advisory agreement or contract directly with the sponsor or Third Party Adviser with respect to the Third Party Advisory Program selected. The advisory relationship may be terminated by the Client or by third parties to the contract in accordance with the provisions of the program contract. The Client will typically receive a pro rata refund of any prepaid advisory fees. Additionally, a Client may terminate an advisory contract without being assessed any fees or expenses within (5) business days of its signing.</p>

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: Houston Asset Management, Inc.	IRS Empl. Ident. No.:
--	-----------------------

Item of Form (identify)	Answer
1.A.3. and 7.	<p>There is no guarantee that the advisory services offered will result in the Client's goals and objectives being met. Nor is there any guarantee of profit or protection from loss. The fees and expenses paid by the Client in connection with Third Party Advisory Program may be higher than the cost of similar services offered through other financial firms or the fees associated with other financial services. No assumption can be made that any particular fee arrangement, including wrap fee arrangements, timing services, or portfolio management services of any nature will provide better returns than other investment strategies. Use of "wrap fee" programs may result in the payment of fees by Clients in excess of the combined total of separate advisory fees and brokerage commissions paid by transaction.</p> <p><u>Solicitor's Disclosure Statement.</u> As and to the extent under SEC Rule 206(4)-3 or similar state law, each Client will receive a Solicitor's Disclosure Statement. The Solicitor's Disclosure Statement will provide, among other things, disclosure regarding the affiliation, if any, between Adviser and the Third Party Adviser, the terms of the solicitation agreement between Adviser and the Third Party Adviser, including the amount of compensation to be paid to Adviser for the solicitation; and the additional cost to the Client if any, as a result of the solicitation agreement.</p> <p style="text-align: center;"><u>Financial Planning Services</u></p> <p>Adviser provides a variety of financial planning services, principally advisory in nature, to individuals or other Clients regarding the management of their financial resources, based upon an analysis of Client's needs. Generally, Adviser's financial planning services involve following steps:</p> <p>Adviser and Client will enter into an agreement which describes the services Adviser will provide and the fees for such services. After the agreement is signed, Adviser will ask the Client to provide detailed information with respect to the Client's personal and family situation, financial condition, investment objectives, risk tolerance, investment time horizon, estate and retirement plans, trust agreements, wills, investment, insurance, personal and family obligations, fringe benefits, etc.</p> <p>Based on this information, Adviser will prepare a written personal financial analysis. Typically, the financial analysis includes a profile of the Client's statement of net worth, distribution and balance of assets, description of current investments and insurance programs, recommendations to meet short-term and long-term living goals, projected cash flow analysis, description of existing estate conditions, recommendation for meeting estate planning goals, estate tax computations, summary of estate liquidity needs, etc with appropriate exhibits. After discussion of the written personal financial analysis and upon agreement regarding the various recommendations, a proposed priority list of steps for implementation of the recommendations is agreed upon with the Client.</p>

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: Houston Asset Management, Inc.	IRS Empl. Ident. No.:
--	-----------------------

Item of Form (identify)	Answer
	<p>After the proposed implementation plan has been agreed by the Client, the Client has the option to continue to retain Adviser to furnish ongoing consultation regarding the plan. For Clients who elect to continue the consultation service, the Client's written financial analysis is normally reviewed and updated at least annually with several meetings in between when appropriate.</p> <p>Adviser's financial planning services are usually intended to address a broad range of financial issues. However, Adviser recognizes this broad financial planning process may not be appropriate for Clients with simpler needs. In those situations, Adviser will recommend a simpler form of a financial plan that will contain many, but not all, of the components listed above. In these circumstances, the Client is made aware of which parts of the planning process will be provided, and Adviser's fees are quoted on a case by case basis or performed at an hourly rate, as stated in the advisory agreement.</p> <p>When suitable, Adviser may agree to provide "modular" financial planning services for its Clients, (i.e., specific studies or services such as income tax planning, estate tax planning, retirement planning, business planning, etc). The fees for these types of services are charged either on an hourly or flat fee determined case by case, and will be stated in the advisory agreement.</p> <p>The analysis developed for Clients will usually include general recommendations for a course of activity or specific actions to be taken by the Clients. For example, recommendations may be made that the Clients obtain insurance or revise existing coverage, establish an individual retirement account, increase or decrease funds held in savings accounts or invest funds in securities. The IARs may develop tax or estate plans for Clients or refer Clients to an accountant or attorney.</p> <p>Once the fact finding, analysis, and preparation of the written financial plan are completed, Adviser will consult with the Client in establishing priorities regarding the implementation of the most important of the recommendations. The time frame for Adviser's initial financial planning services is normally three months.</p> <p>Upon completion of the initial financial planning services, the Client may choose to retain Adviser to provide continuing financial planning services. The services to be provided by the Adviser and the fees to be charged will be described in an advisory agreement.</p> <p>Clients who receive financial planning services may choose to implement their financial plans by purchasing securities or insurance products offered through SagePoint. In those circumstances, the IARs will be acting as SagePoint's representatives, and SagePoint and the IARs will receive commissions or other compensation as a result of those transactions. Consequently, Clients should be aware that in those situations, there exists a conflict between the interests of the Client and the interests of the IARs and SagePoint as a result of the potential additional compensation to be earned if the Client chooses to purchase securities or insurance products. Clients are under no obligation to purchase any products or follow any course of action recommended by the Adviser or a Representative.</p> <p>Financial planning services may be charged on an hourly or fixed fee arrangement based upon the fee schedules written below and as agreed upon between the Client and the Adviser. Fees are</p>

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: Houston Asset Management, Inc.	IRS Empl. Ident. No.:
--	-----------------------

