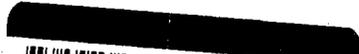


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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL	
OMB Number:	3235-0123
Expires:	September 30, 1998
Estimated average burden hours per response...	12.00

ANNUAL AUDITED REPORT
FORM X-17A-5
PART III

SECURITIES AND EXCHANGE COMMISSION
RECEIVED

FEB 26 2003

SEC FILE NUMBER
8-49999

FACING PAGE

Information Required of Brokers and Dealers Pursuant to Section 17 of the
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder

DIVISION OF MARKET REGULATION

REPORT FOR THE PERIOD BEGINNING 01/01/02 AND ENDING 12/31/02
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER:

Houchin, Adamson L.L.C.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

4111 S. Darlington, Suite 1000

(No. and Street)

Tulsa

(City)

OK

(State)

74135

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

(Area Code - Telephone No.)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Cheshier & Fuller, L.L.P.

(Name - if individual, state last, first, middle name)

14175 Proton Rd.

(Address)

Dallas

(City)

TX

(State)

75244

(Zip Code)

CHECK ONE:

- Certified Public Accountant
- Public Accountant
- Accountant not resident in United States or any of its possessions.

PROCESSED

MAR 12 2003

FOR OFFICIAL USE ONLY
THOMSON FINANCIAL

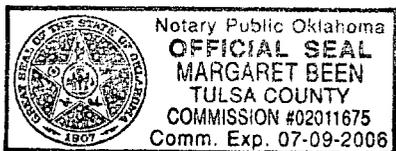
*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See section 240.17a-5(e)(2).

OATH OR AFFIRMATION

I, Peter Adamson III, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Houchin, Adamson L.L.C., as of December 31, 2002, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

Peter Adamson III
 Signature

Secretary
 Title



Margaret Been 2/21/03
 Notary Public

This report** contains (check all applicable boxes):

- (a) Facing page.
- (b) Statement of Financial Condition.
- (c) Statement of Income (Loss).
- (d) Statement of Cash Flows
- (e) Statement of Changes in Stockholders' Equity or partners' or Sole Proprietor's Capital.
- (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- (g) Computation of Net Capital.
- (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- (i) Information Relating to the Possession or control Requirements Under Rule 15c3-3.
- (j) A Reconciliation, including appropriate explanation, of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- (l) An Oath or Affirmation.
- (m) A copy of the SIPC Supplemental Report.
- (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.
- (o) Independent auditor's report on internal control

**For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).

HOUCHIN, ADAMSON L.L.C.

REPORT PURSUANT TO RULE 17a-5(d)

YEAR ENDED DECEMBER 31, 2002

HOUCHIN, ADAMSON L.L.C.

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Cheshier & Fuller, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

MEMBERS:
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
SEC PRACTICE SECTION OF AICPA
TEXAS SOCIETY OF CERTIFIED
PUBLIC ACCOUNTANTS
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WWW.CHESHER-FULLER.COM

Independent Auditor's Report

Board of Directors
Houchin, Adamson L.L.C.

We have audited the accompanying statement of financial condition of Houchin, Adamson L.L.C. as of December 31, 2002, and the related statements of income, changes in members' equity, changes in liabilities subordinated to the claims of general creditors, and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with U. S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Houchin, Adamson L.L.C., as of December 31, 2002 and the results of its operations and its cash flows for the year then ended in conformity with U. S. generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained in Schedules I and II is presented for purposes of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by rule 17a-5 of the Securities and Exchange Commission. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Cheshier & Fuller, L.L.P.

CHESHER & FULLER, L.L.P.

Dallas, Texas
January 15, 2003

HOUCHIN, ADAMSON L.L.C.
Statement of Financial Condition
December 31, 2002

ASSETS

Cash and cash equivalents	\$ 224,215
Deposit with clearing broker/dealer	200,151
Other assets	<u>5,146</u>
 Total Assets	 <u><u>\$ 429,512</u></u>

LIABILITIES AND MEMBER'S EQUITY

Liabilities	
Accounts payable	\$ 2,058
Due to Parent	<u>295,269</u>
 Total liabilities	 <u>297,327</u>
 Member's equity	 <u>132,185</u>
	 <u><u>\$ 429,512</u></u>

The accompanying notes are an integral part of these financial statements.

