

INX Inc.

6401 Southwest Freeway
Houston, Texas 77074

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

To Be Held May 12, 2009

Notice is hereby given that the annual meeting of the stockholders of INX Inc., a Delaware corporation (the "Company"), will be held at the offices of the Company located at 6401 Southwest Freeway, Houston, Texas 77074 on Tuesday, May 12, 2009, at 10:00 AM, Central Daylight Time, and any adjournment or postponement thereof, for the following purposes:

1. To elect four (4) nominees to the board of directors to serve until the next annual meeting of stockholders or until their successors are elected and qualified;
2. To consider and approve an amendment of the INX Inc. Incentive Plan to increase the number of shares of common stock reserved for grant under the Plan from 3,073,103 shares of common stock to 3,423,103 shares of common stock;
3. To consider and act upon such other business as may properly be presented at the annual meeting or any adjournments or postponements thereof.

Only stockholders of record at the close of business on March 27, 2009, will be entitled to notice of and to vote at the meeting and any adjournments or postponements thereof. Each of these stockholders is cordially invited to be present and vote at the meeting in person. A list of stockholders entitled to vote at the meeting will be available for inspection ten days prior to the meeting at the principal offices of the Company, located at 6401 Southwest Freeway, Houston, Texas 77074. You can contact the Company with any further questions at (713) 795-2000.

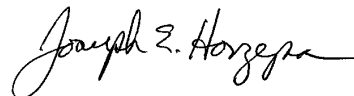
The presence in person or by proxy at the meeting of at least a majority of all outstanding shares of common stock is required to constitute a quorum. Accordingly, it is important that your shares be represented at the meeting. The prompt return of proxies will ensure a quorum and save the Company the expense of further solicitation.

Important Notice Regarding the Availability of Proxy Materials
for the Stockholder Meeting to be Held on May 12, 2009:

The Proxy Statement and our 2008 Annual Report are Available
at the Web Site, <http://materials.proxyvote.com/46185W>

Please read the proxy material carefully. Your vote is important, and the Company appreciates your cooperation in considering and acting on the matters presented.

By Order of the Board of Directors,



Joseph E. Horzepa
Secretary
April 1, 2009

Whether or not you plan to attend the Meeting, please sign, date and return the enclosed proxy card as promptly as possible in the envelope provided. No postage is required if mailed in the United States. Should you receive more than one proxy card because your shares are registered in different names and addresses, each proxy card should be signed and returned to ensure that all your shares will be voted. Your proxy may be revoked at any time prior to the time it is voted.

INX Inc.
6401 Southwest Freeway
Houston, Texas 77074

**PROXY STATEMENT
FOR THE
ANNUAL MEETING OF STOCKHOLDERS
OF
INX Inc.
TO BE HELD ON MAY 12, 2009**

This proxy statement and the enclosed proxy card are first being mailed to the stockholders of INX Inc., a Delaware corporation (the “Company”), commencing on or about April 1, 2009, in connection with the solicitation by the board of directors of the Company (the “Board of Directors” or the “Board”) of proxies to be voted at the annual meeting of stockholders to be held at the offices of the Company located at 6401 Southwest Freeway, Houston, Texas 77074 on Tuesday, May 12, 2009 at 10:00 a.m., Central Daylight Time and at any adjournments or postponements thereof (the “Meeting”), for the purposes set forth in the accompanying notice. The Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2008 (the “2008 Annual Report”) is either being mailed or provided on the internet to stockholders concurrently with this proxy statement as specified further below. The 2008 Annual Report is not to be regarded as proxy soliciting material or as a communication by means of which any solicitation of proxies is to be made.

SHARES OUTSTANDING AND VOTING RIGHTS

Record Date and Shares Outstanding

Only holders of shares of Company’s common stock, par value \$0.01 per share (the “Common Stock”) of record as of the close of business on March 27, 2009 (the “Record Date”), are entitled to vote at the Meeting. As of March 17, 2009, there were 8,695,604 shares of Common Stock issued, outstanding and entitled to vote at the Meeting. Each share of Common Stock is entitled to one vote on all matters to be voted upon at the Meeting.

Quorum; Broker Non-Votes; Abstentions

The presence, in person or by proxy, of the holders of a majority of the shares of Common Stock will constitute a quorum for the transaction of business at the Meeting and any adjournment or postponement thereof. The shares of Common Stock that are voted by proxy on a proposal, or that “ABSTAIN” from voting on a proposal are treated as being present at the Meeting for purposes of determining the presence of a quorum.

Broker non-votes (i.e., shares of Common Stock held by a broker or nominee that are represented at the Meeting, but with respect to which such broker or nominee is not empowered to vote on a particular proposal) will be counted for purposes of determining the presence of a quorum for the transaction of business at the Meeting, but will not be counted for purposes of determining the number of shares with voting power with respect to a particular proposal. Accordingly, a broker non-vote will not affect the outcome of the voting on any proposal set forth in this proxy statement. Abstentions with respect to any proposal will have the same effect as a vote against such proposal.

If a quorum is not obtained, the Meeting may be adjourned for the purpose of obtaining additional proxies or votes or for any other purpose, and, at any subsequent reconvening of the Meeting, all proxies

will be voted in the same manner as such proxies would have been voted at the original convening of the Meeting (except for any proxies which have theretofore been revoked).

Notice and Access

The Securities and Exchange Commission has adopted amendments to the proxy rules that change how companies must provide proxy materials. These new rules are often referred to as “Notice and Access”. Under the Notice and Access model, a company may select either of the following two options for making proxy materials available to stockholders:

- The full set delivery option; or
- The notice only option.

A company may use a single method for all its stockholders, or use full set delivery for some while adopting the notice only option for others. The Company uses the hybrid approach allowed under the new rules.

The “Notice and Access” rules reduce the amount of time it takes for stockholders to obtain the materials, reduces the printing and mailing expenses paid by the Company, and reduces the environmental impact of producing the materials. The Company is required to comply with these new “Notice and Access” rules in connection with its Annual Meeting.

Registered Holders of our Common Stock, who are stockholders registered directly in name with our stock transfer agent, will continue to receive printed copies of the proxy materials. Most of our stockholders, referred to as “Beneficial Holders” who hold Common Stock in the name of a broker, bank or other holder of record, will not receive printed copies of the proxy materials unless they request them. Instead, the “Notice of Internet Availability of Proxy Materials” (referred herein as the “Notice”), which was mailed to our Beneficial Holders of Common Stock, will instruct you as to how you may access and review all of the proxy materials on the Internet. The Notice also instructs you as to how you may submit your proxy on the Internet. If you would like to receive a paper or e-mail copy of our proxy materials, you should follow the instructions in the Notice for requesting such materials.

Registered Holders of Common Stock

A Registered Holder of Common Stock will continue to receive printed copies of the proxy materials under the full set delivery option. Under the full set delivery option, a company delivers all proxy materials to its stockholders as it would have done prior to the change in the rules. This can be by mail or, if a stockholder has previously agreed, by e-mail. In addition to delivering proxy materials to stockholders, a company must now post all proxy materials on a publicly-accessible website and provide information to stockholders about how to access that website. The Company’s proxy materials are available on the following website: <http://materials.proxyvote.com/46185W>.

Beneficial Holders of Common Stock

In connection with its Annual Meeting, the Company has elected to use the notice only delivery option with respect to the Company’s Beneficial Holders of Common Stock. Accordingly, if you are a Beneficial Holder of Common Stock, you should have received the Notice, which provides instructions on how to access the proxy materials on-line.

Under the notice only delivery option, a company must post all its proxy materials on a publicly accessible website. However, instead of delivering its proxy materials to stockholders, the company instead delivers a Notice. This Notice includes, among other matters:

- information regarding the date and time of the meeting of stockholders as well as the items to be considered at the meeting;
- information regarding the website where the proxy materials are posted; and
- various means by which a stockholder can request paper or e-mail copies of the proxy materials.

If a stockholder requests paper copies of the proxy materials, these materials must be sent to the stockholder within three business days. Additionally, paper copies must be sent via first class mail.

If you would prefer to continue receiving paper copies of proxy materials if the Company elects to use the notice only option for future annual meetings, please mark the “Paper Copies” box on your Proxy Card (or provide this information when you vote via the internet).

As noted above, the Company must provide paper copies via first class mail to any stockholder who, after receiving the Notice referenced above, nevertheless requests paper copies. Accordingly, for example, even if you do not check the “Paper Copies” box now, you will still have the right to request delivery of a free set of proxy materials upon receipt of any Notice in the future. Because first class postage is significantly costlier than bulk mail rates and because each such request must be processed on a stockholder-by-stockholder basis, the cost of responding to a single request for paper copies is likely to be significantly greater than the per stockholder cost the Company currently incurs in delivering proxy materials in bulk. Accordingly, requests for paper copies could significantly undermine or eliminate expected cost savings associated with the notice only option.

