U.S. Securities and Exchange Commission
Washington D.C. 20549

Form 10-QSB

[X] QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2001

[_] TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE EXCHANGE ACT

Commission File Number 33-70334-A

INTERNATIONAL ASSETS HOLDING CORPORATION
(Exact name of small business issuer as specified in its charter)

Delaware	59-2921318
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)

250 Park Avenue South, Suite 200
Winter Park, FL 32789
(Address of principal executive offices)

(407) 629-1400
(Issuer's telephone number)

NA
(Former name, former address and former fiscal year, if changed since last report)

Check whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes [X] No [_].

The number of shares outstanding of Common Stock was 2,294,376 as of August 2, 2001.

Transitional small business disclosure format   Yes [_]   No [X]

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INTERNATIONAL ASSETS HOLDING CORPORATION AND SUBSIDIARIES

Condensed Consolidated Balance Sheets

Assets	(Unaudited) June 30, 2001	September 30, 2000
Cash	$ 210,087	$ 529,681
Cash deposits with clearing broker	1,470,167	4,733,862
Foreign currency	16,219	8,316
Receivable from clearing broker, net	729,335	0
Other receivables	35,314	90,115
Loans to officers	124,575	205,671
Securities owned, at market value	10,254,548	3,316,513
Investment in Joint Venture	0	20,353
Income taxes receivable	0	452,032
Deferred income tax benefit	1,204,584	0
Property and equipment, at cost:		
Equipment, furniture and leasehold improvements	1,309,655	1,149,921
Less accumulated depreciation and amortization	(901,444)	(765,065)
Net property and equipment	408,211	384,856
Software development, net of accumulated amortization of $391,926 in June 2001 and $151,280 in September 2000	643,871	416,810
Prepaid expenses and other assets, net of accumulated amortization of $177,000 in June 2001 and $170,512 in September 2000	222,029	260,103
Total assets	$ 15,318,940	$ 10,418,312

See accompanying notes to condensed consolidated financial statements.

INTERNATIONAL ASSETS HOLDING CORPORATION AND SUBSIDIARIES

Condensed Consolidated Balance Sheets

Liabilities and Stockholders' Equity	(Unaudited) June 30, 2001	September 30, 2000
Liabilities:		
Foreign currency sold, but not yet purchased	$ 456,447	$ 11,903
Securities sold, but not yet purchased, at market value	8,889,862	1,202,659
Payable to clearing broker, net	0	24,330
Accounts payable	118,007	260,718
Accrued employee compensation and benefits	202,657	1,055,238
Accrued expenses	116,789	191,725
Payable to Joint Venture	2,335	2,027
Deferred income taxes	0	133,207
Other liabilities	7,755	68,367
Total liabilities	9,793,852	2,950,174
Stockholders' equity:		
Preferred stock, $.01 par value. Authorized 3,000,000 shares; issued and outstanding -0- shares	0	0
Common stock, $.01 par value. Authorized 8,000,000 shares; issued and outstanding 2,294,376 shares in June 2001 and 2,209,468 shares in September 2000	22,944	22,095
Additional paid-in capital	7,945,162	7,666,333
Retained deficit	(2,443,018)	(220,290)
Total stockholders' equity	5,525,088	7,468,138
Total liabilities and stockholders' equity	$ 15,318,940	$ 10,418,312

See accompanying notes to condensed consolidated financial statements.

INTERNATIONAL ASSETS HOLDING CORPORATION AND SUBSIDIARIES

Condensed Consolidated Statements of Operations

For the Nine Months Ended June 30, 2001 and 2000

(Unaudited)

	2001	2000
Revenues:		
Commissions	$ 2,492,643	5,301,821
Net dealer inventory and investment gains	888,224	4,146,757
Management and investment advisory fees	81,516	90,957
Interest and dividends	183,521	255,859
Loss from joint venture	(20,353)	(43,462)
Other	2,149	290,604
Total revenues	3,627,700	10,042,536
Expenses:		
Compensation and benefits	3,688,838	5,168,674
Clearing and related expenses	956,685	1,283,944
Promotion	619,903	769,118
Occupancy and equipment rental	382,490	354,572
Communications	211,191	263,376
Interest	2,265	4,831
Professional fees	184,606	291,240
Insurance	147,601	128,423
Depreciation and amortization	383,513	280,584
Technology	164,865	307,115
Other expenses	378,309	376,726
Total expenses	7,120,266	9,228,603
(Loss) income before income taxes	(3,492,566)	813,933
Income tax (benefit) expense	(1,269,838)	335,205
Net (loss) income	$ (2,222,728)	478,728
(Loss) earnings per share:		
Basic	$ (1.00)	0.23
Diluted	$ (1.00)	0.20
Weighted average number of common shares outstanding:		
Basic	2,225,479	2,099,815
Diluted	2,225,479	2,379,182

See accompanying notes to condensed consolidated financial statements.

