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As filed with the Securities and Exchange Commission on July 27, 2009

Registration No.

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM S-4
REGISTRATION STATEMENT
under
the Securities Act of 1933

INTERNATIONAL ASSETS HOLDING CORPORATION

(Exact name of registrant as specified in its charter)

Delaware	5231	59-2921318
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification No.)

220 E. Central Parkway
Suite 2060
Altamonte Springs, Florida 32701
(407) 741-5300
(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Brian T. Sephton, Chief Financial Officer
International Assets Holding Corporation
220 E. Central Parkway
Suite 2060
Altamonte Springs, Florida 32701
(407) 741-5300
(Name, address, including zip code and telephone number, including area code of agent for service)

Copies to:

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Craig L. Evans, Esq.
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1201 Walnut, Suite 2900
Kansas City, Missouri 64106
(816) 842-8600

Approximate Date of Commencement of Proposed Sale to the Public: As soon as practicable after this registration statement becomes effective and all other conditions to the proposed merger described herein have been satisfied or waived.

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box: ☐

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration number of the earlier effective registration statement for the same offering. ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration number of the earlier effective registration statement for the same offering. ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or smaller reporting company.

Large accelerated filer ☐ Accelerated filer ☒ Non-accelerated filer ☐ Smaller reporting company ☐

If applicable, place an X in the box to designate the appropriate rule provision relied upon in conducting this transaction:

Exchange Act Rule 13e-4(i) (Cross-Border Issuer Tender Offer) ☐

Exchange Act Rule 14d-1(d) (Cross-Border Third-Party Tender Offer) ☐

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered(1)	Amount to be registered(2)	Proposed maximum offering price per share	Proposed maximum aggregate offering price(3)	Amount of registration fee
Common stock, $0.01 par value	9,053,916 shares	N/A	$144,248,842	$8,049.09

(1) This registration statement covers the maximum number of shares of common stock, $0.01 par value per share, of International Assets Holding Corporation, a Delaware corporation ("International Assets"), that may be issued as part of the proposed merger described herein to the holders of the common stock, $0.0001 par value per share, of FCStone Group, Inc. ("FCStone"), and to holders of FCStone outstanding options to acquire FCStone common stock.

(2) Based on the maximum number of shares of International Assets common stock that may be issued as part of the proposed merger described herein, calculated as the product of (a) an exchange ratio of 0.2950 shares of International Assets common stock for each whole share of FCStone common stock multiplied by (b) the sum of (i) 27,930,188, the number of shares of FCStone common stock outstanding as of the close of business on July 23, 2009, and (ii) 2,761,055 shares of FCStone common stock issuable pursuant to options outstanding as of the close of business on July 23, 2009 (whether or not currently exercisable).

(3) Estimated solely for the purpose of calculating the registration fee required by Section 6(b) of the Securities Act of 1933, as amended, and computed pursuant to Rule 457(c) and Rule 457(f)(1), based upon the product of: (A) 30,691,243, the estimated maximum number of shares of FCStone common stock that may be cancelled in the merger, multiplied by (B) $4.70, the average of the high and low sale prices for shares of FCStone common stock as reported on the NASDAQ Global Select Market on July 23, 2009.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further Amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until this Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

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The information in this preliminary joint proxy statement/prospectus is not complete and may be changed. These securities may not be sold until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary joint proxy statement/prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

PRELIMINARY — SUBJECT TO COMPLETION, DATED JULY 27, 2009

[Logo of IAAC] [Logo of FCStone]

SPECIAL MEETINGS OF STOCKHOLDERS MERGER PROPOSED — YOUR VOTE IS VERY IMPORTANT

On behalf of the boards of directors of International Assets Holding Corporation and FCStone Group, Inc., we are pleased to deliver our joint proxy statement/prospectus for the combination of our two companies in a transaction structured as a merger of equals.

The combined company is expected to be a leading global provider of consulting and trade execution services, servicing more than 10,000 customers from an employee base of 650 people in eleven countries. We believe the combined company will be well positioned to achieve strong financial performance and increase stockholder value by adhering closely to our customer-centric strategies.

If the merger is consummated, FCStone stockholders will receive 0.2950 shares of common stock of International Assets for each share of FCStone common stock held as of the record date. This exchange ratio is fixed and will not be adjusted to reflect stock price changes prior to the closing. The stockholders of International Assets will continue to own their existing shares, which will not be affected by the merger. We estimate that International Assets will issue approximately 8,239,405 shares of its common stock to FCStone stockholders in the merger based on the exchange ratio and the number of shares of FCStone common stock outstanding on July 25, 2009 assuming no exercises of FCStone stock options prior to the merger. Upon completion of the merger, we estimate that FCStone's former stockholders will own approximately 47.5% of the common stock of International Assets.

International Assets common stock is listed on the NASDAQ Global Market under the symbol "IAAC." On , 2009, the last trading day before the date of this joint proxy statement/prospectus, the closing price of International Assets common stock was $ per share. FCStone common stock is listed on the NASDAQ Global Select Market under the symbol "FCSX."

Your vote is very important. We cannot complete the merger unless the International Assets common stockholders vote to approve the issuance of International Assets common stock in the merger and the amendments to the certificate of incorporation of International Assets, and the FCStone common stockholders vote to approve and adopt the merger agreement.

Each of International Assets and FCStone will hold a special meeting of stockholders to vote on proposals related to the merger, and in the case of International Assets, additional proposals relating to its certificate of incorporation. The meetings of stockholders will be held at the dates, times and locations set forth below. Whether or not you plan to attend your company's meeting, please take the time to submit your proxy by completing and returning the enclosed proxy card or voting instruction form or voting by telephone or the internet as instructed on the enclosed proxy card. If your shares of International Assets common stock or FCStone common stock are held in an account with a bank, broker or other nominee, you must instruct your bank, broker or other nominee how to vote those shares.

The dates, times and places of the special meetings are as follows:

For International Assets stockholders:	For FCStone stockholders:
, 2009	, 2009
10:00 a.m., local time	9:00 a.m., local time
	Kansas City, Missouri
The International Assets board of directors recommends that International Assets stockholders vote FOR the issuance of International Assets common stock in the merger, and FOR the amendments to the certificate of incorporation.	**The FCStone board of directors recommends that FCStone stockholders vote FOR the adoption of the merger agreement.**
Sean M. O'Connor **Chief Executive Officer** **International Assets Holding Corporation**	**Paul G. Anderson** **Chief Executive Officer** **FCStone Group, Inc.**

For a discussion of significant matters that should be considered before voting at the special meetings, see "Risk Factors" beginning on page 17.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved the merger and other transactions described in this joint proxy statement/prospectus or the securities to be issued pursuant to the merger under this joint proxy statement/prospectus nor have they determined if the attached joint proxy statement/prospectus is accurate or adequate. Any representation to the contrary is a criminal offense.

This joint proxy statement/prospectus is dated , 2009, and is first being mailed to stockholders of International Assets and FCStone on or about , 2009.

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INTERNATIONAL ASSETS HOLDING CORPORATION

220 E. Central Parkway
Suite 2060
Altamonte Springs, Florida 32701

NOTICE OF SPECIAL MEETING OF STOCKHOLDERS
To Be Held , 2009

To the Stockholders of International Assets Holding Corporation:

On behalf of the board of directors of International Assets Holding Corporation, a Delaware corporation, we are pleased to deliver this joint proxy statement/prospectus for the proposed combination of International Assets and FCStone Group, Inc., a Delaware corporation. A special meeting of stockholders of International Assets will be held on , 2009 at 10:00 a.m., local time, at , for the following purposes:

1. To consider and vote upon the issuance of shares of International Assets common stock in the merger contemplated by the Agreement and Plan of Merger, dated as of July 1, 2009, by and among International Assets Holding Corporation, International Assets Acquisition Corp., a Delaware corporation and a wholly owned subsidiary of International Assets, and FCStone Group, Inc., a Delaware corporation;

2. To consider and vote upon a proposal to approve an amendment to International Assets' certificate of incorporation to increase the number of authorized shares of International Assets common stock from 17,000,000 shares to 30,000,000 shares;

3. To consider and vote upon a proposal to approve an amendment to International Assets' certificate of incorporation to establish a classified board of directors initially consisting of thirteen members to be divided into three classes, the reduction in the size of the board to eleven members in 2012 and to nine members in 2013, and the elimination of the classified board in 2013;

4. To consider and vote upon a proposal to approve an amendment to International Assets' certificate of incorporation to eliminate a provision that requires the affirmative vote of the holders of 75% of the outstanding shares of International Assets common stock to remove or change the chairman of the board;

5. To consider and vote upon an adjournment of the International Assets special meeting, including if necessary, to solicit additional proxies if there are not sufficient votes in favor of any of International Assets Proposal Nos. 1, 2, 3 or 4; and

6. To transact such other business as may properly come before the special meeting or any adjournment or postponement thereof.

The board of directors of International Assets has fixed , 2009 as the record date for the determination of stockholders entitled to notice of, and to vote at, the International Assets special meeting and any adjournment or postponement thereof. Only holders of record of shares of International Assets common stock at the close of business on the record date are entitled to notice of, and to vote at, the International Assets special meeting. At the close of business on the record date, International Assets had outstanding and entitled to vote shares of common stock.

Your vote is important. The affirmative vote of the holders of a majority of the shares voting in person or by proxy at the International Assets special meeting is required for approval of each of International Assets Proposal Nos. 1 and 5. The affirmative vote of the holders of a majority of the shares of International Assets common stock outstanding on the record date for the International Assets special meeting is required for approval of International Assets Proposal Nos. 2 and 3. The affirmative vote of the holders of 75% of the shares of the common stock of International Assets outstanding on the record date for the International Assets special meeting is required for approval of International Assets Proposal No. 4. Even if you plan to attend the International Assets

special 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 special 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 each of International Assets Proposal Nos. 1, 2, 3, 4 and 5. 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 special meeting. If you do attend the International Assets special 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
New York, New York
, 2009

The board of directors of International Assets has unanimously determined that each of the International Assets proposals outlined above is advisable and fair to, and in the best interests of, International Assets and its stockholders, and has approved each such proposal. The International Assets board of directors unanimously recommends that International Assets' stockholders vote "For" each proposal.

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FCSTONE GROUP, INC.

1251 NW Briarcliff Parkway, Suite 800
Kansas City, Missouri 64116

NOTICE OF SPECIAL MEETING OF STOCKHOLDERS
TO BE HELD ON , 2009

To the Stockholders of FCStone Group, Inc.:

On behalf of the board of directors of FCStone Group, Inc., a Delaware corporation, we are pleased to deliver this joint proxy statement/prospectus for the proposed combination of International Assets Holding Corporation, a Delaware corporation, and FCStone. A special meeting of stockholders of FCStone will be held on , 2009 at 9:00 a.m., local time, at for the following purposes:

1. To consider and vote upon the adoption of the Agreement and Plan of Merger, dated as of July 1, 2009, by and among International Assets Holding Corporation, a Delaware corporation, International Assets Acquisition Corp., a Delaware corporation and a wholly owned subsidiary of International Assets, and FCStone Group, Inc.;

2. To consider and vote upon any adjournment of the special meeting, including if necessary, to solicit additional proxies if there are not sufficient votes to adopt the merger agreement; and

3. To transact such other business as may properly come before the special meeting or any adjournment or postponement thereof.

The board of directors of FCStone has fixed , 2009 as the record date for the determination of stockholders entitled to notice of, and to vote at, the special meeting and any adjournment or postponement thereof. Only holders of record of shares of FCStone common stock at the close of business on the record date are entitled to notice of, and to vote at, the FCStone special meeting. At the close of business on the record date, FCStone had outstanding and entitled to vote shares of common stock.

Your vote is important. The affirmative vote of the holders of a majority of the shares of FCStone common stock outstanding on the record date for the FCStone special meeting is required for approval of FCStone Proposal No. 1 regarding the adoption of the merger agreement. The affirmative vote of the holders of a majority of the shares voting in person or by proxy at the FCStone special meeting is required to approve FCStone Proposal No. 2 regarding an adjournment of the FCStone special meeting, including if necessary, to solicit additional proxies if there are not sufficient votes in favor of FCStone Proposal No. 1.

Even if you plan to attend the special meeting in person, we request that you sign and return the enclosed proxy card or voting instruction form, 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 special meeting if you are unable to attend. If you sign, date and mail your proxy card or voting instruction form without indicating how you wish to vote, your proxy or voting instruction form will be counted as a vote in favor of the adoption of the merger agreement and in favor of an adjournment of the FCStone special meeting, including if necessary, to solicit additional proxies if there are not sufficient votes in favor of FCStone Proposal No. 1. If you fail to return your proxy card or voting instruction form, or vote by telephone or by using the Internet, the effect will be a vote against the adoption of the merger agreement and your shares will not be counted for purposes of determining whether a quorum is present at the FCStone special meeting. If you do attend the FCStone special meeting and wish to vote in person, you may withdraw your proxy and vote in person.

Please do not send any certificates representing your FCStone common stock at this time.

By Order of the Board of Directors,

Paul G. Anderson
Chief Executive Officer
Kansas City, Missouri

, 2009

The board of directors of FCStone has unanimously determined that the merger agreement and the transactions contemplated by the merger agreement are advisable and fair to, and in the best interests of, FCStone and its stockholders, and unanimously recommends that FCStone stockholders vote "For" each proposal.

ADDITIONAL INFORMATION

This joint proxy statement/prospectus refers to important business and financial information about FCStone that is not included in or delivered with this joint proxy statement/prospectus. This information is available for your review at the Securities and Exchange Commission's Public Reference Room located at 100 F Street, N.E., Room 1580, Washington D.C. 20549 and through the SEC's website at www.sec.gov. Such information is also available to you without charge upon written or oral request at the following address: FCStone Group, Inc., Attn: Investor Relations, 1251 NW Briarcliff Parkway, Suite 800, Kansas City, Missouri 64116 or by telephone at (800) 255-6381.

If you are an FCStone stockholder and you have questions about the merger, this joint proxy statement/prospectus, voting your shares, would like additional copies of this joint proxy statement/prospectus or need to obtain other information related to the proxy solicitation, you may contact FCStone's proxy solicitor, at the following address and telephone number:

You will not be charged for any of these documents that you request.

To obtain timely delivery, FCStone stockholders must request information or documents from FCStone or its proxy solicitor no later than five business days before the date of the FCStone special meeting, or no later than , 2009.

See "Where You Can Find More Information" on page 200 for a detailed description of the documents incorporated by reference into this joint proxy statement/prospectus. Information contained on the International Assets and FCStone websites is expressly not incorporated by reference into this joint proxy statement/prospectus.

ABOUT THIS DOCUMENT

This document, which forms part of a registration statement on Form S-4 filed with the U.S. Securities and Exchange Commission by International Assets (File No. 333-), constitutes a prospectus of International Assets under Section 5 of the Securities Act of 1933, as amended, which we refer to as the Securities Act, with respect to the shares of International Assets common stock to be issued in the merger contemplated by the merger agreement.

This document also constitutes a notice of meeting and a proxy statement under Section 14(a) of the Securities Exchange Act of 1934, as amended, which we refer to as the Exchange Act, (i) with respect to the International Assets special meeting, at which International Assets stockholders will be asked to consider and vote upon certain proposals, including a proposal to approve the issuance of shares of International Assets common stock in the merger contemplated by the merger agreement, and (ii) with respect to the FCStone special meeting, at which FCStone stockholders will be asked to consider and vote upon certain proposals, including a proposal to adopt the merger agreement.

As used in this joint proxy statement/prospectus, references to “International Assets” refer collectively to International Assets Holding Corporation and all of its subsidiaries unless the context requires otherwise, references to “FCStone” refer to FCStone Group, Inc. and all of its subsidiaries unless the context requires otherwise, and references to the “combined company” refer to International Assets following the consummation of the proposed merger described in this joint proxy statement/prospectus.

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ANNEXES

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Annex B:	Stock Option Agreement between International Assets and FCStone
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Annex D:	Opinion of Houlihan Lokey Howard & Zukin Financial Advisors, Inc.
Annex E:	Opinion of BMO Capital Markets Corp.
Annex F:	Form of Certificate of Amendment to the Certificate of Incorporation of International Assets to Increase the Authorized Shares of International Assets Common Stock
Annex G:	Form of Certificate of Amendment to the Certificate of Incorporation of International Assets to Establish Classified Board

QUESTIONS AND ANSWERS ABOUT THE MERGER AND THE STOCKHOLDER MEETINGS

The following section provides answers to frequently asked questions about the merger and the effect of the merger on holders of International Assets common stock and FCStone common stock, the International Assets special meeting and the FCStone special meeting. This section, however, only provides summary information. International Assets and FCStone urge you to read carefully the remainder of this joint proxy statement/prospectus, including the annexes to this joint proxy statement/prospectus, because the information in this section does not provide all the information that might be important to you regarding the merger and the other matters being considered at the International Assets special meeting and the FCStone special meeting.

Q: What is the proposed transaction?

A: International Assets and FCStone have entered into an Agreement and Plan of Merger dated July 1, 2009, which is referred to in this joint proxy statement/prospectus as the merger agreement, that contains the terms and conditions of the proposed business combination of International Assets and FCStone. Under the merger agreement, International Assets Acquisition Corp., a wholly owned subsidiary of International Assets, will merge with and into FCStone, with FCStone surviving as a wholly owned subsidiary of International Assets, which transaction is referred to as the merger. The shares of International Assets common stock issued to FCStone stockholders in connection with the merger are expected to represent approximately 47.5% of the outstanding shares of International Assets common stock immediately following the consummation of the merger, based on the number of shares of International Assets common stock and FCStone common stock that were outstanding on July 1, 2009, assuming that no FCStone or International Assets stock options are exercised after July 1, 2009 and prior to the effective time of the merger. For a more complete description of the merger, please see the section entitled “International Assets Proposal No. 1 and FCStone Proposal No. 1 — The Merger” on page 52 of this joint proxy statement/prospectus.

Q: Why are the two companies proposing to merge?

A: Both International Assets and FCStone believe that the combination will create a leading global provider of consulting and trade execution services. Management believes the combined entity will be better positioned to take advantage of market opportunities and enjoy better access to capital sources. For a discussion of the reasons for the merger, we urge you to read the information in the section entitled “International Assets Proposal No. 1 — The Merger — International Assets’ Reasons For the Merger and Recommendation of International Assets’ Board of Directors” on page 57 and “FCStone Proposal No. 1 — The Merger — FCStone’s Reasons For the Merger and Recommendation of FCStone’s Board of Directors” on page 61 of this joint proxy statement/prospectus.

Q: Why am I receiving this joint proxy statement/prospectus?

A: You are receiving this joint proxy statement/prospectus because you have been identified as a stockholder of either International Assets or FCStone, and thus you are entitled to vote at such company’s special meeting. This document serves as both a joint proxy statement of International Assets and FCStone, used to solicit proxies for each of the company’s special meetings, and as a prospectus of International Assets, used to offer shares of International Assets common stock in exchange for shares of FCStone common stock pursuant to the terms of the merger agreement. This document contains important information about the merger and the special meetings of International Assets and FCStone, and you should read it carefully.

Q: When and where will the FCStone special meeting take place?

A: The FCStone special meeting will be held on , 2009 at 9:00 a.m., local time, at .

Q: When and where will the International Assets special meeting take place?

A: The International Assets special meeting will be on , 2009 at 10:00 a.m., local time, at .

Q: Who can attend and vote at the stockholders meetings?

A: *FCStone*: All FCStone stockholders of record as of the close of business on , 2009, the record date for the FCStone special meeting, are entitled to receive notice of and to vote at the FCStone special meeting.

International Assets: All International Assets stockholders of record as of the close of business on , 2009, the record date for the International Assets special meeting, are entitled to receive notice of and to vote at the International Assets special meeting.

Q: How many votes do I have?

A: *FCStone*: You are entitled to one vote at the FCStone special meeting for each share of FCStone common stock that you owned as of the record date. As of the close of business on the record date, there were approximately outstanding shares of FCStone common stock. As of that date, % of the outstanding shares of FCStone common stock were held by the directors and executive officers of FCStone.

International Assets: You are entitled to one vote at the International Assets special meeting for each share of International Assets common stock that you owned as of the record date. As of the close of business on the record date, there were approximately outstanding shares of International Assets common stock. As of that date, % of the outstanding shares of International Assets common stock were held by the directors and executive officers of International Assets.

Q: What do I need to do now?

A: We urge you to read this joint proxy statement/prospectus carefully, including its annexes, and to consider how the merger affects you.

If you are an FCStone stockholder, you may provide your proxy instructions in three different ways. First, you may vote by completing and signing the FCStone proxy card that accompanies this joint proxy statement/prospectus and promptly mailing it in the enclosed postage-prepaid envelope. Alternatively, you may submit your proxy to vote your shares by telephone by following the "Vote By Phone" instructions set forth on the enclosed FCStone proxy card. Finally, you may submit your proxy to vote your shares from any location in the world by following the "Vote By Internet" instructions set forth on the enclosed FCStone proxy card. Please provide your proxy instructions only once and as soon as possible so that your shares can be voted at the special meeting of FCStone stockholders.

If your FCStone shares are held for you in an FCStone benefit plan, such as the employee stock ownership plan or "ESOP," you are receiving a voting instruction form from the plan trustee or administrator. To vote these shares, you will need to follow the specific voting instructions appearing on the voting instruction form. You must provide your completed voting instruction form by the deadline specified in such form. If your voting instructions are not received by this deadline, it is anticipated that FCStone, as the plan administrator, will direct the plan trustee to vote the shares credited to your account in accordance with the recommendation of our board of directors. You may attend the special meeting; however, you may not vote these shares in person at the meeting unless you obtain a "legal proxy" from the plan trustee.

If you are an International Assets stockholder, you may provide your proxy instructions in three different ways. First, you may vote by completing and signing the International Assets proxy card that accompanies this joint proxy statement/prospectus and promptly mailing it in the enclosed postage-prepaid envelope. Alternatively, you may submit your proxy to vote your shares by telephone by following the "Vote By Phone" instructions set forth on the enclosed International Assets proxy card. Finally, you may submit your proxy to vote your shares from any location in the world by following the "Vote By Internet" instructions set forth on the enclosed International Assets proxy card. Please provide your proxy instructions only once and as soon as possible so that your shares can be voted at the special meeting of International Assets stockholders.

Q: What happens if I do not return a proxy card or voting instruction form or otherwise provide proxy or voting instructions?

