

INTERNATIONAL ASSETS HOLDING CORP  
Form DEF 14A  
January 15, 2010  
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**UNITED STATES**

**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

**SCHEDULE 14A INFORMATION**

Proxy Statement Pursuant to Section 14(a) of the Securities

Exchange Act of 1934 (Amendment No. \_\_)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

International Assets Holding Corporation

(Name of Registrant as Specified in Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.

## Edgar Filing: INTERNATIONAL ASSETS HOLDING CORP - Form DEF 14A

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- 1) Amount previously paid:
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  - 3) Filing Party:
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**INTERNATIONAL ASSETS HOLDING CORPORATION**

**220 E. Central Parkway**

**Suite 2060**

**Altamonte Springs, Florida 32701**

January 15, 2010

Dear Shareholders:

You are cordially invited to attend the annual meeting of shareholders of International Assets Holding Corporation to be held at the InterContinental Hotel, Kansas City at the Plaza, 401 Ward Parkway, Kansas City, Missouri 64112 on Wednesday, March 3, 2010 at 10:00 a.m. (Central Standard Time). At the meeting, shareholders will be asked to vote on the election of four Directors; the ratification of the appointment of KPMG LLP as the Company's independent registered public accounting firm for the Company's 2010 fiscal year; and to transact such other business as may properly come before the meeting. The Notice of Annual Meeting of Shareholders and Proxy Statement accompanying this letter provide detailed information concerning matters to be considered at the meeting.

Your vote is important. I urge you to vote as soon as possible, whether or not you plan to attend the annual meeting. Thank you for your continued support of International Assets Holding Corporation.

Sincerely,

Diego J. Veitia

Chairman

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**INTERNATIONAL ASSETS HOLDING CORPORATION**

220 E. CENTRAL PARKWAY, SUITE 2060

ALTAMONTE SPRINGS, FLORIDA 32701

**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS**

**TO BE HELD ON**

**MARCH 3, 2010**

**TO THE SHAREHOLDERS OF**

**INTERNATIONAL ASSETS HOLDING CORPORATION**

The annual meeting of the shareholders of International Assets Holding Corporation, a Delaware corporation (the Company), will be held on Wednesday, March 3, 2010, at 10:00 a.m. (Central Standard Time) at the InterContinental Hotel, Kansas City at the Plaza, 401 Ward Parkway, Kansas City, Missouri 64112, for the following purposes:

1. To elect four Class I Directors.
2. To ratify the appointment of KPMG LLP as the Company's independent registered public accounting firm for the 2010 fiscal year; and
3. To transact such other business as may properly come before the meeting.

The Board of Directors has fixed the close of business on January 6, 2010 as the record date for the determination of shareholders entitled to notice of and to vote at the annual meeting. Even if you plan to attend the annual meeting in person, we request that you sign and return the enclosed proxy card or vote by telephone or by using the Internet as instructed on the enclosed proxy card and thus ensure that your shares will be represented at the annual meeting if you are unable to attend.

If you sign, date and mail your proxy card without indicating how you wish to vote, your proxy will be counted as a vote in favor of Proposal Nos. 1 and 2. If you fail to return your proxy card or vote by telephone or by using the Internet, the effect will be that your shares will not be counted for purposes of determining whether a quorum is present at the annual meeting. If you do attend the annual meeting and wish to vote in person, you may withdraw your proxy and vote in person.

By order of the Board of Directors

SEAN M. O'CONNOR

Chief Executive Officer

Altamonte Springs, Florida

January 15, 2010

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**INTERNATIONAL ASSETS HOLDING CORPORATION**

**220 E. Central Parkway**

**Suite 2060**

**Altamonte Springs, Florida 32701**

**PROXY STATEMENT**

**ANNUAL MEETING OF SHAREHOLDERS**

**TO BE HELD ON MARCH 3, 2010**

**GENERAL**

The enclosed proxy is solicited on behalf of the Board of Directors of International Assets Holding Corporation, a Delaware corporation (the Company), for use at the annual meeting of shareholders to be held on Wednesday, March 3, 2010, at 10:00 a.m. (Central Standard Time), or at any adjournment or postponement of the meeting, for the purposes set forth in this proxy statement and in the accompanying Notice of Annual Meeting. The annual meeting will be held at the InterContinental Hotel, Kansas City at the Plaza, 401 Ward Parkway, Kansas City, Missouri 64112. The Company intends to mail this proxy statement and accompanying proxy card on or about January 15, 2010 to all shareholders entitled to vote at the annual meeting.

**QUESTIONS AND ANSWERS ABOUT THE ANNUAL MEETING**

**Why did I receive this proxy statement?**

You received this proxy statement because you held shares of the Company's common stock on January 6, 2010 (the Record Date) and are entitled to vote at the annual meeting. The Board of Directors is soliciting your proxy to vote at the meeting.

**When and where will the annual meeting take place?**

The annual meeting will be on March 3, 2010 at 10:00 a.m. (Central Standard Time), at the InterContinental Hotel, Kansas City at the Plaza, 401 Ward Parkway, Kansas City, Missouri 64112.

**What am I voting on?**

You are being asked to vote on two items:

1. The election of four Class I Directors (see page 5); and
2. The ratification of KPMG, LLP as the Company's independent registered public accounting firm for the 2010 fiscal year (see page 39).

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### **How do I vote?**

#### **Shareholders of Record**

If you are a shareholder of record, there are four ways to vote:

By toll free telephone at **1-866-540-5760**.

By internet at [www.proxyvoting.com/iaac](http://www.proxyvoting.com/iaac)

By completing and returning your proxy card in the postage-paid envelope provided by the Company; or

By voting in person at the meeting.

#### **Street Name Holders**

Shares which are held in a brokerage account in the name of the broker are said to be held in street name.

If your shares are held in street name, you should follow the voting instructions provided by your broker. You may complete and return a voting instruction card to your broker, or, in many cases, your broker may also allow you to vote via the telephone or internet. Check your proxy card for more information. If you hold your shares in street name and wish to vote at the meeting, you must obtain a legal proxy from your broker and bring that proxy to the meeting.

Regardless of how your shares are registered, if you complete and properly sign the accompanying proxy card and return it to the address indicated, it will be voted as you direct.

#### **What is the deadline for voting via Internet or telephone?**

Internet and telephone voting is available through 11:59 p.m. Eastern Standard Time on Tuesday, March 2, 2010 (the day before the annual meeting).

#### **What are the voting recommendations of the Board of Directors?**

The Board of Directors recommends that you vote in the following manner:

1. FOR each of the persons nominated by the Board of Directors to serve as Directors; and
2. FOR the ratification of the appointment of KPMG, LLP as independent registered public accounting firm for the 2010 fiscal year.

Unless you give contrary instructions on your proxy card, the persons named as proxies will vote your shares in accordance with the recommendations of the Board of Directors.

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### **Will any other matters be voted on?**

We do not know of any other matters that will be brought before the shareholders for a vote at the annual meeting. If any other matter is properly brought before the meeting, your signed proxy card would authorize Diego Veitia and Sean O Connor to vote on such matters in their discretion.

### **Who is entitled to vote at the meeting?**

Only shareholders of record at the close of business on the Record Date are entitled to receive notice of and to vote at the annual meeting. If you were a shareholder of record on that date, you will be entitled to vote all of the shares that you held on that date at the annual meeting, or any postponement or adjournment of the meeting.