INTERNATIONAL ASSETS HOLDING CORPORATION AND SUBSIDIARIES

Condensed Consolidated Statements of Operations

For the Three Months Ended June 30, 2001 and 2000

(Unaudited)

	2001	2000
Revenues:		
Commissions	$ 724,448	1,640,846
Net dealer inventory and investment gains	421,320	974,033
Management and investment advisory fees	5,613	13,761
Interest and dividends	68,675	112,145
Loss from joint venture	0	(17,674)
Other	3,435	60,894
Total revenues	1,223,491	2,784,005
Expenses:		
Compensation and benefits	1,229,205	1,668,544
Clearing and related expenses	410,464	392,376
Promotion	141,080	218,980
Occupancy and equipment rental	123,564	124,817
Communications	70,791	81,092
Interest	525	3,870
Professional fees	54,939	90,555
Insurance	47,236	44,436
Depreciation and amortization	148,878	85,882
Technology	45,935	152,491
Other expenses	123,904	133,369
Total expenses	2,396,521	2,996,412
Loss before income taxes	(1,173,030)	(212,407)
Income tax benefit	(432,667)	(71,102)
Net loss	$ (740,363)	(141,305)
Loss per share:		
Basic	$ (0.33)	$ (0.06)
Diluted	$ (0.33)	$ (0.06)
Weighted average number of common shares outstanding:		
Basic	2,239,725	2,181,347
Diluted	2,239,725	2,181,347

See accompanying notes to condensed consolidated financial statements.

INTERNATIONAL ASSETS HOLDING CORPORATION AND SUBSIDIARIES

Condensed Consolidated Statements of Cash Flows

For the Nine Months Ended June 30, 2001 and 2000

(Unaudited)

	2001	2000
Cash flows from operating activities:		
Net (loss) income	$ (2,222,728)	620,033
Adjustments to reconcile net (loss) income to net cash (used for) provided by operating activities:		
Depreciation and amortization	383,513	194,702
Deferred income taxes	(1,337,791)	67,767
Non-cash compensation	198,657	0
Loss from Joint Venture	20,353	25,788
Tax benefit from disqualifying dispositions of incentive stock options	11,001	320,121
Cash provided by (used for) changes in:		
Receivable from clearing broker, net	(729,335)	(1,301,657)
Other receivables	54,801	(403,006)
Securities owned, at market value	(6,938,035)	(796)
Income taxes receivable	452,032	(113,781)
Prepaid expenses and other assets	31,586	(21,541)
Foreign currency sold, but not yet purchased	444,544	(24,496)
Securities sold, but not yet purchased, at market value	7,687,203	1,894,322
Payable to clearing broker, net	(24,330)	(230,443)
Accounts payable	(142,711)	131,336
Accrued employee compensation and benefits	(852,581)	88,433
Accrued expenses	(74,936)	(112,673)
Payable to Joint Venture	308	(742)
Other liabilities	(60,612)	907
Net cash (used for) provided by operating activities	(3,099,061)	1,134,274
Cash flows from investing activities:		
Investment in joint venture	0	(30,000)
Collection of loans to officers	81,096	-
Costs of additional property, equipment and software development	(557,421)	(248,379)
Net cash used for investing activities	(476,325)	(278,379)

(continued)

See accompanying notes to condensed consolidated financial statements.

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INTERNATIONAL ASSETS HOLDING CORPORATION AND SUBSIDIARIES

Condensed Consolidated Statements of Cash Flows, Continued

For the Nine Months Ended June 30, 2001 and 2000

(Unaudited)

	2001	2000
Cash flows from financing activities:		
Exercise of employee stock options	-	618,309
Net cash provided by financing activities	-	618,309
Net (decrease) increase in cash and cash equivalents	(3,575,386)	1,474,204
Cash and cash equivalents at beginning of period	5,271,859	4,209,004
Cash and cash equivalents at end of period	$ 1,696,473	5,683,208
Supplemental disclosure of cash flow information:		
Cash paid for interest	$ 2,265	961
Income taxes paid	$ -	132,200
Supplemental disclosure of noncash financing activities:		
During the nine months ended June 30, 2001 the Company paid for the following transactions by issuance of its common stock:		
Software development services, 12,283 common shares	$ 70,020	-
Employee bonus compensation, 15,000 common shares	$ 35,000	-
Purchase promissory note due by an officer, 57,625 common shares	$ 163,657	-

On March 24, 2000 the Company issued 198,269 shares of common stock in conjunction with a ten percent stock dividend.

See accompanying notes to condensed consolidated financial statements.

(1) Basis of Presentation

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with the instructions and requirements of Form 10-QSB and, therefore, do not include all information and footnotes necessary for a fair presentation of financial position, results of operations, and cash flows in conformity with accounting principles generally accepted in the United States of America. In the opinion of Management, such financial statements reflect all adjustments (consisting of normal recurring items) necessary for a fair statement of the results of operations, cash flows and financial position for the interim periods presented. Operating results for the interim periods are not necessarily indicative of the results that may be expected for the full year. These condensed consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended September 30, 2000, filed on Form 10-KSB (SEC File Number 33-70334-A).

As used in this Form 10-QSB, the term "Company" refers, unless the context requires otherwise, to International Assets Holding Corporation and its six wholly owned subsidiaries; International Assets Advisory Corp. ("IAAC"), INTLTRADER.COM, INC. ("ITCI"), Global Assets Advisors, Inc. ("GAA"), International Financial Products, Inc. ("IFP"), International Asset Management Corp. ("IAMC") and OffshoreTrader.com Ltd. ("OTCL"). All significant intercompany balances and transactions have been eliminated in consolidation. The Company also has a 50% interest in International Assets New York, LLC ("IANY") a joint venture.

