

FORM ADV

Uniform Application for Investment Adviser Registration

Part II - Page 1

Name of Investment Adviser: American General Financial Advisors, Inc.				
Address: (Number and Street)	(City)	(State)	(Zip Code)	Area Code: Telephone Number:
2450 Venture Oaks Way, Suite 120	Sacramento	CA	95833	(916) 614-1744

**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 government authority.**

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

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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. 100% (See instruction below.)
- Applicant:
- | | | |
|-------------------------------------|---|-----------|
| <input type="checkbox"/> | (1) Provides investment supervisory services | _____ % |
| <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 | 90% _____ |
| <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 | 10% _____ |
| <input type="checkbox"/> | (8) Provides a timing service | _____ % |
| <input type="checkbox"/> | (9) Furnishes advice about securities in any manner not described above | _____ % |

(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 the 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 type="checkbox"/> (1) A percentage of assets under management | <input type="checkbox"/> (4) Subscription fees |
| <input 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 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)

- | | |
|---|--|
| <input checked="" type="checkbox"/> A. Equity Securities | <input checked="" type="checkbox"/> H. United States government securities |
| <input checked="" type="checkbox"/> (1) exchange-listed securities | |
| <input checked="" type="checkbox"/> (2) securities traded over-the-counter | <input type="checkbox"/> I. Options contracts on: |
| <input type="checkbox"/> (3) foreign issues | <input type="checkbox"/> (1) securities |
| <input type="checkbox"/> B. Warrants | <input type="checkbox"/> (2) commodities |
| <input checked="" type="checkbox"/> C. Corporate debt securities
(other than commercial paper) | <input type="checkbox"/> J. Futures contracts on: |
| <input type="checkbox"/> D. Commercial paper | <input type="checkbox"/> (1) tangibles |
| <input checked="" type="checkbox"/> E. Certificates of deposit | <input type="checkbox"/> (2) intangibles |
| <input checked="" type="checkbox"/> F. Municipal securities | <input type="checkbox"/> K. Interests in partnerships investing in: |
| <input type="checkbox"/> G. Investment company securities | <input type="checkbox"/> (1) real estate |
| <input checked="" type="checkbox"/> (1) variable life insurance | <input type="checkbox"/> (2) oil and gas interests |
| <input checked="" type="checkbox"/> (2) variable annuities | <input type="checkbox"/> (3) other (explain on Schedule F) |
| <input checked="" type="checkbox"/> (3) mutual fund shares | <input type="checkbox"/> 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) <input type="checkbox"/> Charting | (4) <input checked="" type="checkbox"/> Cyclical |
| (2) <input checked="" type="checkbox"/> Fundamental | (5) <input checked="" type="checkbox"/> Other (explain on Schedule F) |
| (3) <input checked="" type="checkbox"/> Technical | |

B. The main sources of information applicant uses include: (check those that apply)

- | | |
|---|--|
| (1) <input checked="" type="checkbox"/> Financial newspapers and magazines | (5) <input type="checkbox"/> Timing services |
| (2) <input type="checkbox"/> Inspections of corporate activities | (6) <input checked="" type="checkbox"/> Annual reports, prospectuses, filings with the
Securities and Exchange Commission |
| (3) <input checked="" type="checkbox"/> Research materials prepared by others | (7) <input checked="" type="checkbox"/> Company press releases |
| (4) <input checked="" type="checkbox"/> Corporate rating services | (8) <input type="checkbox"/> Other (explain on Schedule F) |

C. The investment strategies used to implement any investment advice given to clients include: (check those that apply)

- | | |
|--|--|
| (1) <input checked="" type="checkbox"/> Long term purchases
(securities held at least a year) | (5) <input type="checkbox"/> Margin transactions |
| (2) <input checked="" type="checkbox"/> Short term purchases
(securities sold within a year) | (6) <input type="checkbox"/> Option writing, including covered options,
uncovered options or spreading strategies |
| (3) <input type="checkbox"/> Trading (securities sold within 30 days) | (7) <input type="checkbox"/> Other (explain on Schedule F) |
| (4) <input type="checkbox"/> Short sales | |

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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
- year of birth
- formal education after high school
- 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:

<input checked="" type="checkbox"/> (1) broker-dealer	<input type="checkbox"/> (7) accounting firm
<input checked="" type="checkbox"/> (2) investment company	<input type="checkbox"/> (8) law firm
<input checked="" type="checkbox"/> (3) other investment adviser	<input checked="" type="checkbox"/> (9) insurance company or agency
<input checked="" type="checkbox"/> (4) financial planning firm	<input type="checkbox"/> (10) pension consultant
<input type="checkbox"/> (5) commodity pool operator, commodity trading adviser or futures commission merchant	<input type="checkbox"/> (11) real estate broker or dealer
<input type="checkbox"/> (6) banking or thrift institution	<input type="checkbox"/> (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).

