

HOUSTON OPERATING COMPANY, INC.
BALANCE SHEETS
(Unaudited)

	June 30, 2002	December 31, 2001
	-----	-----
ASSETS:		
Current Assets:		
Cash	\$ 512	\$ 541
Total Current Assets	----- 512	----- 541
TOTAL ASSETS	----- \$ 512	----- 541
	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)		
Current Liabilities:		
Accounts payable and accrued expenses	\$ 1,353	\$ 1,353
Advances from shareholders'	1,896	1,896
Total Current Liabilities	----- 3,249	----- 3,249
Stockholders' Equity (Deficit):		
Common stock, \$.001 par value; 50,000,000 shares authorized; 7,795,171 shares issued and outstanding, respectively	7,795	7,795
Additional paid-in capital	38,350	38,350
Retained deficit	(48,882)	(48,853)
Total Stockholders' Equity (Deficit)	----- (2,737)	----- (2,708)
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)	----- \$ 512	----- \$ 541
	=====	=====

See accountants reveiw report.

HOUSTON OPERATING COMPANY, INC.
 STATEMENTS OF OPERATIONS
 (Unaudited)

	Three Months Ended June 30,	
	2002	2001
	----	----
REVENUES:	\$ -	\$ -
OPERATING EXPENSES:		
Sales and marketing	-	-
General and administrative	-	-
	-----	-----
Total Operating Expenses	-	-
	-----	-----
Net Loss from Operations	-	-
	-----	-----
Other Income and expenses:		
Interest income	-	-
Interest expense	-	-
Other	-	-
	-----	-----
	-	-
	-----	-----
Net Loss	\$ -	\$ -
	=====	=====
Weighted average number of shares outstanding	7,795,171	2,795,171
	=====	=====
Basic and diluted net loss per share	\$ -	\$ -
	=====	=====

See accountants review report.

HOUSTON OPERATING COMPANY, INC.
 STATEMENTS OF OPERATIONS
 (Unaudited)

	Six Months Ended June 30,	
	2002	2001
	-----	-----
REVENUES:	\$ -	\$ -
OPERATING EXPENSES:		
Sales and marketing	-	-
General and administrative	29	-
	-----	-----
Total Operating Expenses	29	-
	-----	-----
Net Loss from Operations	(29)	-
	-----	-----
Other Income and expenses:		
Interest income	-	-
Interest expense	-	-
Other	-	-
	-----	-----
	-	-
	-----	-----
Net Loss	\$ (29)	\$ -
	=====	=====
Weighted average number of shares outstanding	7,795,171	2,795,171
	=====	=====
Basic and diluted net loss per share	\$ -	\$ -
	=====	=====

See accountants review report.

HOUSTON OPERATING COMPANY, INC.
STATEMENTS OF CASH FLOWS
(Unaudited)

	Six Months Ended June 30,	
	2002	2001
	----	----
Cash Flows From Operating Activities:		
Net (Loss)	\$ (29)	\$ -
Adjustments to reconcile net loss to net cash used in operating activities:		
Stock issued for services	-	-
Changes in assets and liabilities:		
Increase in Advances from Stockholders	-	-
	-----	-----
	-	-
	-----	-----
Net Cash Used in Operating Activities	(29)	-
	-----	-----
Cash Flow From Financing Activities:		
Issuance of Common Stock	-	-
	-----	-----
Net Cash Provided By Financing Activities	-	-
	-----	-----
Increase (Decrease) in Cash	(29)	-
Cash and Cash Equivalents - Beginning of period	541	-
	-----	-----
Cash and Cash Equivalents - End of period	\$ 512	\$ -
	=====	=====
Supplemental Cash Flow Information:		
Interest paid	\$ -	\$ -
	-----	-----
Taxes paid	\$ -	\$ -
	=====	=====

See accountants review report.