(2) Recent Accounting Pronouncements

In September 2000, the FASB issued SFAS No. 140, "Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities - a replacement of FASB Statement No. 125" ("SFAS 140"). SFAS 140 is effective for transfers and servicing of financial assets and extinguishments occurring after March 31, 2001. Management has determined the adoption of these provisions of SFAS 140 will not have a material effect on the financial statements.

SFAS 140 is effective for recognition and reclassification of collateral and for disclosures relating to securitization transactions and collateral for fiscal years ending after December 15, 2000. Management is evaluating the impact of adopting these provisions of SFAS 140.

In June 2001, the FASB issued SFAS No. 141, "Business Combinations," which requires that all business combinations initiated after June 30, 2001 be accounted for under the purchase method of accounting. The pooling of interest method will no longer be permitted.

In June 2001, the FASB issued SFAS No. 142, "Goodwill and Other Intangible Assets" ("SFAS 142") which requires that goodwill be reviewed for impairment instead of being amortized to earnings. The statement is effective for fiscal years beginning after December 15, 2001. Management is evaluating the impact of adopting SFAS 142.

(3) Reclassifications

Certain prior period amounts have been reclassified to conform to current quarter presentation. These changes had no impact on previously reported results of operations or stockholders' equity.

(4) Stock Dividend

On February 25, 2000 the Company's Board of Directors declared a 10% stock dividend for shareholders of record on March 10, 2000 and payable on March 24, 2000. The 10% stock dividend increased the Company's issued and outstanding common shares by 198,269 shares.

Earnings per common share, weighted average shares outstanding, and all stock option activity have been restated to reflect the 10% stock dividend.

(5) Basic and Diluted (Loss) Earnings Per Share

Basic (loss) earnings per share for the nine months and the three months ended June 30, 2001 and 2000 have been computed by dividing net (loss) income by the weighted average number of common shares outstanding. Diluted loss per share for the nine months ended June 30, 2001 and the three months ended June 30, 2001 and 2000 is the same as basic loss per share because of the anti-dilutive impact of the potential common shares, due to the net loss for each of the periods. Diluted earnings per share for the nine months ended June 30, 2000 has been computed by dividing net income by the weighted average number of common shares and dilutive potential common shares outstanding.

Options to purchase 48,050 shares of common stock were excluded from the calculation of diluted earnings per share for the nine months ended June 30, 2000, because their exercise prices exceeded the average market price of common shares for the period. No options to purchase shares of common stock were considered in the calculation of diluted loss per share for the nine months ended June 30, 2001 and the three months ended June 30, 2001 and 2000 because of the anti-dilutive impact of the potential common shares, due to the net loss for each of the periods.

(6) Securities Owned and Securities Sold, But Not Yet Purchased, at market value

Securities owned and Securities sold, but not yet purchased at June 30, 2001 and September 30, 2000 consist of trading and investment securities at quoted market values as follows:

	Owned	Sold, but not yet purchased
June 30, 2001:		
Common stock and American Depository Receipts	1,826,409	704,529
Foreign ordinary stock paired with its respective American Depositary Receipt	8,191,242	8,171,687
Corporate and municipal bonds	69,696	-
Foreign government obligations	9,670	-
Unit investment trusts, mutual funds and other investments	157,531	13,646
Total	$10,254,548	8,889,862
September 30, 2000:		
Obligations of the U.S. Government	$ 256,042	-
Common stock and American Depository Receipts	2,205,960	683,802
Foreign ordinary stock paired with its respective American Depositary Receipt	409,043	409,806
Corporate and municipal bonds	119,370	54,526
Foreign government obligations	91,210	54,525
Unit investment trusts, mutual funds and other investments	234,888	-
Total	$ 3,316,513	1,202,659

(7) Receivable From and Payable to Clearing Organization

Amounts receivable from and payable to clearing organization at June 30, 2001 and September 30, 2000 consist of the following:

	Receivable	Payable
June 30, 2001:		
Commission income receivable	$ 26,002	-
Clearing fees and related charges payable	-	34,497
Open transactions, net	737,830	-
	$763,832	34,497
September 30, 2000:		
Commission income receivable	$ 51,943	-
Clearing fees and related charges payable	-	7,392
Open transactions, net	-	68,881
	$ 51,943	76,273

As these amounts are short-term in nature, the carrying amount is a reasonable estimate of fair value.

(8) Investment in Joint Venture

On September 30, 1998, the Company signed a 50/50 Joint Venture Agreement (JV) with Lakeside Investments, LLC (Lakeside) of New York. On October 1, 1998, the joint venture effected the incorporation of International Assets New York, LLC (IANY) a 50/50 owned entity formed to transact the business for the JV. Each party made an initial contribution of $50,000 during the year ended September 30, 1999. During the year ended September 30, 2000 the parties each made subsequent capital contributions of $60,000 (of which $30,000 was through June 30, 2000). A principal of Lakeside actively manages this business. IANY offers a variety of financial strategies to high net worth private investors resident in the United States and certain foreign countries. The Company accounts for this investment under the equity method of accounting.