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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.)

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 Item 11A on Schedule F

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

See Item 11B on Schedule F

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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 checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (4) commission rates paid? | Yes <input checked="" type="checkbox"/> | No <input 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; 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).

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

Applicant: American General Financial Advisors, Inc.	SEC File Number: 801-	Date: 08/25/2003
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(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: American General Financial Advisors, Inc.	IRS Empl. Ident. No.: 33-1013974
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Item of Form (identify)	Answer
6.(cont'd)	<p><u>Educational Background:</u> University of San Francisco 1971 BA Economics</p> <p><u>Business Background:</u> 06/02-Present Director/CFO/Treasurer American General Financial Advisors, Inc.</p> <p>03/99-Present Director/CFO/Treasurer VALIC Financial Advisors, Inc.</p> <p>05/99-Present VP Operations The Variable Annuity Life Insurance Company</p> <p>09/92-03/99 President-Sales/Operations Gateway Investment Services, Inc.</p> <p>John Nicholas Packs DOB: 1952</p> <p><u>Educational Background:</u> Tufts University, BA Economics 1978 Columbia Graduate School of Business MBA 1986</p> <p><u>Business Background:</u> 06/02-Present Director or Research, American General Financial Advisors, Inc.</p> <p>08/01-Present Director of Research, VALIC Financial Advisors, Inc.</p> <p>01/02-Present Director of Research; AIG</p> <p>03/00-12/01 Director of Research, American General Asset Mgmt. Corp.</p> <p>11/95-03/00 Vice President, Cypress Holding Co.</p> <p>09/92-12/94 Consultant, Allmerica Financial Svcs.</p> <p>01/88-06/92 Owner, College America Corporation</p> <p>Krien VerBerkmoes, III DOB: 06/04/53</p> <p><u>Educational Background:</u> Michigan State University 1975 BS Keller Graduate School of Business MBA 1986</p> <p><u>Business Background:</u> 06/02-Present Vice President Sales Practices, American General Financial Advisors, Inc.</p> <p>07/00- Present Vice President-Broker Dealer Sales Practices American General/VALIC</p> <p>01/01-Present VP Sales Practices VALIC Financial Advisors, Inc.</p> <p>04/01-Present VP Sales Practices & Financial Operations Principal; The American General Distributors, Inc.</p> <p>04/01-05/02 VP Sales Practices & Chief Compliance Officer; The Variable Annuity Marketing Company</p>
8.C.	AGFA is affiliated with The Variable Annuity Life Insurance Company ("VALIC") a registered investment adviser and indirect, wholly-owned subsidiary of American General Corporation ("AGC"), a wholly-owned subsidiary of American International Group, Inc. ("AIG"). VALIC is primarily engaged in the offering and issuance of fixed and variable retirement annuity contracts and combinations thereof and is licensed to write life insurance in fifty states and the District of