Item of Form (identify)	Answer																								
	<p>negotiable and will vary depending upon the complexity of the Client situation and services to be provided. Similar financial planning services may be available elsewhere at lower cost to the Client. Additional information regarding Adviser's fees for financial planning services can be found later in this Brochure.</p> <p><u>Financial Planning Fees</u></p> <p>The personal financial planning fee schedule below is based upon the gross income or net worth of the Client. However, Adviser retains the right to vary from the fee schedule based upon its prior assessment of the relative complexity of a particular financial plan. Fees for corporate financial planning are determined on a case by case basis.</p> <table style="width:100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Gross Income(1)</th> <th style="text-align: left;">Net Worth(2)</th> <th style="text-align: left;">Initial Fee For Written Financial Plan</th> </tr> </thead> <tbody> <tr> <td>\$ 0 - \$ 50,000</td> <td>\$ 0 - \$ 250,000</td> <td>\$1,000</td> </tr> <tr> <td>\$ 50,000 - \$ 75,000</td> <td>\$ 250,001 - \$ 500,000</td> <td>\$1,500</td> </tr> <tr> <td>\$ 75,001 - \$100,000</td> <td>\$ 500,001 - \$ 750,000</td> <td>\$2,000</td> </tr> <tr> <td>\$100,001 - \$150,000</td> <td>\$ 750,001 - \$1,000,000</td> <td>\$2,500</td> </tr> <tr> <td>\$150,001 - \$200,000</td> <td>\$1,000,001 - \$1,500,000</td> <td>\$3,500</td> </tr> <tr> <td>\$200,001 - \$250,000</td> <td>\$1,500,001 - \$2,000,000</td> <td>\$4,000</td> </tr> <tr> <td>Over \$250,001</td> <td>Over \$2,000,000</td> <td>Individually Reviewed</td> </tr> </tbody> </table> <p>1) Gross Income is defined as total projected income for the current taxable year. 2) Net worth is defined as gross assets at market (or equivalent) value less liabilities. 3) One-half (1/2) the Initial Fee is paid as a retainer. The remaining amount is not due and payable until the fact finding, analysis, and preparation of the written financial plan is completed. The time period for these steps is approximately two to three months. Once the remaining one-half of the Initial Fee is paid, Adviser provides consultation in establishing priorities regarding and completing the application of the most crucial recommendations. The time frame for this initial consultation is normally three months. 4) The Client has the right to cancel their agreement within five ("5") business days without penalty. After five business days, the refund will be on a pro-rata basis.</p> <p>Note: Once the initial period described under (3) above is completed, if the Client continues to retain Adviser as a financial planning consultant, his/her fee for doing so is normally one-half of the Initial Fee for the first nine months of such consultation (unless the hourly rate is elected). Such fee is payable in three equal installments. Thereafter, fees for further consultation are normally based upon the then current fee schedule of the company. Currently the fee schedule is as follows:</p>	Gross Income(1)	Net Worth(2)	Initial Fee For Written Financial Plan	\$ 0 - \$ 50,000	\$ 0 - \$ 250,000	\$1,000	\$ 50,000 - \$ 75,000	\$ 250,001 - \$ 500,000	\$1,500	\$ 75,001 - \$100,000	\$ 500,001 - \$ 750,000	\$2,000	\$100,001 - \$150,000	\$ 750,001 - \$1,000,000	\$2,500	\$150,001 - \$200,000	\$1,000,001 - \$1,500,000	\$3,500	\$200,001 - \$250,000	\$1,500,001 - \$2,000,000	\$4,000	Over \$250,001	Over \$2,000,000	Individually Reviewed
Gross Income(1)	Net Worth(2)	Initial Fee For Written Financial Plan																							
\$ 0 - \$ 50,000	\$ 0 - \$ 250,000	\$1,000																							
\$ 50,000 - \$ 75,000	\$ 250,001 - \$ 500,000	\$1,500																							
\$ 75,001 - \$100,000	\$ 500,001 - \$ 750,000	\$2,000																							
\$100,001 - \$150,000	\$ 750,001 - \$1,000,000	\$2,500																							
\$150,001 - \$200,000	\$1,000,001 - \$1,500,000	\$3,500																							
\$200,001 - \$250,000	\$1,500,001 - \$2,000,000	\$4,000																							
Over \$250,001	Over \$2,000,000	Individually Reviewed																							

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: Houston Asset Management, Inc.	IRS Empl. Ident. No.:																								
Item of Form (identify)	Answer																								
1.A.9.	<table style="width:100%; border-collapse: collapse;"> <tr> <td style="width:33%;">Gross Income(1)</td> <td style="width:33%;">Net Worth(2)</td> <td style="width:33%;">Retainer Fee</td> </tr> <tr> <td>\$ 0 - \$ 50,000</td> <td>\$ 0 - \$ 250,000</td> <td>\$1,000</td> </tr> <tr> <td>\$ 50,000 - \$ 75,000</td> <td>\$ 250,001 - \$ 500,000</td> <td>\$1,500</td> </tr> <tr> <td>\$ 75,001 - \$100,000</td> <td>\$ 500,001 - \$ 750,000</td> <td>\$2,000</td> </tr> <tr> <td>\$100,001 - \$150,000</td> <td>\$ 750,001 - \$1,000,000</td> <td>\$2,500</td> </tr> <tr> <td>\$150,001 - \$200,000</td> <td>\$1,000,001 - \$1,500,000</td> <td>\$3,500</td> </tr> <tr> <td>\$200,001 - \$250,000</td> <td>\$1,500,001 - \$2,000,000</td> <td>\$4,000</td> </tr> <tr> <td>Over \$250,001</td> <td>Over \$2,000,000</td> <td>Individually Reviewed</td> </tr> </table> <p>In lieu of the above, a Client may elect the hourly charge based upon the then current rates. Currently the rates are \$150-\$450 for the registered representative and staff personnel range from \$50-\$200.</p> <p>Services terminate at the end of the retainer period and may be renewed according to the above outline. Additionally, the Client has the option to terminate service upon written notice at any time.</p> <p style="text-align: center;"><u>Special Services</u></p> <p>Adviser periodically provides specialized services, including without limitation, expert witness testimony and consultation services and business negotiation services. The fees for these specialized services are negotiated on a case-by-case basis, depending on variety of factors, including the nature and complexity of the particular service, the availability of qualified personnel, and the client's relationship with the firm, among other factors.</p> <p style="text-align: center;"><u>General Information Regarding Fees and Accounts</u></p> <p>In certain circumstances, advisory fees and account minimums may be negotiable based upon prior relationships as well as related account holdings. The fees charged are calculated as described above and are not charged on the basis of a share of capital gains or capital appreciation of the funds or any portion of the funds of an advisory Clients.</p> <p><u>Changes to Advisory Fee and Transaction Charges.</u> Client understands and agrees that the Advisory Fee and the transaction charges set forth herein shall continue until thirty (30) days after the Adviser has notified Client in writing of any change in the amount of the Advisory Fee and/or transaction charges applicable to the Account. At such time, the new Advisory Fee and/or Transaction Charges will become effective unless Client notifies the Adviser in writing that the Account is to be closed.</p> <p><u>Additional Fees And Expenses.</u> 12b-1 Payments: IARs may receive payments from certain mutual funds recommended for use in these programs pursuant to a plan adopted under SEC Rule 12b-1 (A "12b-1 Plan") or other plan described in the applicable fund's prospectus. Thus, IARs may have a greater incentive to recommend certain funds or fund families with 12b-1 fees or funds with higher 12b-1 fees over other funds or fund families with no or lower 12b-1 fees.</p>	Gross Income(1)	Net Worth(2)	Retainer Fee	\$ 0 - \$ 50,000	\$ 0 - \$ 250,000	\$1,000	\$ 50,000 - \$ 75,000	\$ 250,001 - \$ 500,000	\$1,500	\$ 75,001 - \$100,000	\$ 500,001 - \$ 750,000	\$2,000	\$100,001 - \$150,000	\$ 750,001 - \$1,000,000	\$2,500	\$150,001 - \$200,000	\$1,000,001 - \$1,500,000	\$3,500	\$200,001 - \$250,000	\$1,500,001 - \$2,000,000	\$4,000	Over \$250,001	Over \$2,000,000	Individually Reviewed
Gross Income(1)	Net Worth(2)	Retainer Fee																							
\$ 0 - \$ 50,000	\$ 0 - \$ 250,000	\$1,000																							
\$ 50,000 - \$ 75,000	\$ 250,001 - \$ 500,000	\$1,500																							
\$ 75,001 - \$100,000	\$ 500,001 - \$ 750,000	\$2,000																							
\$100,001 - \$150,000	\$ 750,001 - \$1,000,000	\$2,500																							
\$150,001 - \$200,000	\$1,000,001 - \$1,500,000	\$3,500																							
\$200,001 - \$250,000	\$1,500,001 - \$2,000,000	\$4,000																							
Over \$250,001	Over \$2,000,000	Individually Reviewed																							