For the nine months ended June 30, 2001 and 2000, the Company has recorded a loss of $20,353 and $43,462, respectively for 50 percent of the Joint Venture's loss for the period. The Company uses the equity method of accounting for recording the joint venture investment and its activity. In accordance with the equity method, the Company has reduced its investment in joint venture to $0 as of June 30, 2001. The joint venture has received loans from Lakeside totaling $46,000 to support the joint venture. These loans from Lakeside may be converted to an equity contribution, reducing the Company's equity share in the joint venture below the current 50%, or the loans will be repaid from future operations. As of June 30, 2001 the Company had a payable to the Joint Venture of $2,335, which relates to Joint Venture cash outlays that were made on behalf of the Company.

(9) Leases

The Company occupies leased office space of approximately 13,815 square feet at 250 Park Avenue South, Winter Park, Florida. The expiration date of the office lease was May 31, 2001. The Company is presently working with a real estate partnership that is related to the Company's present landlord on a new lease for a nearby facility in Orlando, Florida. Once the building design decisions have been completed management believes the Company will be able to finalize lease terms with the new landlord. The Company has received a three-month extension from the current landlord that waives any rental increase until September 1, 2001.

The Company is obligated under various noncancelable operating leases for the rental of its office facilities and certain office equipment. Rent expense associated with operating leases amounted to $271,561 and $284,992 for the nine months ended June 30, 2001, and 2000, respectively. The future minimum lease payments under noncancelable operating leases are as follows:

Fiscal Year (12 month period) Ending September 30,	
2001	294,300
2002	79,000
2003	48,500
2004	3,300
2005 and thereafter	-
Total future minimum lease payments	$ 425,100

During April 2000, IANY, the Company's Joint Venture, executed an amendment for its leased office facilities. The amendment increases the square footage leased from approximately 1,402 square feet to 1,975 square feet. The amendment extended the lease term for a 36 month period commencing on September 1, 2000. Based on this lease amendment the total remaining base rental commitment for IANY is $144,010 (Fiscal year ending: September 30, 2001, $49,375; September 30, 2002, $49,375 and September 30, 2003, $45,260). The Company and Lakeside

Investments, LLC, each executed a 100 percent guaranty for the joint venture office lease for IANY. Concurrently, the Company and Lakeside Investments, LLC executed indemnification agreements expressly agreeing to indemnify each other related to this lease guarantee in accordance with each party's proportionate ownership (50/50).

(10) Stock Option Plan

On June 9, 2000 the Board of Directors of the Company approved an amendment to the stock option plan to increase the total number of common shares available for issuance from 839,300 shares to 1,339,300 shares. This amendment was approved by the shareholders of the Company at the annual shareholders meeting on February 15, 2001.

Incentive Stock Options (Granted during the nine months ended June 30, 2001)

Options Granted	Grant Date	Exercise Price	Expiration Date	Vesting and Exercisable
5,000	12/21/00	$2.219	12/21/10	(a)
20,000	12/22/00	$2.125	12/22/10	(a)
2,500	01/08/01	$2.875	01/08/11	(a)
2,500	01/22/01	$2.75	01/22/11	(a)
10,000	01/29/01	$4.25	01/29/11	(a)
25,000	03/09/01	$3.125	03/09/11	(b)
25,000	03/09/01	$3.438	03/09/11	(a)
230,000	03/09/01	$3.125	03/09/11	(a)
320,000				

Nonqualified Stock Options (Granted during the nine months ended June 30, 2001)

Options Granted	Grant Date	Exercise Price	Expiration Date	Vesting and Exercisable
22,500	03/09/01	$3.125	03/09/11	(a)

(a) Vested and exercisable at 33.3% after year one, 33.3% after year two and 33.4% after year three.
(b) Vested in 25,000 on 03/09/03 and exercisable in 3,400 on 10/01/03 and 21,600 on 01/01/04.

As the strike price on the date of grant for each option was equal to the fair market value of a share of common stock on that date, the Company did not recognize any compensation cost associated with such grants.

(11) Related Party Transactions

On January 4, 2000 the Company made a loan to the CEO of the Company including the execution and receipt of a $250,000 promissory note due January 3, 2001. On January 26, 2001 the Board of Directors of the Company granted an extension of the due date of the promissory note with the CEO of the Company to December 31, 2001. The promissory note includes interest of 6% per annum. The loan to officer was previously approved by the Company's Board of Directors. As of June 30, 2001 the remaining principal balance of the promissory note including accrued interest is approximately $55,000.

On August 28, 2000 the Company made a loan to a Vice President of the Company including the execution and receipt of a $66,000 promissory note due August 27, 2001. The promissory note includes interest of 6.27% per annum. As of June 30, 2001 the remaining principal balance of the promissory note including accrued interest is approximately $69,500.

On June 5, 2001 the Company purchased, by issuance of 57,625 common shares of the Company, a Promissory Note, due by the President of the Company to the former employer of the President of the Company, including the receipt of a $150,000 promissory note. The promissory note included $13,657 of accrued interest at 5.75% per annum.

On July 11, 2001 the Company executed an unconditional and irrevocable agreement to forgive the $150,000 promissory note held by the Company, with accrued interest, due from the President of the Company, with forgiveness effective June 11, 2002.