A: If you are an International Assets stockholder, the failure to return your proxy card or otherwise provide proxy instructions could be a factor in establishing a quorum for the special meeting of International Assets stockholders, which is required to transact business at the meeting. If you are an International Assets stockholder and you do not submit a proxy card or vote at the International Assets special meeting, your shares will not be counted as present for the purpose of determining the presence of a quorum and will have no effect on the approval of International Assets Proposal Nos. 1 and 5, but would have the same effect as voting against International Assets Proposal Nos. 2, 3 and 4. Broker non-votes will similarly have no effect on the approval of International Assets Proposal Nos. 1 and 5, but would have the same effect as voting against International Assets Proposal Nos. 2, 3 and 4. If you submit a proxy card and affirmatively elect to abstain from voting, your proxy will be counted as present for the purpose of determining the presence of a quorum for the special meeting of International Assets stockholders, but will not be voted at the meeting. As a result, your abstention will have no effect on the approval of International Assets Proposal Nos. 1 and 5, but would have the same effect as voting against International Assets Proposal Nos. 2, 3, and 4.

If you are an FCStone stockholder, the failure to return your proxy card or voting instruction form or otherwise provide proxy or voting instructions will have the same effect as voting against the adoption of the merger agreement and could be a factor in establishing a quorum for the special meeting of FCStone stockholders, which is required to transact business at the meeting. The failure to submit a proxy card or voting instruction form, or to vote at the FCStone special meeting, or an abstention, vote withheld or "broker non-vote" will have no effect on the outcome of FCStone Proposal No. 2.

Q: May I vote in person?

A: If your shares of International Assets common stock or FCStone common stock are registered directly in your name with International Assets' or FCStone's transfer agent, respectively, you are considered, with respect to those shares, the stockholder of record, and the proxy materials and proxy card are being sent directly to you by International Assets or FCStone, respectively. If you are an International Assets stockholder of record, you may attend the special meeting of International Assets stockholders to be held on , 2009 and vote your shares in person, rather than signing and returning your proxy card or otherwise providing proxy instructions. If you are an FCStone stockholder of record, you may attend the special meeting of FCStone stockholders to be held on , 2009 and vote your shares in person, rather than signing and returning your proxy card or otherwise providing proxy instructions.

If your shares of International Assets common stock or FCStone common stock are held in a brokerage account or by another nominee, including the FCStone Employee Stock Ownership Plan, or ESOP, you are considered the beneficial owner of shares held in "street name," and the proxy materials are being forwarded to you together with a voting instruction card. As the beneficial owner, you are also invited to attend the special meeting of International Assets stockholders or the special meeting of FCStone stockholders, respectively. Since a beneficial owner is not the stockholder of record, you may not vote these shares in person at the applicable special meeting unless you obtain a "legal proxy" from the broker, trustee or nominee that holds your shares, giving you the right to vote the shares at the meeting.

Q: If my shares are held in "street name" by my broker, will my broker vote my shares for me?

A: Your broker will not be able to vote your shares without instructions from you. You should instruct your broker to vote your shares, following the procedure provided by your broker.

Q: May I change my vote after I have provided proxy instructions?

A: Yes. If you are stockholder of record, you may change your vote at any time before your proxy is voted at the International Assets special meeting or FCStone special meeting, as applicable. 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 International Assets special meeting or FCStone special meeting, as applicable, 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.

You may revoke your voting instructions with respect to any shares of FCStone common stock you hold in the FCStone ESOP by delivering a valid, later-dated voting instruction form by the deadline specified in the voting instructions furnished by the plan trustee or administrator.

Q: What is required to consummate the merger?

A: To consummate the merger, International Assets stockholders must approve: (1) the issuance of shares of International Assets common stock in the merger; (2) an amendment to International Assets' certificate of incorporation to increase the number of authorized shares of International Assets common stock; (3) an amendment to International Assets' certificate of incorporation to establish a classified board of directors; and (4) an amendment to International Assets' certificate of incorporation to eliminate a provision that requires stockholder approval to remove or change the chairman of the board of International Assets.

The affirmative vote of the holders of a majority of the shares voting in person or by proxy at the International Assets special meeting is required for approval of Proposal No. 1. The affirmative vote of the holders of a majority of the shares of International Assets common stock outstanding on the record date for the International Assets special meeting is required for approval of Proposal Nos. 2 and 3. The affirmative vote of the holders of 75% of the shares of the common stock of International Assets outstanding on the record date for the International Assets special meeting is required for approval of Proposal No. 4.

In addition, FCStone stockholders must adopt the merger agreement, which adoption requires the affirmative vote of the holders of a majority of the shares of FCStone common stock outstanding on the record date for the FCStone special meeting.

In addition to the receipt of stockholder approval, each of the other closing conditions set forth in the merger agreement must be satisfied or waived. For a more complete description of the closing conditions under the merger agreement, we urge you to read the section entitled "The Merger Agreement — Conditions to the Merger" on page 98 of this joint proxy statement/prospectus and the merger agreement attached to this joint proxy statement/prospectus as Annex A.

Q: Why is International Assets asking to amend its certificate of incorporation to increase the number of authorized shares of its common stock?

A: Approval of an amendment to International Assets' certificate of incorporation to increase the number of authorized shares of International Assets common stock (which is the subject of International Assets Proposal No. 2) is one of the conditions to the consummation of the merger. Without an increase in the number of authorized shares of International Assets common stock, International Assets would not have a sufficient number of authorized shares to effect the merger and to issue the International Assets common stock to the FCStone stockholders in the merger pursuant to the merger agreement.

Q: Why is International Assets asking to amend its certificate of incorporation to establish a classified board of directors initially consisting of thirteen members to be divided into three classes, the reduction in the size of the board to eleven members in 2012 and to nine members in 2013, and the elimination of the classified board in 2013?

A: Approval of an amendment to International Assets' certificate of incorporation to establish a classified board initially consisting of thirteen members, the reduction in the size of the board to eleven members in 2012 and to nine members in 2013, and the elimination of the classified board in 2013 (which is the subject of International Assets' Proposal No. 3) is one of the conditions to the consummation of the merger. The establishment of the classified board initially consisting of thirteen members is designed to accommodate the addition of six new members to be designated by FCStone to the existing seven member Board of Directors of International Assets. International Assets and FCStone have agreed that the use of the classified board would continue for a period of three years in order to facilitate an integration of the companies during this period. Commencing in 2013, the classified board would be eliminated and directors would thereafter serve for terms of one year.

Q: Why is International Assets asking to amend its certificate of incorporation to eliminate a provision that requires the affirmative vote of the holders of 75% of the outstanding shares of International Assets common stock to remove or change the chairman of the board of International Assets?

A: Approval of an amendment to International Assets' certificate of incorporation to eliminate a provision that requires stockholder approval to remove or change the chairman of the board of International Assets (which is the subject of International Assets' Proposal No. 4) is one of the conditions to the consummation of the merger. The elimination of the provision will mean that the chairman of the board of International Assets will be selected by the majority of the directors of International Assets. The board of International Assets believes that the elimination of this provision will improve corporate governance by facilitating changes in this position when considered appropriate by a majority of the directors.

Q: What will FCStone stockholders receive in the merger?

A: As a result of the merger, FCStone stockholders will receive 0.2950 shares of International Assets common stock for each share of FCStone common stock they own, which we refer to as the exchange ratio. For example, if you own 1,000 shares of FCStone common stock, you will receive 295 shares of International Assets common stock in exchange for your FCStone shares. The number of shares of International Assets common stock to be issued for each share of FCStone common stock is fixed and will not be adjusted based upon changes in the value of FCStone common stock or International Assets common stock before the merger is consummated (however, the exchange ratio is subject to adjustments for changes in the number of outstanding shares of International Assets or FCStone by reason of future stock splits, reverse stock splits, division of shares, stock dividends or other similar transactions). As a result, the value of the International Assets shares FCStone stockholders will receive in the merger will not be known before the merger, and will go up or down as the market price of International Assets common stock goes up or down. We encourage you to obtain current market quotations of FCStone common stock and International Assets common stock. No fractional shares of International Assets common stock will be issued in the merger. Instead, each FCStone stockholder otherwise entitled to a fraction of a share of International Assets common stock will be entitled to receive in cash the dollar amount determined by multiplying such fraction by the average closing price of International Assets common stock over a ten day period as specified in the merger agreement. For a more complete description of what FCStone stockholders will receive in the merger, please see the section entitled "The Merger Agreement — Consideration to be Received in the Merger" on page 90 of this joint proxy statement/prospectus.

Q: What will FCStone option holders receive in the merger?

A: At the effective time of the merger, each FCStone stock option that is outstanding and unexercised immediately prior to the effective time will be converted into an option to purchase International Assets common stock (adjusted to give effect to the exchange ratio) and International Assets will assume such stock option in accordance with the terms of the applicable FCStone stock option plan and terms of the stock option agreement relating to such FCStone stock option, subject to adjustments to the number of shares subject to such option and the exercise price applicable to such option to reflect the exchange ratio in the merger. For more information, please see "The Merger Agreement — Cancellation of FCStone Stock Options" on page 90.

Q: Will there be any changes to the International Assets board of directors if the merger becomes effective?

A: The merger agreement provides that the International Assets board of directors following the effective time of the merger will be increased from seven members to thirteen members, with six members to be designated by FCStone (currently expected to be Paul G. Anderson, Brent Bunte, Jack Friedman, Daryl Henze, Bruce Krehbiel and Eric Parthemore) joining the seven current directors of International Assets (currently Scott Branch, John Fowler, Robert Miller, Sean O'Connor, John Radziwill, Diego J. Veitia and Justin Wheeler). For more information, please see the sections entitled "Management of International Assets Following the Merger" on page 152.

Q: Who will be the executive officers of International Assets immediately following the merger?

A: It is currently expected that the executive officers of International Assets following the merger will be as follows:

Sean M. O'Connor	Chief Executive Officer
Paul G. Anderson	President
Scott J. Branch	Chief Operating Officer
William J. Dunaway	Chief Financial Officer
Brian T. Sephton	Chief Legal and Governance Officer
Nancey M. McMurtry	Vice President and Secretary
James W. Tivy	Group Controller

Q: How will International Assets stockholders be affected by the merger and issuance of shares of International Assets common stock?

A: After the merger, each International Assets stockholder will have the same number of shares of International Assets common stock that the stockholder held immediately prior to the effective time of the merger. However, because International Assets will be issuing new shares of International Assets common stock to FCStone stockholders in the merger, each share of International Assets common stock outstanding immediately prior to the merger will represent a smaller percentage of the aggregate number of shares of International Assets common stock outstanding after the merger. As a result of the merger, each International Assets stockholder will own a smaller percentage of the shares of common stock of a larger company with more outstanding shares and more assets. Based on the number of shares of International Assets and FCStone that were outstanding on July 1, 2009, International Assets stockholders would own in the aggregate approximately 52.5% of International Assets following the merger, assuming that no FCStone or International Assets stock options are exercised after July 1, 2009 and prior to the effective time of the merger.

Q: What are the material federal income tax consequences of the merger to me?

A: The merger has been structured to qualify as a tax-free reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended, and it is a closing condition to the merger that International Assets and FCStone receive opinions of their respective outside counsel regarding such qualification. As a result of the merger's anticipated qualification as a reorganization, FCStone stockholders will generally not recognize gain or loss for United States federal income tax purposes upon the exchange of shares of FCStone common stock for shares of International Assets common stock, except with respect to cash received in lieu of fractional shares of International Assets common stock.

Tax matters are very complicated, and the tax consequences of the merger to a particular stockholder will depend in part on such stockholder's circumstances. Accordingly, we urge you to consult your own tax advisor for a full understanding of the tax consequences of the merger to you, including the applicability and effect of federal, state, local and foreign income and other tax laws.

For more information, please see the section entitled "International Assets Proposal No. 1 and FCStone Proposal No. 1 — The Merger — Material U.S. Federal Income Tax Consequences of the Merger" on page 84 of this joint proxy statement/prospectus.

Q: How does International Assets' board of directors recommend that International Assets stockholders vote?

A: After careful consideration, International Assets' board of directors unanimously recommends that International Assets stockholders vote "FOR" International Assets Proposal No. 1 to approve the issuance of shares of International Assets common stock in the merger; "FOR" International Assets Proposal No. 2 to approve an amendment to International Assets' certificate of incorporation to increase its authorized shares of common stock; "FOR" International Assets Proposal No. 3 to approve amendments to International Assets' certificate of incorporation in order to establish a classified board of directors; "FOR" International Assets Proposal No. 4 to approve amendments to International Assets' certificate of incorporation in order to eliminate a provision that requires stockholder approval to remove or change the chairman of the board; and "FOR" International Assets Proposal No. 5 to adjourn the International Assets special meeting, including if necessary, to solicit additional proxies if there are not sufficient votes in favor of any of International Assets Proposal Nos. 1, 2, 3 or 4.

For a description of the reasons underlying the recommendations of International Assets' board, see the sections entitled "International Assets Proposal No. 1 — The Merger — International Assets' Reasons for the Merger and Recommendation of International Assets' board of directors" on page 57; "International Assets Proposal No. 2 — Amendment to International Assets' Certificate of Incorporation to Increase the Authorized Shares of International Assets Common Stock" on page 106; "International Assets Proposal No. 3 — Amendments to International Assets' Certificate of Incorporation to Establish a Classified Board of Directors" on page 108; "International Assets Proposal No. 4 — Amendments to International Assets' Certificate of Incorporation to Eliminate the Requirement of Stockholder Approval to Replace or Change the Chairman of the Board" on page 112 and the section entitled "International Assets Proposal No. 5 — Possible Adjournment of the International Assets Special Meeting" on page 114.

Q: How does the FCStone board of directors recommend that FCStone stockholders vote?

A: After careful consideration, FCStone's board of directors unanimously recommends that the FCStone stockholders vote "FOR" FCStone Proposal No. 1 to adopt the merger agreement and "FOR" FCStone Proposal No. 2 to adjourn the FCStone special meeting, including if necessary, to solicit additional proxies if there are not sufficient votes in favor of FCStone Proposal No. 1. For a description of the reasons underlying the recommendations of FCStone's board, see the sections entitled "FCStone Proposal No. 1 — The Merger — FCStone's Reasons for the Merger" on page 61, and the section entitled "FCStone Proposal No. 2 — Possible Adjournment of the FCStone Special Meeting" on page 115.

Q: What risks should I consider in deciding whether to vote in favor of the share issuance or the adoption of the merger agreement?

A: You should carefully review the section of this joint proxy statement/prospectus entitled "Risk Factors" beginning on page 17, which presents risks and uncertainties related to the merger and risks and uncertainties related to the business and operations of each of International Assets and FCStone.

Q: When do you expect the merger to be consummated?

A: International Assets and FCStone are working to complete the merger as quickly as practicable and currently anticipate that the consummation of the merger will occur during the fall of 2009, but we cannot predict the exact timing. For more information, please see the section entitled "The Merger Agreement — Conditions to the Merger" on page 98.

Q: Should FCStone stockholders send in their stock certificates now?

A: No. If you are an FCStone stockholder, after the merger is consummated, you will receive written instructions from an exchange agent explaining how to exchange your stock certificates representing shares of FCStone common stock for certificates representing shares of International Assets common stock. You will also receive a cash payment in lieu of any fractional share of International Assets common stock. International Assets stockholders will not exchange their stock certificates in connection with the merger.

Q: Am I entitled to appraisal rights in connection with the merger?

A: No. Under Delaware law, holders of FCStone common stock are not entitled to appraisal rights in connection with the merger because the International Assets common stock is listed on the NASDAQ Global Market and the FCStone common stock is listed on the NASDAQ Global Select Market. Under Delaware law, International Assets stockholders are not entitled to appraisal rights in connection with the merger.

Q: Who is paying for this proxy solicitation?

A: International Assets and FCStone are conducting this proxy solicitation and will bear their own costs for soliciting proxies, including the preparation, assembly, printing and mailing of this joint proxy statement/prospectus, the proxy card and any additional information furnished to stockholders. FCStone has retained to aid in FCStone's proxy solicitation process. FCStone estimates that its proxy solicitor fees will be approximately $. International Assets and FCStone may also reimburse brokerage houses and other custodians, nominees and fiduciaries for their costs of forwarding proxy and solicitation materials to beneficial owners.

Q: Who can help answer my questions?

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

International Assets Holding Corporation
Attn: Investor Relations
220 E. Central Parkway
Suite 2060
Altamonte Springs, Florida 32701
Telephone: (888) 345-4685 ext. 335
Email: bsephton@intlassets.com

If you are an FCStone stockholder, and would like additional copies, without charge, of this joint proxy statement/prospectus or if you have questions about the merger, including the procedures for voting your shares, you should contact:

FCStone Group, Inc.
Attn: Investor Relations
1251 N.W. Briarcliff Parkway
Suite 800
Kansas City, Missouri 64116
Telephone: (800) 255-6381
Email: BillD@fcstone.com

SUMMARY

This summary highlights selected information from this document. To understand the merger fully, you should read carefully this entire document and the documents to which we refer, including the annexes attached hereto. See "Where You Can Find More Information" on page 200. The merger agreement is attached as Annex A to this joint proxy statement/prospectus. We encourage you to read the merger agreement as it is the legal document that governs the merger. We have included page references in parentheses to direct you to a more detailed description of the topics presented in this summary.

The Merger (Page 52)

In the merger, International Assets Acquisition Corp., a wholly owned subsidiary of International Assets, will merge with and into FCStone, and FCStone will become a wholly owned subsidiary of International Assets. Holders of FCStone common stock and options will become holders of International Assets common stock and stock options, respectively, following the merger. The shares of International Assets common stock issued to FCStone stockholders in connection with the merger are expected to represent approximately 47.5% of the outstanding shares of International Assets common stock immediately following the consummation of the merger, based on the number of shares of International Assets common stock and FCStone common stock that were outstanding on July 1, 2009, assuming that no FCStone or International Assets stock options are exercised after July 1, 2009 and prior to the effective time of the merger.

The Companies (Page 42)

International Assets Holding Corporation
220 E. Central Parkway
Suite 2060
Altamonte Springs, Florida 32701
Telephone: (407) 741-5300

International Assets and its subsidiaries form a financial services group focused on select international markets. International Assets commits its capital and expertise to market-making and dealing in financial instruments, currencies and commodities, and to asset management. International Assets' activities are divided into five reportable business segments — international equities market-making, foreign exchange trading, commodities trading, international debt capital markets and asset management.

International Assets common stock is traded on the NASDAQ Global Market under the symbol "IAAC."

International Assets Acquisition Corp. is a wholly owned subsidiary of International Assets that was incorporated in Delaware in June 2009. International Assets Acquisition Corp. does not engage in any operations and exists solely to facilitate the merger.

FCStone Group, Inc.
1251 N.W. Briarcliff, Suite 800
Kansas City, Missouri 64116
Telephone: (816) 410-7120

FCStone is an integrated company providing risk management consulting and transaction execution services to commercial commodity intermediaries, users and producers. FCStone assists primarily middle-market customers in optimizing their profit margins and mitigating commodity price risk. In addition to its risk management consulting services, FCStone operates an independent clearing and execution platform for exchange-traded futures and options contracts. During the last twelve months, FCStone served more than 8,000

customers and transacted more than 73.7 million contracts in the exchange-traded and over-the-counter ("OTC") markets. FCStone also assists its customers with the financing, transportation and merchandising of their physical commodity inventories.

The Special Meetings

The International Assets Special Meeting (Page 44)

Time, Date and Place. A special meeting of the stockholders of International Assets will be held on , 2009, at at 10:00 a.m., local time, to vote on: International Assets Proposal No. 1 to approve the issuance of shares of International Assets common stock in the merger; International Assets Proposal No. 2 to approve an amendment to International Assets' certificate of incorporation to increase the authorized shares of its common stock; International Assets Proposal No. 3 to approve amendments to International Assets' certificate of incorporation in order to establish a classified board of directors; International Assets Proposal No. 4 to approve amendments to International Assets' certificate of incorporation in order to eliminate a provision that requires stockholder approval to remove or change the chairman of the board; and International Assets Proposal No. 5 to adjourn the special meeting, if necessary, if a quorum is present, to solicit additional proxies if there are not sufficient votes in favor of any of International Assets Proposal Nos. 1, 2, 3 or 4.

Record Date and Voting Power for International Assets. You are entitled to vote at the International Assets special meeting if you owned shares of International Assets common stock at the close of business on , 2009, the record date for the International Assets special meeting. You will have one vote at the International Assets special meeting for each share of International Assets common stock you owned at the close of business on the record date. There are shares of International Assets common stock entitled to be voted at the International Assets special meeting.

Share Ownership of Management. As of , 2009, the directors and executive officers of International Assets and their affiliates beneficially owned approximately 33.7% of the shares entitled to vote at the International Assets special meeting. Certain directors and officers of International Assets and their affiliates have entered into a support agreement with FCStone pursuant to which they have agreed to vote their shares of International Assets common stock in favor of the issuance of shares of International Assets common stock in the merger and the related amendments to the certificate of incorporation. A total of 2,784,976 shares are subject to the support agreement representing approximately 30.6% of the shares of International Assets common stock entitled to vote at the International Assets Special Meeting.

The FCStone Special Meeting (Page 48)

Time, Date and Place. A special meeting of the stockholders of FCStone will be held on , 2009, at , at 9:00 a.m., local time, to vote on FCStone Proposal No. 1 to adopt the merger agreement and FCStone Proposal No. 2 to adjourn the FCStone special meeting, if necessary, to solicit additional proxies if there are not sufficient votes in favor of FCStone Proposal No. 1.

Record Date and Voting Power for FCStone. You are entitled to vote at the FCStone special meeting if you owned shares of FCStone common stock at the close of business on , 2009, the record date for the FCStone special meeting. You will have one vote at the FCStone special meeting for each share of FCStone common stock you owned at the close of business on the record date. There are shares of FCStone common stock entitled to be voted at the FCStone special meeting.

Share Ownership of Management. As of , 2009, the directors and executive officers of FCStone and their affiliates beneficially owned approximately 4.1% of the shares entitled to vote at the FCStone special meeting.

Risks Relating to the Merger (Page 17)

In evaluating the merger agreement or the issuance of shares of International Assets common stock in the merger, you should carefully read this joint proxy statement/prospectus and especially consider the factors discussed in the section entitled "Risk Factors — Risks Relating to the Merger" on page 17.

Reasons for the Merger

Both International Assets and FCStone believe that the combination will create a leading global provider of consulting and trade execution services, and that the combined entity will be better positioned to take advantage of market opportunities and enjoy better access to capital sources. In addition to the foregoing reasons, the International Assets board of directors considered in evaluating the merger a number of other factors. See the section entitled "International Assets Proposal No. 1 — The Merger — International Assets' Reasons for the Merger and Recommendation of International Assets' Board of Directors" on page 57. Also, in addition to the foregoing reasons, the FCStone board of directors considered in evaluating the merger a number of other factors. See the section entitled "FCStone Proposal No. 1 — The Merger — FCStone's Reasons for the Merger" on page 61.