By developing in advance a database of Common Stock holders who would prefer to continue receiving paper copies of proxy materials, the Company would be able to use the full set delivery option for these stockholders — using bulk mail to deliver the paper copies — while using the notice only option for other Common Stockholders. We believe this would significantly reduce the number of requests for paper copies that the Company would need to process on a stockholder-by-stockholder basis and would position the Company to better capture cost savings should it continue to use the notice only option in the future. We appreciate your assistance in helping us develop this database through the Proxy Card and internet voting processes.

Future Use of the Notice Only Option

The Company may choose to use the notice only delivery option in the future as a delivery option of its proxy materials. By reducing the amount of materials that the Company is required to print and mail, the notice only option provides an opportunity for cost savings as well as conservation of natural resources. The Company plans to evaluate the future possible cost savings as well as the possible impact on stockholder participation as it considers future use of the notice only option.

Revocability of Proxy

A stockholder may revoke a proxy by:

- (1) delivering to the Company written notice of revocation;
- (2) delivering to the Company a signed proxy bearing a later date; or
- (3) appearing at the Meeting and voting in person.

Votes will be tabulated and the results will be certified by an election inspector who will be required to resolve impartially any interpretive questions as to the conduct of the vote.

Proxies will be voted in accordance with the directions specified thereon. Any proxy on which no direction is specified will be voted for the election of the nominees named herein to the Board of Directors and for approval of Proposal 2. The Company is not aware of any other matters that may be presented or acted on at the Meeting. The persons named on the proxy card may use their discretion to vote on any other matter that may properly be presented at the meeting.

PROPOSAL 1
ELECTION OF DIRECTORS

General Information

At the Meeting, four (4) nominees are to be elected to the Board of Directors. If elected, each nominee will hold office until the next annual meeting of stockholders or until his successor is elected and qualifies.

Unless otherwise directed, the persons named as proxies in the accompanying proxy will vote for the election of the nominees named below to the Board of Directors. All of the nominees have previously been elected directors by the stockholders. If any nominee should become unavailable for election, the proxy may be voted for a substitute nominee selected by the Board of Directors. However, the Board of Directors is not aware of any circumstances that would prevent any nominee from serving if elected.

Approval and Required Vote

The four nominees for election as directors at the Meeting who receive the affirmative vote of a majority of the shares of Common Stock present, in person or by proxy, will be the duly elected directors of the Company. Broker non-votes will not have any effect on the outcome of the election. Votes withheld with respect to the election of any director will have the same effect as a vote against such director.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE “FOR” ALL NOMINEES FOR ELECTION TO THE COMPANY’S BOARD OF DIRECTORS.

Nominees for Director

Set forth below is certain information regarding the nominees for election to the Board of Directors:

James H. Long, age 50, is the Company’s founder and has served as the Chairman of the Board and Chief Executive Officer since its inception in 1983. Mr. Long also served as the Company’s President through December 2003. Prior to founding the Company, Mr. Long served with the United States Navy in a technical position and was then employed by IBM in a technical position.

Donald R. Chadwick, age 65, has served as a member of the Board of Directors since September 1996. He served as Secretary from February 1992 to August 2002 and served as Chief Financial Officer of the Company from February 1992 until December 1999. As Chief Financial Officer, his duties included supervision of finance, accounting and controller functions.

John B. Cartwright, age 62, has served as a member of the Board of Directors since August 2001. He has been the owner of John B. Cartwright & Associates, a Certified Public Accounting firm, since 1990. From 1973 to 1990, Mr. Cartwright was the managing partner or managing stockholder of Cartwright, Matthews, Gonsoulin & Bradley, PC, Cartwright, Matthews & Gonsoulin, a Partnership and Cartwright & Matthews, a Partnership. From 1969 to 1973, Mr. Cartwright was an Audit Supervisor of Touche Ross & Co. (now Deloitte & Touche LLP) in Houston. Mr. Cartwright is a member of the American Institute of Certified Public Accountants, Texas Society of Certified Public Accountants, Houston Chapter of the Texas Society of Certified Public Accountants, and the past President of the Houston Chapter of the Community Associations Institute.

Cary Grossman, age 55, has served as a member of the Board of Directors and chair of the Audit Committee since December 2004. He has been Executive Vice-President and Chief Financial Officer of Blaze Recycling & Metal, LLC since July 2007. Mr. Grossman was the Executive Vice President of

Gentium, S.P.A, an Italy-based biopharmaceutical company, from August 2004 until February 2007. During that period he served as Chief Financial Officer, and later as its Chief Operating Officer. Mr. Grossman was the Chairman and co-Chief Executive Officer of Coastal Bancshares Acquisition Corp., a special purpose acquisition company, from its inception in 2004 until its dissolution in March 2007. Mr. Grossman was a director of St. Bernard Software, Inc. (formerly Sand Hill IT Security Acquisition Corp.) (OTCBB: SBSW) from April 2004 through July 2006. From April 2004 to January 10, 2005, he was also its Chief Financial Officer. From 2002 until 2003 he served as Chief Financial Officer at U.S. Liquids, Inc., at the time an AMEX-listed environmental services company. Mr. Grossman left U.S. Liquids, Inc. in 2003 as a result of the acquisition of three of its businesses and was President and Chief Executive Officer of the acquiring company, ERP Environmental Services, until November 2003. From 1997 until 2002, Mr. Grossman served Pentacon, Inc., at the time an NYSE-listed company, as a board member and as Chairman of the Board of Directors. From 1991 until 2002, Mr. Grossman was the Chief Executive Officer of McFarland, Grossman & Company, Inc., an investment banking and financial advisory firm. Mr. Grossman practiced public accounting from 1977-1991. He is a Certified Public Accountant and earned a BBA in accounting from The University of Texas.

PROPOSAL 2

AMENDMENT OF THE COMPANY'S INCENTIVE PLAN

General Information

The Board of Directors approved an amendment (the "Plan Amendment") of the INX Inc. Incentive Plan amended and restated effective July 28, 2003 (as amended, the "Plan") on March 27, 2009, subject to approval by stockholders at this Meeting. The Plan was first approved by the Board of Directors and stockholders in 2000. An amendment increasing the number of shares reserved for grant under the Plan was approved by the stockholders at the last annual meeting of stockholders held on May 13, 2008. The Company is asking stockholders to approve the Plan Amendment, as the Company believes that its continued ability to grant incentive awards under the Plan is essential to its ability to implement its strategy and to continue to attract and motivate key employees. Additionally, the Company needs to have the continued ability to grant incentive awards to future employees in conjunction with future acquisitions.

The purpose of the Plan is to attract and to encourage the continued employment and service of, and maximum efforts by, officers, outside directors, key employees, consultants and other key individuals by offering those persons an opportunity to acquire, or increase an existing, interest in the future success of the Company. In the judgment of the Board of Directors, this form of incentive compensation will serve to the ultimate benefit of stockholders by aligning more closely the interests of the Plan participants with the stockholders. Approval of the Plan Amendment by stockholders is also necessary to comply with the The Nasdaq Global Market listing requirements.

As of March 17, 2009, there were an aggregate of 3,073,103 shares of Common Stock issued or reserved for grant under the Plan, of which only 152,530 shares of Common Stock were available for future grants, and the closing price of the Common Stock was \$3.50 per share. Because participation and the types of awards under the Plan are subject to the discretion of the Compensation Committee, the benefits or amounts that will be received by any participant or groups of participants in the Plan, including named executive officers and directors of the Company, is not currently determinable.

Description of the Plan Amendment

A description of the provisions of the Plan Amendment is set forth below. This summary is qualified in its entirety by the detailed provisions of the Plan Amendment, a copy of which is attached as

Appendix A to this proxy statement. Capitalized terms not defined in this description shall have the meaning provided to such term in the Plan.

If Proposal 2 is approved by the stockholders, the number of shares of Common Stock available for Incentive Awards under the Plan will be increased by 350,000 shares of Common Stock to a total of 3,423,103 shares of Common Stock.

Incentive awards may be granted under the Plan pursuant to the Plan Amendment prior to the receipt of such stockholder approval; provided, however, that if the requisite stockholder approval is not obtained, then any such incentive awards granted hereunder shall automatically become null and void and have no force and effect.

Approval and Required Vote

The affirmative vote of a majority of the shares of Common Stock present, in person or by proxy, is required to approve the Plan Amendment. Abstentions will have the same effect as a vote against approval of the Plan Amendment. Broker non-votes will not have any effect on the approval of the Plan Amendment. Unless otherwise indicated, properly executed proxies will be voted in favor of the proposal to approve the Plan Amendment.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE “FOR” THE PLAN AMENDMENT.