(12) Commitments and Contingent Liabilities

The Company is party to certain litigation as of June 30, 2001, which relates primarily to matters arising in the ordinary course of business. Management of the Company anticipates that the final resolution of these items will not have a material adverse effect on the Company's consolidated financial statements.

On May 1, 2001 the President of the Company issued an irrevocable and unconditional waiver to the $150,000 bonus that was due to be paid as of April 30, 2001, according to the terms of the employment agreement with the President of the Company.

On June 29, 2001 the Board of Directors of the Company amended, effective as of March 24, 2001, the employment contract with its CEO, originally dated March 24, 1999. The term of the employment contract was amended from March 24, 2001 to March 24, 2003. All other terms and conditions of the employment contract remain unchanged.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION.

The following discussion and analysis should be read in conjunction with the financial statements and notes thereto appearing elsewhere in this report. Certain statements in this discussion may constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements involve known and unknown risks including, but not limited to, changes in general economic and business conditions, interest rate and securities market fluctuations, competition from within and from outside the investment brokerage industry, new products and services in the investment brokerage industry, changing trends in customer profiles and changes in laws and regulation applicable to the Company. Although the Company believes that its expectations with respect to the forward-looking statements are based upon reasonable assumptions within the bounds of its knowledge of its business and operations, there can be no assurances that the actual results, performance or achievement of the Company will not differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements.

The Company's principal operating activities, market-making and trading in international securities and private client securities brokerage, are highly competitive and extremely volatile. The earnings of the Company are subject to wide fluctuations since many factors over which the Company has little or no control, particularly the overall volume of trading and the volatility and general level of market prices, may significantly affect its operations.

Results of Operations:

Nine Months Ended June 30, 2001 as Compared to the Nine Months Ended June 30, 2000

The Company's revenues are derived primarily from commissions earned on the sale of securities and trading revenue (net dealer inventory and investment gains). For the nine months ended June 30, 2001, 69% of the Company's revenues were derived from commissions earned on the sale of securities and 24% of revenues were derived from trading revenue. For the nine months ended June 30, 2000, 53% of the Company's revenues were derived from commissions earned on the sale of securities and 41% of revenues were derived from trading revenue. Total revenues decreased 64% to $3,627,700 for the nine months ended June 30, 2001 from $10,042,536 for the same period in 2000 primarily driven by a difficult trading environment characterized by severe declines in the U.S. equities market and investor uncertainty.

Commission revenue decreased by approximately 53% to $2,492,643 for the nine months ended June 30, 2001 from $5,301,821 in 2000. Revenues from commissions are affected primarily by retail trading volume. Based on the number of retail trades processed, 2001 volume decreased by approximately 48% from prior year levels reflecting very cautious investing activity on the part of individual investors. This decrease in retail trades and related commission revenue was due mainly to market uncertainty and adverse market conditions.

Trading revenue, (net dealer inventory and investment gains) which is derived mainly from institutional clients and to a lesser extent from retail clients, decreased by approximately 79% to $888,224 in 2001 from $4,146,757 in 2000. This decrease in trading revenue was due in large measure to declines across the major financial indices and partly to the market uncertainty of events surrounding the U.S. Presidential election during the first fiscal quarter. Trading revenue has also been adversely impacted by the impact of decimalization of securities trading, resulting in reduced spreads a market maker can charge and remain competitive. The reduced financial markets resulted in both a decline in the number of shares traded and pressure on trading margins in this period of lower market making activity. In addition to market factors, management believes trading revenues were also negatively impacted in 2001, although management has not been able to quantify the dollar effects in the period, by the resignation of its foreign trading staff in December 2000, as previously discussed in the Company's 10-QSB for the period ended December 31, 2000 as well as its Form 8-K filed as of December 29, 2000.

Revenues from management and investment advisory fees decreased by approximately 10% to $81,516 for the nine months ended June 30, 2001. Revenues from mutual fund management and UIT supervisory fees increased by $39,893 due to the Company's launch of the Global eFund in May 2000 but offsetting this increase was a $49,333 decrease in private client money management due to decreases in market activity.

Interest and dividend revenue decreased by approximately 28% to $183,521 for the nine months ended June 30, 2001. This decrease is primarily due to lower balances of interest producing assets, including money market balances and fixed income investments, during the nine months ended June 30, 2001.

Loss from joint venture of $20,353 for 2001 was approximately 53% less than the $43,462 loss for 2000. The loss from joint venture has been reduced in 2001 because the Company has written off its investment in joint venture in accordance with the equity method of accounting. The joint venture operates as a securities brokerage branch office of International Assets Advisory Corporation.

Other revenue decreased in 2001 by $288,455 mainly due to the absence in the current period of a settlement of four arbitration matters that generated this non-reoccurring revenue in the prior period.

The major expenses incurred by the Company relate to direct costs of its securities operations such as compensation and benefits, clearing and related expenses and promotion expense. Total expenses decreased 23% to $7,120,266 in 2001, down from $9,228,603 for the same period in 2000. This decrease in total expenses is mainly related to reduced total revenues and the corresponding decrease in variable costs such as commission expense, clearing expense and performance based bonus expense.