### **How many votes do I have?**

You will have one vote for each share of the Company's common stock that you owned on the Record Date.

### **How many votes can be cast by all shareholders?**

The Company had 17,539,097 outstanding shares of common stock on the Record Date. Each of these shares is entitled to one vote. There is no cumulative voting.

### **How many votes must be present to hold the meeting?**

The holders of a majority of the Company's common stock outstanding on the Record Date must be present at the meeting in person or by proxy in order to fulfill the quorum requirement necessary to hold the meeting. This means at least 8,769,549 shares must be present in person or by proxy.

If you vote, your shares will be part of the quorum. Abstentions and broker non-votes will also be counted in determining the quorum. A broker non-vote occurs when a bank or broker holding shares in street name submits a proxy that states that the broker does not vote for some or all of the proposals because the broker has not received instructions from the beneficial owners on how to vote on the proposals and does not have discretionary authority to vote in the absence of instructions.

We urge you to vote by proxy even if you plan to attend the meeting so that we will know as soon as possible that a quorum has been achieved.

### **What vote is required to approve each proposal?**

For the election of Directors (Proposal No. 1), the affirmative vote of a plurality of the votes present in person or by proxy and entitled to vote at the meeting is required. A proxy that has properly withheld authority with respect to the election of one or more Directors will not be voted with respect to the Director or Directors indicated, although it will be counted for the purposes of determining whether there is a quorum.

For the ratification of the appointment of KPMG LLP (Proposal No.2), the affirmative vote of a majority of the shares represented in person or by proxy and entitled to vote at the meeting will be required for approval. An abstention with respect to this



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proposal will be counted for the purposes of determining the number of shares entitled to vote that are present in person or by proxy. Accordingly, an abstention will have the effect of a negative vote.

### **Can I change my vote?**

Yes. If you are stockholder of record, you may change your vote at any time before your proxy is voted at the annual meeting. You can do this in one of three ways. First, you can send a written notice stating that you would like to revoke your proxy. Second, you can submit new proxy instructions either on a new proxy card, by telephone or via the Internet. Third, you can attend the meeting, and vote in person. Your attendance alone will not revoke your proxy. If you have instructed a broker to vote your shares, you must follow directions received from your broker to change those instructions.

### **Who can attend the annual meeting?**

Any person who was a shareholder of the Company on January 6, 2010 may attend the meeting. If you own shares in street name, you should ask your broker or bank for a legal proxy to bring with you to the meeting. If you do not receive the legal proxy in time, bring your most recent brokerage statement so that we can verify your ownership of our stock and admit you to the meeting. However, you will not be able to vote your shares at the meeting without a legal proxy.

### **What happens if I sign and return the proxy card but do not indicate how to vote on an issue?**

If you return a proxy card without indicating your vote, your shares will be voted as follows:

FOR each of the nominees for Director named in this proxy statement, and

FOR ratification of the appointment of KPMG, LLP as the independent registered public accounting firm for the Company for the 2010 fiscal year.

### **Who can help answer my questions?**

If you are an International Assets stockholder, and would like additional copies, without charge, of this proxy statement or if you have questions about the annual meeting, including the procedures for voting your shares, you should contact:

David Bolte

Corporate Secretary

1251 NW Briarcliff Parkway

Suite 800

Kansas City, Missouri 64116

**Table of Contents****PROPOSAL 1 ELECTION OF DIRECTORS**

The certificate of incorporation of the Company provides that the Company will have a board of Directors consisting of 13 members until the 2012 annual meeting of stockholders. These Directors are divided into three classes, designated as Class I, Class II and Class III. Until the 2012 annual meeting, Class I will have four members, Class II will have four members; and Class III will have five members. The number of Directors will be reduced to 11 members commencing at the 2012 annual meeting and to nine members commencing at the 2013 annual meeting.

At the 2010 annual meeting, shareholders are being asked to vote on the election of four Directors to serve in Class I, with their terms expiring at the 2013 annual meeting.

The Nominating & Governance Committee of the Company has nominated and the Board of Directors has approved the nominations of the following four persons to serve as Class I Directors. If elected, they will serve until the 2013 annual meeting. Each of the nominees has agreed to serve if elected.

The nominees are as follows:

<b>Name of Nominee</b>	<b>Age</b>	<b>Director Since</b>
Diego J. Veitia	66	1987
Sean M. O Connor	47	2002
Paul G. Anderson	57	2009
Daryl K. Henze	66	2009

The background of each nominee for Director is as follows:

**Diego J. Veitia** founded International Assets in 1987 and served as Executive Chairman of the Board until September 30, 2006. Mr. Veitia currently serves as non-executive Chairman of the Board and has done so since October 2006. He served as Chief Executive Officer of International Assets from its inception in 1987 until October 2002. Mr. Veitia also serves as Chairman of Veitia and Associates, Inc., a private investment company.

**Sean M. O Connor** joined International Assets in October 2002 as Chief Executive Officer. In December 2002, he was elected to the Board of Directors. From 1994 until 2002, Mr. O Connor was Chief Executive Officer of Standard New York Securities, a division of Standard Bank. From 1999 until 2002, Mr. O Connor also served as Executive Director of Standard Bank London, Ltd., a United Kingdom bank and subsidiary of the Standard Bank of South Africa.

**Paul G. Anderson** was elected as a Director of International Assets on October 1, 2009, in connection with the merger with FCStone Group, Inc. ( FCStone ). He was appointed President of International Assets on October 5, 2009. Mr. Anderson had been employed by FCStone since 1987 and had served as its President and Chief Executive Officer since 1999. He also served as a Director of FCStone from 2006 until the merger with International Assets. Mr. Anderson is the past President of the Kansas Cooperative Council and past founding Chairman of the Arthur Capper Cooperative Center at Kansas State University. Mr. Anderson

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is a Director of the Associated Benefits Corporation and is a member of National Council of Farmer Cooperatives, the National Feed and Grain Association and several other state associations.

**Daryl Henze** was elected as a Director of International Assets on October 1, 2009, in connection with the merger with FCStone. From November 2006 until the merger, he served as a Director of FCStone. He also served as the chairman of the audit committee of FCStone. Mr. Henze is a consultant in the area of finance and accounting. He spent 36 years with the accounting firm KPMG LLP before his retirement in 2001, including 28 years as an audit partner. Mr. Henze serves on the board of Directors of Wellmark, Inc., as well as the boards of two other private companies. He is a former president of the Minnesota State Mankato Alumni Association and is on the Iowa State University Foundation Board. He is a past president of the Iowa Society of Certified Public Accountants and served on the Iowa Accountancy Examining Board for nine years.

***THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR EACH NOMINEE***

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<b>Name of Director</b>	<b>Age</b>	<b>Director Since</b>
Scott J. Branch	47	2002
Brent Bunte	53	2009
John Fowler	60	2005
Jack Friedman	52	2009
Bruce Krehbiel	56	2009
Robert A. Miller	67	1998
Eric Parthemore	60	2009
John Radziwill	62	2002
Justin Wheeler	37	2004

**The Class II Directors whose terms will expire in 2011 are as follows:**

**Scott J. Branch** was appointed the Chief Operating Officer of International Assets in October 2009, in connection with the merger with FCStone. From 2002 until October 2009, he served as President of International Assets. He was elected to the Board of Directors in December 2002. Mr. Branch was General Manager of Standard Bank London, Ltd. from 1995 until 2002. During this period, he also served in other capacities for Standard Bank, including management of its banking and securities activities in the Eastern Mediterranean Region and management of its forfaiting and syndications group.