Description of the Amended and Restated Plan

A description of the provisions of the Amended and Restated Plan is set forth below. This summary is qualified in its entirety by the detailed provisions of the Amended and Restated Plan.

Administration. The Amended and Restated Plan is administered by the Compensation Committee of the Board of Directors. The Compensation Committee may delegate its duties under the Amended and Restated Plan, except for the authority to grant awards or take other action on persons who are subject to Section 16 of the Exchange Act or Section 162 (m) of the Internal Revenue Code, as amended (the “Code”). In the case of an award to an outside director, the board of directors acts as the Compensation Committee. Subject to the express provisions of the Amended and Restated Plan, the Compensation Committee is authorized to, among other things, select participants and determine the size, duration and type, as well as the other terms and conditions (which need not be identical), of each award. The Compensation Committee also construes and interprets the Amended and Restated Plan and any related agreements. All determinations and decisions of the Compensation Committee are final, conclusive and binding on all parties.

Common Stock Reserved for Issuance under the Plan. The number of shares of Common Stock reserved for issuance under the Plan is 3,423,103.

Eligibility. The Amended and Restated Plan provides for the grant of Incentive Stock Options (“ISO”), within the meaning of the Code, to employees of the Company, including directors who are also employees. All other awards may be granted to employees, officers, directors and advisors or consultants engaged by the Company, provided such advisors or consultants render bona fide services in connection with the Company’s operation.

Types of Incentive Awards. Under the Amended and Restated Plan, the Compensation Committee may grant “Incentive Awards,” which can include, but are not limited to:

- ISO’s, as defined in Section 422 of the Code;
- “nonstatutory” stock options (“NSOs”);

- stock appreciation rights (“SARS”);
- shares of restricted stock;
- performance units and performance shares;
- other stock-based awards; and
- cash bonuses.

Not more than the total number of shares of Common Stock reserved for issuance under the Amended and Restated Plan shall be available for any one of the following types of grants: ISOs, NSOs, SARs, shares of restricted stock, a payment of a performance share in shares of Common Stock, a payout of performance unit in shares of Common Stock, a payout of another stock-based award in shares of Common Stock described in Section 5 of the Amended and Restated Plan (which includes, without limitation, deferred stock, purchase rights, shares of Common Stock awarded which are not subject to any restrictions or conditions, convertible or exchangeable debentures, other rights convertible into shares, Incentive Awards valued by reference to the value of securities of or the performance of a specified subsidiary, division or department, and settlement in cancellation of rights of any person with a vested interest in any other plan, fund, program or arrangement that is or was sponsored, maintained or participated in by the Company or subsidiary).

ISOs and NSOs together are called “Options.” The terms of each award will be reflected in an incentive agreement between the Company and the participant.

Options. Generally, Options must be exercised within 10 years of the grant date, except grants of ISOs to a 10% or greater stockholder which shall be 5 years. The exercise price of each ISO may not be less than 100% of the fair market value of a share of common stock on the date of grant (110% in the case of a 10% or greater stockholder). The Compensation Committee has the discretion to determine the exercise price of each NSO granted under the 2000 Stock Incentive Plan. To the extent the aggregate fair market value of shares of common stock for which ISOs are exercisable for the first time by any employee during any calendar year exceeds \$100,000, those Options must be treated as NSOs.

The exercise price of each Option is payable in cash or, in the Compensation Committee’s discretion, by the delivery of shares of common stock owned by the optionee, or the withholding of shares that would otherwise be acquired on the exercise of the Option, or by any combination of the three.

SARS. Upon the exercise of an SAR, the holder will receive cash, the aggregate value of which equals the amount by which the fair market value per share of the Common Stock on the exercise date exceeds the exercise price of the SAR, multiplied by the number of shares underlying the exercised portion of the SAR. An SAR may be granted in tandem with or independently of an NSO. SARs will be subject to such conditions and will be exercisable at such times as determined by the Compensation Committee, but the exercise price per share must be at least the fair market value of a share of Common Stock on the date of grant.

Restricted Stock. Restricted stock may be subject to a substantial risk of forfeiture, a restriction on transferability or our rights of repurchase or first refusal, as determined by the Compensation Committee. Unless the Compensation Committee determines otherwise, during the period of restriction, the grantee will have all other rights of a stockholder, including the right to vote and receive dividends on the shares.

Performance Units and Performance Shares. For each performance period (to be determined by the Compensation Committee), the Compensation Committee will establish specific financial or non-financial performance objectives, the number of performance units or performance shares and their contingent values. The values may vary depending on the degree to which such objectives are met.

Other Stock-Based Awards. Other stock-based awards are denominated or payable in, valued in whole or in part by reference to, or otherwise related to, shares of Common Stock. Subject to the terms of the Amended and Restated Plan, stock-based awards, provided that, in general, the amount of consideration to be received by us shall be either (1) no consideration other than services actually rendered (in the case of the issuance of shares), or (2) in the case of an award in the nature of purchase rights, consideration (other than services rendered) at least equal to 50% of the fair market value of the shares covered by such grant on the grant date.

Termination of Employment and Change of Control. Except as otherwise provided in the applicable incentive agreement, if a participant's employment or other service with us (or our subsidiaries) is terminated other than due to his death, Disability, Retirement or for Cause (each capitalized term being defined in the Amended and Restated Plan), his then exercisable Options will remain exercisable until the earlier of (a) the expiration date of such Options and (b) three months after termination. If his termination is due to Disability or death, his then exercisable Options will remain exercisable until the earlier of (a) the expiration date of such options and (b) one year following termination. On retirement, his then exercisable until the earlier of (1) the date set forth in the incentive agreement or (2) six months following his termination (for ISOs, three months). On a termination for Cause, all his Options will expire at the termination date unless otherwise provided in the incentive agreement.

Upon a Change in Control affecting us, any restrictions on restricted stock and other stock-based awards will be deemed satisfied, all outstanding Options and SARs may become immediately exercisable and all the performance shares and units and any other stock-based awards may become fully vested and deemed earned in full, at the discretion of the Compensation Committee. These provisions could in some circumstances have the effect of an "anti-takeover" defense because, as a result of these provisions, a Change in Control affecting us could be more difficult or costly.

Incentive Awards Transferable. Incentive Awards generally may not be assigned, sold or otherwise transferred by a participant, other than by will or by the laws of descent and distribution, or be subject to any lien, assignment or charge, as determined by the Compensation Committee.

Amendment and Termination. Our Board of Directors may amend or terminate the Amended and Restated Plan at any time. However, the Amended and Restated Plan may not be amended, without stockholder approval, if the amendment would have the following effects:

- Increase the number of shares of Common Stock which may be issued under the Amended and Restated Plan, except in connection with a recapitalization of the Common Stock;
- Amend the eligibility requirements for employees to purchase Common Stock under the Amended and Restated Plan; or
- Extend the term of the Amended and Restated Plan.

Without a participant's written consent, no termination or amendment of the Amended and Restated Plan shall adversely affect in any material way any outstanding award granted to a participant.

Federal Income Tax Consequences

Section 162(m) of the Code limits publicly-held companies such as the Company to an annual deduction for federal income tax purposes of \$1 million for compensation paid to their covered employees. However, performance-based compensation is excluded from this limitation. The Amended and Restated Plan is designed to permit the Compensation Committee to grant options that qualify as performance-based for purposes of satisfying the conditions of Section 162(m).

To qualify as performance-based:

- 1) the compensation must be paid solely on account of the attainment of one or more pre-established, objective performance goals;
- 2) the performance goal under which compensation is paid must be established by a Compensation Committee comprised solely of two or more directors who qualify as outside directors for purposes of the exception;
- 3) the material terms under which the compensation is to be paid must be disclosed to and subsequently approved by stockholders of the Company before payment is made in a separate vote; and
- 4) the Compensation Committee must certify in writing before payment of the compensation that the performance goals and any other material terms were in fact satisfied.

In the case of compensation attributable to stock options, the performance goal requirement (summarized in (1) above) is deemed satisfied, and the certification requirement (summarized in (4) above) is inapplicable, if the grant or award is made by the Compensation Committee; the plan under which the option is granted states the maximum number of shares with respect to which options may be granted during a specified period to an employee; and under the terms of the option, the amount of compensation is based solely on an increase in the value of the Common Stock after the date of grant.

Under the Code, a director is an “outside director” of the Company if he or she is not a current employee of the Company; is not a former employee who receives compensation for prior services (other than under a qualified retirement plan); has not been an officer of the Company; and does not receive, directly or indirectly (including amounts paid to an entity that employs the director or in which the director has at least a five percent ownership interest), remuneration from the Company in any capacity other than as a director. The maximum number of shares of Common Stock subject to options that can be awarded under the Amended and Restated Plan to any covered employee as defined in Section 162 (m) of the Code is the lesser of (a) 600,000 shares of Common Stock or (b) ten percent (10%) of the number of issued and outstanding shares of Common Stock on the first day of the then-current fiscal quarter of the Company per calendar year and the maximum aggregate case payout with respect to any incentive awards granted in a calendar year to a covered employee is \$20,000,000. The maximum number of shares of Common Stock that can be awarded under the Amended and Restated Plan to any covered employee, other than pursuant to an option, is 600,000 per calendar year.