Compensation and benefits expense decreased by $1,479,836, or 29% to $3,688,838 for the nine months ended June 30, 2001 from $5,168,674 in 2000 due to lower commission revenues and a decrease in performance based bonus expense.

Clearing and related expenses decreased 26% to $956,685 in 2001, down from $1,283,944 in 2000 mainly due to lower retail private client activity and lower trading volume.

Total promotion expense decreased by approximately 19% to $619,903 for the nine months ended June 30, 2001 compared to $769,118 for 2000. Advertising and promotional expense decreased by 65% in 2001 compared to the same period in 2000 due to the absence of launch related expenses for INTLTRADER.COM incurred in 2000. Offsetting this expense decrease were higher travel and entertainment expenses associated with the Company's trading department business development efforts.

Occupancy and equipment rental expense increased by 8% to $382,490 for the nine months ended June 30, 2001 from $354,572 in 2000. Increases in rental expense were related to the Company's leased office space.

Communications expense decreased by $52,185, or 20% to $211,191 for the nine months ended June 30, 2001 from $263,376 for 2000. This decrease is due to reduced telephone and postage expense related to the corresponding decreases in operating revenue.

Professional fees decreased by approximately 37% to $184,606 in 2001 as compared to $291,240 in 2000. This reduction relates primarily to lower consulting expenses for 2001.

Depreciation and amortization expense increased to $383,513 in 2001 from a level of $280,584 in 2000 as a result of higher amortization expense associated with capitalized technology development costs for INTLTRADER.COM.

Technology expense was down to $164,865 in 2001 from $307,115 in 2000 as new technology enhancements to increase the quote system and trading platform's capacity for future growth were primarily completed by December 2000 for INTLTRADER.COM.

The Company's effective income tax (benefit) expense rate was approximately (36%) and 41% for the nine months ended June 30, 2001 and 2000, respectively. The effective income tax expense rate in 2000 was different than the expected federal and state tax rates due to the presence of offsetting permanent differences.

The Company has reported a net loss of $2,222,728 for the nine months ended June 30, 2001 compared to net income of $478,728 for the previous period.

Three Months Ended June 30, 2001, as Compared to the Three Months Ended June 30, 2000

For the three months ended June 30, 2001 and 2000, 59% (in 2001 and 2000) of the Company's revenues were derived from commissions earned on the sale of securities and 34% and 35%, respectively, of revenues were derived from trading revenue. Total revenues decreased by $1,560,514, or 56% to $1,223,491 for the three months ended June 30, 2001 down from $2,784,005 for the same period in

2000. This decrease was primarily attributable to a $916,398 decrease in commission revenue and a $552,713 decrease in trading revenue.

Commission revenue decreased by approximately 56% to $724,448 for the three months ended June 30, 2001 from $1,640,846 in 2000. Revenues from commissions are affected primarily by retail trading volume stemming from individual investor activity. This decrease in retail trades and revenue was due mainly to a difficult market and declines that occurred across most leading indices.

Trading revenue, which is derived mainly from institutional clients and to a lesser extent from retail clients, decreased by approximately 57% to $421,320 in 2001 from $974,033 in 2000. This decrease in trading revenue was due in large measure to declines across the major financial indices during the quarter as well as the reduced spreads caused by the impacts of decimalization of securities trading, resulting in reduced spreads a market maker can charge and remain competitive. The reduced financial markets resulted in both a decline in the number of shares traded and pressure on trading margins in this period of lower market making activity.

Revenues from management and investment advisory fees decreased by approximately 59% to $5,613 for the quarter ended June 30, 2001.

Interest and dividend revenue decreased by approximately 39% to $68,675 for the quarter ended June 30, 2001. This decrease is primarily due to lower balances of interest producing assets, including money market balances and fixed income investments, during the quarter ended June 30, 2001.

Loss from joint venture was $0 for the 2001 quarter compared to $17,674 for 2000. The loss from joint venture has been reduced in 2001 because the Company has written off its investment in joint venture in accordance with the equity method of accounting.

Other revenue decreased in 2001 by $57,459 mainly due to the settlement of two arbitration matters in 2000 that generated this non-reoccurring revenue.

Total expenses decreased 20% to $2,396,521 in 2001, down from $2,996,412 in 2000. This decrease in total expenses is mainly related to reduced total revenues and the corresponding decrease in variable costs such as commission expense and performance based bonus expense.

Compensation and benefits expense decreased by $439,339, or 26% to $1,229,205 for the quarter ended June 30, 2001 from $1,668,544 in 2000 due to a decrease in commission expense on lower commission revenues and lower performance based bonus expense.

Clearing and related expenses increased $18,088, or approximately 5% to $410,464 in 2001, up from $392,376 in 2000. This increase was caused by a $105,818 increase in ADR conversion fees related to a trading strategy increasingly employed by the Company's trading department. Other clearing and related expenses, excluding ADR conversion fees, decreased by $87,730, or approximately 24%, mainly due to lower retail private client activity and lower trading volume.

Total promotion expense was $141,080 for the quarter ended June 30, 2001 compared to $218,980 for 2000. This decrease was primarily due to the absence of advertising and promotional costs in 2001 related to the 2000 launch of INTLTRADER.COM.