HOUCHIN, ADAMSON L.L.C.
Statement of Income
For the Year Ended December 31, 2002

Revenue:	
Commissions, net of clearing charges	\$ 396,133
Interest and dividends	<u>7,236</u>
Total Revenue	<u>403,369</u>
Expenses:	
Employee compensation	318,971
Communications	28,422
Occupancy and equipment costs	40,404
Advertising and promotions	120,110
Data processing	954
Regulatory fees	1,611
Other	<u>64,443</u>
Total Expenses	<u>574,915</u>
Net loss	<u>\$ (171,546)</u>

The accompanying notes are an integral part of these financial statements.

HOUCHIN, ADAMSON L.L.C.
Statement of Changes in Member's Equity
For the Year Ended December 31, 2002

Balance, December 31, 2001	\$ 303,731
Net loss	<u>(171,546)</u>
Balance, December 31, 2002	<u><u>\$ 132,185</u></u>

The accompanying notes are an integral part of these financial statements.

HOUCHIN, ADAMSON L.L.C.
Statement of Changes in Liabilities Subordinated to the Claims of General Creditors
For the Year Ended December 31, 2002

Balance, December 31, 2001	\$	--
Additions		--
Retirements		--
		<hr/>
Balance, December 31, 2002	\$	--
		<hr/> <hr/>

The accompanying notes are an integral part of these financial statements.

HOUCHIN, ADAMSON L.L.C.
Statement of Cash Flows
For the Year Ended December 31, 2002

Cash Flows from Operating Activities

Net income (loss)	\$ (171,546)
Adjustments to reconcile net income (loss) to net cash provided (used) by operating activities:	
Change in assets and liabilities:	
Decrease in receivable from clearing broker-dealer	50,149
Increase in other assets	(5,146)
Decrease in accounts payable	(29,424)
Increase in due to Parent	<u>139,436</u>
Net cash used by operating activities	<u>(16,531)</u>
Net decrease in cash and cash equivalents	(16,531)
Beginning cash and cash equivalents	<u>240,746</u>
Ending cash and cash equivalents	<u><u>\$ 224,215</u></u>

Supplemental Disclosures

There was no cash paid for interest or income taxes.

The accompanying notes are an integral part of these financial statements.

HOUCHIN, ADAMSON L.L.C.
Notes to Financial Statements
December 31, 2002

Note 1 - Accounting Policies Followed by the Company

Houchin, Adamson L.L.C. (an Oklahoma Limited Liability Company) (the "Company") was formed January 28, 1997 and became effective as a broker-dealer in securities registered with the Securities and Exchange Commission on May 13, 1997. The Company operates under (S.E.C.) Rule 15c3-3(k)(2)(ii) which provides that all the funds and securities belonging to the Company's customers are to be handled by a correspondent broker-dealer.

The Company shall terminate on December 31, 2046, unless earlier terminated. Profit and loss are allocated to members in accordance with their percentage ownership of outstanding units.

The Company's sole member is H&A Holdings, LLC (the "Parent"). F&M Bank and Trust Company owns 51% of the Parent.

Commission revenues and expenses are recorded on a settlement date basis, which is generally three business days after the trade date. If materially different, commission income and related expenses are recorded on a trade date basis.

The Company's customers are primarily individuals residing in the Tulsa, Oklahoma metropolitan area. Receivable from brokers or dealers is with the Company's clearing broker/dealer which is located in Dallas, Texas.

The Company is disregarded as a separate entity for income tax purposes. Accordingly, the Company's net income or loss is passed through to its sole member and reported on the member's tax return.

Advertising costs are expensed as incurred.