Incentive Stock Options. The grant of an incentive stock option will not be a taxable event for the grantee or for the Company. A grantee will not recognize taxable income upon exercise of an incentive stock option (except that the alternative minimum tax may apply), and any gain realized upon a disposition of our Common Stock received pursuant to the exercise of an incentive stock option will be taxed as long-term capital gain if the grantee holds the shares of Common Stock for at least two years after the date of grant and for one year after the date of exercise (the “holding period requirement”). We will not be entitled to any business expense deduction with respect to the exercise of an incentive stock option, except as discussed below.

For the exercise of an option to qualify for the foregoing tax treatment, the grantee generally must be our employee or an employee of our subsidiary from the date the option is granted through a date within three months before the date of exercise of the option.

If all of the foregoing requirements are met, except the holding period requirement mentioned above, the grantee will recognize ordinary income upon the disposition of the Common Stock in an amount generally equal to the excess of the fair market value of the Common Stock at the time the option was exercised over the option exercise price (but not in excess of the gain realized on the sale). The balance of the realized gain, if any, will be capital gain. The Company will be allowed a business expense

deduction to the extent the grantee recognizes ordinary income, subject to our compliance with Section (162)m of the Internal Revenue Code and to certain reporting requirements.

Non-Qualified Options. The grant of a non-qualified stock option will not be a taxable event for the grantee or the Company. Upon exercising a non-qualified option, a grantee will recognize ordinary income in an amount equal to the difference between the exercise price and the fair market value of the Common Stock on the date of exercise. Upon a subsequent sale or exchange of shares acquired pursuant to the exercise of a non-qualified option, the grantee will have taxable capital gain or loss, measured by the difference between the amount realized on the disposition and the tax basis of the shares of Common Stock (generally, the amount paid for the shares plus the amount treated as ordinary income at the time the option was exercised).

If we comply with applicable reporting requirements and with the restrictions of Section 162(m) of the Internal Revenue Code, we will be entitled to a business expense deduction in the same amount and generally at the same time as the grantee recognizes ordinary income.

Restricted Stock. A grantee who is awarded restricted stock will not recognize any taxable income for federal income tax purposes in the year of the award, provided that the shares of Common Stock are subject to restrictions (that is, the restricted stock is non-transferable and subject to a substantial risk of forfeiture). However, the grantee may elect under Section 83(b) of the Internal Revenue Code to recognize compensation income in the year of the award in an amount equal to the fair market value of the Common Stock on the date of the award (less the purchase price, if any), determined without regard to the restrictions. If the grantee does not make such a Section 83(b) election, the fair market value of the Common Stock on the date the restrictions lapse (less the purchase price, if any) will be treated as compensation income to the grantee and will be taxable in the year the restrictions lapse. If we comply with applicable reporting requirements and with the restrictions of Section 162(m) of Internal Revenue Code, we will be entitled to a business expense deduction in the same amount and generally at the same time as the grantee recognizes ordinary income.

Restricted Stock Units. There are no immediate tax consequences of receiving an award of restricted stock units under the Plan. A grantee who is awarded restricted stock units will be required to recognize ordinary income in an amount equal to the fair market value of shares issued to such grantee at the end of the restriction period or, if later, the payment date. If we comply with applicable reporting requirements and with the restrictions of Section 162(m) of the Internal Revenue Code, we will be entitled to a business expense deduction in the same amount and generally at the same time as the grantee recognizes ordinary income.

New Plan Benefits

The Compensation Committee may grant awards under the Plan on a discretionary basis. Therefore, we are unable to determine the dollar value and number of awards that may be received by or allocated to (i) any of our current executive officers, (ii) our current executive officers, as a group, (iii) our current directors who are not executive officers, as a group, and (iv) our employees who are not executive officers, as a group, as a result of the approval of the increase in the number of shares available for issuance under the Plan. If the increase in the number of shares available for issuance under the Plan had been in effect during fiscal 2008, an indeterminable number of additional shares may have been issued to participants in 2008.

**SECURITY OWNERSHIP OF MANAGEMENT AND
CERTAIN BENEFICIAL OWNERS**

The following table sets forth information regarding the beneficial ownership of the Common Stock as of March 17, 2009 by:

- each person, or group of affiliated persons, known by the Company to be the beneficial owner of more than 5% of its outstanding Common Stock;
- each of the nominees and directors;
- each executive officer named in the summary compensation table under “EXECUTIVE COMPENSATION” below; and
- all of the Company’s directors and executive officers as a group.

<u>Name of Beneficial Owner</u>	<u>Amount and Nature of Beneficial Ownership(1)</u>	<u>Percent of Class</u>
James H. Long	1,853,880(2)	19.2%
John B. Cartwright	35,705(3)	*
Donald R. Chadwick	52,691(4)	*
Cary M. Grossman	15,000(5)	*
Brian Fontana	68,000(6)	*
Mark T. Hilz	431,935(7)	4.5%
All executive officers and directors	2,457,211(8)	25.4%

* Less than 1%

- (1) Beneficially owned shares include shares over which the named person exercises either sole or shared voting power or sole or shared investment power. It also includes shares the named person has the right to acquire within 60 days by the exercise of any right or option. Unless otherwise noted, all shares are owned of record and beneficially by the named person.
- (2) Includes 2,800 shares held in a custodial account.
- (3) Includes 30,000 shares that may be acquired upon exercise of currently exercisable options.
- (4) Includes 27,686 shares that may be acquired upon exercise of currently exercisable options.
- (5) Includes 15,000 shares that may be acquired upon exercise of currently exercisable options.
- (6) Includes 68,000 shares that may be acquired upon exercise of currently exercisable options.
- (7) Includes 431,935 shares that may be acquired upon exercise of currently exercisable options.
- (8) Includes 572,621 shares that may be acquired upon exercise of currently exercisable options.

The following table sets forth, as of March 17, 2009, the address and number of shares and percentage of Common Stock owned by each stockholder of the Company that owns 5% or more of the outstanding Common Stock.

	<u>Amount and Nature of Beneficial Ownership</u>	<u>Percent of Class</u>
James H. Long(1) 6401 Southwest Freeway Houston, Texas 77074	1,853,880	19.2%

(1) Includes 2,800 shares held in a custodial account.

BOARD AND COMMITTEE ACTIVITY AND STRUCTURE

Board and Committee Meetings

The Board of Directors is currently composed of four members, three of which, Messrs. Cartwright, Chadwick and Grossman, are independent, as defined in Rule 4200(a)(15) of the NASD Manual (“Manual”). The Board of Directors has three (3) standing committees, an audit committee (the “Audit Committee”), a compensation committee (the “Compensation Committee”), and a nominating committee (the “Nominating Committee”). During 2008, the Board of Directors convened four regularly scheduled meetings and four special meetings, the Audit Committee held four regularly scheduled meetings, the Compensation Committee held three regularly scheduled meetings and two special meetings, and Nominating Committee did not meet. Each director attended at least 75% of all meetings of the Board of Directors and each of the committees of the Board to which he belonged.

Audit Committee. The Audit Committee, which has been established in accordance with Section 3(a)(58)(A) of the Exchange Act, consists of Messrs. Cartwright, Chadwick and Grossman, each of whom is “independent” as such term is defined for audit committee members by the Manual. The Board of Directors has determined that Mr. Grossman is an “audit committee financial expert” as defined in the rules of the Securities and Exchange Commission (the “SEC”).

The responsibilities of the Audit Committee are set forth in the federal securities laws, the listing standards of The Nasdaq Global Market, and a written charter adopted by the Board of Directors and include, but are not limited to:

1. reviewing the financial reports and other financial and related information provided by the Company to any governmental body or the public;
2. reviewing the Company’s systems of internal controls regarding finance, accounting, legal compliance and ethics that management and the Board have established;
3. reviewing the Company’s auditing, accounting and financial reporting processes generally;
4. appointing, compensating and overseeing the work of any registered public accounting firm employed by the Company, including resolution of disagreements between management and the auditor regarding financial reporting, for the purpose of preparing or issuing an audit report; and
5. approving audit services and most non-audit services provided by the Company’s independent auditors.

Compensation Committee. The Compensation Committee consists of Messrs. Cartwright, Chadwick and Grossman, all of whom are non-employee directors, each of whom is “independent” as such term is

defined by the Manual. The responsibilities of the Compensation Committee are set forth in a written charter adopted by the Board of Directors. During 2008, no director or executive officer of the Company served on the compensation committee or the board of directors of any company for which Messrs. Cartwright, Chadwick and Grossman served as executive officers or directors.