**Bruce Krehbiel** was elected as a Director of International Assets on October 1, 2009, in connection with the merger with FCStone. From 1988 until the merger, he served as a Director of FCStone, including service as its Chairman. Mr. Krehbiel is the manager of Kanza Cooperative Association in Iuka, Kansas, and has worked for Kanza Cooperative Association since 1986. Mr. Krehbiel has held Director positions on the boards of the Midwest Chapter of the National Society of Accountants for Cooperatives, CenKan, LLC, and Agri-Business Benefit Group.

**Eric Parthemore** was elected as a Director of International Assets on October 1, 2009, in connection with the merger with FCStone. He had previously served as a Director of FCStone since 1996 and as Vice Chairman of FCStone since January 2007. He served as the Secretary and Treasurer of FCStone until January 2007. Mr. Parthemore is the President and Chief Executive Officer of Heritage Cooperative, Inc. in West Mansfield, Ohio. He has held that position since September, 2009 and had served in the same capacity with its predecessor company since 1996. Mr. Parthemore was appointed in January 2004 to serve on the Ohio Agricultural Commodity Advisory Commission by the Secretary of Agriculture in the State of Ohio. Mr. Parthemore is a Director of the Ohio AgriBusiness Association. In 2009 Mr. Parthemore was selected to serve on the National Grain Car Council of the Surface Transportation Board, an agency of the US Department of Transportation.

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**John Radziwill** was elected as a Director of International Assets in 2002. Mr. Radziwill is currently a Director of Lionheart Group, Inc., USA Micro Cap Value Co. Ltd, Goldcrown Group Limited, New York Holdings Limited, Acquisitor Plc and Acquisitor Holdings (Bermuda) Ltd. In the past five years, he has also served as a Director of Interequity Capital Corporation, GP and Radix Organization Inc. Mr. Radziwill is a member of the Bar of England and Wales.

**The Class III Directors whose terms will expire in 2012 are as follows:**

**Brent Bunte** was elected as a Director of International Assets on October 1, 2009, in connection with the merger with FCStone. From 2000 until the merger, he served as a Director of FCStone, including service as chairman of its audit committee. Mr. Bunte is the manager of NEW Cooperative in Fort Dodge, Iowa, and has been with NEW Cooperative for 22 years. Mr. Bunte has held Directorships with First American Bank and Associated Benefits Corporation.

**John M. Fowler** was elected as a Director of International Assets in 2005. He has been a private investor since 1998 and currently serves as a private consultant. From 1996 to 1998, Mr. Fowler was the Chief Financial Officer, Executive Vice President and Director of Moneygram Payment Systems, Inc. He also served as an Executive Vice President of the Travelers Group, Inc. (now Citigroup, Inc.) from 1986 to 1994.

**Jack Friedman** was elected as a Director of International Assets on October 1, 2009, in connection with the merger with FCStone. He had previously served as a Director of FCStone since 1996 and was its Vice Chairman. Mr. Friedman is the chief executive officer of Innovative Ag Services in Monticello, Iowa and has been with that firm or its predecessor company for 33 years, serving as manager for the past 17 years. Mr. Friedman serves as a Director of Western Dubuque Biodiesel LLC.

**Robert A. Miller, Ph.D.** was elected as a Director of International Assets in 1998. He currently acts as an independent consultant and serves as the Chairman of the Board of Directors of The Dreman Contrarian Trust. Since September 2009, Dr. Miller has served as Interim Senior Vice President of Administration at the School of the Art Institute of Chicago. From 2006 to August 2007, Dr. Miller was Interim Senior Vice President and Provost of Roger Williams University, Bristol, Rhode Island. From 1998 to 2005, he was President of Nazareth College in Rochester, New York.

**Justin R. Wheeler** was elected as a Director of International Assets in 2004. Since 2000, he has been employed by Leucadia National Corporation, the Company's largest shareholder, and has served as President of its Asset Management Group since 2006. Mr. Wheeler was also appointed Vice President of Leucadia in 2006. He has previously served as President and Chief Executive Officer of American Investment Bank, N. A., a subsidiary of Leucadia.

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**THE BOARD OF DIRECTORS AND ITS COMMITTEES**

The Company's Board of Directors is responsible for establishing broad corporate policies and for overseeing the overall management of the Company. In addition to considering various matters which require its approval, the Board of Directors provides advice and counsel to, and ultimately monitors the performance of, the Company's senior management.

There are three committees of the Board of Directors – the Audit Committee, the Compensation Committee and the Nominating & Governance Committee. Committee assignments are re-evaluated annually and approved during the Board meeting that follows the annual meeting of shareholders. On October 5, 2009 following the merger with FCStone, the Board reconstituted its committees to include the newly elected Directors from FCStone. The Board of Directors has adopted charters for all of its Committees. Copies of these charters can be found on the Company's website at <http://www.intlassets.com>.

During the fiscal year ended September 30, 2009, the Board of Directors held eight meetings. Each Director (other than Sean M. O'Connor) attended at least 75% of the total number of meetings of the Board and the Board committees of which he was a member in 2009.

The Company has adopted a formal policy regarding attendance by members of the Board of Directors at the Company's annual meeting of shareholders and at scheduled meetings of the board of Directors. This policy is as follows:

**Attendance of Directors at Meetings**

The Board of Directors currently holds regularly scheduled meetings and calls for special meetings as necessary. Meetings of the Board may be held telephonically. Directors are expected to attend all Board meetings and meetings of the Committees of the Board on which they serve and to spend the time needed and meet as frequently as necessary to properly discharge their duties.

Directors are also expected to attend the annual meeting of shareholders. The Board believes that Director attendance at shareholder meetings is appropriate and can assist Directors in carrying out their duties. When Directors attend shareholder meetings, they are able to hear directly shareholder concerns regarding the Company. It is understood that special circumstances may occasionally prevent a Director from attending a meeting.

Six of the Company's then seven current Directors attended the 2009 annual meeting of the shareholders on February 26, 2009.

**Audit Committee**

The Audit Committee meets at least quarterly with the Company's management and independent accountants to, among other things, review the results of the annual audit and quarterly reviews and discuss the financial statements, select and engage the independent accountants, assess the adequacy of the Company's staff, management performance and procedures in connection with financial controls and receive and consider the accountants' comments on the Company's internal controls. The members of the Audit Committee during the 2009 fiscal year were: John Radziwill (Chairman), Justin R. Wheeler and John M. Fowler. The Audit Committee met eight times during the 2009 fiscal year.

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The current members of the Audit Committee are: Daryl Henze (Chairman), Brent Bunte, Bruce Krehbiel, John Radziwill and Justin Wheeler.

The Board has determined that each member of the Audit Committee who served during the Company's 2009 fiscal year, as well as each current member of the Audit Committee, is an audit committee financial expert within the meaning of Item 407(d)(5) of SEC Regulation S-K.