HOUSTON OPERATING COMPANY, INC.
STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
(Unaudited)

	Common Stock		Additional Paid-In Capital	Accumulated Deficit	Totals
	Shares	Amount			
	-----	-----	-----	-----	-----
Balance - December 31, 1997	2,795,171	\$ 2,795	\$ 28,820	\$ (38,874)	\$ (7,259)
Net loss for period	-	-	-	(1,725)	(1,725)
	-----	-----	-----	-----	-----
Balance - December 31, 1998	2,795,171	2,795	28,820	(40,599)	(8,984)
	-----	-----	-----	-----	-----
Conversion of loan payable to additional paid-in capital	-	-	9,530	-	9,530
Net loss for year	-	-	-	(1,000)	(1,000)
	-----	-----	-----	-----	-----
Balance - December 31, 1999	2,795,171	2,795	38,350	(41,599)	(454)
	-----	-----	-----	-----	-----
Stock issuance for cash	1,000,000	1,000	-	-	1,000
Stock issuance for services	4,000,000	4,000	-	-	4,000
Net loss for year	-	-	-	(7,254)	(7,254)
	-----	-----	-----	-----	-----
Balance - December 31, 2000	7,795,171	7,795	38,350	(48,853)	(2,708)
	-----	-----	-----	-----	-----
Net loss for period	-	-	-	(29)	(29)
	-----	-----	-----	-----	-----
Balance - June 30, 2002	7,795,171	\$ 7,795	\$ 38,350	\$ (48,882)	\$ (2,737)
	-----	-----	-----	-----	-----

See accountants review report.

HOUSTON OPERATING COMPANY, INC.
NOTES TO FINANCIAL STATEMENTS

Note 1. Presentation of Interim Information

In the opinion of the management of Houston Operating Company, Inc., the accompanying unaudited financial statements include all normal adjustments considered necessary to present fairly the financial position as of June 30, 2002, and the results of operations for the six months ended June 30, 2002 and cash flows for the six months ended June 30, 2002. Interim results are not necessarily indicative of results for a full year.

The financial statements and notes are presented as permitted by Form 10-Q, and do not contain certain information which would be included in the Company's audited financial statements and notes .

MANAGEMENT DISCUSSION & ANALYSIS RESULT OF OPERATION FOR THE QUARTER ENDED JUNE 30, 2002 COMPARED TO QUARTER ENDED JUNE 30, 2001.

The Company had no revenues or operations for the period in 2002 or 2001. The Company incurred no expenses in the quarter in 2002 and no expenses in the quarter in 2001. The net profit/loss for the quarter was \$0 in 2002 and \$0 in 2001. Loss per share was none in 2002 and none in 2001 for the quarter.

RESULTS OF OPERATIONS FOR SIX MONTHS ENDED JUNE 30, 2002 COMPARED TO SAME PERIOD IN 2001.

The Company had no revenues or operations for the six month period in 2002 or 2001. The Company incurred \$29 in miscellaneous expenses in the period in 2002 and no expenses in the period in 2001. The net loss for the six month period was (\$29) in 2002 and \$0 in 2001. Loss per share was none in 2002 and 2001 for the period.

LIQUIDITY AND CAPITAL RESOURCES

The Company does not have capital sufficient to meet the Company's cash needs, including the costs of compliance with the continuing reporting requirements of the Securities and Exchange Act of 1934. The Company will have to seek loans or equity placements to cover such cash needs. In the event the Company is unable to complete a business combination during this period, lack of its existing capital may be a sufficient impediment to prevent it from accomplishing the goal of completing a business combination. There is no assurance, however, that without funds it will ultimately allow registrant to complete a business combination. Once a business combination is completed, the Company's needs for additional financing are likely to increase substantially.

Irrespective of whether the Company's cash assets prove to be inadequate to meet the Company's operational needs, the Company might seek to compensate providers of services by issuances of stock in lieu of cash.

PART II - OTHER INFORMATION

- ITEM 1. LEGAL PROCEEDINGS
None
- ITEM 2. CHANGES IN SECURITIES
None
- ITEM 3. DEFAULT UPON SENIOR SECURITIES
None
- ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS
None
- ITEM 5. OTHER INFORMATION
None

Appointment of New Directors and Resignation of Directors

None

ITEM 6.

EXHIBITS AND REPORTS ON FORM 8-K

Reports on Form 8-K were made for the period for which this report is filed.

Exhibit 99.14

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Date: August 26, 2002

HOUSTON OPERATING COMPANY

/s/ J.R. Nelson

J.R. NELSON, President

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Amended Quarterly Report of Houston Operating Company (the "Company") on Form 10-QSB for the period ending June 30, 2002 as filed with the Securities and Exchange Commission on the date hereof (the "Report"). I, J.R. Nelson, President, CEO, and CFO of the company, certify, pursuant to 18 USC Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge and belief.

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ J.R. Nelson

J.R. Nelson, President/CEO/CFO

Dated: 8/26/02