For purposes of the statement of cash flows, the Company has defined cash equivalents as highly liquid investments, with original maturities of less than ninety days, not held for sale in the ordinary course of business.

The preparation of financial statements in conformity with U. S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

HOUCHIN, ADAMSON L.L.C.
Notes to Financial Statements
December 31, 2002

Note 2 - Net Capital Requirements

Pursuant to the net capital provisions of Rule 15c3-1 of the Securities Exchange Act of 1934, the Company is required to maintain a minimum net capital, as defined under such provisions. Net capital and the related net capital ratio may fluctuate on a daily basis.

At December 31, 2002, the Company had net capital of approximately \$127,039 and net capital requirements of \$50,000. The Company's ratio of aggregate indebtedness to net capital was 2.34 to 1. The Securities and Exchange Commission permits a ratio of no greater than 15 to 1.

Note 3 - Possession or Control Requirements

The Company does not have any possession or control of customer funds or securities. There were no material inadequacies in the procedures followed in adhering to the exemptive provisions of (S.E.C.) Rule 15c3-3(k)(2)(ii) by promptly transmitting all customer funds and securities to the clearing broker who carries the customer accounts.

Note 4 - Commitments and Contingencies

The Company is required to indemnify its correspondent broker/dealer if a customer fails to settle a securities transaction, according to its clearing agreement. Management was neither aware, nor had it been notified, of any potential indemnification loss at December 31, 2002.

Note 5 - Related Party Transactions

Salaries, rent, and other overhead expenses are paid by the Parent. Such expenses aggregated \$386,824 in 2002 of which \$295,269 were due to the Parent at December 31, 2002.

Note 6 - Simplified Employee Pension Plan

The Parent has a simplified employee pension plan covering eligible employees. The plan is funded at a rate equal to 15% of annual compensation. Costs incurred under the Plan aggregated \$28,746 in 2002.

HOUCHIN, ADAMSON L.L.C.
Notes to Financial Statements
December 31, 2002

Note 7 - Concentrations

Cash in one bank exceeded federally insured limits at December 31, 2002 and at various times throughout the year then ended.

Supplemental Information
Pursuant to Rule 17a-5 of the
Securities Exchange Act of 1934
For the Year Ended
December 31, 2002

Schedule I

HOUCHIN, ADAMSON L.L.C.

Computation of Net Capital Under Rule 15c3-1 of the Securities Exchange Commission

As of December 31, 2002

Computation of Net Capital

Total ownership equity qualified for net capital	\$ 132,185
Deductions and/or charges	
Non-allowable assets: Other assets	<u>5,146</u>
Net capital before haircuts on securities positions	127,039
Haircuts on securities (computed, where applicable, pursuant to Rule 15c3-1(f)):	<u>--</u>
Net capital	<u><u>\$ 127,039</u></u>

Aggregate Indebtedness

Items included in statement of financial condition	
Accounts payable	\$ 2,058
Due to Parent	<u>295,269</u>
Total aggregate indebtedness	<u><u>\$ 297,327</u></u>

Schedule I (continued)

HOUCHIN, ADAMSON L.L.C.

Computation of Net Capital Under Rule 15c3-1 of the Securities Exchange Commission

As of December 31, 2002

Computation of Basic Net Capital Requirement

Minimum net capital required (6 2/3% of total aggregate indebtedness)	<u>\$ 19,832</u>
Minimum dollar net capital requirement of reporting broker or dealer	<u>\$ 50,000</u>
Minimum net capital requirement (greater of two minimum requirement amounts)	<u>\$ 50,000</u>
Net capital in excess of minimum required	<u>\$ 77,039</u>
Excess net capital at 1000%	<u>\$ 97,306</u>
Ratio: Aggregate indebtedness to net capital	<u>2.34 to 1</u>

Reconciliation with Company's Computation

There were no material differences in the computation of net capital under rule 15c3-1 from the Company's computation.

Schedule II

HOUCHIN, ADAMSON L.L.C.