## **Compensation Committee**

The Compensation Committee makes determinations concerning salaries and incentive compensation and otherwise determines compensation levels for the Company's executive officers and other key employees and performs such other functions regarding compensation as the Board may delegate. The members of the Compensation Committee during the 2009 fiscal year were: John M. Fowler (Chairman), John Radziwill and Robert A. Miller. The Compensation Committee met six times during the 2009 fiscal year.

The current members of the Compensation Committee are: John Fowler (Chairman), Jack Friedman, Robert Miller, Eric Parthemore and John Radziwill.

## **Nominating & Governance Committee**

The Nominating & Governance Committee reviews and evaluates the effectiveness of the Company's executive development and succession planning processes, as well as providing active leadership and oversight of these processes. The Nominating & Governance Committee also evaluates and recommends nominees for membership on the Company's Board of Directors and its committees and develops and recommends to the Board a set of effective corporate governance policies and procedures.

The members of the Nominating & Governance Committee during the 2009 fiscal year were: Robert A. Miller (Chairman), John Radziwill and Justin R. Wheeler. The Committee met five times during the 2009 fiscal year.

The current members of the Nominating & Governance Committee are: John Radziwill (Chairman), Brent Bunte, Jack Friedman, Robert A. Miller and Justin Wheeler.

In September 2005, the Board of Directors adopted a formal policy concerning shareholder recommendations for candidates as nominees to the Board of Directors. The policy has been incorporated into the charter of the Nominating & Governance Committee which is posted on the Company's website. The policy is as follows:

The Nominating & Governance Committee is charged with recommending to the entire board a slate of Director nominees for election at each annual meeting of the shareholders. Candidates for Director nominees are selected for their character, judgment and business experience.

The Committee will consider recommendations from the Company's shareholders when establishing the slate of Director nominees to be submitted to the entire board. Such recommendations will be evaluated by the Committee using the same process and criteria that are used for recommendations received from Directors and executive officers. The Committee will consider issues of diversity, experience, skills, familiarity with ethical and corporate governance issues which the Company faces in the

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current environment, and other relevant factors. The Committee will make these determinations in the context of the perceived needs of the Company at the time.

### **Procedures by which Shareholders may submit Nominees for Director**

For a shareholder to recommend a Director nominee to the Committee, the shareholder should send the recommendation to the Chairman of the Nominating & Governance Committee, c/o Corporate Secretary, International Assets Holding Corporation, 1251 NW Briarcliff Parkway, Suite 800, Kansas City, Missouri 64116. The recommendation should include (a) the name, address and telephone number of the potential nominee; (b) a statement regarding the potential nominee's background, experience, expertise and qualifications; (c) a signed statement from the potential nominee confirming his or her willingness and ability to serve as a Director and abide by the corporate governance policies of International Assets Holding Corporation (including its Code of Ethics) and his or her availability for a personal interview with the Committee; and (d) evidence establishing that the person making the recommendation is a shareholder of the Company.

Recommendations which comply with the foregoing procedures and which are received by the Secretary before September 1 in any year will be forwarded to the Chairman of the Nominating & Governance Committee for review and consideration by the Committee for inclusion in the slate of Director nominees to be recommended to the entire Board for presentation at the annual meeting of shareholders in the following year. In evaluating Director nominees, the Nominating & Governance Committee considers the following factors:

the appropriate size of the Company's Board of Directors;

the needs of the Company with respect to the particular talents and experience of its Directors;

the knowledge, skills and experience of nominees, including experience in securities markets, business, finance, administration or public service, in light of prevailing business conditions and the knowledge, skills and experience already possessed by other members of the Board;

familiarity with national and international business matters;

experience with accounting rules and practices; and

the desire to balance the considerable benefit of continuity with the periodic injection of the fresh perspective provided by new members.

The Nominating & Governance Committee's goal is to assemble a Board of Directors that brings to the Company a variety of perspectives and skills derived from high quality business and professional experience.

Other than the foregoing, there are no stated minimum criteria for Director nominees, although the Nominating & Governance Committee may also consider such other factors as it may deem are in the best interests of the Company and its shareholders. The



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Nominating & Governance Committee also believes that it is appropriate for certain key members of the Company's management to serve as Directors.

The Nominating & Governance Committee identifies nominees by first evaluating the current members of the Board of Directors who are willing to continue in service. Current members of the Board with skills and experience that are relevant to the Company's business and who are willing to continue in service are considered for re-nomination, balancing the value of continuity of service by existing members of the Board with that of obtaining a new perspective. If any member of the Board does not wish to continue in service or if the Nominating & Governance Committee or the Board decides not to re-nominate a member for re-election, the Nominating & Governance Committee identifies the desired skills and experience of a new nominee in light of the criteria above. Current members of the Nominating & Governance Committee and Board of Directors are polled for suggestions as to individuals meeting the criteria of the Nominating & Governance Committee. Research may also be performed to identify qualified individuals. To date, the Company has not engaged third parties to identify or evaluate potential nominees, although the Company reserves the right in the future to retain a third party search firm, if necessary.

### **Shareholder Communications with Non-Management Members of the Board**

The Company has adopted a formal process for shareholder communications with the independent members of the Board. The policy, which is available on the Company's website, [www.intlassets.com](http://www.intlassets.com), is as follows:

Interested parties are invited to communicate with the non-management members of the Board by sending correspondence to the non-management members of the Board of Directors, c/o Corporate Secretary, International Assets Holding Corporation, 1251 NW Briarcliff Parkway, Suite 800, Kansas City, Missouri 64116. or via e-mail to [board@intlassets.com](mailto:board@intlassets.com).

The Corporate Secretary will review all such correspondence and forward to the non-management members of the Board a summary of all such correspondence received during the prior month and copies of all such correspondence that deals with the functions of the Board or committees thereof or that otherwise is determined to require attention of the non-management Directors. Non-management Directors may at any time review the log of all correspondence received by the Company that is addressed to the non-management members of the Board and request copies of any such correspondence. Concerns relating to accounting, internal controls or auditing matters will immediately be brought to the attention of the Chairman of the Audit Committee.

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**BOARD MEMBER INDEPENDENCE**

The Board of Directors annually determines the independence of Directors based upon a review conducted by the Nominating & Governance Committee and the Board. No Director is considered independent if he is an executive officer or employee of the Company or has a relationship which, in the opinion of the Company's board of Directors, would interfere with the exercise of independent judgment in carrying out the responsibilities of a Director.

The Board of Directors has determined that, in its judgment as of the date of this Proxy Statement, each of the Company's Directors, other than Sean O' Connor, Scott Branch and Paul Anderson, are independent Directors within the meaning of Rule 5600 of the NASDAQ Stock Exchange. Accordingly, all of the members of the Audit, Compensation and Nominating & Governance Committees are independent within the meaning of NASDAQ Rule 5600.

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**EXECUTIVE COMPENSATION**

**COMPENSATION DISCUSSION AND ANALYSIS**

This section contains a discussion of the Company's executive compensation program, including the objectives of the program, the policies underlying the program, the types of compensation provided by the program, and how the Company determined the compensation paid to each named executive officer.

**Background**

The Company's Compensation Committee has primary responsibility for the design and implementation of the Company's executive compensation program. The Committee directly determines the compensation for the Company's principal executive officers. The Committee receives recommendations from the Chief Executive Officer regarding the compensation of the President, the Chief Operating Officer, the Chief Financial Officer and the Chief Legal and Governance Officer. The Committee also supervises and reviews the compensation for the Company's other executive officers. The salaries for those officers are currently determined by one or more of the Company's principal executive officers.