Opinions of Financial Advisors

Opinion of International Assets' Financial Advisor (Page 62). On June 30, 2009, Houlihan Lokey Howard & Zukin Financial Advisors, Inc., or Houlihan Lokey, rendered an oral opinion to International Assets' board of directors, which was confirmed in writing by delivery of Houlihan Lokey's written opinion dated July 1, 2009, that, as of July 1, 2009, and based upon and subject to the procedures followed, assumptions made, qualifications and limitations on the review undertaken and other matters considered by Houlihan Lokey in preparing its opinion, the exchange ratio in the merger was fair, from a financial point of view, to International Assets.

Houlihan Lokey's opinion was directed to International Assets' board of directors and only addressed the fairness from a financial point of view to International Assets of the exchange ratio in the merger and does not address any other aspect or implication of the merger. The summary of Houlihan Lokey's opinion in this joint proxy statement/prospectus is qualified in its entirety by reference to the full text of its written opinion, which is included as Annex D to this joint proxy statement/prospectus and sets forth the procedures followed, assumptions made, qualifications and limitations on the review undertaken and other matters considered by Houlihan Lokey in preparing its opinion. International Assets encourages its stockholders to carefully read the full text of Houlihan Lokey's written opinion. However, neither Houlihan Lokey's opinion nor the summary of its opinion and the related analyses set forth in this joint proxy statement/prospectus are intended to be, and do not constitute, advice or a recommendation to International Assets' board of directors or any stockholder as to how to act or vote with respect to the proposed merger or related matters. See "International Assets Proposal No. 1 and FCStone Proposal No. 1 — The Merger — Opinion of International Assets' Financial Advisor".

Opinion of FCStone's Financial Advisor (Page 74). In connection with the merger, FCStone's financial advisor, BMO Capital Markets Corp., which we refer to as BMO Capital Markets, rendered to FCStone's board of directors a written opinion, dated July 1, 2009, that, as of July 1, 2009, and based upon and subject to the factors and assumptions set forth therein, the exchange ratio provided for in the merger agreement of 0.2950 of a share of International Assets common stock to be paid for each outstanding share of FCStone common stock was fair, from a financial point of view, to the holders of FCStone common stock (other than International Assets or its affiliates). The full text of the written opinion, dated July 1, 2009, of BMO Capital Markets, which describes, among other things, the assumptions made, procedures followed, factors considered and limitations on the review undertaken, is attached as Annex E to this joint proxy statement/prospectus and is incorporated by reference in this joint proxy statement/prospectus in its entirety. **BMO Capital Markets' opinion is directed to FCStone's**

board of directors for the benefit and use of FCStone's board of directors in connection with and for purposes of its evaluation of the exchange ratio from a financial point of view. BMO Capital Markets' opinion does not address any other aspect of the merger and does not constitute a recommendation to any stockholder as to how to vote or act in connection with the proposed merger. FCStone encourages holders of FCStone common stock to read the opinion carefully in its entirety. Pursuant to an engagement letter between FCStone and BMO Capital Markets, FCStone has agreed to pay BMO Capital Markets a transaction fee, a principal portion of which is contingent upon completion of the transaction.

Interests of International Assets' Directors in the Merger (Page 81)

When considering the recommendations by the International Assets board of directors, you should be aware that a number of International Assets' directors have interests in the merger that are different from those of other International Assets stockholders.

Interests of FCStone's Executive Officers and Directors in the Merger (Page 81)

When considering the recommendations by the FCStone board of directors, you should be aware that a number of FCStone's executive officers and directors have interests in the merger that are different from those of other FCStone stockholders.

Restrictions on Resales (Page 87)

All shares of International Assets common stock received by FCStone stockholders in the merger will be freely tradable, except that shares of International Assets common stock received by persons who become affiliates of International Assets for purposes of Rule 144 under the Securities Act may be resold by them only in transactions permitted by Rule 144, or as otherwise permitted under the Securities Act.

Limitation on the Solicitation, Negotiation and Discussion by FCStone and International Assets of Other Acquisition Proposals (Page 94)

Each of FCStone and International Assets has agreed to a number of limitations with respect to soliciting, negotiating and discussing acquisition proposals involving persons other than FCStone and International Assets, and to certain related matters. The merger agreement does not, however, prohibit either party from considering a bona fide acquisition proposal from a third party if certain specified conditions are met.

Change of Board Recommendation (Page 101)

Subject to limited conditions, the board of directors of FCStone or International Assets may withdraw or modify its recommendation, in the case of FCStone, in support of the adoption of the merger agreement and, in the case of International Assets, in support of the issuance of shares of International Assets common stock in the merger and the amendments to International Assets' certificate of incorporation.

In the event that the board of directors of International Assets withdraws or modifies its recommendation in a manner adverse to FCStone, International Assets may be required to pay a termination fee of $4.9 million to FCStone and reimburse up to $2.0 million in expenses incurred by FCStone related to the merger.

In the event that the board of directors of FCStone withdraws or modifies its recommendation in a manner adverse to International Assets, the stock option granted by FCStone to International Assets will become exercisable and FCStone will reimburse up to $2.0 million in expenses incurred by International Assets.

Conditions to the Merger (Page 98)

The respective obligations of International Assets and FCStone to consummate the merger are subject to the satisfaction of certain conditions.

Termination of the Merger Agreement (Page 99)

Either International Assets or FCStone can terminate the merger agreement under certain circumstances, which would prevent the merger from being consummated.

Expenses and Termination Fees (Page 100)

Subject to limited exceptions, all fees and expenses incurred in connection with the merger agreement will be paid by the party incurring such expenses.

International Assets will be required to pay a termination fee of $4.9 million to FCStone upon the termination of the merger agreement under several circumstances. Further, in these same circumstances, International Assets will be required to reimburse FCStone for expenses incurred in connection with the merger, up to a maximum of $2.0 million.

FCStone will be required to pay a termination fee of $4.9 million to International Assets upon the termination of the merger agreement in the event holders of a majority of the outstanding shares of FCStone common stock do not vote for the adoption of the merger agreement, unless, under the terms of the stock option agreement described below, the option becomes exercisable. Further, in these same circumstances (or if the option becomes exercisable under the stock option agreement), FCStone will be required to reimburse International Assets for expenses incurred in connection with the merger, up to a maximum of $2.0 million.

Stock Option Agreement (Page 103)

In connection with entering into the merger agreement, International Assets and FCStone entered into a Option Agreement, pursuant to which FCStone granted International Assets the option to purchase newly-issued shares of FCStone equal to 19.9% of the total number of shares of FCStone common stock then outstanding. The option is not currently exercisable and, pursuant to the terms of the Option Agreement, will only become exercisable upon the occurrence of certain events related to a change of the recommendation of the board of directors of FCStone regarding the merger or a third-party acquisition proposal relating to FCStone. Under certain circumstances FCStone may be required to repurchase for cash the option or shares acquired pursuant to the exercise of the option. The Option Agreement is attached to this joint proxy statement/prospectus as Annex B.

Tax Matters (Page 84)

Shutts & Bowen LLP, outside counsel to International Assets, and Stinson Morrison Hecker LLP, outside counsel to FCStone, are expected to each issue a tax opinion to the effect that the merger will constitute a reorganization under Section 368(a) of the Internal Revenue Code of 1986, as amended, or the Code. In a reorganization, an FCStone stockholder generally will not recognize any gain or loss for U.S. federal income tax purposes upon the exchange of its shares of FCStone common stock for shares of International Assets common stock. However, any cash received for any fractional share will result in the recognition of gain or loss as if such stockholder sold its fractional share. An FCStone stockholder’s tax basis in the shares of International Assets common stock that it receives in the merger will equal its current tax basis in its FCStone common stock (reduced by the basis allocable to any fractional share interest for which it receives cash).

Tax matters can be complicated, and the tax consequences of the merger to you will depend on the facts of your own situation. You should consult your own tax advisors to fully understand the tax consequences of the merger to you, including the applicability and effect of federal, state, local and foreign income and other tax laws.

Regulatory Approvals (Page 86)

International Assets and FCStone have agreed to use commercially reasonable efforts to obtain as promptly as practicable all regulatory approvals that are required to complete the transactions contemplated by the merger agreement.

International Assets must comply with applicable federal and state securities laws and the rules and regulations of the NASDAQ Global Market in connection with the issuance of shares of International Assets common stock in the merger and the filing of this joint proxy statement/prospectus with the U.S. Securities and Exchange Commission, or the SEC.

The merger is subject to the reporting requirements of the Hart-Scott-Rodino Anti-Trust Improvements Act of 1976. Under this act, the merger may not be consummated until the pre-merger notifications and required information have been furnished to the Department of Justice and Federal Trade Commission and the relevant waiting periods have been terminated or have expired.

Although neither International Assets nor FCStone know of any reason why these regulatory approvals would not be obtained in a timely manner, neither International Assets nor FCStone can be certain when or if the approvals will be obtained.

Anticipated Accounting Treatment (Page 86)

For accounting purposes, International Assets is considered to be acquiring FCStone in this transaction. The unaudited pro forma condensed combined financial statements included in this joint proxy statement/prospectus have been prepared in accordance with Article 11 of Regulation S-X, and assume that the transaction will be treated as a purchase pursuant to SFAS 141. Under this method of accounting, the excess of fair values of acquired net assets over the purchase price (if any) is first allocated to reduce the carrying values of non-current assets, such as intangible and fixed assets, with any remaining balance recorded as an extraordinary gain.

However, if the transaction were to be consummated in the 2010 fiscal year of International Assets (i.e. after September 30, 2009), SFAS 141R would apply and would materially change the accounting treatment. Under SFAS 141R, the following items likely would have a material impact on accounting for the transaction: (1) the excess of fair values of acquired net assets over the purchase price (if any) would not first be allocated to reduce the carrying values of various assets, but instead, would all be recorded as an ordinary gain in the statement of operations as opposed to an extraordinary gain; (2) intangible assets, such as FCStone's customer lists and non-compete agreements, would be valued after the merger, carried on the consolidated balance sheet at fair value and amortized over the appropriate periods through the consolidated income statement; (3) acquisition-related costs would not be part of the purchase price and, as a result, the impact to the pro forma balance sheet would be to reduce the purchase price and the related excess of fair value of acquired net assets over purchase price, with a corresponding decrease to pro forma retained earnings; and (4) any restructuring costs would be expensed as incurred.

Listing of International Assets Common Stock and Delisting and Deregistration of FCStone Common Stock

Application will be made to have the shares of International Assets common stock issued in the merger approved for listing on the NASDAQ Global Market. If the merger is completed, FCStone common stock will no longer be listed on the NASDAQ Global Select Market and will be deregistered under the Exchange Act, and FCStone will no longer file periodic reports with the SEC.

Comparative Rights of International Assets Stockholders and FCStone Stockholders (Page 182)

FCStone stockholders, whose rights are currently governed by the FCStone amended certificate of incorporation, the FCStone bylaws and Delaware law, will, upon completion of the merger, become stockholders of International Assets and their rights will be governed by the International Assets certificate of incorporation, the International Assets bylaws, and Delaware law.

Legal Proceedings Related to the Merger

On July 7, 2009, the plaintiffs in a stockholder derivative case previously filed against FCStone (solely as a nominal defendant) and its directors and certain officers and former officers in the Circuit Court of Platte County, Missouri filed a motion for leave to amend the existing case to add a purported class action claim on behalf of the holders of FCStone common stock. If amended, the complaint would allege that the defendants breached their fiduciary duties by engaging in an unfair process in connection with the contemplated merger of FCStone and International Assets. If amended, the complaint would allege that the defendants aided the other defendants' breaches of their fiduciary duties. If plaintiffs are permitted to amend the complaint, they would seek to enjoin the merger with International Assets, to rescind the merger, and recover legal fees and expenses. FCStone, to the extent it is named as a direct defendant, and the individual defendants intend to defend against the complaint vigorously.

On July 8, 2009, a purported class action complaint was filed against FCStone and its directors, International Assets and International Assets Acquisition Corp. in the Circuit Court of Clay County, Missouri by two individuals who purport to be stockholders of FCStone. Plaintiffs purport to bring this action on behalf of all stockholders of FCStone. The complaint alleges that the defendants breached their fiduciary duties by failing to maximize stockholder value in connection with the contemplated merger of FCStone and International Assets. The complaint also alleges that FCStone, International Assets, and International Assets Acquisition Corp. aided and abetted the individual defendants' alleged breach of fiduciary duties. Plaintiffs seek to permanently enjoin the merger with International Assets, monetary damages in an unspecified amount attributable to the alleged breach of duties, and legal fees and expenses. FCStone, International Assets and the individual defendants intend to defend against the complaint vigorously.

Market Price and Dividend Information (Page 39)

International Assets common stock is listed on the NASDAQ Global Market under the symbol "IAAC" and FCStone common stock is listed on the NASDAQ Global Select Market under the symbol "FCSX." On July 1, 2009, the last full trading day prior to the public announcement of the proposed merger, International Assets common stock closed at $15.74 and FCStone common stock closed at $4.15. On July 24, 2009, International Assets common stock closed at $16.40 and FCStone common stock closed at $4.96.

RISK FACTORS

In addition to the other information included in and incorporated by reference into this joint proxy statement/prospectus, including the matters addressed in the section entitled "Cautionary Statement Regarding Forward-Looking Statements" beginning on page 41, you should carefully consider the following risk factors before deciding whether to vote for approval of the merger proposal and the related issuance of stock, the proposals on the amendment of the certificate of incorporation of International Assets and the adjournment proposal. In addition, you should read and consider the risks associated with the business of FCStone because these risks will also affect the combined company. These risks can be found in FCStone's Annual Report on Form 10-K/A, for the fiscal year ended August 31, 2008 and its Quarterly Report on Form 10-Q for the fiscal quarter ended May 31, 2009, which are filed with the SEC and incorporated by reference into this joint proxy statement/prospectus. You should also read and consider the other information in this joint proxy statement/prospectus and the other documents incorporated by reference into this joint proxy statement/prospectus. See the section entitled "Where You Can Find More Information" beginning on page 200.

Risks Related to the Merger

Because FCStone stockholders will receive in the merger a fixed number of shares of International Assets common stock rather than a fixed value, if the market price of International Assets common stock declines, the value of the International Assets common stock to be received by FCStone stockholders will also decline.

Upon completion of the merger, each share of FCStone common stock will be converted into merger consideration consisting of 0.2950 of a share of International Assets common stock. The market value of the merger consideration may vary from the closing price of International Assets common stock on the date the merger was announced, on the date that this document was mailed to FCStone stockholders, on the date of the special meeting of the FCStone stockholders and on the date of completion of the merger and thereafter. Any change in the market price of International Assets common stock prior to completion of the merger will affect the market value of the merger consideration that FCStone stockholders will receive upon completion of the merger. Accordingly, at the time of the special meeting, FCStone stockholders will not know or be able to calculate the market value of the merger consideration they would receive upon completion of the merger. Neither company is permitted to terminate the merger agreement or resolicit the vote of FCStone stockholders solely because of changes in the market prices of either company's stock. There will be no adjustment to the merger consideration for changes in the market price of either shares of International Assets common stock or shares of FCStone common stock. Stock price changes may result from a variety of factors, including general market and economic conditions, changes in the respective businesses, operations and prospects of International Assets and FCStone, or regulatory considerations. Many of these factors are beyond the control of International Assets and FCStone. You should obtain current market quotations for shares of International Assets common stock and for shares of FCStone common stock.

Legal proceedings in connection with the merger, the outcomes of which are uncertain, could delay or prevent the completion of the merger.

Since the announcement of the merger, a putative class action lawsuit has been filed on behalf of the stockholders of FCStone (alleging, among other things, that the merger consideration is too low from the perspective of such stockholders). The complaint seeks, among other things, class action status, an order preliminarily and permanently enjoining the proposed transaction, rescission of the transaction if it is consummated, damages, and attorneys' fees and expenses. In addition, the plaintiffs in an existing lawsuit are seeking to amend their complaint to include a putative class action claim to allege that certain directors and officers of FCStone breached their fiduciary duties by engaging in an unfair sale process in connection with the proposed merger. The plaintiffs are seeking, among other things, to enjoin the merger or to rescind the portions

of the transactions that have been completed, and attorneys' fees. Such legal proceedings could delay or prevent the transaction from becoming effective within the agreed timeframe.

The merger agreement limits the ability of FCStone and International Assets to pursue alternatives to the merger.

The merger agreement contains "no shop" provisions that, subject to limited exceptions, limit the ability of FCStone and International Assets to discuss, facilitate or commit to competing third-party proposals to acquire all or a significant part of FCStone or International Assets, as well as a termination fee that is payable by FCStone and International Assets under certain circumstances. In addition, the stock option agreement provides that International Assets may acquire up to 19.9% of the common stock of FCStone under certain circumstances. These provisions might discourage a potential competing acquiror that might have an interest in acquiring all or a significant part of FCStone or International Assets from considering or proposing that acquisition even if it were prepared to pay consideration with a higher per-share market price than that proposed in the merger or might result in a potential competing acquiror proposing to pay a lower per-share price to acquire FCStone or International Assets than it might otherwise have proposed to pay.

The merger is subject to the receipt of consents and approvals from regulatory authorities that may impose conditions that could have an adverse effect on International Assets or, if not obtained, could prevent completion of the merger.

Before the merger may be completed, various approvals or consents must be obtained from securities and commodities regulatory and other authorities. In addition, these governmental authorities may impose conditions on the completion of the merger or require changes to the terms of the merger, and such conditions or changes could have the effect of delaying completion of the merger or imposing additional costs on or limiting the revenues of International Assets following the merger, any of which might have a material adverse effect on International Assets following the merger. For a full description of the regulatory clearances, consents and approvals required for the merger, please see "International Assets Proposal No. 1 and FCStone Proposal No. 1 — The Merger — Regulatory Approvals" on page 86.

Failure to complete the merger could negatively affect the stock price of FCStone and International Assets and their future business and operations.

If the merger is not completed for any reason, including as a result of an injunction granted in connection with the ongoing FCStone stockholder litigation relating to the merger (described on pages 87 and 122), FCStone and International Assets may be subject to a number of material risks, including the following:

- FCStone may be required under certain circumstances to pay International Assets a termination fee of $4.9 million and to reimburse International Assets for up to $2.0 million in expenses;
- FCStone may be required under certain circumstances to issue to International Assets shares of FCStone common stock up to 19.9% of its outstanding common stock at a price, subject to certain adjustments, of $4.15 per share, and to reimburse International Assets for up to $2.0 million in expenses;
- International Assets may be required under certain circumstances to pay FCStone a termination fee of $4.9 million and to reimburse FCStone for up to $2.0 million in expenses;
- the price of the common stock of FCStone and International Assets may decline; and
- costs related to the merger, such as financial advisory, legal, accounting and printing fees, must be paid even if the merger is not completed.

FCStone and International Assets could also be subject to litigation related to any failure to complete the merger or related to any enforcement proceedings commenced against FCStone or International Assets to perform their respective obligations under the merger agreement. If the merger is not completed, these risks may materialize and may adversely affect FCStone's and International Assets' business, financial results and stock price.

International Assets and FCStone may waive one or more of the conditions to the merger without re-soliciting stockholder approval for the merger.

Each of the conditions to the obligations of International Assets and FCStone to complete the merger may be waived, in whole or in part, to the extent permitted by applicable law, by agreement of International Assets and FCStone, if the condition is a condition to both parties' obligation to complete the merger, or by the party for which such condition is a condition of its obligation to complete the merger. The boards of directors of International Assets and FCStone may evaluate the materiality of any such waiver to determine whether amendment of this joint proxy statement/prospectus and re-solicitation of proxies are necessary. International Assets and FCStone, however, generally do not expect any such waiver to be significant enough to require re-solicitation of stockholders. In the event that any such waiver is not determined to be significant enough to require re-solicitation of stockholders, the companies will have the discretion to complete the merger without seeking further stockholder approval. If the closing condition requiring receipt by International Assets and FCStone of the opinions of their respective tax counsel were waived, the merger would not be completed before further approval of the FCStone stockholders was obtained following delivery of relevant additional disclosure to the stockholders.

The non-executive directors of International Assets have interests that differ from other International Assets stockholders' interests and may influence them to support and approve the merger.

Certain members of the board of directors of International Assets have interests in the merger that are different from, or are in addition to, their interests as International Assets stockholders. These interests relate to changes in the director compensation policies of International Assets to be implemented in the event that the merger is completed. These changes will be as follows:

- The compensation payable to each non-executive director for service as a board member will increase from $18,000 per year to $50,000 per year;
- The board will add a new position of vice-chairman, and the director holding this position will receive an additional $15,000 per year; and
- Each non-executive director will also receive an annual grant of restricted stock having a fair value of $25,000 on the date of the annual meeting of stockholders.

As a result, the non-executive directors of International Assets could be more likely to vote for the proposal to approve and adopt the merger agreement and approve the merger than if they did not have these interests. International Assets stockholders should review the section titled "International Assets Proposal No. 1 and FCStone Proposal No. 1 — The Merger — Interests of International Assets' Directors in the Merger" beginning on page 81 for a more complete description of these considerations.

FCStone's directors and executive officers have interests that differ from other FCStone stockholders' interests and may influence them to support and approve the merger.

FCStone's directors and executive officers have certain interests in the merger that differ from the interests of other FCStone stockholders. First, as of the effective time of the merger, all of the outstanding options to acquire shares of the FCStone common stock that have been granted to FCStone executive officers and employees will become fully vested. Second, certain executive officers of FCStone have entered into change in

control agreements with FCStone providing them with certain severance payments if they are terminated under certain circumstances within two years of the execution of the merger agreement. In addition, each FCStone director and officer will also be entitled to continuing indemnification from FCStone for a period of six years following the merger. As a result, FCStone directors and officers could be more likely to vote for the proposal to approve and adopt the merger agreement and approve the merger than if they did not have these interests. FCStone stockholders should review the section titled "International Assets Proposal No. 1 and FCStone Proposal No. 1 — The Merger — Interests of FCStone's Executive Officers and Directors in the Merger" beginning on page 81 for a more complete description of these considerations.

Uncertainty regarding the merger may cause clients to delay or defer decisions concerning International Assets and FCStone and adversely affect each company's ability to attract and retain key employees.

The merger will happen only if stated conditions are met, including the approval of the merger proposal by the stockholders of FCStone and International Assets, the receipt of regulatory approvals, and the absence of any material adverse effect in the businesses of FCStone and International Assets. Many of the conditions are outside the control of FCStone and International Assets, and both parties also have stated rights to terminate the merger agreement. Accordingly, there may be uncertainty regarding the completion of the merger. This uncertainty may cause clients to delay or defer decisions concerning FCStone or International Assets, which could negatively affect their respective businesses. Any delay or deferral of those decisions or changes in existing agreements could have a material adverse effect on the respective businesses of FCStone and International Assets, regardless of whether the merger is ultimately completed. Moreover, diversion of management focus and resources from the day-to-day operation of the business to matters relating to the merger could have a material adverse effect on each company's business, regardless of whether the merger is completed. Current and prospective employees of each company may experience uncertainty about their future roles with the combined company. This may adversely affect the each company's ability to attract and retain key management, sales, marketing and technical personnel.