The Compensation Process

The Role of the Compensation Committee

The Compensation Committee, which consists of all independent directors, is appointed by the Board of Directors to assist the Board in carrying out its responsibilities by reviewing or approving management compensation issues and making recommendations to the Board as appropriate. In particular, the Compensation Committee is responsible for discharging the Board's responsibilities relating to compensation of the Company's Chief Executive Officer, President & Chief Operating Officer and Chief Financial Officer ("Named Executive Officers"), including the responsibility to:

- review the adequacy and form of, and recommend to the Board or approve the compensation of the Company's Named Executive Officers;
- review and make recommendations to the Board with respect to the Company's stock option plans, and approve any proposed awards under such plans;
- ensure that all equity-compensation plans and material revisions to such plans are approved by the Company's stockholders;
- review and make recommendations to the Board with respect to any change to the Company's compensation plans involving a material annual change in cost to the Company;
- review corporate goals and objectives relevant to the compensation of the Named Executive Officers of the Company; and
- evaluate the performance of the Named Executive Officers in light of such goals and objectives.

Committee Meetings

The Compensation Committee meets as often as it determines necessary. The Committee Chairman works with the Chief Executive Officer to establish the meeting agenda. The Committee typically meets with the Chief Executive Officer present. The Committee also regularly meets in executive sessions without management present.

The Committee receives and reviews materials in advance of each meeting. These materials include any materials that the Committee has specifically requested as well as information that will be helpful to the Committee in the compensation-setting process. Depending on the agenda for the particular meeting, these materials as they relate to compensation of the Named Executive Officers may include:

- a compensation summary detailing the total actual and proposed compensation of the Named Executive Officers, including base salary, bonus awards and long-term ownership participation, and any other form of compensation;
- review of corporate performance objectives for the upcoming fiscal year;
- Named Executive Officer performance and progress in meeting corporate performance objectives;
- industry comparison and any other relevant information; and
- details of the Named Executive Officers' unvested stock option holdings and changes in stock ownership.

Management's Role in the Compensation Process

The Chief Executive Officer plays a significant role in the compensation-review process. The Chief Executive Officer discusses, directly or indirectly, the adequacy of proposed compensation plans with each Named Executive Officer together with the Company's proposed financial performance and other goals to improve the Company's operations. Based on those discussions the Chief Executive Officer presents his recommendations on compensation, including his own compensation plan, to the Compensation Committee.

The Chief Executive Officer prepares meeting information for each Compensation Committee meeting and is expected to be available to attend meetings or portions thereof upon request of the Committee to answer Committee questions arising out of the materials presented to the Committee.

Compensation Decisions

Compensation decisions are generally made in the first quarter of the fiscal year, at the time of the approval of the previous year's financial statements. At this first quarter Compensation Committee meeting, the performance of the Named Executive Officers for the previous fiscal year is evaluated, and annual bonus and stock option awards are granted with respect to performance for that year. Also at this meeting, base salaries and prospective bonus awards are set for the upcoming fiscal year.

The Compensation Committee evaluates the proposed compensation plans for each Named Executive Officer relative to:

- the adequacy of the level of compensation to motivate the Named Executive Officers to attain the financial performance goals of the Company;
- the adequacy of the level of compensation relative to the market for high quality, experienced executives;
- the adequacy of the compensation plan to align the interests of the Named Executive Officers with the enhancement of long-term stockholder value;
- the adequacy of the compensation plans to accomplish the compensation objectives and policies of the Company; and
- the efficacy of the level of and components of the compensation compared to other similarly situated publicly-held companies.

Compensation decisions for the Named Executive Officers are approved by the Compensation Committee in an executive session, without management present.

In March 2009 the Compensation Committee (i) established salaries for 2009 for the Named Executive Officers, (ii) established the performance-based cash incentive bonus criteria for the Named Executive Officers for 2009, and (iii) granted restricted common stock to the Named Executive Officers under the Plan.

Salary

The Compensation Committee elected to leave the base salaries for 2009 of Messrs. Long, Hilz, and Fontana unchanged at \$253,000, \$242,000, and \$253,000, respectively for 2009.

Performance-Based Cash Incentive Bonus Criteria

The Compensation Committee established performance-based cash incentive bonus criteria for the Named Executives for 2009 that are designed to provide a financial incentive to the Named Executives that aligns their interests with that of our stockholders by providing, (i) an incentive to

maximize operating income while at the same time making efficient use of the Company's capital deployed in the operations of the business, and (ii) an incentive to find, negotiate, close and effectively integrate and manage acquisitions, which the Company believes is a key opportunity for building long-term stockholder value. The performance-based compensation includes three components, (i) a quarterly bonus (the "Quarterly Bonus"); (ii) an annual bonus (the "Annual Bonus"); and (iii) a bonus related to and based upon each acquisition completed in 2009 (the "Acquisition Bonus"):

- *Quarterly Bonus.* The Quarterly Bonus is payable to each executive each quarter based upon the achievement of adjusted operating income as compared to capital utilized in operations of the business. This bonus is intended to provide a financial incentive for the Named Executive Officers to maximize operating profitability while also maximizing operating income as compared to the amount of capital utilized in the operations of the business. The Quarterly Bonus can be an amount ranging from zero to as much as 50% of the executive's quarterly salary depending upon the level of "Operating Return on Operating Capital". As used in the determination of incentive compensation for the Named Executive Officers, the term "Operating Return on Operating Capital" is a percentage resulting from dividing adjusted operating income by operating capital. For purposes of this calculation, "adjusted operating income" is operating income adjusted to exclude non-cash equity compensation and non-cash depreciation and amortization, and "operating capital" is stockholder's equity, plus debt, minus cash. The Quarterly Bonus is calculated based on a two-quarter rolling average of financial results.
- *Annual Bonus.* The Annual Bonus is payable to each executive following the completion of the annual audit and publishing of the Company's financial results for 2009. This bonus is intended to provide a financial incentive for the Named Executive Officers to maximize profitability for the year, while also maximizing return on capital deployed by the Company in its operations. Each of the Named Executive Officers shares in an "annual bonus pool" for this bonus, which "annual bonus pool" is a dollar amount ranging from as little as 3% to as much as 7% of operating income based upon the level of Operating Return on Operating Capital for the year. The proportional manner in which the bonus pool is shared between the Named Executive Officers is determined by the Compensation Committee. This bonus is payable half in cash at minimum, and up to half in shares of INX common stock under the Plan at the Company's discretion. Any shares of common stock issued under the Plan as a part of this bonus will be fully vested upon issuance.
- *Acquisition Bonus.* The Acquisition Bonus is a bonus that is intended to provide a financial incentive for the executive management team to find acquisition candidates, negotiate favorable terms, close, integrate and operate acquisitions. The Acquisition Bonus is payable in two components, for the financial performance of an acquisition during the first and second full twelve months following the closing of the acquisition. This bonus is calculated based upon the level of operating income contribution generated by the acquired operations as compared to the purchase price paid for the acquisition. An Acquisition Bonus "pool" of 10% of the operating income contribution over and above a minimum level defined as a multiple of the purchase price is shared by the Named Executives as determined by the Compensation Committee. This bonus is payable half in cash at minimum, and up to half in shares of INX common stock under the Plan at the Company's discretion. Any shares of common stock issued under the Plan as a part of this bonus will be fully vested upon issuance.

Restricted Common Stock Grants Under the Plan

The Compensation Committee granted awards of common stock under the Plan for the purpose of aligning the interests of the Named Executives with that of stockholders, encouraging retention of the Named Executives, and rewarding the Named Executive Officers for long-term financial performance of the Company. The Compensation Committee granted Messrs Long, Hilz and Fontana 50,000, 72,500 and 53,500 shares, respectively, which will be issued under the terms of

the Plan. The stock grant to Mr. Long vests over a period of five years of continued employment, with 1/5 of the total number of shares vesting each year upon the anniversary of the grant. The stock grant to Mr. Hilz vests over a period of five years of continued employment, with 1/5 of the total number of shares vesting each year upon the anniversary of the grant, except that 12,500 of such shares were vested immediately upon the date of the grant and contain a restriction on sale for a period of one year following the grant. The stock grant to Mr. Fontana vests over a period of five years of continued employment, with 1/5 of the total number of shares vesting each year upon the anniversary of the grant, except that 13,500 of such shares were vested immediately upon the date of the grant and contain a restriction on sale for a period of one year following the grant.