For the 2009 fiscal year, the three principal executive officers were Sean M. O'Connor, who served as the Chief Executive Officer, Scott Branch, who served as the President, and Brian Sephton, who served as the Chief Financial Officer. The other named executive officers for the 2009 fiscal year were Nancey McMurtry, who served as Vice-President and Secretary and James Tivy, who served as the Group Controller.

After the end of the 2009 fiscal year, following the merger with FCStone, the Company appointed Paul G. Anderson as President and William J. Dunaway as Chief Financial Officer. At that time, Scott J. Branch became the Chief Operating Officer and Brian Sephton became the Chief Legal and Governance Officer.

The Company's executive compensation program has been designed to reflect the Company's vital need to attract and retain executives with specific skills and experience in the various businesses operated by the Company. In this regard, the success of these businesses is directly dependent on the ability of the Company's executives to generate operating income with an appropriate level of risk. The Company competes with larger and better capitalized companies for individuals with the required skills and experience. As a result, the Company must have a compensation program which provides its executives with a competitive level of compensation relative to the compensation available from the Company's competitors.

The Company's executive compensation program has also been designed to reward executives based on their contribution to the Company's success. The Compensation Committee believes that a compensation program which relies heavily on performance based compensation will both maximize the efforts of the Company's executives and align the interests of executives with those of shareholders. This form of compensation also allows the Company to compete for talented individuals since it is common in the financial services industry.

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### **Objectives of the Company's Executive Compensation Program**

The Company's executive compensation program is designed to meet three principal objectives:

to provide competitive levels of compensation in order to attract and retain talented executives,

to provide compensation which reflects the contribution made by each executive to the Company's success, and

to encourage long term service to the Company by awarding equity based compensation.

#### ***Attract and Retain Talented Employees***

The Company's success depends on the leadership of senior executives and the skills and experience of its other executives. In order to attract and retain highly capable individuals, the Company needs to ensure that the Company's compensation program provides competitive levels of compensation. Therefore, the Compensation Committee seeks to provide executives with compensation that is similar to the compensation paid by other financial services firms.

#### ***Provide Compensation Based on Performance***

The Company believes that its continued success requires it to reward individuals based upon their contribution to the Company's success. Accordingly, a substantial portion of each executive's compensation is in the form of bonuses, which are paid based on both objective and subjective criteria.

#### ***Encourage Long-Term Service through Equity Awards***

The Company seeks to encourage long-term service by making equity awards to the Company's executives. In the case of the principal executive officers, the Compensation Committee may elect to award a portion of the executive's bonus in the form of restricted stock. In the case of other executives, the Compensation Committee offers the executives the right to receive a portion of their bonuses in the form of restricted stock. All executives have the right to exchange a portion of any restricted stock awards for stock options.

### **What the Executive Compensation Program is Designed to Reward**

By linking compensation opportunities to performance of the Company as a whole, the Company believes the Company's compensation program encourages and rewards:

Efforts by each executive to enhance firm-wide productivity and profitability

Entrepreneurial behavior by each executive to maximize long-term equity value in the interest of all shareholders

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**Elements of Compensation**

The Company's executive compensation program provides for the following elements of compensation:

base salary

bonus under established bonus plans with objective criteria

discretionary bonus based on subjective criteria

health insurance and similar benefits

***Base Salary***

The Company pays each executive officer an annual base salary in order to provide the executive with a predictable level of income and enable the executive to meet living expenses and financial commitments. The Compensation Committee views base salary as a way to provide a non-performance based element of compensation that is certain and predictable. The Compensation Committee believes the base salaries paid to the Company's executive officers in 2009 were modest compared to other financial service firms.

The annual base salaries for Sean M. O'Connor and Scott J. Branch in 2009 were \$175,000. These salaries were established when these executives joined the Company in 2002 and remained unchanged through the end of the 2009 fiscal year. The Board voted to increase these base salaries to \$400,000 as of December 1, 2009, based on a recommendation of the Compensation Committee.

The annual base salary for Brian Sephton in 2009 was \$135,000. It was established when he joined the Company in 2004 and remained unchanged through the end of the 2009 fiscal year. The Board voted to increase his base salary to \$200,000 as of December 1, 2009, based on a recommendation of the Compensation Committee.

The annual base salary for James Tivy for 2009 was \$120,000. This salary was determined by the Chief Financial Officer and the President and was reviewed by the Compensation Committee. The base salary for Nancey McMurtry for 2009 was \$125,000. This salary was determined by the Chief Executive Officer and the President and was reviewed by the Compensation Committee.

***Executive Performance Plan***

The Company adopted the Executive Performance Plan (the "EPP") in 2007 in order to provide bonuses to designated executives based upon objective criteria. The plan is structured to satisfy the requirements for performance-based compensation within the meaning of Section 162(m) of the Internal Revenue Code so that the compensation is deductible for federal income tax purposes. The EPP permits awards to be paid in cash, restricted stock or a combination of both.

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The Company utilized the EPP to reward the Company's three principal executive officers during the 2009 fiscal year (Messrs. O'Connor, Branch and Sephton). The bonuses paid under the EPP are objective and are based on criteria established by the Company in advance. The Compensation Committee utilizes bonuses under the EPP as the Company's primary tool for encouraging executives to maximize productivity and profitability. Awards under the plan provide executives with an incentive to focus on aspects of the Company's performance that the Compensation Committee believes are key to the Company's success.

The Compensation Committee administers the EPP and has responsibility for designations of eligible participants and establishing specific performance targets for each participant in the plan. The performance targets may be based on one or more of the following business criteria, or on any combination of these criteria:

change in share price

adjusted return on equity

control of fixed costs

control of variable costs

adjusted EBITDA growth

The targets must be established while the performance relative to the target remains substantially uncertain within the meaning of Section 162(m).

With respect to adjusted EBITDA growth, the plan provides that earnings before interest, taxes, depreciation and amortization (EBITDA) for any year will be adjusted as follows: to the extent that any portion of the commodity inventory of the Company and its subsidiaries is valued pursuant to generally accepted accounting principles (GAAP) at the end of any year at the lower of cost or market value, the EBITDA for such year will be increased by the amount of any unrealized gains which the Company would have recognized in that year if such commodity inventory had been valued at market in accordance with GAAP.

With respect to adjusted return on equity and adjusted EBITDA growth, the plan generally requires that adjustments be made to return on equity or EBITDA, as the case may be, when determining whether the applicable performance targets have been met, so as to eliminate, in whole or in part, in any manner specified by the Committee at the time the performance targets are established, the gain, loss, income and/or expense resulting from the following items:

changes in accounting principles that become effective during the performance period;

extraordinary, unusual or infrequently occurring events reported in the Company's public filings, excluding early extinguishment of debt, and

the disposition of a business, in whole or in part.

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The Committee may, however, provide at the time the performance targets are established that one or more of these adjustments will not be made as to a specific award or awards.

In addition, the Committee may determine at the time the goals are established that other adjustments will be made under the selected business criteria and applicable performance targets to take into account, in whole or in part, in any manner specified by the Committee, any one or more of the following:

gain or loss from all or certain claims and/or litigation and insurance recoveries,

the impact of impairment of tangible or intangible assets

restructuring activities reported in the Company's public filings, and

the impact of investments or acquisitions.