Risks Related to the Combined Company

The failure of International Assets to operate and manage the combined company effectively could have a material adverse effect on International Assets' business, financial condition and operating results.

International Assets will need to meet significant challenges to realize the expected benefits and synergies of the merger. These challenges include:

- integrating the management teams, strategies, cultures, technologies and operations of the two companies;
- retaining and assimilating the key personnel of each company;
- retaining existing clients of FCStone;
- creating uniform standards, controls, procedures, policies and information systems; and
- achieving revenue growth because of risks involving (1) the ability to retain clients in FCStone's commodities business, (2) the ability to sell the services and products of FCStone to the existing clients of International Assets, and (3) the ability to sell the services and products of International Assets to the existing clients of FCStone.

The accomplishment of these post-merger objectives will involve considerable risk, including:

- the potential disruption of each company's ongoing business and distraction of their respective management teams;

- unanticipated expenses related to technology integration; and
- potential unknown liabilities associated with the merger.

International Assets and FCStone have operated and, until the completion of the merger, will continue to operate, independently. It is possible that the integration process could result in the loss of the technical skills and management expertise of key employees, the disruption of each company's ongoing businesses or inconsistencies in standards, controls, procedures and policies due to possible cultural conflicts or differences of opinions on technical decisions and product road maps that adversely affect International Assets' ability to maintain relationships with clients, software developers, customers and employees or to achieve the anticipated benefits of the merger.

Failure to retain key employees could diminish the anticipated benefits of the merger.

The success of the merger will depend in part on the retention of personnel critical to the business and operations of the combined company due to, for example, their financial, technical or management expertise. Employees may experience uncertainty about their future role with FCStone and International Assets until strategies with regard to these employees are announced or executed. If FCStone and International Assets are unable to retain personnel, including FCStone's key management and risk consultants that are critical to the successful integration and future operations of the companies, the combined company could face disruptions in its operations, loss of existing customers, loss of key information, expertise or know-how, and unanticipated additional recruitment and training costs. In addition, the loss of key personnel could diminish the anticipated benefits of the merger.

As a result of the merger, the combined company will be a larger and more geographically diverse organization, and if the combined company's management is unable to manage the combined organization efficiently, its operating results will suffer.

Following the merger, the combined company will have approximately 650 employees in 28 offices in eleven countries around the world. As a result, the combined company will face challenges inherent in efficiently managing an increased number of employees over large geographic distances, including the need to implement appropriate systems, policies, benefits and compliance programs. The inability to manage successfully the geographically more diverse (including from a cultural perspective) and substantially larger combined organization could have a material adverse effect on the operating results of the combined company after the merger and, as a result, on the market price of International Assets common stock.

The market price of International Assets common stock after the merger may be affected by factors different from those affecting the shares of FCStone or International Assets currently.

The businesses of International Assets and FCStone differ in important respects and, accordingly, the results of operations of the combined company and the market price of the combined company's shares of common stock may be affected by factors different from those currently affecting the independent results of operations of International Assets and FCStone. For a discussion of the businesses of International Assets and FCStone and of certain factors to consider in connection with those businesses, see the documents incorporated by reference in this joint proxy statement/prospectus and referred to under "Where You Can Find More Information" beginning on page 200.

The market price of International Assets' common stock may decline as a result of the merger.

The market price of International Assets' common stock may decline as a result of the merger for a number of reasons, including:

- the integration of FCStone by International Assets may be unsuccessful;

- International Assets may not achieve the perceived benefits of the merger as rapidly as, or to the extent, anticipated by financial or industry analysts; or
- the effect of the merger on the financial results of International Assets may not be consistent with the expectations of financial or industry analysts.

These factors are, to some extent, beyond the control of International Assets.

The ownership and voting interests of International Assets stockholders will be diluted as a result of the issuance of shares of International Assets common stock to the stockholders of FCStone in the merger.

After the merger, stockholders of FCStone who receive International Assets common stock in the merger will represent approximately 47.5% of International Assets common stock as of the date of the merger, based on the number of shares of International Assets common stock and FCStone common stock that were outstanding on July 1, 2009, assuming that no FCStone or International Assets stock options are exercised after July 1, 2009 and prior to the effective time of the merger. After the merger, International Assets stockholders will have the same number of shares of International Assets common stock held immediately prior to the merger and will therefore hold a smaller percentage, approximately 52.5%, of the aggregate number of shares of International Assets common stock outstanding after the merger, based on the same assumptions as included in the previous sentence.

Risks Relating to International Assets

International Assets faces a variety of risks that could adversely impact its financial condition and results of operations. The risks faced by International Assets include the following:

International Assets does not have a consistent history of profitability, and International Assets' ability to achieve consistent profitability in the future is subject to uncertainty.

During the fiscal year ended September 30, 2008, International Assets recorded net income of $27.8 million, compared with a net loss of $4.5 million in 2007, and net income of $3.5 million in 2006. During the six months ended March 31, 2009, International Assets had net income of $7.3 million compared to $18.9 million for the six months ended March 31, 2008.

International Assets' ability to achieve consistent profitability is subject to uncertainty due to the nature of its businesses and the markets in which it operates. In particular, International Assets' revenues and operating results may fluctuate significantly in the future because of the following factors:

- Volatility in the securities and commodities markets in which International Assets operates
- Changes in the volume of International Assets' market making and trading activities
- Changes in the value of International Assets' financial instruments, currency and commodities positions and International Assets' ability to manage related risks
- International Assets' ability to manage personnel, overhead and other expenses
- Changes in execution and clearing fees
- The addition or loss of sales or trading professionals
- Changes in legal requirements
- General economic and political conditions

Although International Assets is continuing its efforts to diversify the sources of its revenues, it is likely that its revenues and operating results will continue to fluctuate substantially in the future and such fluctuations could result in losses. These losses could have a material adverse affect on International Assets' business, financial condition and operating results.

The manner in which International Assets accounts for its commodities inventory and forward commitments may increase the volatility of its reported earnings in the future.

International Assets' net income is subject to volatility due to the manner in which it reports its commodities inventory. This inventory is stated at the lower of cost or market value. International Assets generally mitigates the price risk associated with its commodities inventory through the use of derivatives. This price risk mitigation does not generally qualify for hedge accounting under GAAP. In such situations, any unrealized gains in inventory are not recognized under GAAP, but unrealized gains and losses in related derivative positions are recognized under GAAP. Additionally, GAAP does not require International Assets to reflect changes in estimated values of forward commitments to purchase and sell commodities. As a result, International Assets' reported earnings from this business segment are subject to greater volatility than the earnings from its other business segments.

International Assets' substantial indebtedness could adversely affect its financial condition.

As of March 31, 2009, International Assets' total consolidated indebtedness to lenders and noteholders was approximately $97.4 million. International Assets expects to increase its indebtedness in the future as it continues to expand its business. International Assets' indebtedness could have important consequences, including:

- increasing its vulnerability to general adverse economic and industry conditions
- requiring that a portion of its cash flow from operations be used for the payment of interest on its debt, thereby reducing its ability to use cash flow to fund working capital, capital expenditures, acquisitions and general corporate requirements
- limiting its ability to obtain additional financing to fund future working capital, capital expenditures, acquisitions and general corporate requirements
- limiting its flexibility in planning for, or reacting to, changes in its business and the securities industry
- restricting its ability to pay dividends or make other payments
- placing International Assets at a competitive disadvantage to its competitors that have less indebtedness

International Assets may be able to incur additional indebtedness in the future, including secured indebtedness. If new indebtedness is added to International Assets' current indebtedness levels, the related risks that International Assets now faces could intensify.

Committed credit facilities currently available to International Assets might not be renewed.

As of July 15, 2009, International Assets had four credit facilities under which it may borrow up to $137 million. Of these, three are committed facilities:

- one for $62 million available to International Assets' wholly-owned subsidiary, INTL Commodities, for its commodities trading activities, is committed until June 25, 2010.
- one for $35 million available to International Assets for general purposes is committed until December 31, 2010.

- one for $25 million available to International Assets' wholly-owned subsidiary, INTL Global Currencies, for its foreign exchange trading activities, is committed until December 31, 2010.

It is possible that these facilities might not be renewed at the end of their commitment periods and that International Assets will be unable to replace them with other facilities. In such an event, International Assets will be compelled to shrink its business activities, leading to reduced profitability.

International Assets faces risks associated with its market making and trading activities.

International Assets conducts its market-making and trading activities predominantly as a principal, which subjects its capital to significant risks. These activities involve the purchase, sale or short sale for customers and for its own account of financial instruments, including equity and debt securities, commodities and foreign exchange. These activities are subject to a number of risks, including risks of price fluctuations, rapid changes in the liquidity of markets and counterparty creditworthiness.

These risks may limit International Assets' ability to either resell financial instruments purchased by it or to repurchase securities sold by it in these transactions. In addition, International Assets may experience difficulty borrowing financial instruments to make delivery to purchasers to whom it sold short, or lenders from whom it has borrowed. From time to time, International Assets has large position concentrations in securities of a single issuer or issuers in specific countries and markets. This concentration could result in higher trading losses than would occur if International Assets' positions and activities were less concentrated.

The success of International Assets' market-making activities depends on:

- the price volatility of specific financial instruments, currencies and commodities
- its ability to attract order flow
- the skill of its personnel
- the availability of capital
- general market conditions

To attract market-trading and trading business, International Assets must be competitive in:

- providing enhanced liquidity to its customers
- the efficiency of its order execution
- the sophistication of its trading technology
- the quality of its customer service

In its role as a market maker and trader, International Assets attempts to derive a profit from the difference between the prices at which it buys and sells financial instruments, currencies and commodities. However, competitive forces often require International Assets to:

- match the quotes other market makers display; and
- hold varying amounts of financial instruments, currencies and commodities in inventory.

By having to maintain inventory positions, International Assets is subject to a high degree of risk. International Assets cannot ensure that it will be able to manage its inventory risk successfully or that it will not experience significant losses, either of which could materially adversely affect its business, financial condition and operating results.

The current global financial crisis has adversely affected International Assets' asset management business.

International Assets incurred losses in its asset management segment during the fourth quarter of the 2008 fiscal year due to redemptions and losses in the funds managed by International Assets and losses in proprietary accounts of International Assets. As a result of these losses, total third party assets under management in this segment dropped from $2.3 billion at June 30, 2008, $1.2 billion at September 30, 2008 and to $0.7 billion at March 31, 2009. Performance in the funds did not meet required hurdles and there was a clawback of performance fees previously accrued. Management fees were earned on a lower asset base. International Assets recognized marked-to-market losses in its proprietary investments (investments in registered funds and the proprietary account referred to above) of $4.2 million during the fourth quarter of 2008. The fair value of these proprietary investments at March 31, 2009 was $27.8 million.

The adverse developments in the asset management business were directly attributable to the global financial crisis and have led to continued dramatic shrinkage of that business, including disposition by International Assets of its ownership interest in its former subsidiary, INTL Consilium, LLC effective April 30, 2009. In the event that the financial crisis persists, then this business segment may continue to suffer and International Assets may continue to suffer losses in its proprietary accounts.

The current global financial crisis has heightened many of the risks to which International Assets is exposed.

The current financial crisis has increased many of the risks which accompany International Assets' business, including the risks of counterparty failure, inability to obtain necessary financing and absence of liquid markets. To date, International Assets has not suffered any material adverse developments from the financial crisis other than the losses in its asset management business and a decline in revenues in its debt capital markets business. However, the continuation of the crisis may affect other aspects of International Assets' businesses for a variety of reasons. A general decrease in worldwide economic activity could reduce demand for International Assets' equity market making and foreign exchange business. The substantial decline in commodities prices may affect the levels of business in the commodities trading segment. The ultimate effect of the crisis on International Assets' liquidity, financial condition and capital resources is unpredictable.

International Assets may have difficulty managing its growth.

Since October 1, 2005, International Assets has experienced significant growth in its business. International Assets' operating revenues grew from $35.9 million in the 2006 fiscal year, to $53.6 million in 2007, $127.4 million in 2008 and $56.7 for the first six months of fiscal year 2009.

This growth has required and will continue to require International Assets to increase its investment in management personnel, financial and management systems and controls, and facilities. In the absence of continued revenue growth, the costs associated with International Assets' expected growth would cause its operating margins to decline from current levels. In addition, as is common in the financial industry, International Assets is and will continue to be highly dependent on the effective and reliable operation of its communications and information systems.

The scope of procedures for assuring compliance with applicable rules and regulations has changed as the size and complexity of International Assets' business has increased. In response, International Assets has implemented and continues to revise formal compliance procedures.

It is possible that International Assets will not be able to manage its growth successfully. International Assets' inability to do so could have a material adverse effect on its business, financial condition and operating results.

Counterparties or customers may fail to pay International Assets.

As a market-maker of OTC and listed securities, the majority of International Assets' securities transactions are conducted as principal with broker-dealer counterparties located in the United States. International Assets clears its securities transactions through an unaffiliated clearing broker. Substantially all of its equity and debt securities are held by this clearing broker. International Assets' clearing broker has the right to charge International Assets for losses that result from a counterparty's failure to fulfill its contractual obligations.

International Assets is responsible for self-clearing its foreign exchange and commodities activities and, in addition, takes principal risk to counterparties and customers in these activities. The settlement of exchange traded options is effected through clearing institutions. Any metals or other physical commodities positions are held by third party custodians.

International Assets' policy is to monitor the credit standing of the counterparties and customers with which it conducts business. Nevertheless, one or more of these counterparties or customers may default on their obligations. If any do, International Assets' business, financial condition and operating results could be materially adversely affected.

In its equity, debt and commodities trading businesses, International Assets relies on the ability of its clearing brokers to adequately discharge their obligations on a timely basis. International Assets also depends on the solvency of its clearing brokers and custodians. Any failure by a clearing broker to adequately discharge its obligations on a timely basis, or insolvency of a clearing broker or custodian, or any event adversely affecting International Assets' clearing brokers or custodians, could have a material adverse effect on International Assets' business, financial condition and operating results.

International Assets' revenues may decrease due to changes in market volume, prices or liquidity.

International Assets' revenues may decrease due to changes in market volume, prices or liquidity. Declines in the volume of securities, foreign exchange and commodities transactions and in market liquidity generally may result in lower revenues from market-making and trading activities. Changes in price levels of securities and commodities also may result in reduced trading activity and reduce International Assets' revenues from market-making transactions. Changed price levels also can result in losses from changes in the market value of securities and commodities held in inventory. Sudden sharp changes in market values of securities and commodities can result in:

- illiquid markets
- fair value losses arising from positions held by International Assets
- the failure of buyers and sellers of securities and commodities to fulfill their settlement obligations
- redemptions from funds managed in International Assets' asset management business segment and consequent reductions in management fees
- reductions in accrued performance fees in International Assets' asset management business segment
- increases in claims and litigation

Any change in market volume, price or liquidity or any other of these factors could have a material adverse effect on International Assets' business, financial condition and operating results.

International Assets' revenues may be impacted by diminished market activity due to adverse economic, political and market conditions.

The amount of International Assets' revenues depends in part on the level of activity in the securities, foreign exchange and commodities markets in which International Assets conducts business. The level of activity in these markets is directly affected by numerous national and international factors that are beyond International Assets' control, including:

- economic, political and market conditions
- the availability of short-term and long-term funding and capital
- the level and volatility of interest rates
- legislative and regulatory changes
- currency values and inflation

Any one or more of these factors may reduce the level of activity in these markets, which could result in lower revenues from International Assets' market-making and trading activities. Any reduction in revenues or any loss resulting from these factors could have a material adverse effect on International Assets' business, financial condition and operating results.

International Assets depends significantly on a limited group of customers.

International Assets believes that a small number of customers account for a significant portion of its revenues in each of its businesses. International Assets is unable to measure the level of this concentration because its dealing activities do not permit it to quantify revenues generated by each customer. International Assets expects a significant portion of the future demand for each of its market-making and trading services to remain concentrated within a limited number of customers. None of these customers is obligated contractually to use International Assets' market-making or trading services. Accordingly, these customers may direct their trading activities to other market-makers or traders at any time. The loss of or a significant reduction in demand for International Assets' services from any of these customers could have a material adverse effect on International Assets' business, financial condition and operating results.

International Assets depends on its ability to attract and retain key personnel.

Competition for key personnel and other highly qualified management, sales, trading, compliance and technical personnel is significant. It is possible that International Assets will be unable to retain its key personnel and to attract, assimilate or retain other highly qualified personnel in the future. The loss of the services of any of its key personnel or the inability to identify, hire, train and retain other qualified personnel in the future could have a material adverse effect on International Assets' business, financial condition and operating results.

From time to time, other companies in the financial sector have experienced losses of sales and trading professionals. The level of competition to attract these professionals is intense. It is possible that International Assets will lose professionals due to increased competition or other factors in the future. The loss of a sales and trading professional, particularly a senior professional with broad industry expertise, could have a material adverse affect on International Assets' business, financial condition and operating results.

International Assets depends significantly on its computer and communications systems.

International Assets' market-making and trading activities depend on the integrity and performance of the computer and communications systems supporting them. Extraordinary trading volumes or other events could cause International Assets' computer systems to operate at an unacceptably low speed or even fail. Any

significant degradation or failure of International Assets' computer systems or any other systems in the trading process could cause customers to suffer delays in trading. These delays could cause substantial losses for customers and could subject International Assets to claims from customers for losses. International Assets' systems may also fail as a result of:

- hurricanes, tornados, fires or other natural disasters
- power or telecommunications failures
- acts of God
- computer hacking activities
- terrorism
- war

Any computer or communications system failure or decrease in computer systems performance that causes interruptions in International Assets' operations could have a material adverse effect on its business, financial condition and operating results.

International Assets is subject to extensive government regulation.

The securities industry is subject to extensive regulation under federal, state and foreign laws. In addition, the SEC, FINRA and other self-regulatory organizations, commonly referred to as SROs, state securities commissions, and foreign securities regulators require strict compliance with their respective rules and regulations. These regulatory bodies are responsible for safeguarding the integrity of the financial markets and protecting the interests of participants in those markets. As a participant in various financial markets, International Assets may be subject to regulation concerning certain aspects of International Assets' business, including:

- trade practices
- capital structure
- record retention
- the conduct of International Assets' directors, officers and employees

Failure to comply with any of these laws, rules or regulations could result in adverse consequences. International Assets and certain of International Assets' officers and employees have, in the past, been subject to claims arising from acts in contravention of these laws, rules and regulations. These claims have resulted in the payment of fines and settlements. It is possible that International Assets and its officers and other employees will, in the future, be subject to similar claims. An adverse ruling against International Assets or its officers and other employees could result in International Assets' or its officers' and other employees' being required to pay a substantial fine or settlement and could result in suspension or expulsion. This could have a material adverse effect on International Assets' business, financial condition and operating results.

The regulatory environment in which International Assets operates is subject to change. New or revised legislation or regulations imposed by the SEC, other United States or foreign governmental regulatory authorities, or FINRA or other SROs could have a material adverse effect on International Assets' business, financial condition and operating results. Changes in the interpretation or enforcement of existing laws and rules by these governmental authorities, FINRA and other SROs could also have a material adverse effect on International Assets' business, financial condition and operating results.

Additional regulation, changes in existing laws and rules, or changes in interpretations or enforcement of existing laws and rules often directly affect securities firms. International Assets cannot predict what effect any

such changes might have. International Assets' business, financial condition and operating results may be materially affected by both regulations that are directly applicable to International Assets and regulations of general application. International Assets' level of trading and market-making activities can be affected not only by such legislation or regulations of general applicability, but also by industry-specific legislation or regulations.

International Assets is subject to net capital requirements.

The SEC, FINRA and various other regulatory agencies require International Assets' broker-dealer subsidiary, INTL Trading, to maintain specific levels of net capital. Failure to maintain the required net capital may subject this subsidiary to suspension or revocation of registration by the SEC and suspension or expulsion by FINRA and other regulatory bodies. In addition, a change in the net capital rules, the imposition of new rules or any unusually large charge against net capital could limit International Assets' operations that require the intensive use of capital. They could also restrict International Assets' ability to withdraw capital from International Assets' brokerage subsidiary. Any limitation on International Assets' ability to withdraw capital could limit International Assets' ability to pay cash dividends, repay debt and repurchase shares of International Assets' outstanding stock. A significant operating loss or any unusually large charge against net capital could adversely affect International Assets' ability to expand or even maintain International Assets' present levels of business, which could have a material adverse effect on International Assets' business, financial condition and operating results.

INTL Capital in Dubai is also subject to minimum net capital requirements.

International Assets is subject to risks relating to litigation and potential securities laws liability.

Many aspects of International Assets' business involve substantial risks of liability. A market maker is exposed to substantial liability under federal and state securities laws, other federal, state and foreign laws and court decisions, as well as rules and regulations promulgated by the SEC, FINRA and other regulatory bodies. International Assets is also subject to the risks of litigation and claims that may be without merit. As International Assets intends to defend actively any such litigation, significant legal expenses could be incurred. An adverse resolution of any future lawsuits or claims against International Assets could have a material adverse effect on its business, financial condition and operating results.

International Assets may be subject to potentially large claims for violations of environmental laws.

International Assets' base metals trading business may be subject to potential claims under certain federal, state and foreign environmental laws. This business involves the purchase and sale of base metals such as lead and other potentially hazardous materials. As part of this business, International Assets engages third parties located both in the United States and in other countries to acquire, store, transport and recycle used automotive and industrial batteries on its behalf. In the event that these third parties fail to comply with federal, state or foreign environmental laws in handling or disposing of these batteries and other hazardous substances used in or arising from the recycling of these batteries, International Assets may be exposed to claims for the cost of remediating sites impacted by such improper handling and disposal, as well as other related costs. International Assets seeks to mitigate this risk by dealing with third parties that it believes are in compliance with applicable laws and that have established reputations in the industry.

International Assets is subject to intense competition.

International Assets derives most of its revenues from market-making and trading activities. The market for these services, particularly market-making services through electronic communications gateways, is rapidly evolving and intensely competitive. International Assets expects competition to continue and intensify in the future. International Assets competes primarily with wholesale, national, and regional broker-dealers, as well as electronic communications networks. International Assets competes primarily on the basis of its expertise and quality of service.