Nominating Committee. The Nominating Committee consists of Messrs. Cartwright, Chadwick and Grossman, all of whom are non-employee directors, each of whom is “independent” as such term is defined by the Manual. The responsibilities of the Nominating Committee are set forth in the written charter adopted by the Board of Directors and include, but are not limited to:

1. reviewing the structure of the Board to assure that the proper skills and experience are represented on the Board;
2. recommending to the full Board candidates to fill vacancies on the Board as they occur;
3. recommending prior to each annual meeting of stockholders, a slate of nominees for election or reelection as Directors by the stockholders at the annual meeting;
4. reviewing potential candidates for the Board as recommended to it and report to the Board regarding results of such review;
5. seeking out and evaluating candidates to serve as Board members, and considering candidates submitted by stockholders of the Company in accordance with the notice provisions and procedures set forth in the by-laws of the Company;
6. periodically make recommendations to the Board with respect to the size of the Board;
7. recommending to the Board the membership of the committees of the Board, other than this committee; and
8. developing and implementing continuing education programs for all directors, including orientation and training programs for new directors.

Director Nomination Procedure

The Nominating Committee will solicit and receive recommendations for nominees to the Board from other members of the Board, senior executives, individuals personally known to members of the Board and third party search firms, as appropriate. Consideration of potential nominees typically will involve a series of internal discussions, review of information concerning the candidate, and, if appropriate, interviews with selected candidates.

In order to be considered for membership on the Board of Directors, a candidate should possess, at a minimum, the following qualifications:

- high personal and professional ethics and integrity;
- commitment to representing the long-term interests of stockholders;
- objective, practical and mature judgment; and
- willingness to understand the business of the Company and to devote adequate time to carry out the duties of a director.

These factors, and other qualifications considered useful by the Nominating Committee, are reviewed in the context of an assessment of the perceived needs of the Company and the Board at a particular moment in time.

The Nominating Committee will evaluate candidates recommended by stockholders using the same criteria as it uses in evaluating other candidates to the Board. A stockholder seeking to recommend a candidate for consideration by the Nominating Committee may submit the nominee's name and qualifications to the Company by mailing it to the address listed below under "Communicating with the Board of Directors."

Director Attendance at Annual Meeting

The Board of Director's policy regarding director attendance at the annual meeting is that they are welcome to attend, and the Company will make appropriate arrangements for directors that choose to attend. In 2008, only Mr. Long attended the annual meeting.

Communicating with the Board of Directors

Any stockholders who desire to contact the Board or specific members of the Board may do so by writing to:

**Board of Directors
INX Inc.
6401 Southwest Freeway
Houston, Texas 77074**

EXECUTIVE OFFICERS

The Company's executive officers serve until resignation or removal by the Board of Directors. Set forth below is certain information about the Company's executive officers.

James H. Long — See Nominees for Director.

Mark T. Hilz, age 50, was appointed as our President and Chief Operating Officer in December 2003. Mr. Hilz' responsibilities include management of our operations. Mr. Hilz has also served as the President of InterNetwork Experts, Inc. since its founding in July 2000 until it was merged into I-Sector Corporation in December 2005. Mr. Hilz served as a director of our company from April 1999 until June 2001. From January 1999 to June 2000, Mr. Hilz was Vice President of Project Development at Mathews Southwest, LLC, a real estate investment and development firm headquartered in Dallas. From 1998 to July 2000, Mr. Hilz was one of our directors and the Chief Executive Officer of Nichecast, Inc., a privately held internet services company. From July 1990 to July 1998 Mr. Hilz was the founder, President and Chief Executive Officer of PC Service Source, Inc., a publicly held distributor of personal computer hardware for the repair industry. Before that, Mr. Hilz was founder, President and Chief Executive Officer of Hilz Computer Products, Inc., a privately held wholesale computer products distributor.

Brian Fontana, age 51, has served as the Chief Financial Officer since January 2005. Mr. Fontana has an extensive financial management background that includes the management of the accounting, finance, investor relations, internal information systems and legal functions for large, complex organizations, including organizations that were executing strategies for rapid expansion through acquisitions. As CFO, he has managed multiple initial public offerings, follow-on equity offerings, private equity offerings, public debt placements and syndicated bank financings. He previously held the position of CFO at three NYSE listed public companies, one NASDAQ listed company and two privately held companies. His prior experience includes serving as Chief Financial Officer of Talent Tree, Inc., a privately-held workforce outsourcing organization; PerformanceRetail, Inc., an early-stage venture-capital funded software company; Drypers Corporation, a NASDAQ listed multinational diaper manufacturing company; Pentacon, Inc., a NYSE listed fastener distribution company; Prime Service, Inc., a NYSE listed equipment rental company; and National Convenience Stores, Inc., a NYSE listed operator of convenience stores. Mr. Fontana is a 1981 graduate of the University of Texas, where he earned a BBA in Finance.

Larry Lawhorn, age 56, was appointed as our Controller and Chief Accounting Officer in April 2005 and is responsible for our accounting and reporting functions. From August 2001 to April 2005, Mr. Lawhorn was the Vice President — Corporate Controller for Talent Tree, Inc., a privately-held workforce outsourcing organization headquartered in Houston, Texas. From March 1987 to July 2001, Mr. Lawhorn served with Corporate Express, Inc. headquartered in Broomfield, Colorado as regional controller and division president in Houston, Texas and Baton Rouge, Louisiana, respectively. Previously, Mr. Lawhorn served with Coopers & Lybrand (now PriceWaterhouseCoopers) for eleven years. Mr. Lawhorn is a Certified Public Accountant and he is a member of the American Institute of Certified Public Accountants and the Texas Society of Certified Public Accountants.

Family Relationships

There are no family relationships among any of our directors and executive officers.

EXECUTIVE COMPENSATION
SUMMARY COMPENSATION TABLE

The following table sets forth information about compensation we paid or awarded for services rendered during the fiscal year ended December 31, 2008 to our Chief Executive Officer, Chief Financial Officer, and the three most highly compensated executive officers who were serving as executive officers at the end of 2008 and whose total annual salary and bonus exceeded \$100,000 (the “Named Executive Officers”).

<u>Name and Principal Position</u>	<u>Year</u>	<u>Salary (\$)</u>	<u>Bonus (\$)</u>	<u>Stock Awards (\$)(1)</u>	<u>Option Awards (\$)(1)</u>	<u>Non-Equity Incentive Plan Compensation (\$)</u>	<u>Non-Qualified Deferred Compensation Earnings (\$)(2)</u>	<u>All Other Compensation (\$)(3)</u>	<u>Total (\$)</u>
James H. Long	2008	\$253,000	\$107,446	\$21,427	\$ —	\$—	\$—	\$18,824	\$400,697
Chairman and Chief Executive Officer	2007	230,000	67,083	—	—	—	—	24,598	321,681
Mark T. Hilz	2008	253,000	107,446	21,427	—	—	—	—	381,873
President and Chief Operating Officer	2007	230,000	77,625	—	—	—	—	—	307,625
Brian Fontana	2008	242,000	102,422	18,366	129,251	—	—	—	492,039
Vice President and Chief Financial Officer	2007	220,000	84,250	—	120,216	—	—	—	424,466

- (1) Dollar amounts in the Stock Awards and Option Awards columns reflect the compensation expense recognized by INX for financial statement purposes with respect to restricted stock and stock options during the 2008 fiscal year in accordance with Statement of Financial Accounting Standards (“SFAS”) 123R. For a discussion of valuation assumptions, see Note 12 to our consolidated financial statements included in our 2008 Annual Report.
- (2) The Company’s named executive officers do not participate in any defined benefit, actuarial pension plan or any other post-retirement supplementary compensation plans.
- (3) Amounts exclude the value of perquisites and personal benefits which are less than \$10,000. The cost of employee benefits under plans available to all Company employees are excluded. Refer to the All Other Compensation Table below for details of amounts paid or incurred as disclosed in the Summary Compensation Table.

ALL OTHER COMPENSATION TABLE

The table details each item of compensation of our named executive officers for the fiscal year ended December 31, 2008 required to be included in the “All Other Compensation” column in the Summary Compensation Table above:

<u>Name and Description</u>	<u>Amount Reported Under All Other Compensation</u>
James H. Long:	
Vehicles(1)	\$18,612
Other	<u>212</u>
Total	<u>\$18,824</u>

- (1) Compensation reported for vehicles represents the aggregate incremental cost incurred by the Company for vehicle depreciation, actual gasoline and repairs reimbursement, and insurance premium cost.

Narrative Disclosure to Summary Compensation Table

During the 2008 fiscal year in accordance with our compensation objectives and policies, our Named Executive Officers received compensation comprised of a base salary, a quarterly or annual bonus award and an allocation of restricted stock.