Computation for Determination of Reserve Requirements Under
Rule 15c3-3 of the Securities Exchange Commission
As of December 31, 2002

Exemptive Provisions

The Company has claimed an exemption from Rule 15c-3-3 under section (k)(2)(ii), in which all customer transactions are cleared through another broker-dealer on a fully disclosed basis.

Company's clearing firm: Southwest Securities, Inc.

Independent Auditor's Report

On the Internal Control

Required by SEC Rule 17a-5

For the Year Ended

December 31, 2002



Cheshier & Fuller, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

MEMBERS:
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
SEC PRACTICE SECTION OF AICPA
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800-834-8586
FAX: 972-960-2810
WWW.CHESHIER-FULLER.COM

INDEPENDENT AUDITOR'S REPORT ON INTERNAL
CONTROL REQUIRED BY SEC RULE 17a-5

Board of Directors
Houchin, Adamson L.L.C.

In planning and performing our audit of the financial statements and supplemental information of Houchin, Adamson L.L.C. (the "Company"), for the year ended December 31, 2002, we considered its internal control, including control activities for safeguarding securities, in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on internal control.

Also, as required by rule 17a-5(g)(1) of the Securities Exchange Commission (SEC), we have made a study of the practices and procedures followed by the Company including tests of such practices and procedures that we considered relevant to the objectives stated in rule 17a-5(g) in making the periodic computations of aggregate indebtedness and net capital under rule 17a-3(a)(11) and for determining compliance with the exemptive provisions of rule 15c3-3. Because the Company does not carry securities accounts for customers or perform custodial functions relating to customer securities, we did not review the practices and procedures followed by the Company in any of the following:

1. Making quarterly securities examinations, counts, verifications, and comparisons
2. Recordation of differences required by rule 17a-13
3. Complying with the requirements for prompt payment for securities under Section 8 of Federal Reserve Regulation T of the Board of Governors of the Federal Reserve System

The management of the Company is responsible for establishing and maintaining internal control and the practices and procedures referred to in the preceding paragraph. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of controls and of the practices and procedures referred to in the preceding paragraph and to assess whether those practices and procedures can be expected to achieve the SEC's above-mentioned objectives.

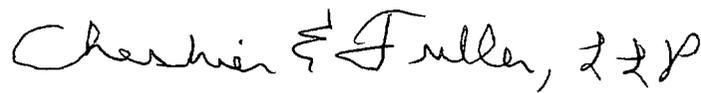
Two of the objectives of internal control and the practices and procedures are to provide management with reasonable but not absolute assurance that assets for which the Company has responsibility are safeguarded against loss from unauthorized use or disposition and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with U. S. generally accepted accounting principles. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

Because of inherent limitations in internal control or the practices and procedures referred to above, errors or fraud may occur and not be detected. Also, projection of any evaluation of them to future periods is subject to the risk that they may become inadequate because of changes in conditions or that the effectiveness of their design and operation may deteriorate.

Our consideration of internal control would not necessarily disclose all matters in internal control that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of the specific internal control components does not reduce to a relatively low level the risk that error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. However, we noted no matters involving internal control, including control activities for safeguarding securities, that we consider to be material weaknesses as defined above.

We understand that practices and procedures that accomplish the objectives referred to in the second paragraph of this report are considered by the SEC to be adequate for its purposes in accordance with the Securities Exchange Act of 1934 and related regulations, and that practices and procedures that do not accomplish such objectives in all material respects indicate a material inadequacy for such purposes. Based on this understanding and on our study, we believe that the Company's practices and procedures were adequate at December 31, 2002, to meet the SEC's objectives.

This report is intended solely for the information and use of the Board of Directors, management, the SEC, the National Association of Securities Dealers, Inc., and other regulatory agencies that rely on rule 17a-5(g) under the Securities Exchange Act of 1934 in their regulation of registered brokers and dealers, and is not intended to be and should not be used by anyone other than these specified parties.


CHESHER & FULLER, L.L.P.

Dallas, Texas
January 15, 2003