Occupancy and equipment rental expense decreased by 1% to $123,564 for the quarter ended June 30, 2001 from $124,817 in 2000.

Communications expense decreased by 13% to $70,791 for the quarter ended June 30, 2001 from $81,092 for 2000. This decrease is due to reduced telephone and postage expense related to the corresponding decreases in business activity.

Professional fees decreased by approximately 39% to $54,939 in 2001 as compared to $90,555 in 2000. This reduction mainly relates to decreased consulting and legal expense for 2001.

Depreciation and amortization expense increased by 73% to $148,878 in 2001 from a level of $85,882 in 2000 as a result of higher amortization expense associated with capitalized system development costs for INTLTRADER.COM.

Technology expense was down to $45,935 in 2001 from $152,491 in 2000 as new technology enhancements to increase the system's capacity for future growth were primarily completed by December 2000 for INTLTRADER.COM.

The Company's effective income tax benefit rate was approximately 37% and 33% for the quarter ended June 30, 2001 and 2000, respectively.

The Company has reported a net loss of $740,363 for the quarter ended June 30, 2001 compared to a net loss of $141,305 for 2000.

Liquidity and Capital Resources

Substantial portions of the Company's assets are liquid. At June 30, 2001, approximately 82% of the Company's assets consisted of cash, cash equivalents and marketable securities. All assets are financed by the Company's equity capital, from securities sold but not yet purchased and other payables.

International Assets Advisory Corporation (IAAC), a wholly owned registered securities broker/dealer subsidiary, is subject to the requirements of the SEC and the NASD relating to liquidity and net capital levels. At June 30, 2001, IAAC had net capital of approximately $1,494,000, which was approximately $1,067,000 in excess of its minimum net capital requirement at that date.

INTLTRADER.COM, INC. (ITCI), a wholly owned registered securities broker subsidiary, is also subject to the requirements of the SEC and the NASD relating to liquidity and net capital levels. ITCI commenced operations on January 25, 2000. At June 30, 2001, ITCI had net capital of approximately $430,000, which was approximately $380,000 in excess of its minimum net capital requirement at that date.

At this time additional private financing is being sought for technology, staffing and promotional efforts based upon the Company's strategic plan. This plan has an operational emphasis on technology driven international securities order flow. In conjunction with the Company's strategic plan, the Company has engaged UBS Warburg (formerly known as Paine Webber) as its financial advisor to arrange and negotiate a private placement of securities issued by the Company or to find a strategic partner. UBS Warburg has been engaged to use its best efforts in connection with a private placement and does not have any obligation to purchase any securities issued by the Company or to provide financing of any kind to the Company.

Cash Flows
For the nine months ended June 30, 2001, cash and cash equivalents decreased $3,575,386. Funds used for operating activities were $3,099,061 including a net loss of $2,222,728 and depreciation, amortization, non-cash compensation, loss from joint venture, deferred income taxes and other non-cash items for a net usage of $724,267.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

The Company is party to certain arbitration and/or litigation matters as of June 30, 2001, which relate primarily to matters arising in the ordinary course of business. Management of the Company anticipates that the final resolution of these additional items will not have a material adverse effect on the Company's consolidated financial statements.

On January 4, 2001 the Company filed an arbitration matter with the NASD regarding several breaches (including but not limited to raiding, unfair competition and misappropriation of trade secrets) related to the sudden departure, on December 19, 2000, of the head of the foreign trading desk and his related recruitment of the entire International Assets Advisory Corporation trading staff. This arbitration claim was filed against the broker/dealer who became the employer of the recruited employees, two principals of the broker/dealer, the parent firm of the broker/dealer and four principals of the parent firm. On March 14, 2001 the broker/dealer who became the employer and two of its principals responded and filed a counterclaim against the Company. On March 19, 2001 the parent firm of the broker/dealer also filed a counterclaim as well as a claim for attorney's fees. The Company disputes the counterclaims and intends to vigorously defend them.

The foregoing discussion contains certain "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements involve various risks and uncertainties with respect to current legal proceedings. Although the Company believes that its expectation with respect to the forward-looking statements is based upon reasonable assumptions within the bounds of its knowledge of its business and operations, there can be no assurances that the actual results, performance or achievement of the Company will not differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

a). Exhibits

(10.12.a) The Company's Employment Agreement, entered into as of March 24, 1999, letter amendment, between the Company and Diego J. Veitia, dated June 29, 2001.

(10.14.a) The Company's Employment Agreement, entered into as of September 7, 2000, letter amendment, between the Company and William C. Dennis, dated May 1, 2001.

(10.15) The Company's Debt Forgiveness Agreement, entered into as of July 11, 2001, between the Company and William C. Dennis.

(11) The Statement of Computation of Earnings Per Share is attached hereto as Exhibit 11.

b). Form 8-K

No reports were filed on Form 8-K during the three months ended June 30, 2001.