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: Houston Asset Management, Inc.		IRS Empl. Ident. No.:
Item of Form (identify)	Answer	
2	<p>Internal Mutual Fund & Variable Annuity Expenses: Generally, mutual fund and variable annuity companies impose internal fees and expenses on Clients. Such fees are in addition to any program costs associated with the investment advisory services described above. The SEC has voted to adopt amendments that are designed to improve transparency of policies and procedures of mutual funds with respect to market timing. Mutual funds will be required to describe in their prospectuses the risks, if any, that frequent purchases and redemptions of fund shares may present for other shareholders. Due to these potential risks, some mutual fund companies may impose a small contingent deferred sales charge (“CDSC”) if a customer sells his or her shares within a short time of purchase, usually within 30, 60 or 90 days from the date of that purchase. This CDSC generally is one percent. Complete details of such internal expenses are specified and disclosed in each mutual fund and variable annuity company’s prospectus. Clients are strongly advised to review the prospectus prior to investing.</p> <p><u>Clearing and Custodial Arrangements.</u> Pershing LLC (“Pershing”) will execute trades, settle securities transactions and custody Client assets on behalf of Adviser’s IARs using the VISION2020 Advisor Program. Factors considered in selecting Pershing include its existing broker-dealer clearing relationship with SagePoint, its extensive financial strength, reputation, reporting, execution pricing and research. SagePoint and Pershing charge commission rates, which are generally considered, discounted from customary retail commission rates. However, the commissions and/or transaction fees charged by SagePoint and Pershing may be higher or lower than those charged by other broker-dealer/custodians. Further, the fees charged by SagePoint and Pershing, or any other designated broker-dealer/custodian, are exclusive of, and in addition to, the Adviser’s investment management fees. In addition, the Clients shall also incur charges imposed at the mutual fund level (e.g. management fees and other fund expenses).</p> <p><u>Trade Errors.</u> On infrequent occasions, an error may be made in a Client Account. For example, a security may be erroneously purchased for a Client Account instead of sold. In these situations, the Adviser’s policy is a restoration or return the client to the position he/she/it would have been in had the trading error not occurred. Depending on the circumstances, various corrective steps may be taken, including but not limited to, canceling the trade, adjusting an allocation, and/or reimbursing the Account. If a trade error results in a profit, the profit is not allocated to the client Account, it remains in the error account of SagePoint as the executing broker/dealer. Please refer to Items 9, 12, and 13 of this Schedule F for additional disclosures on SagePoint.</p> <p>The client acknowledges that Adviser cannot and will not be responsible for trades that are not properly executed by any clearing firm, custodian, mutual fund, or insurance company, when an order has been properly submitted by the Adviser.</p> <p style="text-align: center;">TYPES OF CLIENTS</p> <p>Adviser provides personal advisory services to individuals, pension and profit sharing plans, trusts, estates or charitable organizations, corporations, and other business entities.</p>	

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: Houston Asset Management, Inc.	IRS Empl. Ident. No.:
--	-----------------------

Item of Form (identify)	Answer
3.L.	<p style="text-align: center;">TYPES OF INVESTMENTS</p> <p>In addition to providing advice and recommending equity securities, certificates of deposit, investment company securities, and debt instruments that may be solely incidental to the conduct of the IARs' securities business, IARs may provide advice regarding the purchase or sell other types of investments, such as warrants, commercial paper, variable life insurance or annuities, and interests in partnerships, as set forth in the advisory agreement or other account opening documentation. Applicant may also offer advice on other forms of limited partnerships including, but not limited to, equipment leasing programs, mortgage programs, and real estate programs. IARs offering the VISION2020 Advisor Program generally provide advice and recommendations regarding mutual funds, variable annuities, fixed income securities, and equities.</p>
4.A.5., 4.B.8., 4.C.7.	<p style="text-align: center;">METHODS OF ANALYSIS, SOURCES OF INFORMATION, AND INVESTMENT STRATEGIES</p> <p>With respect to Third Party Advisory Programs, Adviser will not offer advice on any specific securities or other investments. However, Adviser will assist the Client in selecting Third Party Advisers and Third Party Advisory Programs whose investment programs and strategies have been reviewed by Adviser and determined appropriate for the Client based on the Client's individual circumstances and investment goals. In connection with such referrals, the IARs may assist Clients in selecting mutual funds, variable annuities or model portfolios consisting of mutual funds or variable annuities.</p> <p>Adviser's recommendations regarding Third Party Advisers and Third Party Advisory Programs will be based on research reports and analysis of performance provided by SagePoint, Third Party Advisers, or publicly available research and reports regarding investment strategies and programs generally offered by the Third Party Advisers.</p> <p>IARs may utilize computer software programs provided by SagePoint or the Third Party Advisers in providing advice to Clients. IARs using the VISION2020 Advisor Program have access to online portfolio software tools that assist in analyzing Client portfolios. Such software is based upon Modern Portfolio Theory (MPT). MPT attempts to balance a portfolios risk and return level based on a particular Client's risk tolerance and investment objectives. Ibbotson Associates research is used in conjunction with the asset allocation software to provide Clients with access to risk tolerance assessments, efficient frontier plotting, fund profiling and performance data, as well as portfolio optimization and re-balancing tools. IARs have the option to use alternative methods of analysis if they so choose. Although IARs may, when appropriate, use fundamental or technical analysis methods, these methods are not typically used.</p>