Each of these adjustments may relate to the Company as a whole or any part of the Company's business or operations, as determined by the Committee at the time the performance targets are established. The adjustments are to be determined in accordance with generally accepted accounting principles, unless another objective method of measurement is designated by the Committee. Finally, adjustments will be made as necessary to any business criteria related to the Company's stock to reflect changes in corporate capitalization, such as stock splits and certain reorganizations.

Concurrently with the selection of performance targets, the Committee must establish an objective formula or standard for calculating the maximum bonus payable to each participating executive officer. Under the plan, the maximum bonus for each fiscal year may not exceed \$3,000,000 for any executive.

Over the five-year term of the plan, the maximum per participant amounts are thus \$15,000,000 for each executive. Notwithstanding this overall maximum, the Committee has sole discretion to determine, pursuant to its negative discretion, whether to actually pay any of or the entire maximum permissible bonus or to defer payment or vesting of any bonus, subject in each case to the plan's terms and any other written commitment authorized by the Committee. The Committee is also authorized to exercise its negative discretion by establishing additional conditions and terms of payment of bonuses, including the achievement of other financial, strategic or individual goals, which may be objective or subjective, as it deems appropriate. Although the Committee may waive these additional conditions and terms, it may not waive the basic performance target as to the business criterion chosen for any particular period.

Bonuses will be paid in either cash or a combination of cash and restricted stock on a basis to be established by the Committee. In general, restricted stock is a grant of stock that is subject to forfeiture if specified vesting requirements are not satisfied.

If any portion of a bonus is payable in the form of restricted stock, then the restricted stock will be issued to the executive at a discount of 25% to the market value of the Company's common stock (determined as of the date that is 75 days following the end of the applicable performance period, or, if the committee has not determined the bonus by this date, 15 days after the amount of the bonus is determined and certified by the Committee). These shares of restricted stock will vest at the rate of one-third per year, with the first one-third to vest on the first anniversary of the award and each subsequent one-third to vest at the end of each subsequent anniversary, all as specified with greater particularity in an award agreement to be entered into in accordance with the Company's

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Restricted Stock Plan. In its discretion, the Committee may waive these provisions and elect to pay 100% of any bonus payable under the plan, regardless of amount, entirely in cash (for example, in the case of a participant who already holds a substantial number of shares). Likewise, in its discretion, the Committee may alter the vesting period or reduce the discount applicable to any restricted stock award.

In the event sufficient shares are not available pursuant to the Restricted Stock Plan, then the entire bonus will be payable in cash.

In any case in which a bonus is to be paid to a participant in part in the form of restricted stock, the participant may elect to exchange up to 33% of shares of such restricted stock for options to acquire three times such number of shares of the Company's common stock pursuant to and in accordance with the 2003 Stock Option Plan (the Substitute Options). The Substitute Options will have the following terms:

the initial exercise price will be equal to the Fair Market Value (as defined in the Stock Option Plan) of the Company's common stock on the date that the Substitute Options are granted,

the Substitute Options will have a term of four years,

the right to exercise the Substitute Options will generally vest at the rate of one-third per year, with the first one-third to vest on the first anniversary of the grant and each subsequent one-third to vest on each subsequent anniversary, and

other terms to be established by the Committee in accordance with the terms of the 2003 Stock Option Plan.

A participant's election to receive Substitute Options must be made by written notice to the Committee not more than five days following the participant's receipt of notice that the participant has been awarded restricted stock under the plan.

The performance plan may from time to time be amended, suspended or terminated, in whole or in part, by the Board of Directors or the Committee, but no amendment will be effective without Board and/or shareholder approval if such approval is required to satisfy the requirements of Section 162(m).



**Table of Contents****Application of Executive Performance Plan in 2009**

For 2009, the Compensation Committee selected Sean O Connor, Scott Branch and Brian Sephton to be participants in the Executive Performance Plan, with targeted bonus amounts of \$925,000 in the case of Sean O Connor and Scott Branch, and \$693,750 in the case of Brian Sephton.

The actual amounts payable under the plan for 2009 were based on the following five performance targets, weighted as follows: increase in share price (25%), adjusted return on equity (25%), fixed costs (12.5%), variable costs (12.5%) and adjusted EBITDA growth (25%).

**EXECUTIVE PERFORMANCE PLAN FISCAL 2009**

	Target					
<b>Increase in share price</b>	<4%	4-7.99%	8-11.99%	12-15.99%	16-19.99%	>19.99%
% adjustment	0%	-60%	-40%		+60%	+100%
<b>Adjusted return on equity</b>	<8%	8-11.99%	12-14.99%	15-17.49%	17.5-19.99%	>19.99%
% adjustment	0%	-60%	-40%		+40%	+100%
<b>Fixed costs(1)</b>	>14.99%	10-14.99%	5-9.99%	0-4.99%	0-(4.99)%	<(4.99)%
% adjustment	0%	-60%	-40%		+20%	+60%
<b>Variable costs(2)</b>	>39.49%	36.5-39.49	33.5-36.49	30.5-33.49	27.5-30.49%	<27.5%
% adjustment	0%	-60%	-40%		+20%	+60%
<b>Adjusted EBITDA growth</b>	<5%	5-9.99%	10-19.99%	20-29.99%	30-39.99%	>40%
% adjustment	0%	-60%	-40%		+60%	+100%

(1) The 2009 performance target for fixed costs (expressed as a fixed amount) was \$34,487,881.

(2) The 2009 performance target for variable costs (expressed as a percentage of total operating revenues) was 31.9 %.

**Table of Contents*****Bonuses Earned under Executive Performance Plan for 2009***

Based on the Company's results for 2009, the nominal amount of the bonuses earned under the EPP by the three participating executive officers were as follows:

**Bonuses Earned Under  
2009 Executive Performance Plan**

Name	Nominal Amount (1)	Cash Amount (2)	Restricted Shares (3)	
			(#)	Value
Sean O Connor (4)	\$ 531,875	\$ 428,906	8,823	\$ 137,286
Scott Branch (5)	\$ 531,875	\$ 428,906	8,883	\$ 137,283
Brian Sephton (6)	\$ 380,906	\$ 314,725	5,671	\$ 88,241

(1) This column sets forth the nominal amount of the bonus earned by each executive under the plan in 2009. A portion of each amount was paid in the form of a cash bonus and the balance was paid in the form of restricted stock valued at a discount of 25% to the market value of the Company's common stock.

(2) This column sets forth the cash amount paid to each executive under the plan. These amounts were paid in fiscal year 2010.

(3) This column sets forth the number of shares of restricted stock awarded to each executive under the plan and the value of the shares calculated in accordance with the Stock Compensation Topic of the Accounting Standards Codification. These shares vest over a period of three years. These shares were granted on December 14, 2009, and had a fair market value of \$15.56 per share on the date of grant.

(4) This executive also received an additional discretionary cash bonus of \$331,094, an additional discretionary award of 11,743 restricted shares and additional incentive compensation consisting of 10,000 restricted shares and options to purchase 80,000 shares of common stock. See *Discretionary Bonuses* and *Additional Incentive Compensation* below.