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**Schedule F of
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Applicant: American General Financial Advisors, Inc.	SEC File Number: 801-	Date: 08/25/2003
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(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: American General Financial Advisors, Inc.	IRS Empl. Ident. No.: 33-1013974
Item of Form (identify)	Answer
8. C (cont'd)	<p>Columbia. American General Financial Advisors is affiliated with VALIC Financial Advisors Inc. ("VFA") a wholly owned subsidiary of AIG. VFA is registered with the Securities and Exchange Commission ("SEC") as an investment adviser and a broker-dealer.</p> <p>American General Distributors, Inc. ("AGD") is an indirect subsidiary of AGC, a wholly-owned subsidiary of AIG and an affiliate of AGFA. In its capacity as a registered broker-dealer, AGD acts as principal underwriter for the offer, sales and distribution of variable annuity contracts issued by VALIC affiliates.</p> <p>AGFA has retained the services of KPMG Acumen ("KPMG") in offering a Comprehensive Financial Planning Program. KPMG is an accounting firm and technology firm that provides financial planning software that AGFA utilizes to offer its financial planning program.</p>
9. B, D	<p>To the extent that an advisory client chooses to follow any of AGFA's financial planning recommendations, AGFA's affiliate associated persons may earn compensation in the form of brokerage commissions.</p> <p>AGFA associated persons may recommend to clients the purchase or sale of investment products in which a related entity may have some financial interest, including, but not limited to, the receipt of compensation. Records will be maintained of all securities bought or sold by related entities. Such records will be available for client inspection upon request.</p> <p>To the extent permitted by applicable law and the investment objectives, policies and restrictions, if any, applicable to client plans, AGFA may recommend that an investment be made in one of several registered investment companies for which an investment advisory affiliate acts as investment adviser or sub-adviser.</p> <p>The Written Supervisory Procedures requires prior clearance and periodic reports on all personal securities transactions, except transactions in investment company securities and/or other exempt transactions. Further, such Written Supervisory Procedures impose certain policies and procedures concerning the misuse of material, non-public information that are designed to prevent insider trading by any officer, partner, or associated person of AGFA.</p>
11. A	The Firm engages in ongoing monitoring of the financial plans program and the Investment Advisor Representatives, a process that includes visits with the Investment Advisor Representatives, review and approval of all plans and audits of the Investment Advisor Representatives' records.
11. B	The client is provided a copy of the original financial plan report at the time it is produced. The client is under no obligation to follow either in whole or in part, any of AGFA's financial planning recommendations.
12. B	When recommending a broker-dealer, AGFA considers, among other things, its execution capabilities, including block positioning, financial stability, ability to maintain confidentiality, delivery capability and ability to obtain best price. AGFA seeks to negotiate commission rates on brokerage transactions. Generally, negotiations take into account the difficulty involved in execution, the time taken to conclude the transaction, the extent of the broker's commitment, if any, of its own capital and the amount involved in execution. AGFA may compare the commission discount that an executing broker offers to the discount offered by other brokerage firms that could

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(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: American General Financial Advisors, Inc.	IRS Empl. Ident. No.: 33-1013974
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Item of Form (identify)	Answer
12. B (cont'd)	<p>provide similar services. In addition, brokers may be paid an above-average commission for superior or difficult execution.</p> <p>With respect to financial planning activities, securities transactions may be effected through one of AGFA's affiliated broker-dealers.</p> <p>Clients may select their own broker-dealer. A client that designates use of a particular broker-dealer should understand, however, that AGFA may not be able to negotiate freely commission rates or select brokers based on the most favorable price and execution for transactions. In addition, the client may lose the possible advantage that non-designating clients may derive from batching of orders as a single transaction for the purchase or sale of a particular security. As a result, designating use of a particular broker-dealer may cause a client to pay higher commissions or receive less favorable net prices.</p> <p>AGFA does not attempt to put a specific dollar value on the research or brokerage services of any broker-dealer or to allocate the relative costs or benefits of research, believing that the research received is, in the aggregate, of assistance to AGFA in fulfilling its overall responsibilities to its clients. Accordingly, the research received for a particular client's brokerage commissions may be useful to the client, but also may be useful for other clients' accounts; similarly, the research received from the commissions generated for transactions in other client accounts may be useful for the client. AGFA's arrangements for research or brokerage services do not involve any commitment regarding the amount of brokerage given to a particular broker-dealer that would bind AGFA to compensate the broker/dealer for research or brokerage services provided. However, AGFA does maintain an internal procedure to identify those broker-dealers that have provided it with research and/or brokerage and endeavors to direct sufficient commissions to them to ensure continued receipt of research and/or brokerage AGFA believes is useful. To the extent that AGFA receives products or services that it uses for both research and/or brokerage and other purposes, such as administration or marketing, it makes a good faith effort to determine the relative proportions of such products attributable to research. The portion attributable to research and/or brokerage may be paid through client brokerage commissions, and AGFA will pay the non-research portion in cash.</p> <p>These so-called "soft dollar" arrangements may be deemed to create a conflict of interest to the extent that AGFA would have to pay for some or all of these research and/or brokerage services with "hard dollars" if it were unable to obtain the services in exchange for commissions in connection with client transactions.</p>

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