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: Houston Asset Management, Inc.	IRS Empl. Ident. No.:
--	-----------------------

Item of Form (identify)	Answer																																				
5.	<p>IARs typically use asset allocation strategies based on the completion of a Client profile. Sources of information IARs may use include, but are not limited to, financial newspapers and magazines, inspections of corporate activities, corporate rating services such as Morningstar, annual reports, prospectuses and press releases. Investment strategies IARs may use to implement the investment advice given to Clients are based on the needs of the Client and typically emphasize long-term purchases. However, from time to time, Adviser may recommend short-term purchases, margin transactions, and trading (securities sold within 30 days).</p> <p style="text-align: center;">EDUCATION AND BUSINESS STANDARDS</p> <p>IARs must possess all required licenses and appropriate education, experience or training.</p>																																				
6.	<p style="text-align: center;">EDUCATION AND BUSINESS BACKGROUND</p> <p>Robert W. Frater Born: 1954</p> <p>Education: University of Wisconsin, BS, 1976</p> <p>Business Background:</p> <table style="width:100%"> <tr> <td>Houston Asset Management, Inc.</td> <td style="text-align: right;">06/1983 to present</td> </tr> <tr> <td>SagePoint Financial, Inc.</td> <td style="text-align: right;">11/2005 to present</td> </tr> <tr> <td colspan="2">(Prior to 01/2009, this firm was named AIG Financial Advisors, Inc.)</td> </tr> <tr> <td>SunAmerica Securities, Inc.</td> <td style="text-align: right;">01/1991 to 10/2005</td> </tr> <tr> <td>Associated Planners Sec Corp</td> <td style="text-align: right;">12/1985 to 01/1991</td> </tr> <tr> <td>Lowry Financial Services</td> <td style="text-align: right;">07/1980 to 12/1985</td> </tr> <tr> <td>Associates in Financial Planning, Inc.</td> <td style="text-align: right;">06/1980 to 06/1983</td> </tr> </table> <p>John R. Payne Born: 1957</p> <p>Education: Rice University, BA, 1980</p> <p>Business Background:</p> <table style="width:100%"> <tr> <td>Houston Asset Management, Inc.</td> <td style="text-align: right;">10/1984 to present</td> </tr> <tr> <td>SagePoint Financial, Inc.</td> <td style="text-align: right;">11/2005 to present</td> </tr> <tr> <td colspan="2">(Prior to 01/2009, this firm was named AIG Financial Advisors, Inc.)</td> </tr> <tr> <td>SunAmerica Securities, Inc.</td> <td style="text-align: right;">01/1991 to 10/2005</td> </tr> <tr> <td>Associated Planners Sec. Corp</td> <td style="text-align: right;">12/1985 to 01/1991</td> </tr> <tr> <td>Lowry Financial Services</td> <td style="text-align: right;">10/1984 to 12/1985</td> </tr> <tr> <td>Joseph V. Ace, Inc.</td> <td style="text-align: right;">05/1983 to 09/1984</td> </tr> <tr> <td>Payne & Thornton</td> <td style="text-align: right;">07/1982 to 05/1983</td> </tr> <tr> <td>JR Ringnald & Associates</td> <td style="text-align: right;">01/1982 to 05/1983</td> </tr> <tr> <td>Associates in Financial Planning, Inc.</td> <td style="text-align: right;">05/1980 to 01/1982</td> </tr> <tr> <td>Lowry Financial Services</td> <td style="text-align: right;">05/1980 to 07/1982</td> </tr> </table>	Houston Asset Management, Inc.	06/1983 to present	SagePoint Financial, Inc.	11/2005 to present	(Prior to 01/2009, this firm was named AIG Financial Advisors, Inc.)		SunAmerica Securities, Inc.	01/1991 to 10/2005	Associated Planners Sec Corp	12/1985 to 01/1991	Lowry Financial Services	07/1980 to 12/1985	Associates in Financial Planning, Inc.	06/1980 to 06/1983	Houston Asset Management, Inc.	10/1984 to present	SagePoint Financial, Inc.	11/2005 to present	(Prior to 01/2009, this firm was named AIG Financial Advisors, Inc.)		SunAmerica Securities, Inc.	01/1991 to 10/2005	Associated Planners Sec. Corp	12/1985 to 01/1991	Lowry Financial Services	10/1984 to 12/1985	Joseph V. Ace, Inc.	05/1983 to 09/1984	Payne & Thornton	07/1982 to 05/1983	JR Ringnald & Associates	01/1982 to 05/1983	Associates in Financial Planning, Inc.	05/1980 to 01/1982	Lowry Financial Services	05/1980 to 07/1982
Houston Asset Management, Inc.	06/1983 to present																																				
SagePoint Financial, Inc.	11/2005 to present																																				
(Prior to 01/2009, this firm was named AIG Financial Advisors, Inc.)																																					
SunAmerica Securities, Inc.	01/1991 to 10/2005																																				
Associated Planners Sec Corp	12/1985 to 01/1991																																				
Lowry Financial Services	07/1980 to 12/1985																																				
Associates in Financial Planning, Inc.	06/1980 to 06/1983																																				
Houston Asset Management, Inc.	10/1984 to present																																				
SagePoint Financial, Inc.	11/2005 to present																																				
(Prior to 01/2009, this firm was named AIG Financial Advisors, Inc.)																																					
SunAmerica Securities, Inc.	01/1991 to 10/2005																																				
Associated Planners Sec. Corp	12/1985 to 01/1991																																				
Lowry Financial Services	10/1984 to 12/1985																																				
Joseph V. Ace, Inc.	05/1983 to 09/1984																																				
Payne & Thornton	07/1982 to 05/1983																																				
JR Ringnald & Associates	01/1982 to 05/1983																																				
Associates in Financial Planning, Inc.	05/1980 to 01/1982																																				
Lowry Financial Services	05/1980 to 07/1982																																				