(5) This executive also received an additional discretionary cash bonus of \$331,094, an additional discretionary award of 11,743 restricted shares and additional incentive compensation consisting of 10,000 restricted shares and options to purchase 80,000 shares of common stock. See *Discretionary Bonuses* and *Additional Incentive Compensation* below.

(6) This executive also received an additional discretionary cash bonus of \$196,898, an additional discretionary award of 5,773 restricted shares and additional incentive compensation consisting of 7,500 restricted shares and options to purchase 60,000 shares of common stock. See *Discretionary Bonuses* and *Additional Incentive Compensation* below.

**Table of Contents****Discretionary Bonuses**

The Company may award discretionary bonuses to its executives based on a subjective evaluation of the executive's performance and the overall performance of the Company. These awards are in addition to bonuses paid under the Executive Performance Plan.

In the case of discretionary bonuses awarded to the principal executive officers, the discretionary bonuses are awarded in the form of cash, restricted stock or a combination of both, as determined by the Compensation Committee. The nominal amount of the portion of any bonus which is awarded in the form of restricted stock is issued at a 25% discount from the fair market value of the Company's common stock at the time of the award. The restricted stock vests over a period of three years.

In the case of discretionary bonuses awarded to other executive officers, the discretionary bonuses are awarded in the form of cash, unless the executive elects, prior to the end of the first quarter of each fiscal year, to receive a portion of any discretionary bonuses in the form of restricted stock. In the event that the executive makes such an election, then a portion of the nominal amount of the bonus is awarded in the form of restricted stock. This portion is equal to 15% of the first \$50,000 of the bonus and 30% of the portion over \$50,000. The restricted shares are issued at a 25% discount from the fair market value of the Company's common stock at the time of the award. The restricted stock vests over a period of three years. These executives also have the right to elect to exchange one-third of the restricted stock awarded for three times the number of stock options.

In 2009, the Compensation Committee utilized discretionary bonuses in order to adjust the total compensation paid to three principal executives to an amount which the Compensation Committee believed to be appropriate in light of each executive's contribution to the Company's success for the fiscal year, including the successful consummation of the merger with FCStone.

For 2009, the Compensation Committee elected to award discretionary bonuses in the following amounts to the three principal executive officers:

**Discretionary Bonuses-Three Principal Executive Officers**

Name	Nominal Amount (1)	Cash Amount (2)	Restricted Shares (3)	
			(#)	Value
Sean O Connor	\$ 468,125	\$ 331,094	11,743	182,721
Scott Branch	\$ 468,125	\$ 331,094	11,743	182,721
Brian Sephton	\$ 264,269	\$ 196,898	5,773	\$ 89,828

(1) This column sets forth the nominal amount of the discretionary bonus awarded to each executive for services rendered during 2009. A portion of this amount was paid in the form of a cash bonus and the balance was paid in the form of restricted stock valued at a discount of 25% to the market value of the Company's common stock.

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(2) This column sets forth the cash amount of the discretionary bonus awarded to each executive for services rendered during 2009. These amounts were paid in fiscal 2010.

(3) This column sets forth the number of shares of restricted stock awarded to each executive and the value of the shares calculated in accordance with the Stock Compensation Topic of the Accounting Standards Codification. These shares vest over a period of three years. These shares were granted on December 14, 2009, and had a fair market value of \$15.56 per share on the date of grant.

The Committee determined the nominal amount of the discretionary bonuses paid to the three principal officers in light of its assessment of the Company's performance in 2009. In this connection, the Committee concluded that the bonuses earned by these executives under the Executive Performance Plan did not adequately reflect the executives' performance in 2009, including the successful consummation of the merger with FCStone.

The Company's other two named executive officers were awarded discretionary bonuses with nominal amounts established by one or more of the Company's three principal executive officers, subject to the supervision and review of the Compensation Committee.

For 2009, the discretionary bonuses awarded to the other two named executive officers were as follows:

**Discretionary Bonuses-Other Named Executive Officers**

Name	Nominal Amount (1)	Cash Amount (2)	Restricted Shares (3)		Substitute Options (4)	
			(#)	Value	(#)	Value
James W. Tivy	\$98,100	\$76,170	1,191	\$19,497	1,788	\$15,556
Nancey M. McMurtry	\$81,750	\$64,725	1,387	\$22,705		

(1) This column sets forth the nominal amount of the discretionary bonus awarded to each executive for services rendered in 2009. A portion of each bonus was paid in the form of cash and the balance was paid in the form of restricted stock valued at a discount of 25% to the market value of the Company's common stock. These executives also have the choice to elect to exchange one-third of the restricted stock awarded for three times the number of stock options.

(2) This column sets forth the cash amount of the discretionary bonus awarded to the executive in 2009. These amounts were paid in fiscal 2010.

(3) This column sets forth the number of shares of restricted stock awarded and the value of the shares calculated in accordance with the Stock Compensation Topic of the Accounting Standards Codification. These shares vest over a period of three years. These shares were granted on November 30, 2009, and had a fair market value of \$16.37 per share on the date of grant.

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(4) This column sets forth the number of substitute options issued in lieu of the shares of restricted stock and the value of the options calculated in accordance with the Stock Compensation Topic of the Accounting Standards Codification.

**Additional Incentive Compensation**

In December 2008, the Compensation Committee elected to award additional incentive compensation to four of the named executive officers. The Committee made these awards in conjunction with its customary annual review of the compensation program for the Company's executive officers. During this review, the Committee noted that the Company had not granted stock options or similar long term incentive compensation to the senior executives since 2005. The Committee determined that the Company should periodically make such awards to the senior executive officers in order to provide them with incentives based upon the long term success of the Company. The awards consisted of a combination of restricted shares and stock options.

Name	Restricted Shares (1)		Options (2)(3)	
	(#)	Value	(#)	Value
Sean O Connor	10,000	\$ 66,200	80,000	\$ 231,200
Scott Branch	10,000	\$ 66,200	80,000	\$ 231,200
Brian Sephton	7,500	\$ 49,650	60,000	\$ 183,600
Nancey McMurtry	15,000	\$ 99,300		

(1) This column sets forth the number of shares of restricted stock awarded and the value of the shares calculated in accordance with the Stock Compensation Topic of the Accounting Standards Codification. These shares vest over a period of five years with the shares vesting equally at the end of years three, four and five. These shares were granted on December 5, 2008, and had a fair market value of \$6.62 per share on the date of grant.

(2) This column sets forth the number of options awarded to each executive and the value of the options calculated in accordance with the Stock Compensation Topic of the Accounting Standards Codification. The stock options granted to Messrs. O Connor and Branch had an exercise price of \$7.282 per share which was 110% of fair market value on the date of grant, a term of six years and were to be equally vested at the end of years three, four and five.

(3) The stock options granted to Mr. Sephton have an exercise price of \$6.62 per share, a term of six years and were to be equally vested at the end of years three, four and five.

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***Other Benefits***

The Company provides medical, life insurance, disability and other similar benefits to executives and other employees. The Company intends these benefits to be generally competitive, in order to help in the Company's efforts to recruit and retain talented executives. The Company's executives participate in these benefit programs on the same basis as all of the Company's other employees. The Company's executives are also entitled to receive certain compensation in connection with the termination of their employment. See Employment Agreements for Sean O'Connor, Scott Branch and Brian Sephton below.