A number of International Assets' competitors have significantly greater financial, technical, marketing and other resources than International Assets has. Some of them may:

- offer alternative forms of financial intermediation as a result of superior technology and greater availability of information
- offer a wider range of services and products than International Assets offers
- have greater name recognition
- have more extensive customer bases

These competitors may be able to respond more quickly to new or evolving opportunities and customer requirements. They may also be able to undertake more extensive promotional activities and offer more attractive terms to customers. Recent advances in computing and communications technology are substantially changing the means by which market-making services are delivered, including more direct access on-line to a wide variety of services and information. This has created demand for more sophisticated levels of customer service. Providing these services may entail considerable cost without an offsetting increase in revenues. In addition, current and potential competitors have established or may establish cooperative relationships or may consolidate to enhance their services and products. New competitors or alliances among competitors may emerge and they may acquire significant market share.

International Assets cannot assure you that it will be able to compete effectively with current or future competitors or that the competitive pressures International Assets faces will not have a material adverse effect on its business, financial condition and operating results.

Certain provisions of Delaware law and International Assets' charter may adversely affect the rights of holders of International Assets' common stock and make a takeover of International Assets more difficult.

International Assets is organized under the laws of the State of Delaware. Certain provisions of Delaware law may have the effect of delaying or preventing a change in control. In addition, certain provisions of International Assets' certificate of incorporation may have anti-takeover effects and may delay, defer or prevent a takeover attempt that a stockholder might consider in its best interest. International Assets' certificate of incorporation authorizes the board to determine the terms of International Assets' unissued series of preferred stock and to fix the number of shares of any series of preferred stock without any vote or action by International Assets' stockholders. As a result, the board can authorize and issue shares of preferred stock with voting or conversion rights that could adversely affect the voting or other rights of holders of International Assets' common stock. In addition, the issuance of preferred stock may have the effect of delaying or preventing a change of control, because the rights given to the holders of a series of preferred stock may prohibit a merger, reorganization, sale, liquidation or other extraordinary corporate transaction.

International Assets' stock price is subject to volatility.

The market price of International Assets' common stock has been and can be expected to be subject to fluctuation as a result of a variety of factors, many of which are beyond International Assets' control, including:

- actual or anticipated variations in its results of operations
- announcements of new products by International Assets or its competitors
- technological innovations by International Assets or its competitors
- changes in earnings estimates or buy/sell recommendations by financial analysts
- the operating and stock price performance of other companies
- general market conditions or conditions specific in specific markets

- conditions or trends affecting International Assets' industry or the economy generally
- announcements relating to strategic relationships or acquisitions
- risk factors and uncertainties set forth elsewhere in this joint proxy statement/prospectus

Because of this volatility, International Assets may fail to meet the expectations of its stockholders or of securities analysts, and the trading prices of its common stock could decline as a result. In addition, any negative change in the public's perception of the securities industry could depress the price of International Assets' stock regardless of its operating results.

Future sales by existing stockholders could depress the market price of International Assets common stock.

If International Assets' stockholders sell substantial amounts of International Assets common stock in the public market, the market price of International Assets common stock could fall. Such sales also might make it more difficult for International Assets to sell equity securities in the future at a time and price that International Assets deems appropriate.

Two of International Assets' executive officers, Sean M. O'Connor and Scott J. Branch, have agreed to restrict the sale of the shares of the common stock of International Assets owned by them. They beneficially own 1,934,619 outstanding shares, or 21.2% of the total shares outstanding as of July 15, 2009. These restrictions will expire upon the repayment of International Assets' senior subordinated convertible notes. The agreement contains several exceptions which permit each officer to sell these shares in limited amounts and/or under limited circumstances. These exceptions include the ability to sell up to 20,000 shares in each calendar quarter, plus additional shares in any period provided certain pricing or other conditions are satisfied.

Risks Relating to FCStone

For a discussion of the risks relating to FCStone, see "Risk Factors" in FCStone's Annual Report on Form 10-K, as amended, for the year ended August 31, 2008, as amended, and subsequent quarterly reports on Form 10-Q, which are incorporated by reference into this joint proxy statement/prospectus.

SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA OF INTERNATIONAL ASSETS

The following tables set forth the selected historical consolidated financial data for International Assets. The selected consolidated financial data as of and for the fiscal years ended September 30, 2008, 2007 and 2006 have been derived from International Assets' audited consolidated financial statements, which are included elsewhere in this joint proxy statement/prospectus. The selected consolidated financial data as of and for the fiscal years ended September 30, 2005 and 2004 have been derived from International Assets' audited consolidated financial statements not included in this joint proxy statement/prospectus. The selected consolidated financial data as of and for the six months ended March 31, 2009 and 2008 have been derived from International Assets' unaudited condensed consolidated financial statements, which are included elsewhere in this joint proxy statement/prospectus. Historical results are not necessarily indicative of the results that may be expected for any future period.

This selected consolidated financial data should be read in conjunction with Management's Discussion and Analysis of Financial Condition and Results of Operations of International Assets appearing elsewhere in this joint proxy statement/prospectus.

(In millions, except share and per share numbers)	As of and for the Six Months Ended March 31,		As of and for the Fiscal Years Ended September 30,				
	2009	2008	2008	2007	2006	2005	2004
	(Unaudited)						
Income Statement							
Operating revenues	$ 56.7	$ 74.7	$ 127.4	$ 53.6	$ 35.9	$ 26.1	$ 22.0
Interest expense	4.6	5.8	11.2	9.4	2.1	1.3	3.2
Non-interest expenses	41.0	35.3	68.6	49.9	28.5	20.7	16.9
Income (loss) before taxes and minority interest	11.1	33.6	47.6	(5.7)	5.3	4.1	1.9
Taxes	3.3	12.5	18.0	(2.0)	1.7	1.5	2.0
Minority interest	0.5	1.3	0.4	0.6	0.1	—	—
Income (loss) from continuing operations	7.3	19.8	29.2	(4.3)	3.5	2.6	(0.1)
Discontinued operations	—	0.9	1.4	0.2	—	—	—
Net income (loss)	$ 7.3	$ 18.9	$ 27.8	$ (4.5)	$ 3.5	$ 2.6	$ (0.1)
Earnings (loss) per share:							
- Basic	$ 0.82	$ 2.26	$ 3.30	$ (0.56)	$ 0.45	$ 0.36	$ (0.02)
- Diluted	$ 0.78	$ 1.97	$ 2.95	$ (0.56)	$ 0.41	$ 0.33	$ (0.02)
Number of shares:							
- Basic	8,864,298	8,362,265	8,434,976	8,086,837	7,636,808	7,303,065	5,090,304
- Diluted	9,972,697	9,945,082	9,901,766	8,086,837	8,387,761	8,023,891	5,090,304
Balance Sheet							
Total assets	$ 365.5	$ 398.6	$ 438.0	$ 361.2	$ 199.9	$ 147.0	$ 67.7
Total stockholders' equity	$ 79.3	$ 57.1	$ 74.8	$ 35.6	$ 33.9	$ 28.1	$ 24.6
Net book value per share outstanding	$ 8.78	$ 6.68	$ 8.38	$ 4.31	$ 4.32	$ 3.78	$ 3.48

SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA OF FCSTONE

The following tables set forth the selected historical consolidated financial and operating data for FCStone. The selected consolidated financial and operating data as of and for the fiscal years ended August 31, 2008, 2007 and 2006 have been derived from FCStone's audited consolidated financial statements, which have been incorporated by reference into this joint proxy statement/prospectus. The selected consolidated financial and operating data as of and for the fiscal years ended August 31, 2005 and 2004 have been derived from FCStone's audited consolidated financial statements not included in this joint proxy statement/prospectus. The selected consolidated financial and operating data as of and for the nine months ended May 31, 2009 have been derived from FCStone's unaudited condensed consolidated financial statements, which are incorporated by reference into this joint proxy statement/prospectus. Historical results are not necessarily indicative of the results that may be expected for any future period.

This selected consolidated financial and operating data should be read in conjunction with FCStone's Annual Report on Form 10-K/A for the fiscal year ended August 31, 2008 and FCStone's Quarterly Report on Form 10-Q for the nine months ended May 31, 2009 incorporated by reference into this joint proxy statement/prospectus.

	Nine Months Ended May 31,		Year Ended August 31,				
	2009	2008	2008	2007	2006	2005	2004
	(amounts in millions, except per share amounts)						
Statement of Operations Data:							
Revenues:							
Commissions and clearing fees	$ 109.7	$ 132.7	$179.2	$ 145.1	$ 105.6	$ 76.7	$ 67.6
Service, consulting and brokerage fees	43.3	68.8	97.7	47.7	33.4	18.9	12.0
Interest	21.8	37.5	48.3	42.9	23.2	8.2	4.0
Other	5.6	8.3	10.4	4.5	2.6	7.4	4.5
Sales of commodities	19.3	2.0	1.9	1,101.7	1,130.0	1,290.6	1,536.2
Total revenues	199.7	249.3	337.5	1,341.9	1,294.8	1,401.8	1,624.3
Costs and expenses:							
Cost of commodities sold	19.1	1.0	1.1	1,084.2	1,112.9	1,275.1	1,519.2
Employee compensation and broker commissions	41.0	46.6	65.9	49.5	44.3	32.6	30.2
Pit brokerage and clearing fees	65.3	73.6	104.0	68.0	47.6	33.1	26.7
Introducing broker commissions	16.9	24.9	33.3	36.1	22.8	14.5	10.7
Employee benefits and payroll taxes	6.3	9.8	13.7	10.7	9.8	8.0	7.1
Interest	3.4	4.4	5.7	9.9	5.7	3.9	4.4
Depreciation and amortization	2.2	1.3	2.0	1.7	1.7	1.6	0.9
Provision for bad debts	118.2	1.9	2.0	1.6	1.9	4.1	0.7
Impairment loss on goodwill	1.9	—	—	—	—	—	—
Other expenses	29.3	23.0	31.6	26.0	23.6	18.9	15.4
Total costs and expenses	303.6	186.5	259.3	1,287.7	1,270.3	1,391.8	1,615.3
Income (loss) from continuing operations before income tax (benefit) expense and minority interest	(103.9)	62.8	78.2	54.2	24.5	10.0	9.0
Minority interest	(0.6)	—	(0.1)	0.6	(0.2)	(0.5)	0.6
Income (loss) from continuing operations after minority interest and before income tax (benefit) expense	(103.2)	62.8	78.3	53.6	24.7	10.5	8.4
Income tax (benefit) expense	(42.1)	23.5	30.9	20.0	9.5	3.9	2.0
Net income (loss) from continuing operations	(61.1)	39.3	47.4	33.6	15.2	6.6	6.4

	Nine Months Ended May 31,		Year Ended August 31,				
	2009	2008	2008	2007	2006	2005	2004
	(amounts in millions, except per share amounts)						
Loss from discontinued operations, net of tax	(0.1)	(6.1)	(6.8)	(0.3)	—	—	—
Net income (loss)	$ (61.2)	$ 33.2	$ 40.6	$ 33.3	$15.2	$ 6.6	$ 6.4
Basic shares outstanding(1)	27.9	27.7	27.7	24.5	21.7	19.6	
Diluted shares outstanding(1)	27.9	29.0	28.9	25.1	21.7	19.6	
Basic earnings (loss) per share:							
Continuing operations	(2.19)	1.42	$ 1.71	$ 1.37	$0.70	$0.34	
Discontinued operations	—	(0.22)	(0.25)	(0.01)	—	—	
Net income (loss)	(2.19)	1.20	$ 1.46	$ 1.36	$0.70	$0.34	
Diluted earnings (loss) per share:							
Continuing operations	(2.19)	1.36	$ 1.64	$ 1.34	$0.70	$0.34	
Discontinued operations	—	(0.21)	(0.24)	(0.01)	—	—	
Net income (loss)	(2.19)	1.15	$ 1.40	$ 1.33	$0.70	$0.34	
Cash dividends declared per share(4)	—	—	$ —	$ 0.28	$0.13	$ —	

	Nine Months Ended May 31,		August 31,				
	2009	2008	2008	2007	2006	2005	2004
	(amounts in millions)						
Statement of Financial Condition Data:							
Total assets(3)	$1,477.1	$2,426.3	$2,421.5	$1,420.2	$1,057.2	$809.6	$603.8
Notes payable and subordinated debt(3)	41.0	92.3	95.2	36.1	55.2	42.4	47.3
Obligations under capital leases(3)	—	—	—	—	3.6	4.1	4.7
Minority interest(3)	6.7	5.0	4.9	—	3.6	4.8	5.5
Common stock and equity	$ 165.9	$ 217.2	$ 227.6	$ 173.7	$ 58.9	$ 45.2	$ 39.8

	Nine Months Ended May 31,		Year Ended August 31,				
	2009	2008	2008	2007	2006	2005	2004
	(amounts in thousands)						
Segment and Other Data:							
Income (loss) before minority interest and income tax (benefit) expense:							
Commodity and Risk Management Services	$ 10.8	$ 54.3	$ 67.6	$ 45.7	$ 21.9	$ 11.1	$ 7.9
Clearing and Execution Services	(97.1)	15.0	20.2	9.6	10.9	5.2	3.4
Financial Services	0.3	1.2	1.7	1.1	—	0.5	(0.5)
Grain Merchandising(3)	—	—	—	2.1	(0.4)	(2.0)	2.2
Corporate and other	(17.9)	(7.8)	(11.2)	(4.3)	(7.9)	(4.8)	(4.0)
	$(103.9)	$ 62.7	$ 78.1	$ 54.2	$ 24.5	$ 10.0	$ 9.0
Revenues, net of cost of commodities sold(2)	$ 180.6	$ 248.2	$ 336.5	$257.8	$181.9	$126.8	$105.1
EBITDA(2)	$ (95.8)	$ 68.5	$ 86.0	$ 65.3	$ 32.1	$ 16.0	$ 13.7
Return on equity	(51.8)%	28.3%	20.1%	33.8%	30.1%	15.4%	16.5%
Exchange contract trading volume	51.3	77.1	98.6	61.0	47.5	36.2	29.9
OTC contract volume	0.4	1.0	1.4	0.8	0.3	0.2	.1
Customer segregated assets, end of period	$ 835.4	$1,386.6	$1,528.0	$997.4	$764.8	$594.7	$390.0

(1) The basic and diluted shares outstanding, for all periods, have been adjusted to reflect the three-for-one stock split effected on February 26, 2007 and the three-for-two split distributed on September 27, 2007. Additionally, the calculation of the basic and diluted shares outstanding for the year ended August 31, 2005 assumes the shares issued as a result of the restructuring, from a cooperative to a corporation, have been issued and outstanding for the full year.

(2) FCStone has provided a reconciliation of Revenues, net of cost of commodities sold and EBITDA to Revenues and Net Income, respectively, which FCStone believes are the most directly comparable financial measures calculated and presented in accordance with generally accepted accounting principles, in its Annual Report on From 10-K/A for the year ended August 31, 2008 and its Quarterly Report on Form 10-Q for the nine months ended May 31, 2009 under the caption "Selected Financial Data – Non-GAAP Financial Measures," which are incorporated by reference into this joint proxy statement/prospectus.

(3) On June 1, 2007, FCStone closed an equity purchase agreement to sell its majority interest in FGDI to Agrex, the other existing member of FGDI. Subsequent to the sale, FCStone retains a 25% interest in the equity of FGDI and account for this non-controlling interest on the equity method of accounting. Accordingly, FCStone's consolidated statements of financial condition at August 31, 2008 and 2007 do not include FGDI's assets and liabilities. Also, FCStone's consolidated statement of operations at August 31, 2007 includes FGDI's revenues and expenses for only the nine month period ended May 31, 2007. Minority interest attributable to Agrex prior to the sale of FCStone's controlling interest are reflected for the years ended August 31, 2006, 2005 and 2004, respectively. FCStone has recorded its equity interest in FGDI's operating results subsequent to the sale as other revenue.

(4) Such information has been adjusted to reflect retroactively the three-for-one stock split effective February 26, 2007, and the three-for-two split effective on September 27, 2007. Historical dividend data has been omitted for fiscal years prior to 2005 because earnings were distributed as patronage dividends to members based on the level of business conducted.

SELECTED UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION

The following selected unaudited pro forma condensed combined income statement data for the nine months ended March 31, 2009 and fiscal year ended September 30, 2008 reflect the merger and related transactions as if they had occurred on October 1, 2007. The following selected unaudited pro forma condensed combined balance sheet data as of March 31, 2009 reflect the merger and related transactions as if they had occurred on March 31, 2009.

Such unaudited pro forma condensed combined financial data is based on the historical financial statements of International Assets and FCStone and on publicly available information and certain assumptions and adjustments as discussed in the section entitled "Unaudited Pro Forma Condensed Combined Financial Statements" beginning on page 190. This unaudited pro forma condensed combined financial information is provided for illustrative purposes only and is not necessarily indicative of what the operating results or financial position of International Assets or FCStone would have been had the merger and related transactions been completed at the beginning of the periods or on the dates indicated, nor are they necessarily indicative of any future operating results or financial position. The following should be read in connection with the section of this joint proxy statement/prospectus entitled "Unaudited Pro Forma Condensed Combined Financial Statements" beginning on page 190 and other information included in or incorporated by reference into this joint proxy statement/prospectus.

(In millions, except share and per share numbers)	As of and for the Nine Months Ended March 31, 2009	As of and for the Fiscal Year Ended September 30, 2008
Income Statement		
Operating revenues	$ 259.0	$ 463.8
Interest expense	10.9	16.9
Non-interest expenses	336.6	319.1
(Loss) income before taxes and minority interest	(88.5)	127.8
Income tax expense (benefit)	(37.0)	49.7
Minority interest	(1.2)	0.2
(Loss) income from continuing operations	$ (50.3)	$ 77.9
(Loss) earnings from continuing operations per share:		
- Basic	$ (2.94)	$ 4.69
- Diluted	$ (2.94)	$ 4.23
Number of shares:		
- Basic	17,101,288	16,620,931
- Diluted	17,101,288	18,437,296
Balance Sheet		
Total assets	$ 1,827.4	
Total stockholders' equity	$ 231.2	
Net book value per share outstanding	$ 13.38	

UNAUDITED PRO FORMA COMBINED PER SHARE INFORMATION

The following selected unaudited pro forma combined per share information for the nine months ended March 31, 2009 and fiscal year ended September 30, 2008 reflects the merger and related transactions as if they had occurred on October 1, 2007. The unaudited pro forma combined book value per common share outstanding reflects the merger and related transactions as if they had occurred on March 31, 2009. Because of different fiscal period ends, the unaudited pro forma condensed combined income statement data for the nine months ended March 31, 2009 combines International Assets' historical consolidated income statement for the nine months then ended with FCStone's historical consolidated statement of operations for the nine months ended May 31, 2009. The unaudited pro forma condensed combined income statement data for the fiscal year ended September 30, 2008 combines International Assets' historical consolidated income statement for the fiscal year then ended with FCStone's results of operations for the fiscal year ended August 31, 2008.

Such unaudited pro forma combined per share information is based on the historical financial statements of International Assets and FCStone and on publicly available information and certain assumptions and adjustments as discussed in the section entitled "Unaudited Pro Forma Condensed Combined Financial Statements" beginning on page 190. This unaudited pro forma combined per share information is provided for illustrative purposes only and is not necessarily indicative of what the operating results or financial position of International Assets or FCStone would have been had the merger and related transactions been completed at the beginning of the periods or on the dates indicated, nor are they necessarily indicative of any future operating results or financial position. The following should be read in connection with the section entitled "Unaudited Pro Forma Condensed Combined Financial Statements" beginning on page 190, and other information included in or incorporated by reference into this joint proxy statement/prospectus.

International Assets

	Nine Months Ended March 31, 2009	Fiscal Year Ended September 30, 2008
Historical Per Common Share Data:		
Basic net income per share	$ 0.82	$ 3.30
Diluted net income per share	$ 0.78	$ 2.95
Book value per share as of the period end(1)	$ 8.78	$ 8.38

FCStone

	Nine Months Ended May 31, 2009	Fiscal Year Ended August 31, 2008
Historical Per Common Share Data:		
Basic net (loss) income per share	$ (2.19)	$ 1.46
Diluted net (loss) income per share	$ (2.19)	$ 1.40
Book value per share as of the period end(1)	$ 5.94	$ 8.15

Pro Forma Combined Company

	Nine Months Ended March 31, 2009	Fiscal Year Ended September 30, 2008
Unaudited Pro Forma Combined Per Common Share Data:		
Basic net (loss) income per share	$ (2.94)	$ 4.69
Diluted net (loss) income per share	$ (2.94)	$ 4.23
Book value per share as of the period end(1)	$ 13.38	

(1) The historical book value per International Assets share is computed by dividing stockholders' equity by the number of shares of common stock outstanding at March 31, 2009 and September 30, 2008. The historical book value per FCStone share is computed by dividing stockholders' equity by the number of shares of common stock outstanding at May 31, 2009 and August 31, 2008. The unaudited pro forma combined book value per share as of March 31, 2008 is computed by dividing the unaudited pro forma combined stockholders' equity by the unaudited pro forma weighted average combined number of shares of International Assets common stock outstanding at March 31, 2009 assuming the merger had occurred as of that date.

MARKET PRICE AND DIVIDEND INFORMATION

International Assets common stock is listed on the NASDAQ Global Market under the symbol “IAAC” and FCStone common stock is listed on the NASDAQ Global Select Market under the symbol “FCSX.” The following tables present, for the periods indicated, the range of high and low per share sales prices for International Assets common stock and FCStone common stock as reported on the these markets. Neither International Assets nor FCStone has declared or paid any cash dividend on shares of its common stock since September 1, 2006.

International Assets’ fiscal year ends on September 30, and FCStone’s fiscal year ends on August 31.