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: Houston Asset Management, Inc.	IRS Empl. Ident. No.:
--	-----------------------

Item of Form (identify)	Answer
<p>7 and 8</p>	<p>Richard G. Hollis Born: 1940 Education: Pepperdine University, MBA, 1978 Oklahoma State University, BS, 1963 Business Background: Houston Asset Management, Inc. 07/1995 to present SagePoint Financial, Inc. 11/2005 to present (Prior to 01/2009, this firm was named AIG Financial Advisors, Inc.) SunAmerica Securities, Inc. 07/1995 to 10/2005 Equity Services 09/1993 to 07/1995 Shell Western & Shell Oil Company 02/1963 to 02/1993</p> <p>Kristian L. Taylor Born: 1977 Education: University of Houston, BBA, 2000 Business Background: Houston Asset Management, Inc. 6/2008 to present AIG Federal Savings Bank 9/2006 to 12/2008 SagePoint Financial, Inc. 10/2005 to present (Prior to 01/2009, this firm was named AIG Financial Advisors, Inc.) Investment Marketing Resources, Inc. 11/2001 to present SunAmerica Securities, Inc. 11/2001 to 10/2005 Compass Brokerage 7/2001 to 11/2001 Compass Bancshares, Inc. 5/2001 to 10/2001</p> <p style="text-align:center">OTHER BUSINESS ACTIVITIES & FINANCIAL INDUSTRY AFFILIATIONS.</p> <p>Adviser's primary business is as a registered investment adviser. Adviser's officers and IARs are also associated persons of SagePoint. These individuals are licensed to sell variable life, mutual funds, variable annuities, and other securities and insurance. Robert W. Frater is also a real estate broker in the State of Texas.</p> <p>Principal executive officers of Adviser spend approximately 75% of their available time providing advisory services on behalf of the Adviser, approximately 10% of their time providing securities brokerage and related services as registered representatives of SagePoint, and approximately 5% of their time acting as insurance agents on behalf of various insurance companies.</p>

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: Houston Asset Management, Inc.	IRS Empl. Ident. No.:
--	-----------------------

Item of Form (identify)	Answer
	<p>SagePoint is registered as a full service general securities broker-dealer and as an investment adviser with the Securities and Exchange Commission. As a broker-dealer, SagePoint provides a variety of financial products or services and may render advice as to the value and/or advisability of purchasing or selling securities, without receiving special compensation and solely incidental to the conduct of its business as a broker-dealer. General securities accounts for brokerage customers of SagePoint are maintained and custodied on a fully disclosed basis by Pershing LLC (“Pershing”), which is both a registered broker-dealer and an investment adviser. SagePoint also offers impersonal investment advice (general advice not tailored to the specific needs of any individual) in the form of publications and certain other products and services.</p> <p>Because SagePoint’s and Adviser’s associated persons will receive additional compensation and other direct and indirect economic benefits from the sale of investment and insurance products, a conflict of interest exists. Although Adviser and the IARs will endeavor to place the interests of the client first, the existence of this additional compensation may influence their decisions with respect to recommendations made or actions taken for an account. Clients are under no obligation to purchase securities or insurance through SagePoint to implement any recommendations.</p> <p><u>Registered Representatives Acting As Independent Investment Advisers.</u> In addition to or in lieu of their registration as advisory representatives of SagePoint, Adviser’s IARs have chosen to set up and register Adviser as an independent investment advisory firm. Adviser was established, in part, to permit the IARs to offer certain services that are not available through SagePoint’s registered investment adviser. Such services are offered separate and distinct from their capacity as SagePoint registered representatives or as IARs of SagePoint.</p> <p>In connection with providing financial planning services, the IARs may recommend securities or insurance products offered through SagePoint in its capacity as a broker-dealer. The IARs will receive normal commissions as SagePoint registered representatives if their Clients purchase products through them. Thus, a conflict of interest may exist between the interests of these IARs and those of the advisory Clients. However, the IAR’s Clients are under no obligation to purchase products recommended by their IARs.</p> <p><u>Disclosures Regarding SunAmerica Inc.</u> SagePoint is an indirectly wholly owned subsidiary of SunAmerica Inc. (“SunAmerica”) which owns three (3) insurance companies: Sun Life Insurance Company of America, Anchor National Life Insurance Company, and First SunAmerica Insurance Company. Combined, these three companies rank in the top 2% of all US life insurance companies in total assets and annuity premiums.</p>

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: Houston Asset Management, Inc.		IRS Empl. Ident. No.:
Item of Form (identify)	Answer	
9.	<p>SunAmerica Trust Company (“STC”), a wholly owned subsidiary of SunAmerica, may act as trustee or administrator for certain employee benefit accounts, individual retirement accounts and other retirement or pension plan accounts. STC charges transactional and other fees for its services that are separate from any fees or services provided by SagePoint. STC may also act as custodian in certain Third Party Advisory Services’ programs or for certain managed accounts of Adviser. Clients are not required to use STC over other approved custodians or trust banks, but Clients should be aware that a potential conflict of interest exists in Adviser approving or recommending SunAmerica Trust Company, to the extent that STC earns fees in connection with services provided to Clients of Adviser.</p> <p><u>Disclosures Regarding American International Group (“AIG”).</u> American International Group, Inc. (“AIG”) owns SunAmerica. AIG, which is a financial services holding company, is the leading U.S.-based international insurance organization and is among the leading underwriters of commercial and industrial coverage in the United States. Its subsidiaries include companies that underwrite property, casualty, marine, life, and financial services insurance in approximately 130 countries and jurisdictions. It also has subsidiaries that are engaged in other financial service businesses, including banks, securities broker-dealers and investment advisers.</p> <p>AIG Trading Group, Inc., through its subsidiaries, engages in hedged trading and market making in foreign exchange, interest rates, and base and precious metals. AIG Global Investment Group comprises subsidiaries that are engaged in product design and origination, investment management, marketing and distribution of third party money management services. Products include direct investment retail mutual funds, institutional accounts and real estate investments. These subsidiaries include AIG Global Investment Corp., AIG Asset Management Services, Inc., AIG Capital Partners, Inc., and AIG Global Real Estate Investment Corp.</p> <p>Adviser and its IARs may, from time to time, recommend to Clients investment products, including mutual funds, variable and fixed annuities, and other insurance products, sponsored by SunAmerica or AIG affiliates. IARs may also recommend that Clients select portfolio managers that are affiliated with SunAmerica or AIG. SunAmerica and AIG affiliates may, from time to time, place brokerage transactions and refer Clients to SagePoint. Such recommendations and arrangements might be deemed to create a conflict of interest because they may result in an increase in compensation for the Adviser’s IARs and its affiliates.</p> <p>PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS; CODE OF ETHICS</p> <p><u>Securities Transactions for Clients; Compensation Arrangements.</u> Principals and associated persons of Adviser are registered representatives of SagePoint Financial, Inc. When acting in their capacities as registered representatives, they will be compensated on the normal commission schedule.</p> <p>Certain money market funds pay a periodic fee (i.e. “12b-1 fee”) to the broker-dealer of record on the account. SagePoint, as well as the IARs, may receive a portion of any 12b-1 fees paid from money market funds recommended to Clients. The fees may vary depending on the funds utilized.</p>	