Signatures

In accordance with the requirements of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

INTERNATIONAL ASSETS HOLDING CORPORATION

Date 08/02/2001 /s/ William C. Dennis

William C. Dennis
President and Chief Operating Officer

Date 08/02/2001 /s/ Jonathan C. Hinz

Jonathan C. Hinz
Chief Financial Officer and Treasurer

Exhibit Index

Exhibit No.	Description
10.12a	The Company's Employment Agreement, entered into as of March 24, 1999, letter amendment, between the Company and Diego J. Veitia, dated June 29, 2001.
10.14a	The Company's Employment Agreement, entered into as of September 7, 2000, letter amendment, between the Company and William C. Dennis, dated May 1, 2001.
10.15	The Company's Debt Forgiveness Agreement, entered into as of July 11, 2001, between the Company and William C. Dennis.
11	The Statement of Computation of Earnings Per Share is attached hereto as Exhibit 11.

EXHIBIT 10.12.a

June 29, 2001

Diego J. Veitia
250 Park Avenue, South
Suite 200
Winter Park, FL 32789

Subject: Amendment to Employment Contract

Dear Diego:

This letter will serve as an amendment to your Employment Contract Dated March 24, 1999 between International Assets Holding Corporation and Diego J. Veitia. This letter amendment is effective as of March 24, 2001.

The term of the employment contract is extended for a period of two years from March 24, 2001 to March 24, 2003.

All other terms and conditions of your Employment Contract shall remain unchanged.

/s/ Dr. Jeffrey L. Rush
- -----------------------
Dr. Jeffrey L. Rush
Director and Compensation Committee Chairman

Acknowledged and Agreed to:

/s/ Diego J. Veitia
Diego J. Veitia

EXHIBIT 10.14.a

William C. Dennis, Jr.
9501 West Highway 326
Ocala, FL 34482

May 1, 2001

The Board of Directors at
International Asset Holding Corporation
250 Park Avenue South, Suite 200
Winter Park, FL 32789

Re: Bonus Pursuant to Employment Agreement

Gentlemen:

Reference is made to my Employment Agreement dated September 7, 2000. Pursuant to that Agreement, I was to be paid a $150,000 bonus as of the end of April, 2001.

I hereby waive my claim to such bonus and agree that this waiver is irrevocable and unconditional.

Very truly yours,

/s/ William C. Dennis, Jr.

William C. Dennis, Jr.

EXHIBIT 10.15

July 11, 2001

Mr. William C. Dennis, Jr.
9501 West Highway 326
Ocala, FL 34482

Re: Forgiveness of Debt

Dear Mr. Dennis:

Reference is made to that certain Promissory Note dated November 24, 1999, pursuant to which you promised to pay $150,000 with interest as specified therein to Freedom Securities, Inc. Reference is further made to the fact that International Asset Holding Corporation has acquired such Note from Freedom Securities, now known as Tucker Anthony Sutro, Inc.

This letter serves as our unconditional and irrevocable agreement that such Promissory Note and the indebtedness evidenced thereby shall be completely forgiven effective June 11, 2002.

Very truly yours,

INTERNATIONAL ASSETS HOLDING CORPORATION

By: /s/ Jonathan C. Hinz

Jonathan C. Hinz

Chief Financial Officer

EXHIBIT 11

INTERNATIONAL ASSETS HOLDING CORPORATION
STATEMENT OF COMPUTATION OF EARNINGS PER SHARE

For the Nine Months Ended June 30, 2001 and 2000

	2001 (1)	2000
Basic (Loss) Earnings Per Share		
Numerator:		
Net (loss) income	$ (2,222,728)	$ 478,728
Denominator:		
Weighted average number of common shares outstanding	2,225,479	2,099,815
Basic (loss) earnings per share	$ (1.00)	$ 0.23
Diluted (Loss) Earnings Per Share		
Numerator:		
Net (loss) income	$ (2,222,728)	$ 478,728
Denominator:		
Weighted average number of common shares outstanding	2,225,479	2,099,815
Weighted average number of net common shares that would be issued upon exercise of dilutive options assuming proceeds used to repurchase shares pursuant to the treasury stock method (2)	-	279,367
Weighted average number of common shares and dilutive potential common shares outstanding	2,225,479	2,379,182
Diluted (loss) earnings per share	$ (1.00)	$ 0.20

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(1) Diluted loss per share is the same as basic loss per share due to the net loss in 2001.

(2) The treasury stock method recognizes the use of proceeds that could be obtained upon exercise of options in computing diluted earnings per share. It assumes exercise of options as of the beginning of the period or when issued, if later, and that any proceeds would be used to purchase common stock at the average market price during the period.

EXHIBIT 11

INTERNATIONAL ASSETS HOLDING CORPORATION
STATEMENT OF COMPUTATION OF EARNINGS PER SHARE

For the Three Months Ended June 30, 2001 and 2000

	2001 (1)	2000
Basic Loss Per Share		
Numerator:		
Net loss	$ (740,363)	$ (141,305)
Denominator:		
Weighted average number of common shares outstanding	2,239,725	2,181,347
Basic loss per share	$ (0.33)	$ (0.06)
Diluted Loss Per Share		
Numerator:		
Net loss	$ (740,363)	$ (141,305)
Denominator:		
Weighted average number of common shares outstanding	2,239,725	2,181,347
Weighted average number of common shares and dilutive potential common shares outstanding	2,239,725	2,181,347
Diluted loss per share	$ (0.33)	$ (0.06)

(1) Diluted loss per share is the same as basic loss per share due to the net loss in 2001 and 2000.