International Assets Common Stock

	Price Range	
	High	Low
2009:		
Fourth Quarter (through July 23, 2009)	$ 16.75	$ 12.50
Third Quarter	$ 16.95	$ 9.35
Second Quarter	$ 11.82	$ 6.25
First Quarter	$ 27.50	$ 5.29
2008:		
Fourth Quarter	$ 37.74	$ 18.11
Third Quarter	$ 32.68	$ 21.78
Second Quarter	$ 28.77	$ 21.48
First Quarter	$ 31.11	$ 24.46
2007:		
Fourth Quarter	$ 26.79	$ 20.41
Third Quarter	$ 28.35	$ 20.52
Second Quarter	$ 29.62	$ 15.36
First Quarter	$ 49.53	$ 21.41

FCStone Common Stock

	Price Range	
	High	Low
2009:		
Fourth Quarter (through July 23, 2009)	$ 5.45	$ 3.74
Third Quarter	$ 4.80	$ 1.23
Second Quarter	$ 5.60	$ 1.45
First Quarter	$ 21.53	$ 1.90
2008:		
Fourth Quarter	$ 41.12	$ 13.00
Third Quarter	$ 46.18	$ 18.39
Second Quarter	$ 53.25	$ 39.02
First Quarter	$ 43.98	$ 28.67
2007:		
Fourth Quarter	$ 42.97	$ 26.76
Third Quarter	$ 34.56	$ 18.17

The following table presents the closing per share price of International Assets common stock as reported on the NASDAQ Global Market, and the closing price per share of FCStone common stock as reported on the NASDAQ Global Select Market and the estimated equivalent per share price (as explained below) of FCStone common stock on July 1, 2009, the last full trading day before the public announcement of the proposed merger, and on July 23, 2009:

	International Assets Common Stock	FCStone Common Stock	Estimated Equivalent FCStone Per Share Price
July 1, 2009	$ 15.74	$ 4.15	$ 4.64
July 23, 2009	$ 16.74	$ 4.93	$ 4.94

The estimated equivalent per share price of a share of FCStone common stock equals the exchange ratio of 0.2950 multiplied by the price of a share of International Assets common stock. You may use this calculation to estimate what your shares of FCStone common stock will be worth if the merger is consummated. If the merger had occurred on July 23, 2009, you would have received a number of shares of International Assets common stock worth $4.94 for each share of FCStone common stock you owned. The actual equivalent per share price of a share of FCStone common stock that you will receive if the merger is consummated may be different from this price because the per share price of International Assets common stock on the NASDAQ Global Market fluctuates continuously.

Following the consummation of the merger, International Assets common stock will continue to be listed on the NASDAQ Global Market, and there will be no further market for FCStone common stock.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This joint proxy statement/prospectus contains or incorporates by reference a number of forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. Statements that are not historical facts, including statements about our beliefs and expectations, are forward-looking statements. Forward-looking statements include statements preceded by, followed by, or including the words “could,” “would,” “should,” “target,” “plan,” “believe,” “expect,” “intend,” “anticipate,” “estimate,” “project,” “potential,” “possible” or other similar expressions. In particular, forward-looking statements contained in this joint proxy statement/prospectus include expectations regarding the financial conditions, results of operations, earnings outlook and prospects of International Assets, FCStone and the potential combined company and may include statements regarding the period following the completion of the merger.

The forward-looking statements involve certain risks and uncertainties and may differ materially from actual results. The ability of either International Assets or FCStone to predict results or the actual effects of its plans and strategies, or those of the combined company, is subject to inherent uncertainty. Factors that may cause actual results or earnings to differ materially from such forward-looking statements include those set forth on page 17 under “Risk Factors”, as well as, among others, the following:

- factors discussed and identified in public filings with the SEC made by International Assets or FCStone;
- the effect of changes in domestic and global economic conditions in general;
- the completion of the merger is dependent on, among other things, receipt of stockholder and regulatory approvals, the timing of which cannot be predicted with precision and which may not be received at all;
- the merger may be more expensive to complete than anticipated, including as a result of unexpected factors or events;
- the exposure to litigation, including the possibility that litigation relating to the merger agreement and related transactions could delay or impede the completion of the merger;
- the integration of FCStone’s business and operations with those of International Assets may take longer than anticipated, may be more costly than anticipated and may have unanticipated adverse results relating to FCStone’s or International Assets’ existing businesses; and
- the attrition in key customer and other relationships relating to the merger may be greater than expected.

You are cautioned not to place undue reliance on these statements, which speak only as of the date of this joint proxy statement/prospectus or the date of any document incorporated by reference in this document. Except to the extent required by applicable law or regulation, International Assets and FCStone undertake no obligation to update these forward-looking statements to reflect events or circumstances after the date of this document or to reflect the occurrence of unanticipated events.

All subsequent written and oral forward-looking statements concerning the merger or other matters addressed in this joint proxy statement/prospectus and attributable to International Assets or FCStone or any person acting on their behalf are expressly qualified in their entirety by the preceding cautionary statement.

THE COMPANIES

International Assets

International Assets and its subsidiaries form a financial services group focused on select international markets. International Assets commits its capital and expertise to market-making and dealing in financial instruments, currencies and commodities, and to asset management. International Assets' activities are divided into five reportable business segments — international equities market-making, foreign exchange trading, commodities trading, international debt capital markets and asset management.

- **International Equities Market-Making**. International Assets is a leading U.S. market maker in select foreign securities, including unlisted American Depository Receipts and foreign common shares. International Assets provides execution and liquidity primarily to U.S.-based wire houses, regional broker-dealers and institutional investors.
- **Foreign Exchange Trading**. International Assets trades select illiquid currencies of developing countries. International Assets' target customers are financial institutions, multi-national corporations, and governmental and charitable organizations operating in these developing countries. In addition, International Assets executes trades based on the foreign currency flows inherent in its existing international securities activities. International Assets primarily acts as a principal in buying and selling foreign currencies on a spot basis.
- **Commodities Trading**. International Assets provides a full range of over-the-counter precious and base metals trading and hedging capabilities to producers, consumers, recyclers and investors with a particular focus on transactions that include physical delivery. Acting as a principal, International Assets commits its capital to buy and sell the metals on a spot and forward basis.
- **International Debt Capital Markets**. International Assets originates international debt transactions for issuers located primarily in emerging markets. This includes bond issues, syndicated loans, asset securitizations as well as forms of other negotiable debt instruments. International Assets also actively trades a wide variety of international debt instruments including both investment grade and higher yielding emerging market bonds with particular focus on smaller emerging market sovereign, corporate and bank bonds that trade worldwide on an over-the-counter basis.
- **Asset Management**. International Assets provides asset management services through two wholly owned subsidiaries: INTL Capital Ltd. and Gainvest S.A. Sociedad Gerente de Fondos Communes de Inversion. INTL Capital Ltd. acts as the investment adviser to INTL Trade Finance Fund Ltd. Gainvest acts as an investment adviser to three investment funds organized and traded in Argentina.

International Assets common stock is traded on the NASDAQ Global Market under the symbol "IAAC."

The address of International Assets' principal executive offices is 220 E. Central Parkway, Suite 2060, Altamonte Springs, Florida 32701 and its telephone number is (407) 741-5300.

Merger Sub

International Assets Acquisition Corp., or merger sub, is a wholly owned subsidiary of International Assets that was incorporated in Delaware in June 2009. Merger sub does not engage in any operations and exists solely to facilitate the merger.

FCStone

FCStone Group, Inc. is an integrated commodity risk management company providing risk management consulting and transaction execution services to commercial commodity intermediaries, end-users and producers. FCStone assists primarily middle market customers in optimizing their profit margins and mitigating their exposure to commodity price risk. In addition to its risk management consulting services, FCStone operates one of the leading independent clearing and execution platforms for exchange-traded futures and options contracts.

FCStone serves more than 8,000 customers and in fiscal 2008, executed more than 100 million derivative contracts in the exchange-traded and over-the-counter ("OTC") markets. As a complement to its commodity risk management consulting and execution services, FCStone also assists its customers with financing, transportation and merchandising of their physical commodity requirements and inventories through its financial services segment and equity affiliations.

FCStone began offering commodity risk management consulting services to grain elevators in 1968. FCStone originally operated as a member-owned cooperative that was governed by a mission to deliver professional marketing and risk management programs to enhance the profitability of its members and other customers. In 2004, FCStone converted to a stock corporation to improve its access to financial capital and to facilitate continued growth in its operations.

FCStone provides its customers with various levels of commodity risk management services, ranging from value-added consulting services delivered through its Integrated Risk Management Program ("IRMP") to lower-margin clearing and execution services for exchange-traded derivative contracts. Within its Commodity and Risk Management Services ("C&RM") segment, its IRMP involves providing its customers with commodity risk management consulting services that are designed to help them mitigate their exposure to commodity price risk and maximize the amount and certainty of their operating profits. In performing consulting services, FCStone educates its customers as to the commodity risks that they may encounter and how they can use the derivative markets to mitigate those risks. The IRMP forms the basis of its value-added approach, and serves as a competitive advantage in customer acquisition and retention. FCStone offers its customers access to both exchange-traded and OTC derivative markets, integrating the two platforms into a seamless product offering delivered by its 120 commodity risk management consultants.

Within its Clearing and Execution Services ("CES") segment, FCStone also offers clearing and execution services to a broad array of participants in exchange-traded futures and options markets including commercial accounts, professional traders, managed futures funds, introducing brokers and retail customers. Its futures commission merchant ("FCM") subsidiary holds clearing-member status at all of the major U.S. commodity futures and options exchanges. As of May 31, 2009, FCStone was the fourth largest FCM in the U.S., as measured by required customer segregated assets, not affiliated with a major financial institution or commodity producer, intermediary or end-user. Its exchange-traded futures and options transaction volumes have grown from 16.3 million contracts in fiscal year 2003 to 98.6 million contracts in fiscal 2008. As of May 31, 2009, FCStone had $835.4 million in customer segregated assets.

To compliment its two primary segments, C&RM and CES, FCStone also operates a Financial Services segment. In its Financial Services segment, through FCStone Financial, Inc. ("FCStone Financial") and FCStone Merchant Services, LLC ("FCStone Merchant Services"), FCStone offers financing and facilitation for its customers with respect to physical commodity inventories and operations. FCStone Financial offers financing services that help its customers finance physical grain inventories, while FCStone Merchant Services provides the same services for grain inventories, as well as other commodities. FCStone Merchant Services also provides structured commodity financing in transactions where it shares in profits with customers in commodity or commodity-related projects in exchange for financial support. The Financial Services segment, while not a primary source of revenue or profit, serves as a facilitation business for C&RM customers, enabling FCStone to provide additional value-added services to its customers. Based on current credit market conditions, FCStone's activity in this segment is expected to remain reduced throughout the remainder of fiscal 2009.

FCStone common stock is traded on the NASDAQ Global Select Market under the symbol "FCSX."

The address of FCStone's principal executive offices is 1251 NW Briarcliff Parkway, Suite 800, Kansas City, Missouri 64116, and its telephone number is (816) 410-7120.

Additional information about FCStone and its subsidiaries is included in documents incorporated by reference in this joint proxy statement/prospectus. See "Where You Can Find More Information" beginning on page 200.

THE INTERNATIONAL ASSETS SPECIAL MEETING

Date, Time and Place

The special meeting of International Assets stockholders will be held on , 2009, at commencing at 10:00 a.m. local time. We are sending this joint proxy statement/prospectus to International Assets stockholders in connection with the solicitation of proxies by the International Assets board of directors for use at the International Assets special meeting and any adjournments or postponements of the special meeting.

Purposes of the International Assets Special Meeting

The purposes of the International Assets special meeting are:

1. To consider and vote upon the issuance of shares of International Assets common stock in the merger contemplated by the Agreement and Plan of Merger, dated as of July 1, 2009, by and among International Assets, International Assets Acquisition Corp., a wholly-owned subsidiary of International Assets, and FCStone;

2. To consider and vote upon a proposal to approve an amendment to International Assets' certificate of incorporation to increase the number of authorized shares of International Assets common stock from 17,000,000 shares to 30,000,000 shares;

3. To consider and vote upon a proposal to approve an amendment to International Assets' certificate of incorporation to establish a classified board of directors initially consisting of thirteen members to be divided into three classes, the reduction in the size of the board to eleven members in 2012 and to nine members in 2013, and the elimination of the classified board in 2013;

4. To consider and vote upon a proposal to approve an amendment to International Assets' certificate of incorporation to eliminate a provision that requires the affirmative vote of the holders of 75% of the outstanding shares of International Assets common stock to remove or change the chairman of the board;

5. To consider and vote upon an adjournment of the International Assets special meeting, including if necessary, to solicit additional proxies if there are not sufficient votes in favor of any of International Assets Proposal Nos. 1, 2, 3 or 4; and

6. To transact such other business as may properly come before the special meeting or any adjournment or postponement thereof.

Recommendation of the Board of Directors of International Assets

International Assets' board of directors has unanimously determined that the issuance of shares of International Assets common stock in the merger is advisable and fair to, and in the best interests of, International Assets and its stockholders and has unanimously approved such issuance. International Assets' board of directors unanimously recommends that International Assets stockholders vote "For" International Assets' Proposal No. 1 to approve the issuance of shares of International Assets common stock in the merger.

International Assets' board of directors has unanimously determined that the amendment to the certificate of incorporation to increase its authorized shares of common stock to 30,000,000 shares is advisable and fair to, and in the best interests of, International Assets and its stockholders and has unanimously approved such amendment. International Assets' board of directors unanimously recommends that International Assets stockholders vote "For" International Assets Proposal No. 2 to approve the amendment to the certificate of incorporation for this purpose.

International Assets' board of directors has unanimously determined that amendments to the certificate of incorporation to establish a classified board are advisable and fair to, and in the best interests of, International Assets and its stockholders and has unanimously approved such amendments. International Assets' board of directors unanimously recommends that International Assets stockholders vote "For" International Assets Proposal No. 3 to approve amendments to the certificate of incorporation for these purposes.

International Assets' board of directors has unanimously determined that amendments to the certificate of incorporation to eliminate the requirement of stockholder approval to change the chairman of the board, are advisable and fair to, and in the best interests of, International Assets and its stockholders and has unanimously approved such amendments. International Assets' board of directors unanimously recommends that International Assets stockholders vote "For" International Assets Proposal No. 4 to approve amendments to the certificate of incorporation for these purposes.

International Assets' board of directors has unanimously determined that the proposal to adjourn the International Assets special meeting, if necessary, if a quorum is present, to solicit additional proxies if there are not sufficient votes in favor of any of International Assets Proposal Nos. 1, 2, 3 or 4 is advisable and fair to, and in the best interests of, International Assets and its stockholders and has unanimously approved and adopted the proposal. Accordingly, International Assets' board of directors unanimously recommends that all International Assets stockholders vote "For" International Assets Proposal No. 5 to adjourn the International Assets special meeting, if necessary, if a quorum is present, to solicit additional proxies if there are not sufficient votes in favor of any of International Assets Proposal Nos. 1, 2, 3 or 4.

Record Date and Voting Power

Only holders of record of International Assets common stock at the close of business on the record date, , 2009, are entitled to notice of, and to vote at, the International Assets special meeting. There were approximately holders of record of International Assets common stock at the close of business on the record date. Because many of such shares are held by brokers and other institutions on behalf of stockholders, International Assets is unable to estimate the total number of stockholders represented by these record holders. There were shares of International Assets common stock issued and outstanding at the close of business on the record date. Each share of International Assets common stock entitles the holder thereof to one vote on each matter submitted for stockholder approval. See "Security Ownership of Certain Beneficial Owners and Management" of International Assets for information regarding persons known to the management of International Assets to be the beneficial owners of more than 5% of the outstanding shares of International Assets common stock.

Voting and Revocation of Proxies

The proxy accompanying this joint proxy statement/prospectus is solicited on behalf of the board of directors of International Assets for use at the International Assets special meeting.

If you are a stockholder of record of International Assets as of the record date referred to above, you may vote in person at the International Assets special meeting or vote by proxy over the Internet, by telephone or using the enclosed proxy card. Whether or not you plan to attend the International Assets special meeting, International Assets urges you to vote by proxy to ensure your vote is counted. You may still attend the International Assets special meeting and vote in person if you have already voted by proxy.

If your shares are registered directly in your name, you may deliver your proxy to vote your shares in one of the following ways or you may vote in person at the International Assets special meeting.

- *You may submit your proxy to vote by mail.* You may vote by completing and signing the proxy card that accompanies this joint proxy statement/prospectus and promptly mailing it in the enclosed postage-prepaid envelope. You do not need to put a stamp on the enclosed envelope if you mail it in

the United States. The shares you own will be voted according to the instructions on the proxy card you submit.

- *You may submit your proxy to vote over the Internet.* If you have Internet access, you may submit your proxy to vote your shares from any location in the world by following the "Vote By Internet" instructions set forth on the enclosed proxy card.
- *You may submit your proxy to vote by telephone.* You may submit your proxy to vote your shares by telephone by following the "Vote By Phone" instructions set forth on the enclosed proxy card.

If your shares are held in "street name" for your account by a bank, broker or other nominee, you may vote:

- *By mail.* You will receive instructions from your broker or other nominee explaining how to vote your shares.
- *Over the internet or by telephone.* You will receive instructions from your broker or other nominee if you are permitted to vote over the Internet or by telephone.
- *In person at the meeting.* Contact the bank, broker or other nominee that holds your shares to obtain a broker's proxy card and bring it with you to the meeting. **A broker's proxy is *not* the form of proxy enclosed with this joint proxy statement/prospectus. You will not be able to vote shares you hold in "street name" at the meeting unless you have a proxy from your broker issued in your name giving you the right to vote the shares.**

All properly executed proxies that are not revoked will be voted at the International Assets special meeting and at any adjournments or postponements of the special meeting in accordance with the instructions contained in the proxy. If a holder of International Assets common stock executes and returns a proxy and does not specify otherwise, the shares represented by that proxy will be voted "FOR" each of International Assets Proposal Nos. 1, 2, 3, 4 and 5 in accordance with the recommendation of the International Assets board of directors.

An International Assets stockholder who has submitted a proxy may revoke it at any time before it is voted at the International Assets special meeting by executing and returning a proxy bearing a later date, providing proxy instructions via the telephone or the Internet (your latest telephone or Internet proxy is counted), filing written notice of revocation with the Corporate Secretary of International Assets stating that the proxy is revoked or attending the special meeting and voting in person.

Required Vote

The presence, in person or by proxy, at the International Assets special meeting of the holders of a majority of the shares of International Assets common stock outstanding and entitled to vote at the International Assets special meeting is necessary to constitute a quorum at the meeting. If International Assets stockholders do not vote by proxy or in person at the International Assets special meeting, the shares of common stock of such stockholders will not be counted as present for the purpose of determining a quorum. Abstentions and broker non-votes will be counted towards a quorum.

The affirmative vote of the holders of a majority of the shares of common stock voting in person or by proxy at the International Assets special meeting is required for approval of each of International Assets Proposal Nos. 1 and 5. The affirmative vote of the holders of a majority of the shares of common stock outstanding on the record date for the International Assets special meeting is required for approval of International Assets Proposal Nos. 2 and 3. The affirmative vote of the holders of 75% of the shares of common stock outstanding on the record date for the International Assets special meeting is required for approval of International Assets' Proposal No. 4.

For International Assets Proposal Nos. 1 and 5, a failure to submit a proxy card or vote at the International Assets special meeting, or an abstention, vote withheld or "broker non-votes" will have no effect on the outcome of such proposals. For International Assets Proposal Nos. 2, 3 and 4, a failure to submit a proxy card or vote at the International Assets special meeting, or an abstention, vote withheld or "broker non-vote" for such proposal, will have the same effect as a vote against the approval of International Assets Proposal Nos. 2, 3 and 4.

Voting by International Assets' Officers and Directors

As of the record date for the International Assets special meeting, the directors and executive officers of International Assets owned approximately % of the outstanding shares of International Assets common stock entitled to vote at the International Assets special meeting. Sean O'Connor, Scott Branch and John Radziwill, each of whom is either an officer and/or a director of International Assets, and certain of their affiliates have each entered into a support agreement dated July 1, 2009 with FCStone, pursuant to which they have agreed to vote all shares of International Assets common stock owned by them as of the record date in favor of the issuance of shares of International Assets common stock in the merger and the related amendments to International Assets' certificate of incorporation. Approximately 2,784,976 shares of International Assets common stock, which represent approximately 30.6% of the outstanding shares of International Assets common stock as of the record date, are subject to the support agreement. For more information regarding the support agreement, see the section entitled "Support Agreement."

Solicitation of Proxies

In addition to solicitation by mail, the directors, officers, employees and agents of International Assets may solicit proxies from International Assets' stockholders by personal interview, telephone, telegram or otherwise. International Assets will bear the cost of the solicitation of proxies. Arrangements will also be made with brokerage firms and other custodians, nominees and fiduciaries who are record holders of International Assets common stock for the forwarding of solicitation materials to the beneficial owners of International Assets common stock. International Assets will reimburse these brokers, custodians, nominees and fiduciaries for the reasonable out-of-pocket expenses they incur in connection with the forwarding of solicitation materials.

Other Matters

As of the date of this joint proxy statement/prospectus, the International Assets board of directors does not know of any business to be presented at the International Assets special meeting other than as set forth in the notice accompanying this joint proxy statement/prospectus. If any other matters should properly come before the special meeting, it is intended that the shares represented by proxies will be voted with respect to such matters in accordance with the judgment of the persons voting the proxies.

Stockholder Proposals for International Assets' 2009 Annual Meeting

If an International Assets stockholder intends to submit a proposal for inclusion in the proxy statement and proxy card for the 2010 annual meeting of International Assets, the stockholder must follow the procedures outlined in Rule 14a-8 under the Securities Exchange Act of 1934, as amended. International Assets must receive any proposals intended for inclusion in the proxy statement at its principal executive offices, International Assets Holding Corporation, 220 E. Central Parkway, Suite 2060, Altamonte Springs, Florida 32701, Attention: Corporate Secretary, no later than September 1, 2009.

If a stockholder wishes to present a proposal at the 2010 annual meeting of International Assets, but does not wish to have the proposal considered for inclusion in its proxy statement and proxy card, the stockholder must also give written notice to International Assets at the address noted above. International Assets must receive this notice by December 1, 2009.

THE FCSTONE SPECIAL MEETING

Date, Time and Place

The special meeting of FCStone stockholders will be held on , 2009, at the , commencing at 9:00 a.m. local time. We are sending this joint proxy statement/prospectus to FCStone stockholders in connection with the solicitation of proxies by the FCStone board of directors for use at the FCStone special meeting and any adjournments or postponements of the FCStone special meeting.

Purposes of the FCStone Special Meeting

The purposes of the FCStone special meeting are:

- to consider and vote upon FCStone Proposal No. 1 to adopt the merger agreement;
- to consider and vote on FCStone Proposal No. 2 to adjourn the FCStone special meeting, if necessary, to solicit additional proxies if there are not sufficient votes in favor of FCStone Proposal No. 1; and
- to transact such other business as may properly come before the special meeting or any adjournments or postponements of the FCStone special meeting.

Recommendations of FCStone's Board of Directors

FCStone's board of directors has unanimously determined that the merger agreement and the transactions contemplated thereby are advisable and fair to, and in the best interests of, FCStone and its stockholders and has unanimously approved the merger and the merger agreement. FCStone's board of directors unanimously recommends that FCStone stockholders vote "For" FCStone Proposal No. 1 to adopt the merger agreement.