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: Houston Asset Management, Inc.		IRS Empl. Ident. No.:
Item of Form (identify)	Answer	
	<p>As a broker-dealer, SagePoint may effect securities (i.e., mutual fund and variable annuity) transactions for Clients in connection with Third Party Advisers' programs. Further, the Adviser and its IARs may recommend to Clients the purchase or sale of investment products in which SagePoint, a related entity, or the IARs may have some financial interest, including the receipt of compensation. As aforementioned, certain mutual funds (or their related persons) in which a Client may invest make 12b-1 fee payments to broker-dealers. Such payments may be distributed pursuant to a 12b-1-distribution plan or pursuant to another arrangement as compensation for distribution or administrative services and may be paid out of the fund's assets, and therefore, indirectly paid by the Client. The IARs may receive such 12b-1 fees or other compensation to the extent permitted by applicable law.</p> <p>A fund that imposes a front-end sales load but which waives that front-end sales load for purchases made on behalf of the Client's account (a "front-end load" fund at net asset value) may bear 12b-1 distribution or services fees in excess of .25% of the Account's net assets invested in such fund (the minimum allowed for no-load funds). The 12b-1 fees, deferred sales charges and other fee arrangements will be disclosed upon request of the Client and are typically described in the applicable fund's prospectus. Because of these compensation arrangements, a conflict of interest may exist in connection with the recommendation of particular mutual fund investments for a Client's account.</p> <p>SagePoint or its affiliates may utilize money market funds as temporary investment vehicles for Clients as permitted by law and subject to applicable restrictions. The use of money market funds either in "sweep" arrangements, for temporary investment purposes or otherwise, may result in the IARs earning advisory, distribution or other fees described herein. When permitted by law, the money market funds utilized in connection with the Client investments may be affiliated with SagePoint.</p> <p>SunAmerica Trust Company, an affiliate of SagePoint, or another affiliate of SunAmerica may act as custodian and receive compensation in connection with certain Third Party Advisory Services programs. Adviser may, from time to time, recommend to Client's investment products, including mutual funds, variable and fixed annuities, and other insurance products sponsored by SunAmerica or AIG affiliates. Such recommendations might be deemed to create a conflict of interest because they may result in an increase in compensation for the SagePoint's affiliates.</p> <p>Pursuant to Section 206(3) of the Investment Advisers Act of 1940, as well as internal guidelines, the Adviser does not purchase from or sell securities to Clients on a principal basis. In addition, the Adviser will at no time engage in agency cross transactions with Clients.</p> <p>It is the policy of Adviser to NOT be responsible for the voting of proxies for mutual funds, stocks, REITs or any other securities for our Clients. See below for further information regarding Adviser's policies against voting Client proxies.</p>	

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: Houston Asset Management, Inc.	IRS Empl. Ident. No.:
--	-----------------------

Item of Form (identify)	Answer
	<p><u>Code of Ethics.</u> Adviser has adopted a Code of Ethics expressing the firm's commitment to ethical conduct. Adviser's Code of Ethics describes the firm's fiduciary duties and responsibilities to clients, and sets forth Adviser's practice of supervising the personal securities transactions of supervised persons with access to client information.</p> <p>Adviser (or its principals, officers, affiliates and employees) may act as investment adviser for others, may manage funds or capital for others, may have, make and maintain investments in its or their own names, and may serve as an officer, director, consultant, partner or stockholder of one or more investment partnerships, securities firms or advisory firms. In doing so, Adviser may give advice, take action, and refrain from taking action, any of which may differ from advice given, action taken or not, or the timing of any action, for any particular client.</p> <p>Individuals associated with Adviser may buy or sell securities for their personal accounts identical to or different than those recommended to clients. It is the expressed policy of Adviser that no person employed by Adviser shall prefer his or her own interest to that of an advisory client or make personal investment decisions based on the investment decisions of advisory clients. Subject to the Code of Ethics, Adviser and its employees are permitted to trade for their own accounts side-by-side and in block transactions (see below) with the firm's clients in the same securities, and at the same time. However, neither Adviser nor its employees are permitted to trade for their own accounts on the same day in the same security with respect to which Adviser receives from a client an unsolicited order to buy or sell.</p> <p>To supervise compliance with its Code of Ethics, Adviser requires that anyone associated with the firm who has access to information regarding client investment recommendations or transactions must provide an annual securities holdings report and quarterly transaction reports to the firm's Chief Compliance Officer. Adviser requires such access persons to also receive approval from the Chief Compliance Officer prior to investing in any IPOs or private placements (limited offerings).</p> <p>Adviser requires that all individuals must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices. Adviser's Code of Ethics also includes the firm's policy prohibiting the use of material non-public information. Any individual who fails to abide by the firm's Code of Ethics may be subject to discipline. Adviser will provide a complete copy of its Code of Ethics to any client upon request to the Chief Compliance Officer at Adviser' principal address.</p>

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: Houston Asset Management, Inc.	IRS Empl. Ident. No.:
--	-----------------------