Under the terms of their respective employment agreements (collectively, the “Executive Employment Agreements”), Messrs. Long, Hilz, and Fontana were entitled to an annual base salary for 2008 of \$253,000, \$253,000, and \$242,000, respectively, plus other bonuses, the amounts and payment of which are within the discretion of the Compensation Committee. For 2009, the Compensation Committee elected to leave the base salaries unchanged. The agreements with Messrs. Fontana, and Hilz also include special bonus plan provisions that may be changed or eliminated at the Company’s sole discretion. The Executive Employment Agreements generally provide that the executive officer will not, for the term of his employment and for a period of either twelve or eighteen months, whichever the case may be, following the end of such executive officer’s employment with the Company, compete with the Company, disclose any of the Company’s confidential information, solicit any of the Company’s employees or customers or otherwise interfere with the Company’s business relations. The non-compete provision with Mr. Long does not apply if the Company elects to terminate Mr. Long’s employment without cause; except that, the Company may elect to continue the non-compete restrictions in that event by paying Mr. Long a severance amount during the restricted period. The severance amount payable to Mr. Long is based upon the greater of 75% of his salary at the time of termination or 75% of his average monthly salary and bonus, calculated based on his compensation during the 12 month period prior to his termination, which may be terminated by either party at any time, with or without notice. If we terminate Mr. Fontana’s employment without cause, Mr. Fontana is entitled to severance compensation equal to six months base salary, plus an additional one month of base salary for each year of employment completed, up to an additional six months of base salary, for a maximum of twelve months of base salary paid.

OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END

The following table details outstanding stock options awards classified as exercisable and unexercisable as of December 31, 2008 for each Named Executive Officer.

Name	Option Awards					Stock Awards			
	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Equity Incentive Plan: Number of Securities Underlying Unexercised Unearned Options (#)	Option Exercise Price (\$)	Option Exercise Date	Number of Shares of Stock that have not Vested (#)	Market Value of Shares of Stock that have not Vested (\$)	Equity Incentive Plan: Number of Unearned Shares that have not Vested (#)	Equity Incentive Plan: Number of Unearned Shares that have not Vested (\$)
James H. Long	—	—	—	\$ —	—	21,000	\$90,300(5)	—	—
Mark T. Hilz	387,582	—	—	1.10	3/1/2012	21,000	90,300(5)	—	—
	40,816	—	—	1.84	9/1/2013	—	—	—	—
	3,537	—	—	4.14	10/2/2013	—	—	—	—
Brian Fontana	15,000	30,000(1)	—	7.65	1/2/2015	18,000	77,400(6)	—	—
	4,000	4,000(2)	—	4.50	11/2/2015	—	—	—	—
	10,000	30,000(3)	—	6.58	5/2/2016	—	—	—	—
	7,000	28,000(4)	—	9.58	3/6/2017	—	—	—	—

- (1) The stock options were granted on January 3, 2005 and vest in 15,000 share increments on January 3, 2009; and January 3, 2010.
- (2) The stock options were granted on November 3, 2005 and vest in 2,000 share increments on November 3, 2009; and November 3, 2010.
- (3) The stock options were granted on May 3, 2006 and vest in 10,000 share increments on May 3, 2009; May 3, 2010; and May 3, 2011.

- (4) The stock options were granted on March 6, 2007 and vest in 5,000 share increments on March 6, 2009; March 6, 2010; March 6, 2011; March 6, 2012.
- (5) The stock awards were granted on April 16, 2008 and vest in 4,200 share increments on April 16, 2009; April 16, 2010; April 16, 2011; April 16, 2012; April 16, 2013.
- (6) The stock awards were granted on April 16, 2008 and vest in 3,600 share increments on April 16, 2009; April 16, 2010; April 16, 2011; April 16, 2012; April 16, 2013.

DIRECTOR COMPENSATION

The quarterly retainer received by each non-employee director is \$5,000. Each non-employee director receives a \$1,000 fee for each Board and Audit Committee meeting they attend in person and a \$500 fee for each Compensation Committee and Nominating Committee meeting they attend, as well as reasonable out-of-pocket expenses incurred to attend the meetings. For telephonic board meetings lasting more than one hour, each non-employee board member in attendance receives a \$500 fee, and for telephonic board meetings lasting less than one hour, each non-employee board member is paid a \$300 fee. In addition, the chairperson of the Audit Committee receives an additional \$4,000 quarterly retainer. An additional \$1,000 fee per special committee meeting is paid to any non-employee director that is serving as the chairperson of such special committee.

Non-employee directors receive a fully vested common stock grant based on the number of shares equal to \$30,000 upon re-election to the Board, valued as of the date of re-election.

The following table provides the compensation of our non-employee directors for the fiscal year ended December 31, 2008:

Name	Fees Earned or Paid in Cash (\$)	Stock Awards \$(1)	Option Awards \$(1)	Non-Equity Incentive Plan Compensation (\$)	Change in Pension Value and Non-Qualified Deferred Compensation Earnings \$(2)	All Other Compensation \$(3)	Total (\$)
John B. Cartwright	\$31,500	\$30,000	—	—	—	—	\$61,500
Donald R. Chadwick	31,500	30,000	—	—	—	—	61,500
Cary M. Grossman	47,500	30,000	—	—	—	—	77,500

- (1) Dollar amounts in the Stock Awards and Option Awards columns reflect the compensation expense recognized by INX for financial statement purposes with respect to restricted stock and stock options during the 2008 fiscal year in accordance with Statement of Financial Accounting Standards (“SFAS”) 123R. For a discussion of valuation assumptions, see Note 12 to our consolidated financial statements included in our 2008 Annual Report.
- (2) The Company’s directors do not participate in any defined benefit, actuarial pension plan or any other post-retirement supplementary compensation plans.
- (3) Amounts exclude the value of perquisites and personal benefits which are less than \$10,000.

AUDIT COMMITTEE REPORT

The Audit Committee has furnished the following report on its activities for the year 2008:

The Audit Committee exists to provide independent, objective oversight of the Company's accounting functions and internal controls. Under the listing standards of The Nasdaq Global Market, all of the members of the Audit Committee are independent. The Audit Committee operates under a written charter adopted by the Board of Directors.

The Audit Committee held four regularly scheduled meetings in 2008. The Audit Committee has held discussions with management and Grant Thornton, LLP ("Grant Thornton"), the Company's independent auditors, regarding the audited financial statements for the year ended December 31, 2008. The Audit Committee reviewed with the independent auditors who are responsible for expressing an opinion on the conformity of the audited financial statements with generally accepted accounting principles, their judgments as to quality, not just the acceptability, of the Company's accounting functions and such other matters as are required to be discussed with the Audit Committee under generally accepted auditing standards. The Audit Committee has also discussed with Grant Thornton the matters required to be discussed by the Statement of Auditing Standards No. 61 (Communication with Audit Committees), as amended, and by the Statement of Auditing Standards No. 90 (Audit Committee Communications).

In addition, the Audit Committee has received a written statement from Grant Thornton describing all relationships between the independent auditors and the Company that may impact their objectivity and independence as required by Public Company Accounting Oversight Board Rule 3526 (Communication with Audit Committees Concerning Independence) and has discussed with Grant Thornton matters relating to its independence, including review of audit and non-audit fees and any relationships that may impair its independence and satisfied itself as to their independence.

Based on the foregoing, the Audit Committee of the Company has recommended to the Board of Directors that the audited financial statements of the Company be included in the Company's 2008 Annual Report for filing with the Securities and Exchange Commission.

THE AUDIT COMMITTEE

Cary M. Grossman, Chairman
John B. Cartwright
Donald R. Chadwick

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

In connection with the audit of the Company's financial statements for the fiscal year ended December 31, 2008, there were no disagreements with Grant Thornton on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedures, which disagreements, if not resolved to their satisfaction, would have caused them to make reference in connection with their opinion to the subject matter of the disagreement. In the unaudited interim periods ended March 31, 2008, June 30, 2008 and September 30, 2008, and through December 31, 2008, there were no disagreements with Grant Thornton on any matter of accounting principles or practices or financial statement disclosure. During the fiscal year ended December 31, 2008, there were no reportable events as defined in Item 304(a)(1)(v) of Regulation S-K.

Representatives of Grant Thornton are expected to be available to respond to appropriate questions during the Meeting.

Principal Accounting Firm Fees

The following information sets forth the aggregate fees billed or to be billed by Grant Thornton for services performed for the fiscal years 2007 and 2008. The Audit Committee has reviewed the audit and non-audit fees that we paid to the independent accountants for purposes of considering whether such fees are compatible with maintaining the auditor's independence.

Audit Fees. Estimated fees billed for services rendered by Grant Thornton for the audit of our financial statements included in our annual report, reviews of financial statements included in our quarterly reports, and consents in connection with shelf registration statements were \$370,590 and \$510,000 for 2007 and 2008, respectively.

Audit-Related Fees. We did not retain Grant Thornton for any audit related services in 2007 and 2008 and there were no fees for audit-related services during those years.