FCStone's board of directors has unanimously determined that the proposal to adjourn the FCStone special meeting, if necessary, to solicit additional proxies if there are not sufficient votes in favor of FCStone Proposal No. 1 is advisable to, and in the best interests of, FCStone and its stockholders and has unanimously approved and adopted the proposal. Accordingly, FCStone's board of directors unanimously recommends that FCStone stockholders vote "For" FCStone Proposal No. 2 to adjourn the FCStone special meeting, if necessary, to solicit additional proxies if there are not sufficient votes in favor of FCStone Proposal No. 1.

Record Date and Voting Power

Only holders of record of FCStone common stock at the close of business on the record date, , 2009, are entitled to notice of, and to vote at, the FCStone special meeting. There were approximately holders of record of FCStone common stock at the close of business on the record date. There were shares of FCStone common stock issued and outstanding at the close of business on the record date. Because many of such shares are held by brokers and other institutions on behalf of stockholders, FCStone is unable to estimate the total number of stockholders represented by these record holders. Each share of FCStone common stock entitles the holder thereof to one vote on each matter submitted for stockholder approval.

Voting and Revocation of Proxies

The proxy accompanying this joint proxy statement/prospectus is solicited on behalf of the board of directors of FCStone for use at the FCStone special meeting.

If you are a stockholder of record of FCStone as of the record date referred to above, you may vote in person at the FCStone special meeting or vote by proxy over the Internet, by telephone or using the enclosed proxy card. Whether or not you plan to attend the FCStone special meeting, FCStone urges you to vote by proxy to ensure your vote is counted. You may still attend the special meeting and vote in person if you have already voted by proxy.

Voting by Proxy Card. All shares entitled to vote and represented by properly executed proxy cards received prior to the FCStone special meeting, and not revoked, will be voted at the FCStone special meeting in accordance with the instructions indicated on those proxy cards. If no instructions are indicated on a properly executed proxy card, the shares represented by that proxy card will be voted as recommended by the board of directors. If any other matters are properly presented for consideration at the FCStone special meeting, the persons named in the enclosed proxy card and acting thereunder will have discretion to vote on those matters in accordance with their best judgment.

Voting by Telephone or the Internet. If you are a registered stockholder, you may vote your shares by calling the toll-free number indicated on the enclosed proxy card and following the recorded instructions or by accessing the website indicated on the enclosed proxy card and following the instructions provided. If your shares are registered in the name of a bank or brokerage firm, you may be able to vote your shares electronically over the Internet or by telephone; if so, your voting form will provide instructions. If your voting form does not reference Internet or telephone information, please complete and return the paper proxy card in the self-addressed postage paid envelope provided. When a stockholder votes via the Internet or by telephone, his or her vote is recorded immediately. FCStone encourages its stockholders to vote using these methods whenever possible.

Voting by Attending the Meeting. A stockholder may vote his or her shares in person at the FCStone special meeting. A stockholder planning to attend the FCStone special meeting should bring proof of identification for entrance to the FCStone special meeting. If a stockholder attends the FCStone special meeting, he or she may submit his or her vote in person, and any previous votes that were submitted by the stockholder, whether by Internet, telephone or mail, will be superseded by the vote that such stockholder casts at the FCStone special meeting.

Changing Vote; Revocability of Proxies. If a stockholder has voted by telephone, over the Internet or by returning a proxy card, such stockholder may change his or her vote before the FCStone special meeting.

A stockholder who has voted by telephone or over the Internet may later change his or her vote by making a timely and valid telephone or Internet vote, as the case may be, or by following the procedures in the following paragraph.

A stockholder may revoke any proxy given pursuant to this solicitation at any time before it is voted by: (1) filing with the Secretary of FCStone, at or before the taking of the vote at the FCStone special meeting, a written notice of revocation or a duly executed proxy card, in either case dated later than the prior proxy relating to the same shares, or (2) attending the FCStone special meeting and voting in person (although attendance at the FCStone special meeting will not by itself revoke a proxy). Any written notice of revocation or subsequent proxy card must be received by the Secretary of FCStone prior to the taking of the vote at the FCStone special meeting. Such written notice of revocation or subsequent proxy card should be hand delivered to the Secretary of FCStone or should be sent to FCStone Group, Inc., 1251 NW Briarcliff Parkway, Suite 800, Kansas City, MO 64116, Attention: Secretary.

Shares Held in FCStone Company Benefit Plans. If your shares are held for you in the FCStone employee stock ownership plan, or “ESOP,” you are receiving a voting instruction form from the plan trustee or administrator. To vote these shares, you will need to follow the specific voting instructions appearing on the voting instruction form. We must receive your completed voting instruction form by the deadline specified in such form. If your voting instructions are not received by this deadline, it is anticipated that FCStone, as the plan

administrator, will direct the plan trustee to vote the shares credited to your account in accordance with the recommendation of FCStone's board of directors. You may attend the special meeting; however, you may not vote these shares in person at the meeting unless you obtain a "legal proxy" from the plan trustee.

Required Vote

The presence, in person or by proxy, at the FCStone special meeting of the holders of a majority of the shares of FCStone common stock outstanding and entitled to vote at the FCStone special meeting is necessary to constitute a quorum at the FCStone special meeting. Approval of FCStone Proposal No. 1 requires the affirmative vote of the holders of a majority of the voting power of the shares of FCStone common stock outstanding on the record date for the FCStone special meeting. Approval of FCStone Proposal No. 2 requires the affirmative vote of holders of a majority of the shares voting in person or by proxy at the FCStone special meeting. Abstentions will be counted towards a quorum and will have the same effect as negative votes on FCStone Proposal No. 1, but will not be counted for any purpose in determining whether FCStone Proposal No. 2 is approved. Broker non-votes will be counted towards a quorum, but will not be counted for any purpose in determining whether either proposal is approved.

Solicitation of Proxies

In addition to solicitation by mail, the directors, officers, employees and agents of FCStone may solicit proxies from FCStone stockholders by personal interview, telephone, telegram or otherwise. FCStone will bear the costs of the solicitation of proxies from its stockholders. Arrangements will also be made with brokerage firms and other custodians, nominees and fiduciaries who are record holders of FCStone common stock for the forwarding of solicitation materials to the beneficial owners of FCStone common stock. FCStone will reimburse these brokers, custodians, nominees and fiduciaries for the reasonable out-of-pocket expenses they incur in connection with the forwarding of solicitation materials. In connection with this joint proxy statement/prospectus, FCStone has retained a proxy solicitation firm, , to aid in the solicitation process and will pay it a fee of approximately $ for its services, plus any reasonable expenses incurred in connection with the solicitation.

Other Matters

As of the date of this joint proxy statement/prospectus, the FCStone board of directors does not know of any business to be presented at the FCStone special meeting other than as set forth in the notice accompanying this joint proxy statement/prospectus. If any other matters should properly come before the special meeting, it is intended that the shares represented by proxies will be voted with respect to such matters in accordance with the judgment of the persons voting the proxies.

Procedure for Submitting Stockholder Proposals

If the merger is completed, FCStone will not have public stockholders and there will be no public participation in any future meeting of FCStone stockholders. However, if the merger is not completed or if FCStone is otherwise required to do so under applicable law, FCStone will hold a 2010 annual meeting of its stockholders.

Requirements for Stockholder Proposals to be Considered for Inclusion in FCStone's Proxy Materials. Stockholders may propose actions for consideration at the 2010 annual meeting either by presenting them for inclusion in FCStone's proxy statement or by undertaking the solicitation of votes independent of FCStone's proxy statement. Any stockholder who intends to present a proposal at the 2010 annual meeting must deliver the proposal to FCStone Group, Inc., 1251 NW Briarcliff Parkway, Suite 800, Kansas City, MO 64116, Attention Secretary by the applicable deadline below:

- If the stockholder proposal is intended for inclusion in FCStone's proxy materials for that meeting pursuant to SEC Rule 14a-8, FCStone must receive the proposal no later than August 10, 2009. Such proposal must also comply with the other requirements of the proxy solicitation rules of the SEC.
- If the stockholder proposal is to be presented without inclusion in FCStone's proxy materials for that meeting, FCStone's bylaws require that FCStone receive notice of the proposal no later than August 10, 2009. In addition, the stockholder must comply with the other advance notice provisions of FCStone's bylaws. See "Requirements for Stockholder Proposals" below.

Proxies solicited in connection with FCStone's 2010 annual meeting of stockholders will confer on the appointed proxies discretionary voting authority to vote on stockholder proposals that are not presented for inclusion in the proxy materials unless the proposing stockholder notifies FCStone by August 10, 2009 that such proposal will be made at the meeting.

Requirements for Stockholder Proposals to be Brought Before an Annual Meeting. FCStone's bylaws provide that advance notice of stockholder nominations for the election of directors or other business must be given. Notice of nominations or other business to be brought before FCStone's annual meetings of stockholders must be delivered to FCStone Group, Inc., 1251 NW Briarcliff Parkway, Suite 800, Kansas City, MO 64116, Attention Secretary not less than 120 calendar days prior to the date of FCStone's proxy statement released in connection with the preceding year's annual meeting of stockholders. In the event that the date of the annual meeting of stockholders is changed by more than 30 days from the date contemplated at the time of the previous year's proxy statement, such notice instead must be so delivered by the close of business on the later of (i) the 120th day prior to such annual meeting or (ii) the 10th day following the date on which public announcement of the date of such meeting is first made. The stockholder's notice must contain the information required by Section 2.12 of FCStone's bylaws, including the name and address of the stockholder and, if applicable, of each person to be nominated, a description of any other business proposed for consideration at the meeting and of any material interest of the stockholder in such business, a description of the class and number of shares of FCStone's common stock owned beneficially and of record by the stockholder, and all other information regarding each nominee or other business proposed by the stockholder as would be required to be included in a proxy statement filed pursuant to the proxy rules of the SEC, as then in effect, if FCStone's board of directors were soliciting proxies for such proposal. We urge you to examine FCStone's bylaws for the advance notice provisions, including a complete listing of the information required to be included in any such notice. You may request a copy of FCStone's bylaws by writing to FCStone's corporate secretary, David A. Bolte, at FCStone Group, Inc., 1251 NW Briarcliff Parkway, Suite 800, Kansas City, MO 64116.

INTERNATIONAL ASSETS PROPOSAL NO. 1 AND FCSTONE PROPOSAL NO. 1

THE MERGER

General Description of the Merger

At the effective time of the merger, International Assets Acquisition Corp., or merger sub, will be merged with and into FCStone. FCStone will be the surviving corporation and will continue as a wholly owned subsidiary of International Assets. In the merger, each share of FCStone common stock outstanding at the effective time will automatically be converted into the right to receive 0.2950 shares of International Assets common stock. Each FCStone stockholder who would otherwise be entitled to receive a fraction of a share of International Assets common stock (after aggregating all fractional shares to be received by such stockholder) will instead of such fraction be paid in cash the dollar amount (rounded to the nearest whole cent), without interest, determined by multiplying such fraction by the average closing price of a share of International Assets common stock on the NASDAQ Global Market for the ten most recent days that International Assets common stock has traded ending on the trading day two days prior to the date the merger becomes effective.

Based on the number of shares of International Assets common stock and FCStone common stock that were outstanding as of the record date, 8,239,405 shares of International Assets common stock will be issuable to the holders of FCStone stock pursuant to the merger agreement, representing approximately 47.5% of the total International Assets common stock to be outstanding after such issuance. This assumes that no FCStone or International Assets stock options are exercised after the record date and prior to the effective time of the merger.

Background of the Merger

Beginning during the fall of 2008, FCStone faced the effects of the global financial crisis, including an exceedingly difficult macro-economic environment and unprecedented volatility in commodity and foreign exchange markets. In particular, rapidly tightening credit markets made it difficult for many of FCStone's customers to carry and hold commodity positions, resulting in a deleveraging of commodities accounts during a time of volatile markets. FCStone senior management also believed that strategic acquisition opportunities would be available during this time as smaller, less capitalized companies were stressed by the crisis. In response to these conditions, FCStone senior management and board of directors began consideration of a range of options to enhance its liquidity and capital position. At a special board meeting held on September 8, 2008, senior management reviewed with the board of directors of FCStone the potential process of identifying sources of additional capital and other strategic alternatives. At this meeting, management discussed the condition of the credit markets and their impact on customers and the need for additional capital if FCStone desired to pursue business development and acquisition opportunities. The board of directors authorized senior management to proceed with its analysis of a potential equity partner and develop in greater detail management's future business development plans.

On September 22, 2008, FCStone formally engaged BMO Capital Markets Corp. ("BMO") to render certain financial advisory and investment banking services, including soliciting interest from select strategic partners and potential financial investors regarding the investment of new capital. BMO was instructed to focus its efforts on the process of raising additional capital for FCStone. At a meeting of the FCStone board of directors held on September 25, 2008, Mr. Anderson reported that BMO would be contacting potential parties for short-term and long-term capital ventures or strategic investments.

In late September and early October 2008, FCStone management became increasingly concerned about the significant decline in the underlying value of an energy trading account owned by a clearing and execution customer. The customer indicated that it was not in a position to cover further losses on the account. Due to the very large size of the positions held in the account, the long-tenored nature of the positions, and the lack of liquidity in the marketplace, FCStone could not immediately liquidate the account without incurring a very

substantial loss. These same factors also made it difficult to determine the true value of this account and the associated potential bad debt reserve. Therefore, FCStone engaged a nationally recognized independent consultant to assist FCStone with the estimation of the potential loss associated with the energy trading account. In light of these developments, senior management of FCStone instructed BMO to accelerate the process, with a focus on obtaining an investment from a financially strong partner that could reassure FCStone's customer base, further validate FCStone's core business model and enhance FCStone's capital and liquidity position.

During October 2008, BMO contacted eleven strategic and financial participants and requested their preliminary indications of interest by early November. Of the eleven parties contacted, six met with FCStone management and three parties conducted due diligence on FCStone. At special meetings held on October 9 and October 20, 2008, the board of directors of FCStone was updated on the progress of the contacts with potential buyers and investors by management and BMO. At the October 20 meeting, BMO informed the board of directors and management of FCStone that the contacted parties expressed varying degrees of interest in providing a minority capital investment. Certain parties indicated a preference for a change of control transaction, but also expressed concerns regarding FCStone's potential exposure to the energy trading account, risk management procedures and the outlook for short-term operating results.

On October 24, 2008, based on FCStone's view of its financial condition, prospects, and capital needs, the board of directors of FCStone instructed BMO to inform the remaining interested parties that it preferred a transaction structured as a minority investment. At a special meeting held on October 29, 2008, the FCStone board of directors was updated on the progress of the discussions with potential buyers and investors by management and BMO.

Of the three bidders remaining in the process, there were two strategic parties, which we refer to as Company A and Company B, respectively, and one financial sponsor, which we refer to as Investor A. Company A and Company B initially expressed interest due to their knowledge of the business and a perceived strategic fit, but both exited the process by the end of October 2008 expressing concerns regarding the ongoing risks associated with the energy trading account and the risk management requirements of FCStone's business. Investor A continued in the process and began negotiating a minority investment term sheet with FCStone. On November 1, 2008, representatives of Investor A indicated to BMO that they had concerns with the anticipated deterioration of FCStone's financial performance.

On November 4, 2008, after receiving a report by the third party consultant on the nature of the energy trading account's positions, FCStone publicly announced that it would record a pre-tax bad debt expense of $25 million related to three trading accounts, with the energy trading account noted above representing $20 million of the total bad debt expense. In connection with that announcement, FCStone also confirmed that there could be additional losses on the energy trading account.

In early November 2008, Investor A terminated its negotiations with FCStone. In late November, FCStone was contacted by another company, which we refer to as Company C, regarding a potential strategic merger. The parties conducted several meetings between November 2008 and January 2009 to further discuss the merits and structure of a potential transaction. These discussions did not result in any agreements.

In late January 2009, FCStone had growing concerns regarding the energy trading account which, together with the continued deterioration in overall business conditions in the market, heightened FCStone's interest in raising additional capital or looking for other alternatives. On January 21, 2009, FCStone engaged Winhall LLC, an independent third party consultant, to review the energy trading account and consult with the board of directors and management of FCStone regarding alternatives to mitigate or eliminate the risk associated with the energy account.

On January 13, 2009, BMO provided the executive committee of the board of directors of FCStone with a summary of strategic alternatives to date. At that same meeting, the committee (a) reviewed the available options

to FCStone, (b) discussed the partners that could either provide a minority investment, enter into a change of control transaction or enter into a merger of equals transaction, and (c) discussed how the ongoing risk associated with the energy trading account could effect the timing and outcome of identifying a suitable partner for FCStone.

On February 4, 2009, at a meeting of the board of directors of FCStone, representatives of Winhall LLC provided an extensive analysis and report on the energy trading account. At the same meeting, BMO further discussed the strategic alternatives process with the board. On February 12, 2009, the FCStone board authorized senior management to continue negotiations with potential capital investors, strategic alliances or acquisition partners.

From January 23 to March 19, 2009, BMO contacted seventeen parties, including Investor A, Company B, Company C and International Assets. Eight parties expressed preliminary interest and signed confidentiality agreements, and conducted due diligence.

On February 24, 2009, FCStone publicly announced that it expected to incur in the second fiscal quarter of 2009 an additional bad debt provision associated with the energy trading account estimated at $60 to $80 million.

During February 2009, Winhall, LLC informed FCStone that it believed that it was possible to transfer substantially all of the positions and liability related to the energy trading customer account to a third party. FCStone instructed Winhall, LLC to pursue the possibility of that transfer.

On March 12, 2009, FCStone announced the transfer of substantially all of the positions in the energy account, bringing the total loss on the account to approximately $110 million on a pretax basis.

On March 19, 2009, five parties, including International Assets and Company C, submitted preliminary indications of interest regarding a strategic transaction with FCStone. At a special meeting held on March 24, 2009, the board of directors of FCStone was updated by BMO on the preliminary indications of interest received. Subsequently, FCStone continued discussions with four of the five parties, including International Assets and Company C.

In early April, Company C withdrew from the process after being advised by FCStone that the terms of its proposal, which required FCStone to arrange and satisfy its own ongoing capital and liquidity needs, were not acceptable. Also in early April 2009, FCStone was contacted by a financial investor, which we refer to as Investor B, who indicated an interest in providing capital to FCStone in the form of a minority investment. Based on the merits of the proposals from Investor B, the board of directors of FCStone decided to permit Investor B to participate in the process and on April 22, 2009, Investor B and FCStone entered into a confidentiality agreement.

By April 2009, FCStone had become increasingly concerned that its $250 million margin credit facility might not be renewed at necessary levels or on acceptable terms before it expired on July 22, 2009. On April 9, 2009, FCStone disclosed these concerns in its quarterly report for the second quarter of 2009, and indicated that it had begun discussions with current and potential lenders to refinance the margin credit facility. FCStone noted in its disclosure that any refinancing, to the extent available to FCStone, would be on terms reflective of the distressed capital markets, and further indicated as a result of the economic environment FCStone might not have access to the amount of capital that was required, on favorable terms or even at all.

Following further due diligence on April 21, FCStone received a revised indication of interest from Company D, which was structured as a stock-for-stock transaction with an implied price per share of FCStone common stock of approximately $2.43 (FCStone stock closed that day at $3.31 per share). FCStone’s board of directors decided at its April 22, 2009 board meeting to terminate conversations with Company D.

At a special meeting held on April 27, 2009, the board of directors of FCStone was updated on progress of the discussions with the remaining bidders and Investor B by management and BMO.

On May 1, 2009, BMO was informed by one of the remaining bidders, which we refer to as Company E, that Company E would only contemplate the potential business combination with FCStone on the basis of an asset purchase transaction. In addition, Company E was not in a position to provide an implied purchase price, required an exclusivity period to complete its remaining due diligence, and demanded that FCStone agree to termination fees and transaction expense reimbursement in the event that a transaction with Company E was not consummated. The board of directors subsequently decided to cease discussions with Company E.

On May 5 and 6, 2009, Messrs. O'Connor, Branch, and Sephton of International Assets and representatives of Merrill Lynch, Pierce, Fenner & Smith Incorporated ("BofA Merrill Lynch"), International Assets' financial advisor, met with representatives of FCStone and BMO in Kansas City, Missouri, and in Chicago, Illinois, to continue business and financial due diligence on FCStone.

On May 6, 2009, based on progress made in negotiations, FCStone entered into an expense reimbursement agreement (which did not include an exclusivity agreement) with Investor B, whereby FCStone agreed to reimburse Investor B up to $500,000 of due diligence expenses in connection with its consideration of an investment in FCStone. During May 2009, Investor B conducted an extensive due diligence review of FCStone. Also at this time, there were renewed discussions with Company C, but Company C again withdrew from the process shortly thereafter.

At special meetings held on May 11 and May 14, the board of directors of FCStone was updated on progress of the discussions with International Assets and Investor B by management and BMO. On May 20, 2009, Mr. Sean O'Connor, Mr. Scott Branch and BofA Merrill Lynch met with the board of directors of FCStone to discuss the merits of a merger of equals transaction with International Assets.

On May 21, International Assets provided FCStone with a revised indication of interest letter that, among other things, provided for a stock-for-stock merger, with FCStone stockholders receiving International Asset stock that would result in an approximately 45% ownership stake of the combined company. At the time of the delivery of the letter, the offer represented a market value transaction to FCStone stockholders, in that FCStone's aggregate common stock market value represented approximately 45% of the combined market value of the two companies at that time.

At meetings held on May 28 and May 29, 2009, the board of directors of FCStone was updated on the progress of the discussions with International Assets and Investor B by management and BMO. The board of directors continued to deliberate the options for FCStone which, based on all the alternatives explored to date, consisted of three options: (1) new capital in the form of a minority investment, (2) a stock-for-stock merger of equals transaction, or (3) a discontinuation of efforts to raise capital. The board of directors deliberated the options at length, and determined that FCStone should continue its efforts to raise capital and explore options to enter into a merger of equals transaction. The board considered the desirability of additional capital to support its operations going forward to (a) increase the likelihood that FCStone's credit facilities would be renewed at acceptable levels and on acceptable terms, (b) enable FCStone to operate with a greater margin for error in light of the recent volatility in the commodity markets, (c) satisfy its needs in connection with its current and future regulatory requirements, and (d) enable FCStone to pursue growth opportunities. The board discussed obtaining additional capital either through a minority investment or through a merger with a better-capitalized party.

Based on the state of discussions and the proposals received from both International Assets and Investor B, the board of directors determined that a strategic stock-for-stock merger of equals transaction was the best option for maximizing stockholder value. The board discussed the advantages of a transaction with International Assets over a minority investment, including (a) the ability for FCStone to gain access to the capital it deemed necessary to prudently operate its business, (b) to become part of a broader, more diversified company with substantial revenue, earnings, capital, and liquidity, (c) to enable FCStone to capitalize on organic growth opportunities as well as pursue external acquisition candidates, (d) to increase its overall access to capital sources, and (e) to avoid a sale transaction at a time when market valuations were at relatively low levels. By contrast, the FCStone

board believed that a minority investment would result in substantial stockholder dilution without many of the benefits of the strategic combination.