Item of Form (identify)	Answer
10	<p style="text-align: center;">CONDITIONS FOR MANAGING ACCOUNTS</p> <p>Certain SagePoint-approved Third Party Advisory Programs have a required minimum dollar value for managing Client assets ranging from \$25,000 to \$250,000. See Item 1 for further information regarding these advisory programs. The VISION2020 Advisor Program minimums are \$50,000 for the Non-Wrap Program and \$100,000 for the Wrap Program. In certain cases these minimums may be waived based upon business considerations. The minimum Account size for Variable Annuity Sub-account Advisory Services is \$50,000, but exceptions may be made in the sole discretion of IAR on behalf of Adviser depending on Client circumstances. The minimum investment required in the AssetMark program is generally \$50,000 for Mutual Fund and Variable Annuity accounts and \$100,000 for EFT and Privately Managed Accounts. Accounts below these minimums may be accepted on an individual basis at the discretion of the Adviser.</p>
11	<p style="text-align: center;">REVIEW OF ACCOUNTS; REPORTS</p> <p><u>VISION2020 Advisor Program Accounts.</u> IARs using VISION2020 Advisor Program will periodically review their Client accounts. Clients will be contacted as agreed upon by the IAR and Client, but at least annually. The IARs will then review and update each Client's financial status, goals and objectives. Clients in the VISION2020 Advisor Program will typically receive quarterly account statements. However, they may receive additional statements based upon activity in the account. Please refer to the VISION2020 Advisor Wrap Brochure for further details.</p> <p><u>Third Party Advisory Program Accounts.</u> IARs review information about the Client to determine whether a particular advisory program or investment strategy is suitable for that Client. Clients are contacted periodically, as agreed between each IAR and Client, but at least annually. The IARs will then review and update each Client's financial status, goals and objectives. Such contacts are for the purpose of determining what, if any information should be communicated to the Third Party Adviser managing the Client's account. IARs also assist Clients in understanding and evaluating the services provided by such Third Party Adviser and whether the program remains suitable for the Client. Clients will receive reports, generally quarterly, as set forth in their Third Party Advisory Service's program agreements and other disclosure materials.</p> <p><u>Financial Planning Accounts.</u> For clients who contract with Adviser for its annual review service, the Client will receive an annual review and consultation. Such review and consultation will be made by the IAR and will contain some or all of the following: specific advice concerning any changes in the Client's investments that the Adviser believes the Client should make and specific advice concerning the manner in which the Client can make the changes advised by the Adviser. The only reviewer is the IAR.</p>

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: Houston Asset Management, Inc.		IRS Empl. Ident. No.:
--	--	-----------------------

Item of Form (identify)	Answer
12	<p><u>Reports.</u> Clients who maintain advisory accounts will receive from their custodians on either a monthly or quarterly basis, statements showing the current market value as well as transactions, interest, dividends, and fees deducted for the reporting period. If specifically agreed in the advisory agreement, the Client will also receive performance or other reports.</p> <p style="text-align: center;">INVESTMENT AND BROKERAGE DISCRETION; RECOMMENDATION OF BROKERS</p> <p><u>Discretion.</u> Neither Adviser nor the IARs have the authority to determine, without obtaining specific Clients discretionary authority, securities to be bought or sold; the amount of securities to be bought or sold; the broker or dealer to be used; or the commission rates paid. If provided in the advisory agreement, Adviser may be authorized to buy, sell, redeem, or otherwise engage in transactions in the Account to rebalance the Account to reflect the agreed Portfolio allocation and securities, all without prior notice to or specific approval of Client in each instance. In effecting rebalancing transactions, Adviser is not considered to be exercising discretion with respect to the Account or its assets.</p> <p><u>Recommendation of Brokers.</u> The IARs are registered representative(s) of SagePoint and effect securities transactions through SagePoint and its clearing firm, Pershing. Adviser reasonably believes that SagePoint's and Pershing's blend of execution services, commission and transaction costs as well as professionalism will allow the IARs to seek best execution and competitive prices. However, Clients should be aware that best execution and lower commissions may not always be achieved if recommended transactions are placed through the IARs, in their separate capacities as registered representatives of SagePoint or as independent insurance agents. Lower costs for comparable services may be available through other broker-dealers or investment advisers.</p> <p>Adviser and its IARs will recommend the services of SagePoint and its affiliates for those clients who need brokerage services. Clients may execute transactions through SagePoint and the IARs, however, Clients may utilize the broker-dealer of their choice and have no obligation to purchase or sell securities through Applicant or SagePoint unless required under the terms of the advisory agreement for a specific investment program.</p> <p>Certain Third Party Advisers may execute securities transactions through SagePoint or one of its affiliates. Thus, by assisting the Client in selecting such a program, IARs may also be deemed to be assisting the Client in selecting a broker-dealer. In certain programs, the Client is asked to select a particular broker-dealer to execute trades for the Client's account and/or to act as custodian for the account. In those programs, IARs will assist the Client in making such selection. Because the IAR's compensation in connection with a program may vary depending on the broker-dealer or custodian selected, the Adviser and/or the IAR may have a conflict of interest in assisting the Client in such selection.</p>

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: Houston Asset Management, Inc.	IRS Empl. Ident. No.:
--	-----------------------

Item of Form (identify)	Answer
	<p style="text-align: center;">OTHER MATTERS</p> <p><u>Class Actions, Bankruptcies and Other Legal Proceedings.</u> Adviser will neither advise nor act on behalf of a client in legal proceedings involving companies whose securities are held or previously were held in an Account(s), including, but not limited to, the filing of "Proofs of Claim" in class action settlements.</p> <p><u>Proxy Voting.</u> As a matter of firm policy and practice, Adviser does not accept the authority to and does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios.</p> <p><u>Controlling Documents.</u> In the event of any discrepancy or conflict between the information contained in this Brochure and a Client's advisory agreement, the advisory agreement shall control.</p> <p><u>Use of Term "Registered Investment Adviser".</u> Clients should be aware that the term "Registered Investment Adviser" does not imply any certain level of skill or training.</p> <p style="text-align: center;">NOTICE REGARDING CLIENT PRIVACY</p> <p>Maintaining the trust and confidence of our clients is a high priority. That is why we want you to understand how we protect your privacy when we collect and use information about you, and the steps that we take to safeguard that information. This notice is provided to you on behalf of Houston Asset Management, Inc.</p> <p><u>Information We Collect:</u> In connection with providing investment products, financial advice, or other services, we obtain non-public personal information about you, including:</p> <p>Information we receive from you on account applications, such as your address, date of birth, Social Security Number, occupation, financial goals, assets and income; Information about your transactions with us, our affiliates, or others; and Information received from credit or service bureaus or other third parties, such as your credit history or employment status.</p> <p><u>Categories of Information We Disclose:</u> We may disclose all information that we collect, to the extent provided by law or in our privacy policies. Adviser does not sell customer lists and will not sell your name to telemarketers.</p> <p><u>Categories of Parties to Whom We Disclose:</u> We will not disclose information regarding you or your account with us, except under the following circumstances:</p> <p>To the IAR servicing your account, his or her manager, and other personnel of Adviser; To SagePoint, but only if you have or will have an account with SagePoint, or its affiliates, to the extent permitted by law;</p>