Tax Fees. We did not retain Grant Thornton for any tax related services in 2007 and 2008 and there were no fees for tax-related services during those years.

All Other Fees. There were no fees incurred under the all other services category in 2007 and 2008.

Our Audit Committee must pre-approve all audit and non-audit services that we receive from our independent accountants. This pre-approval authority may be delegated to a single member of the Audit Committee and then reviewed by the entire Audit Committee at the committee's next meeting. Approvals of non-audit services will be publicly disclosed in our periodic reports filed with the SEC. For 2008, the Audit Committee pre-approved 100% of the 2008 audit and non-audit services we received from our independent accountants.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The Company leased approximately 16,488 square feet of office space from Allstar Equities, Inc., ("Allstar"), wholly-owned by Mr. James H. Long, the Company's Chief Executive Officer and largest stockholder under a lease agreement effective February 1, 2007. On January 25, 2008, Allstar sold the building and rights under the Lease to the General Consulate of Equatorial Guinea ("Consulate"), an unrelated third party. In connection with the sale of the building, INX, Allstar and Consulate executed a

First Amendment to INX Inc. Lease Agreement (“Amendment”) on January 22, 2008, which included the following terms:

- INX has the sole option to terminate its lease with 120 days notice for reasons specified in the Amendment. INX is not required to pay rent during the 120 day notice period.
- INX has the right of first refusal on additional space on the second floor of the building.

The Audit Committee of the Board of Directors reviewed and approved the related party transaction contemplated by the Amendment.

Pursuant to Nasdaq Rule 4350(h), the Audit Committee approves all transactions with related parties required to be disclosed under Securities and Exchange Commission Regulation S-K, Item 404. Related parties include the Company’s directors, executive officers, and stockholders known by us to be the beneficial owner of more than five percent of our common stock, and their respective immediate family members. To help identify related party transactions, we require our directors and executive officers to complete a director and officer questionnaire identifying any transaction with us in which the director or officer or their immediate family member has an interest. The above related party transaction was the only 2008 transaction requiring Audit Committee approval under Nasdaq Rule 4350(h).

INX Inc. has no parent company as discussed in Item 404(d)3.

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Pursuant to Section 16(a) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), the Company’s directors, executive officers, and stockholders who own more than 10% of the Common Stock (the “Reporting Persons”) are required to file reports of stock ownership and changes in ownership of common stock with the SEC and to furnish the Company with copies of all such reports they file. The Company believes that, for fiscal year 2008, all the Reporting Persons complied with all applicable filing requirements except:

- James H. Long filed one Form 4 late reporting one grant of restricted common stock,

CODE OF ETHICS

The Board of Directors has adopted a Code of Ethics applicable to the Company’s Chief Executive Officer and other senior officers and has also adopted a Code of Ethics for Financial Executives (together, the “Codes”). Copies of the Codes are available on the “Investor Information” page of the Company’s website at <http://www.i-sector.com>. The Company will provide the Codes in print, free of charge, to stockholders who request them. Any waiver of the Codes with respect to executive officers and directors may be made only by the Board of Directors or a Board committee and will be promptly disclosed to stockholders on the Company’s website, as will any amendments to the Codes.

DISTRIBUTION OF ANNUAL REPORTS

The 2008 Annual Report to stockholders covering the year ended December 31, 2008 was mailed concurrently with this proxy statement to each stockholder entitled to vote at the Meeting.

STOCKHOLDER PROPOSALS FOR THE 2010 ANNUAL STOCKHOLDERS MEETING

Any stockholder who wishes to submit a proposal for consideration at the 2010 annual stockholders meeting, but not for inclusion in the proxy statement, will be required to submit such proposal to the

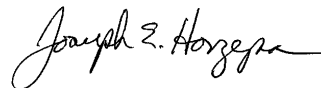
Company in writing no earlier than November 12, 2009 and no later than March 12, 2010. Under applicable rules of the SEC, management may vote proxies in their discretion regarding these proposals if (1) the Company does not receive notice of the proposal on or prior to March 12, 2010, or (2) the Company receives written notice of the proposal on or prior to March 12, 2010, describes the proposal in our proxy statement relating to the 2010 annual stockholders meeting and states how the management proxies intend to vote with respect to such proposal. To have a proposal included in the proxy statement and form of proxy for the 2010 annual stockholders meeting, a stockholder must deliver such proposal by December 2, 2009. Stockholder proposals and notices should be sent to Secretary, INX Inc., 6401 Southwest Freeway, Houston, Texas 77074. However, if the date of the 2010 annual stockholders meeting is a date that is not within 30 days before or after May 12, 2010, the anniversary date of the Meeting, notice by the stockholder of a proposal must be received no later than the close of business on the 10th calendar day after the first to occur of (i) the day on which notice of the 2010 annual stockholders meeting is mailed or (ii) public disclosure of the date of the 2010 annual stockholders meeting is made, including disclosure in a Quarterly Report on Form 10-Q filed by the Company with the SEC.

COST OF SOLICITING PROXIES

The cost of soliciting proxies, including the cost of reimbursing banks and brokers for forwarding proxies and proxy statements to their principals, in the accompanying form, will be borne by the Company. In addition to solicitations by mail, a number of regular employees of the Company may, if necessary to assure the presence of a quorum, solicit proxies in person or by telephone, for which they will receive no additional compensation. Brokerage houses, banks and other custodians, nominees and fiduciaries will be reimbursed for their customary out-of-pocket and reasonable expenses incurred in forwarding proxy materials to beneficial owners.

The persons designated as proxies intend to exercise their judgment in voting such shares on other matters that may properly come before the Meeting. Management does not know of any matters other than those referred to in this proxy statement that will be presented for action at the Meeting.

By Order of the Board of Directors,



Joseph E. Horzepa
Secretary
April 1, 2009

APPENDIX A

Seventh Amendment to the INX Inc. INCENTIVE PLAN (As Amended and Restated Effective July 28, 2003)

WHEREAS, the INX Inc. Incentive Plan as amended and restated effective July 28, 2003, (the “Plan”) was adopted by the Board of Directors of INX Inc. and approved by stockholders on July 28, 2003; and

WHEREAS, under Section 7.7 of the Plan the Board has the authority to amend the Plan subject to certain stockholder approval requirements; and

WHEREAS, the Board has authorized this seventh amendment of the Plan subject to stockholder approval as provided herein.

NOW THEREFORE, the Plan is hereby amended as follows:

Section 1.4 shall be amended in its entirety to read as follows:

1.4 Shares of Common Stock Available for Incentive Awards

Subject to adjustment under Section 6.5, there shall be available for Incentive Awards that are granted wholly or partly in Common Stock (including rights or Options that may be exercised for or settled in Common Stock) 3,423,103 Shares of Common Stock. The total number of Shares reserved for issuance under the Plan (pursuant to the previous sentence) shall be available for any one of the following types of grants: Incentive Stock Options, Nonstatutory Stock Options, SAR, Restricted Stock, a payment of a Performance Share in Shares, a payout of a Performance Unit in Shares, a payout of an Other Stock-Based Award in Shares described in Section 5 which includes, without limitation, Deferred Stock, purchase rights, shares of Common Stock awarded which are not subject to any restrictions or conditions, convertible or exchangeable debentures, other rights convertible into Shares, Incentive Awards valued by reference to the value of securities of or the performance of a specified Subsidiary, division or department, and settlement in cancellation of rights of any person with a vested interest in any other plan, fund, program or arrangement that is or was sponsored, maintained or participated in by the Company or any Parent or Subsidiary. The number of Shares of Common Stock that are the subject of Incentive Awards under this Plan, that are forfeited or terminated, expire unexercised, are settled in cash in lieu of Common Stock or in a manner such that all or some of the Shares covered by an Incentive Award are not issued to a Grantee or are exchanged for Incentive Awards that do not involve Common Stock, shall again immediately become available for Incentive Awards hereunder. The Committee may from time to time adopt and observe such procedures concerning the counting of Shares against the Plan maximum as it may deem appropriate. The Board and the appropriate officers of the Company shall from time to time take whatever actions are necessary to file any required documents with governmental authorities, stock exchanges and transaction reporting systems to ensure that Shares are available for issuance pursuant to Incentive Awards.

During any period that the Company is a Publicly Held Corporation, then unless and until the Committee determines that a particular Incentive Award granted to a Covered Employee is not intended to comply with the Performance-Based Exception, the following rules shall apply to grants of Incentive Awards to Covered Employees:

(a) Subject to adjustment as provided in Section 6.5, the maximum aggregate number of Shares of Common Stock (including Stock Options, SARs, Restricted Stock, Performance Units and Performance Shares paid out in Shares, or Other Stock-Based Awards paid out in Shares) that may be granted or that may vest, as applicable, in any calendar year pursuant to any Incentive Award held by any individual Employee shall be 3,423,103 Shares.