**Table of Contents****Summary Compensation Table**

The following table sets forth information concerning the compensation of the Company's (a) Principal Executive Officer, (b) Principal Financial Officer, and (c) the other three most highly compensated executive officers as specified by SEC rules (the named executive officers) for 2009, 2008 and 2007.

Name and Principal Position	Fiscal Year	Salary (\$)	Bonus (\$)(1)	Stock Awards (\$)(2)	Option Awards (\$)(3)	Non-Equity		Total (\$)
						Incentive Plan Compensation (\$)(4)	All Other Compensation (\$)(5)	
Sean M. O'Connor, Director and Chief Executive Officer	2009	175,000	331,094	66,200	71,163	428,906	11,500	1,083,863
	2008	175,000	130,000	129,323	45,021	620,000	10,500	1,109,844
	2007	175,000	263,000			72,099	322,000	10,500
Scott J. Branch, Director, Chief Operating Officer and Former President	2009	175,000	331,094	66,200	71,163	428,906	11,500	1,083,863
	2008	175,000	130,000	129,323	45,021	620,000	10,500	1,109,844
	2007	175,000	263,000			72,099	322,000	10,500
Brian T. Sephton, Chief Legal Officer and Former Chief Financial Officer	2009	135,000	196,898	197,153	55,216	314,725	14,000	912,992
	2008	135,000	73,125	82,323	30,201	378,750	13,000	712,399
	2007	135,000	207,875			53,563	244,000	13,000
Nancey McMurtry, Vice President and Former Secretary	2009	125,000	64,725	119,300			5,940	314,965
	2008	103,613	60,000	18,016			4,908	186,537
	2007	81,120	56,500				4,129	141,749
James Tivy, Group Controller	2009	120,000	76,170	16,000	18,785		5,614	236,569
	2008	78,167	53,000		7,827		3,935	142,929
	2007	(6)						

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- (1) The amounts in this column reflect discretionary cash bonuses awarded to the executive officers for services rendered in each fiscal year. In each case these cash bonuses were paid in the following fiscal year.
- (2) The amounts in this column represent the dollar amounts recognized by the Company for financial statement reporting purposes in each fiscal year in accordance with the Stock Compensation Topic of the Accounting Standards Codification. Pursuant to SEC rules, the amounts shown exclude the impact of estimated forfeitures related to service-based vesting conditions. For information on the valuation assumptions with respect to these awards, see Note 19 in the Company's consolidated financial statements for the fiscal year ended September 30, 2009, as set forth in the Company's Form 10-K for the 2009 fiscal year. These amounts reflect the Company's accounting expense for these awards, and do not correspond to the actual value that will be recognized by the named executive officers.
- (3) The amounts in this column represent the dollar amounts recognized for financial statement reporting purposes in each fiscal year on account of stock options granted to each of the named executive officers in accordance with the Stock Compensation Topic of the Accounting Standards Codification., including expense from stock options granted in earlier years. Pursuant to SEC rules, the amounts shown exclude the impact of estimated forfeitures related to service-based vesting conditions. For information on the valuation assumptions with respect to these option grants, see Note 19 in the Company's consolidated financial statements for the fiscal year ended September 30, 2009, as set forth in the Company's Form 10-K for the 2009 fiscal year. These amounts reflect the Company's accounting expense for these awards, and do not correspond to the actual value that will be recognized by the named executive officers.
- (4) The amounts in this column reflect cash bonuses earned by each executive officer in each fiscal year under the Executive Performance Plan. In each case, these bonuses were paid in the following fiscal year.
- (5) The amounts in this column represent the dollar amount of matching contributions made by the Company under its SIMPLE IRA plan.
- (6) Mr. Tivy joined the Company in the second quarter of the 2008 fiscal year.



**Table of Contents****Grants of Plan Based Awards 2009**

The following table sets forth information on plan based awards granted in the 2009 fiscal year to each of the Company's named executive officers. There can be no assurance that the amounts disclosed below will ever be realized. The amount of these equity awards that were expensed, and the amount of the non-equity awards that were earned in 2009, are shown in the Summary Compensation Table on page 24.

**Grants of Plan-Based Awards****For Fiscal Year Ended September 30, 2009**

Name	Grant Date	Approval Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards		Estimated Future Payouts Under Equity Incentive Plan Awards		All other Stock Awards: Number of Shares or Units (#) (2)	All Other Option Awards: Number of Securities Underlying Options (#) (3)	Exercise or Base Price of Option Awards (\$/Sh)	Grant Date Fair Value of Stock and Option Awards
			Target (\$)(1)	Maximum (\$)	Target (\$)	Maximum (\$)				
Sean M. O Connor (1)	11/25/2008	11/25/2008	925,000	3,000,000						
(4)	12/05/2008	11/25/2008					10,000	80,000	7.282	\$ 595,800
Scott J. Branch (1)	11/25/2008	11/25/2008	925,000	3,000,000						
(4)	12/05/2008	11/25/2008					10,000	80,000	7.282	\$ 595,800
Brian T. Sephton (1)	11/25/2008	11/25/2008	693,750	3,000,000						
(2)	12/14/2008	12/05/2008					15,152			\$ 115,003
(3)	12/14/2008	12/05/2008					4,282			\$ 32,500
(4)	12/05/2008	11/25/2008					7,500	60,000	6.62	\$ 594,354
Nancey McMurtry (3)	11/30/2008	11/30/2008					2,751			\$ 20,000
(4)	12/05/2008	11/25/2008					15,000			\$ 99,300
James W. Tivy (3)	11/30/2008	11/30/2008					2,201			\$ 16,000

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(1) The information in this row sets forth the target amount for each named executive officer under the Company's Executive Performance Plan for the year ended September 30, 2009. The maximum award under the performance plan is \$3,000,000 for each executive. The actual cash bonus award earned for the fiscal year ended September 30, 2009 for each named executive officer is set forth in the Summary Compensation Table. The cash bonus awards were paid in December 2009 which is in fiscal year 2010. As such, the amounts set forth in this column do not represent additional compensation earned by the named executive officers for the fiscal year ended September 30, 2009. The Executive Performance Plan does not provide for Threshold Minimums.

(2) The information in this row consists of restricted shares issued in fiscal year 2009 under the Executive Performance Plan and under the Company's Restricted Stock Plan with respect to services rendered in fiscal year 2008.

(3) The information in this row consists of restricted shares issued in fiscal year 2009 as part of the discretionary bonus to the executive for services rendered in the 2008 fiscal year.

(4) This column consists of restricted stock and options granted as additional incentive compensation during fiscal year 2009 which vest over a five year period during years three, four and five. The options have a term of six years.

**Table of Contents****Outstanding Equity Awards at Fiscal Year-End 2009**

The following table sets forth all outstanding equity awards held by the named executive officers as of September 30, 2009.

**Outstanding Equity Awards at September 30, 2009**

Name	Number of Securities Underlying Unexercised Options (#) Exercisable	Option Awards			Stock Awards	
		Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price (\$)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested (\$)
Sean M. O Connor	42,500		2.50	12/6/2012	5,318(1)	87,800(6)
	122,500		2.50	3/7/2013	10,000(2)	165,100(6)
	20,733		10.12	12/2/2009		
		80,000	7.282	12/5/2014		
Scott J. Branch	12,500		2.50	12/6/2012	5,318	