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: Houston Asset Management, Inc.	IRS Empl. Ident. No.:
--	-----------------------

Item of Form (identify)	Answer
	<p>To entities that perform services for us or function on our behalf, including financial service providers, such as a clearing broker-dealer, investment company, or insurance company;</p> <p>To consumer reporting agencies,</p> <p>To third parties who perform services or marketing on our behalf;</p> <p>To your attorney, trustee or anyone else who represents you in a fiduciary capacity;</p> <p>To our attorneys, accountants or auditors; and</p> <p>To government entities, other third parties in response to subpoenas or other legal process, or to governmental regulators to respond to regulatory inquiries.</p> <p><u>How We Use Information:</u> Information may be used by Adviser and companies that perform support services for us, such as data processors, technical systems consultants and programmers, or companies that help us market products and services to you for a number of purposes, such as:</p> <p>To protect your accounts from unauthorized access or identity theft;</p> <p>To process your requests such as securities purchases and sales;</p> <p>To establish or maintain an account with an unaffiliated third party, such as SagePoint or other clearing broker-dealer providing services for you or your account;</p> <p>To service your accounts, such as by issuing checks and account statements;</p> <p>To comply with Federal, State, and Self-Regulatory Organization requirements;</p> <p>To keep you informed about financial services of interest to you.</p> <p><u>Our Security Policy:</u> We maintain physical, electronic, and procedural security measures to safeguard confidential client information.</p> <p><u>Closed or Inactive Accounts:</u> If you decide to close your account(s) or become an inactive customer, our Privacy Policy, as amended from time to time, will continue to apply to you.</p> <p><u>Complaint Notification:</u> Please direct complaints to the address shown on the first page of this Brochure.</p> <p><u>Changes to This Privacy Policy:</u> If we make any substantial changes in the way we use or disseminate confidential information, we will notify you. If you have any questions concerning this Privacy Policy, please write to us at the address shown on the first page of this Brochure.</p> <p style="text-align:center">BUSINESS CONTINUITY PLAN DISCLOSURE</p> <p>Adviser maintains a business continuity plan and generally intends to continue business in the event of a significant business disruption. For more information regarding Adviser's business continuity plan and emergency contact information, please visit contact Adviser at the address shown on the first page of this Brochure or contact your IAR.</p>

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: Houston Asset Management, Inc.	IRS Empl. Ident. No.:
--	-----------------------

Item of Form (identify)	Answer
	<p style="text-align:center">SAGEPOINT ADVISORS' REVENUE SHARING DISCLOSURE</p> <p>SagePoint Financial, Inc. (SagePoint) maintains revenue sharing arrangements with certain mutual funds, insurance companies, direct participation programs (DPPs), real estate investment trusts (REITs), 529 plan providers, and third party money managers. These sponsors have greater access to our representatives to provide training and other educational presentations and product information so that they can serve investors better. Please visit our Web site at www.sagepointfinancial.com to see a list of sponsors who participate in these revenue sharing arrangements.</p> <p>In addition to the customary sales charges, the sponsors make payments to SagePoint to participate in the program. For <u>mutual funds</u>, SagePoint receives a payment of up to 0.25 percent (25 basis points) on all sales of mutual fund shares (the "Gross Sales Payment"). Alternatively, SagePoint may receive from certain mutual funds a flat fee that does not exceed the Gross Sales Payment. SagePoint may also receive an additional payment, paid quarterly, of up to 0.11 percent (eleven basis points) per year of the assets under management held at SagePoint. For <u>variable annuities</u>, SagePoint receives a Gross Sales Payment of up to 0.25 percent (25 basis points). In addition, SagePoint may also receive an additional payment, paid quarterly, of up to 0.1 percent (10 basis points) per year of the assets under management. For <u>variable universal life insurance</u>, SagePoint receives a 6% marketing allowance on all paid first year commission target premium from all sources on permanent plans of life insurance (to include variable universal life, universal life, indexed universal life and whole life products). Any levelized first year commission or spread first year commission products will earn the 6% marketing allowance for the term of the spread commission (i.e., 3 years, 5 years, etc.). For <u>DPPs and REITs</u>, SagePoint receives a Gross Sales Payment of up to 2 percent. For <u>529 plans</u>, SagePoint receives a Gross Sales Payment of up to 0.125 percent (12.5 basis points). In addition, SagePoint may also receive an additional payment, paid quarterly, of up to 0.1 percent (10 basis points) per year of the assets under management. For <u>third party money managers</u>, SagePoint may receive up to 0.2 percent (20 basis points) per year of the assets under management or up to 20 percent of management fees earned on behalf of FAs of SagePoint. In addition, SagePoint may also receive a flat fee of up to \$100,000.</p> <p>For specific information about payments from the sponsors, please see our website at www.sagepointfinancial.com.</p> <p>FAs of SagePoint do not receive additional compensation from SagePoint in connection with sales of the sponsors' products as opposed to other mutual fund families, insurance companies, DPP sponsors, REIT sponsors or third party money managers. In connection with sales of the sponsors' mutual funds, however, SagePoint often absorbs the nominal "ticket charge," which is normally borne by your representative (up to \$15 per transaction).</p> <p>Because of these revenue sharing arrangements, representatives may prefer recommending products offered by a sponsor over other mutual funds, variable products, DPPs, REITs or third party money managers available through SagePoint. You should feel free to ask your representative how he or she will be compensated for any transaction involving a sponsor's products.</p>

**Schedule F of
Form ADV
Continuation Sheet for Form ADV Part II**

Applicant:
Houston Asset Management, Inc.

SEC File Number:
801-

Date:
06/25/2010

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: Houston Asset Management, Inc.		IRS Empl. Ident. No.:
Item of Form (identify)	Answer	
	<p><i>This information was updated on June 25, 2010.. SagePoint will update information regarding sponsors who participate in revenue sharing arrangements with SagePoint on its website on a regular basis. You can access this updated information, and our Disclosure Document For Mutual Fund and Variable Product, Real Estate Investment Trust, Direct Participation Program and Third Party Money Manager Investors at www.sagepointfinancial.com.</i></p>	

Complete amended pages in full, circle amended items and file with execution page (page 1).

PAGE 27