On June 2, 2009, FCStone signed an exclusivity and standstill agreement with International Assets for a period continuing until June 16, 2009. From June 2, 2009 through the execution of the merger agreement, FCStone, International Assets, their respective legal and financial advisors, auditors and consultants conducted substantial due diligence (including access to data rooms, and meetings both in person and telephonically) on their respective businesses and prospects.

On June 6, 2008, FCStone and Stinson Morrison Hecker LLP, its outside legal counsel, distributed a draft merger agreement to International Assets. On June 8 and 9, 2009, representatives of FCStone and International Assets, together with their respective financial advisors, met in New York as part of the ongoing diligence discussions. On June 11, 2009, the board of directors of FCStone was updated on progress of the due diligence review of International Asset conducted to date. On June 13, 2009, Shutts and Bowen LLP, counsel for International Assets, distributed a revised merger agreement.

On June 16, 2009, Messrs. O'Connor and Sephton, and a representative from BofA Merrill Lynch met with Messrs. Dunaway and Nessler, and other FCStone personnel along with representatives of BMO at FCStone's offices in Kansas City to conclude diligence discussions.

On June 22, 2009, based on the progress made in the negotiations, FCStone and International Assets extended the exclusivity period until June 30, 2009.

On June 24, 2009, FCStone's $250 million margin credit line was renewed for $75 million with two of the original four banks participating.

On June 25, 2009, FCStone's board of directors held a special meeting to receive an update from FCStone management on the proposed terms and conditions to the merger agreement being negotiated by the management teams of International Assets and FCStone. Representatives of BMO and Stinson Morrison Hecker also participated in the meeting at the request of the board. Mr. Anderson updated the board on the proposed acquisition, and representatives of BMO provided the board with an overview of the history and operations of International Assets. The FCStone board engaged in a discussion of the status of the negotiations and the risks and benefits of the proposed transaction. The board authorized Mr. Anderson to continue the negotiations with International Assets, instructing him to revisit with International Assets the exchange ratio, believing that the 45% ownership interest was inadequate based on market developments, and to conclude the discussions regarding composition of the board of directors of the combined company.

On June 25, 2009, the board of directors of International Assets participated in an informational conference call to review the status of the negotiations with FCStone. During this conference call, management provided the board with a summary of the proposed terms and conditions of the merger agreement. Representatives of BofA Merrill Lynch and Shutts & Bowen also participated in the conference call. Representatives of BofA Merrill Lynch reviewed the financial terms of the proposed transaction with the board, while Shutts & Bowen presented an update on the negotiation of the terms of the merger agreement. The board discussed the status of the negotiations and the risks and benefits of the proposed transaction. The board unanimously authorized management to continue the negotiations with FCStone.

On June 26, 2009, Messrs. Anderson and O'Connor discussed the proposed terms and conditions of the merger agreement at which point Mr. Anderson indicated, among other topics, that FCStone's board of directors would likely be willing to proceed with the merger only if the exchange ratio were adjusted so the existing FCStone stockholders would receive 47.5% ownership interest in the combined company rather than 45%. Messrs. Anderson and O'Connor reached agreement on this issue, subject to both companies' board approval.

On June 27, 2009, FCStone's board of directors held a special meeting to receive an update on the status of negotiations and the proposed terms and conditions of the merger agreement. Mr. Anderson updated the board on the proposed terms of the merger. The board authorized Mr. Anderson to continue the negotiations with International Assets on terms that the existing FCStone stockholders would maintain an ownership interest in the combined company of at least 47.5%.

On June 30, 2009, International Assets' board of directors held a special meeting to consider the proposed merger and the proposed terms and conditions of the merger agreement that had been negotiated by the management teams of International Assets and FCStone. All of the directors of International Assets attended the meeting. Representatives from BofA Merrill Lynch provided an update on the status of the negotiations and summarized the financial terms of the proposed transaction to the board of directors. Representatives of Shutts & Bowen summarized their legal diligence, key legal terms of the merger agreement and risks associated with the transaction. Representatives of Houlihan Lokey delivered their oral opinion that as of June 30, 2009 and based on and subject to the matters to be described in the written opinion of Houlihan Lokey, the exchange ratio provided for in the merger agreement was fair, from a financial point of view, to International Assets. The International Assets board of directors then discussed the valuation analysis and the terms of the merger agreement. After deliberation, the International Assets board of directors voted unanimously to approve the merger agreement and recommended that the stockholders of International Assets vote in favor of the issuance of International Assets common stock in the merger as well as the related amendments to the International Assets' certificate of incorporation.

On July 1, 2009, FCStone's board of directors held a special meeting to consider and approve the proposed merger and the proposed terms and conditions of the merger agreement that had been negotiated by the management teams of International Assets and FCStone. Representatives of BMO discussed the financial analysis of the proposed transaction and delivered its oral opinion to the board of directors, which was subsequently confirmed by delivery of its written opinion to the board of directors dated July 1, 2009, that, as of the date of the opinion and based on and subject to the assumptions, limitations, qualifications and other matters set forth therein, the exchange ratio provided for in the merger agreement was fair, from a financial point of view, to FCStone's stockholders (other than International Assets or its affiliates). Representatives of Stinson Morrison Hecker provided an update on the status of the negotiations and summarized the terms of the merger agreement. The FCStone board of directors then discussed the valuation analysis and the terms of the merger agreement. After deliberation, the FCStone board unanimously approved the merger agreement, determined that the terms of the merger were fair and advisable and in the best interests of FCStone and its stockholders, and recommended that the stockholders of FCStone vote in favor of the adoption of the merger agreement.

Prior to the opening of the market on July 2, 2009, following approval of the merger agreement by the boards of directors of both companies, the two chief executive officers signed the merger agreement and signature pages were exchanged. On the morning of July 2, 2009, the parties publicly announced the execution of the merger agreement, and the two chief executive officers held a conference call to discuss the merger.

International Assets' Reasons for the Merger and Recommendation of International Assets' Board of Directors

The International Assets board of directors, at a special meeting held on July 1, 2009, determined that the merger agreement and the transactions contemplated by the merger agreement were advisable to, and in the best interests of, International Assets and its stockholders, and approved the merger agreement ant the transactions contemplated thereby. **The International Assets board of directors unanimously recommends that International Assets stockholders vote "For" the issuance of shares of International Assets common stock in the merger.**

Strategic and Business Considerations

The board of directors of International Assets identified and considered the following key strategic and business factors in evaluating the merger:

- *Revenue Diversification*. The combination will diversify the revenue sources of the combined company, which will enhance its ability to achieve more consistent earnings. One of the key goals of International Assets has been to acquire and operate niche businesses that have uncorrelated operating results. The agricultural, energy and other so-called "soft commodities" businesses operated by FCStone would meet these criteria because they do not overlap with International Assets' current activities.
- *Additional Product Offerings.* The combination will enable the combined company to offer additional products and services to the customers of both International Assets and FCStone. For example, the combined company will be able to offer the current customers of International Assets FCStone's exchange-based platform for most commodities, as well as the more extensive services and advice provided by FCStone's CR&M business.
- *Creation of Critical Mass*. The combination will create an entity with substantially greater assets, capital and managerial resources. This critical mass is expected to have the following potential long term benefits for the combined company in light of current adverse market conditions:
  - to provide assurance to large customers, resulting in continued and possibly increased business with the combined company;
  - to permit the combined company to increase its risk exposure to important customers and thereby do more business with them; and
  - to facilitate access to additional bank funding due to the larger asset and capital base.
- *Enhanced Geographic Footprint.* The combination is expected to enhance the strength of the geographic footprint of the combined company. On a relative basis, International Assets generates more revenues outside of the United States than does FCStone, which has a large domestic customer base. It is expected that each of International Assets and FCStone will benefit from the other's established teams in a variety of jurisdictions.
- *Expanded Shareholder Base and Liquidity in the Stock.* International Assets is a relatively closely-held stock with limited float and liquidity. The combination is expected to create a more widely-held stock with greater liquidity and a more efficient market for the company's stock, which is expected to benefit the stockholders and provide better access to the capital markets and enhance the company's ability to use stock in future acquisitions.
- *Experienced Management Team.* It is expected that the combined company will be led by a combination of experienced senior management from both International Assets and FCStone, which will provide management continuity to support the integration of the two companies. Additionally, the combined company is expected to benefit from the substantial experience of International Assets' management in capital allocation and risk management.

In addition to considering the strategic factors outlined above, the International Assets board of directors consulted with senior management, outside legal counsel and its financial advisor, reviewed a significant amount of information, and considered the following factors in reaching its conclusion to approve the merger and to recommend that the International Assets stockholders approve the issuance of shares of International Assets common stock in the merger and the related amendments to International Assets' certificate of incorporation, all of which it viewed as generally supporting its decision to approve the business combination with FCStone:

- the complementary nature of International Assets' and FCStone's businesses;
- the board's and management's assessment that the merger and FCStone's operating strategy are consistent with International Assets' long-term strategic objectives to grow into new markets;

- the competitive and market environments in which International Assets and FCStone operate, and the potential for the merger to enhance the combined company's ability to compete effectively in those environments, particularly given current adverse economic conditions;
- historical and current information about each of the combining companies and their businesses, prospects, financial performance and condition, operations, technology, management and competitive position, before and after giving effect to the merger and the merger's potential effect on stockholder value, including public reports filed with the SEC, analyst estimates, market data and management's knowledge of the industry;
- the financial analysis reviewed by Houlihan Lokey with International Assets' board of directors based on the financial information provided by International Assets and FCStone.
- the potential improvement in the share price of International Assets common stock as a result of improved operating results and net asset value per share, thus enhancing stockholder value; and
- the results of the due diligence review of FCStone's business and operations by International Assets' management and legal advisors.

Terms of the Merger Agreement and Merger Consideration

In reaching its decision to approve the merger agreement, the International Assets board of directors considered the following factors relating to the terms of the merger agreement and the merger consideration:

- the determination that an exchange ratio that is fixed and not subject to adjustment is appropriate to reflect the strategic purpose of the merger and consistent with market practice for a merger of this type and that a fixed exchange ratio fairly captures the respective ownership interests of the International Assets and FCStone stockholders in the combined company based on valuations of International Assets and FCStone at the time of the board's approval of the merger agreement and avoids fluctuations caused by near-term market volatility;
- the oral opinion of Houlihan Lokey to International Assets' board of directors, which was confirmed in writing by delivery of Houlihan Lokey's written opinion dated July 1, 2009, that, as of July 1, 2009, the exchange ratio in the merger was fair, from a financial point of view, to International Assets, based upon and subject to the procedures followed, assumptions made, qualifications and limitations on the review undertaken and other matters considered by Houlihan Lokey in preparing its opinion. See "International Assets Proposal No. 1 and FCStone Proposal No. 1 — The Merger — Opinion of International Assets' Financial Advisor";
- the reciprocal requirement that the merger agreement be submitted to a vote of the stockholders of FCStone and that the issuance of shares of International Assets common stock in the merger and the related amendments to International Assets' certificate of incorporation be submitted to a vote of the stockholders of International Assets;
- the fact that the merger agreement is not subject to termination solely as a result of any change in the trading price of the stock of either International Assets or FCStone between signing of the merger agreement and consummation of the merger;
- the nature of the conditions to FCStone's obligation to consummate the merger and the limited risk of non-satisfaction of such conditions;
- the no-solicitation provisions governing FCStone's ability to engage in negotiations with, provide any confidential information or data to, and otherwise have discussions with, any person relating to an alternative acquisition proposal;
- the limited ability of the parties to terminate the merger agreement;
- the possible effects of the provisions regarding termination fees and expenses;

- the possible benefits to be derived from the stock option to acquire shares of FCStone in connection with the termination of the merger agreement;
- the likelihood that the merger will be consummated on a timely basis; and
- the likelihood of retaining key International Assets and FCStone employees to help manage the combined entity.

Risks and Challenges of the Merger

The International Assets board of directors also considered the following potential risks and challenges related to the merger, but concluded that the anticipated benefits from the merger with FCStone were likely to outweigh these risks and challenges:

- the risks, challenges and costs inherent in combining the operations of two major companies and the substantial expenses to be incurred in connection with the merger, including the possibility that delays or difficulties in completing the integration could adversely affect the combined company's operating results and preclude the achievement of some benefits anticipated from the merger;
- the possible volatility, at least in the short term, of the trading price of International Assets' common stock resulting from the merger announcement;
- the possible loss of key management, technical or other personnel of either of the combining companies as a result of the management and other changes that will be implemented in integrating the businesses;
- the risk of diverting management's attention from other strategic priorities to implement merger integration efforts;
- the potential loss of customers of either company as a result of any such customer's unwillingness to do business with the combined company;
- the possibility that the reactions of existing and potential competitors to the combination of the two businesses could adversely impact the competitive environment in which the companies operate;
- risks related to FCStone's current business and operations including pending litigation against FCStone and its directors;
- the risk that the merger might not be consummated in a timely manner or at all;
- the risk to International Assets' business, revenues, operations and financial results in the event that the merger is not consummated;
- the potential incompatibility of business cultures; and
- various other applicable risks associated with the combined company and the merger, including those described in the section of this joint proxy statement/prospectus entitled "Risk Factors."

The foregoing information and factors considered by the International Assets board of directors are not intended to be exhaustive but are believed to include all of the material factors considered by the International Assets board of directors. In view of the wide variety of factors considered in connection with its evaluation of the merger and the complexity of these matters, the International Assets board of directors did not find it useful, and did not attempt, to quantify, rank or otherwise assign relative weights to these factors. In considering the factors described above, individual members of the International Assets board of directors may have given different weight to different factors. The International Assets board of directors conducted an overall analysis of the factors described above, including thorough discussions with, and questioning of, its management and its legal and financial advisors, and considered the factors overall to be favorable to, and to support, its determination.

FCStone's Reasons for the Merger and Recommendation of FCStone's Board of Directors

The FCStone board of directors, at a special meeting held on July 1, 2009, determined that the merger agreement and the transactions contemplated by the merger agreement were fair to, advisable and in the best interests of FCStone and its stockholders, and approved the merger agreement and the transactions contemplated thereby. **The FCStone board of directors unanimously recommends that FCStone stockholders vote "For" the adoption of the merger agreement.**

Strategic and Business Considerations

The board of directors of FCStone identified and considered the following key strategic and business factors in evaluating the merger:

- The combination of International Assets and FCStone is expected to create a leading global trade and execution platform enhancing the companies' ability to serve their clients;
- The companies share an operating strategy that emphasizes service to customers and avoiding directional investments in the market;
- International Assets' international equities market-making, international debt capital markets, foreign exchange trading, commodities trading (primarily in "hard commodities" such as precious and base metals) and asset management is expected to provide diversity with FCStone's current operations, which focus on agricultural, energy and other so-called "soft commodities;"
- While adequate to meet its current regulatory requirements, FCStone's capital position leaves little flexibility for growth and, if macro-economic conditions worsen or additional significant bad debt events occur, could become too restrictive to support FCStone's business and regulatory requirements;
- FCStone's diminished ability to obtain bank financing as a stand-alone company due to recent losses and macro-economic conditions places limitations on current business operations;
- International Assets has established that it could contribute significant capital to FCStone and its subsidiaries or support capital-raising activities by FCStone and its subsidiaries to enable such companies to pursue growth opportunities;
- International Assets' focus on international markets provides diversity with FCStone's strong domestic market share, while providing opportunities to accelerate the development of FCStone's international opportunities;
- The diverse markets served by the companies are expected to create significant opportunities to expand product offerings to existing customers;
- The combined resources of FCStone and International Assets provide additional capital to pursue opportunities arising in the current financial environment and increase market share;
- The combined company will utilize the risk management protocols developed by International Assets, based on its executives' strong banking and risk management expertise; and
- The merger will create a company with a larger market capitalization that is expected to have more liquidity in its common stock and better access to capital markets, which should provide more financial flexibility.

Terms of the Merger Agreement and Merger Consideration

In reaching its decision to approve the merger agreement, the FCStone board of directors considered the following factors relating to the terms of the merger agreement and the merger consideration:

- the form of merger consideration, consisting of a fixed number of shares of International Assets common stock, which is expected to provide greater market capitalization and related liquidity for the combined company common stock;

- the analysis and oral opinion of BMO Capital Markets, subsequently confirmed in writing, that as of July 1, 2009 and based upon and subject to the assumptions made, matters considered, qualifications, and limitations set forth in its written opinion, that the exchange ratio was fair, from a financial point of view, to the holders of FCStone common stock;
- the terms of the merger agreement that permit FCStone to furnish information to, and conduct negotiations with, a third party in connection with an unsolicited proposal for an alternative business combination, and that permit the FCStone board of directors to withdraw its recommendation of the merger to FCStone stockholders and terminate the merger agreement if FCStone receives a superior offer, in each case subject to certain specific conditions set forth in the merger agreement, including in certain circumstances International Assets' having an option, for a period of six months, to purchase a number of shares equal to 19.9% of the outstanding shares of FCStone common stock at a price of $4.15 per share;
- the governance agreements of the combined company post-merger, including a 13-member board to consist of seven current International Assets directors and six current FCStone directors; and
- other terms and conditions of the merger agreement, including the likelihood that the merger would be completed in a timely manner, taking into account regulatory and other approvals required in connection with the merger.

Risks and Challenges of the Merger

The FCStone board of directors also considered the following potential risks and challenges related to the merger, but concluded that the anticipated benefits from the merger with International Assets were likely to outweigh these risks and challenges:

- the significant risks inherent in combining and integrating two companies, including that the companies may not be successfully integrated, and that successful integration of the companies will require the dedication of significant management resources, which will temporarily detract attention from the day-to-day businesses of the combined company;
- the capital requirements necessary to achieve the expected growth of the combined company's businesses will be significant, and there can be no assurance that the combined company will be able to fund all of its capital requirements from operating cash flows;
- the merger may not be completed as a result of a failure to satisfy the conditions to the merger agreement; and
- certain other matters described under "Risk Factors" beginning on page 17.

Opinion of International Assets' Financial Advisor

On June 30, 2009, Houlihan Lokey rendered an oral opinion to the International Assets board of directors, which was confirmed in writing by delivery of Houlihan Lokey's written opinion dated July 1, 2009, to the effect that, as of July 1, 2009, and based upon and subject to the procedures followed, assumptions made, qualifications and limitations on the review undertaken and other matters considered by Houlihan Lokey in preparing its opinion, the exchange ratio in the merger was fair, from a financial point of view, to International Assets.

Houlihan Lokey's opinion was directed to the International Assets board of directors and only addresses the fairness from a financial point of view to International Assets of the exchange ratio in the merger and does not address any other aspect or implication of the merger. The summary of Houlihan Lokey's opinion in this joint proxy statement/prospectus is qualified in its entirety by reference to the full text of its written opinion, which is included as Annex D to this joint proxy statement/prospectus and sets

forth the procedures followed, assumptions made, qualifications and limitations on the review undertaken and other matters considered by Houlihan Lokey in preparing its opinion. We encourage International Assets' stockholders to carefully read the full text of Houlihan Lokey's written opinion. However, neither Houlihan Lokey's opinion nor the summary of its opinion and the related analyses set forth in this joint proxy statement/prospectus are intended to be, and do not constitute advice or a recommendation to International Assets' board of directors or any stockholder as to how to act or vote with respect to the merger or related matters.

In arriving at its opinion, Houlihan Lokey, among other things, took the following actions:

- reviewed the following agreements and documents:
  - Execution copy of the merger agreement;
  - Execution copy of the support agreement;
  - Form of stock option agreement; and
  - Form of amended and restated certificate of incorporation of International Assets (as proposed to be amended);
- reviewed certain publicly available business and financial information relating to International Assets and FCStone that Houlihan Lokey deemed to be relevant;
- reviewed certain information relating to the historical, current and future operations, financial condition and prospects of International Assets and FCStone made available to Houlihan Lokey by International Assets and FCStone, including (a) financial projections (and adjustments thereto) prepared by or discussed with the managements of International Assets and FCStone relating to International Assets for the fiscal years ending 2009 through 2011, and relating to FCStone for the fiscal years ending 2009 through 2013, including projections relating to FCStone's underfunded pension obligations, and (b) certain forecasts and estimates of potential cost savings expected to result from the merger, as prepared by the management of International Assets;
- spoke with certain members of the managements of International Assets and FCStone regarding the respective businesses, operations, financial condition and prospects of International Assets and FCStone, the merger and related matters;
- compared the financial and operating performance of International Assets and FCStone with that of other public companies that Houlihan Lokey deemed to be relevant;
- considered the publicly available financial terms of certain transactions that Houlihan Lokey deemed to be relevant;
- reviewed the current and historical market prices for International Assets common stock and FCStone common stock, and the historical market prices and certain financial data of the publicly traded securities of certain other companies that Houlihan Lokey deemed to be relevant;
- compared the relative contributions of FCStone and International Assets to certain financial statistics of the combined company on a pro forma basis;
- reviewed certain potential pro forma financial effects of the merger on earnings per share of International Assets; and
- conducted such other financial studies, analyses and inquiries and considered such other information and factors as Houlihan Lokey deemed appropriate.

Houlihan Lokey relied upon and assumed, without independent verification, the accuracy and completeness of all data, material and other information furnished, or otherwise made available, to Houlihan Lokey, discussed with or reviewed by Houlihan Lokey, or publicly available, and did not assume any responsibility with respect to such data, material and other information. In addition, the managements of International Assets and FCStone advised Houlihan Lokey, and Houlihan Lokey assumed, that the financial projections reviewed by Houlihan Lokey were reasonably prepared in good faith on bases reflecting the best currently available estimates and judgments of such management as to the future financial results and condition of International Assets and FCStone, including the assumption that each company's outstanding indebtedness will be refinanced on substantially similar terms to its existing indebtedness, and Houlihan Lokey expressed no opinion with respect to such projections or the assumptions on which they were based. Furthermore, upon the advice of the management of International Assets, Houlihan Lokey assumed that the estimated synergies reviewed by Houlihan Lokey were reasonably prepared in good faith on bases reflecting the best currently available estimates and judgments of the management of International Assets and that the synergies will be realized in the amounts and the time periods indicated thereby, and Houlihan Lokey expressed no opinion with respect to such synergies or the assumptions on which they were based. Houlihan Lokey relied upon and assumed, without independent verification, that there was no change in the business, assets, liabilities, financial condition, results of operations, cash flows or prospects of International Assets or FCStone since the date of the most recent financial statements provided to Houlihan Lokey that would be material to its analyses or the opinion, and that there was no information or any facts that would make any of the information reviewed by Houlihan Lokey incomplete or misleading. Houlihan Lokey did not consider any aspect or implication of any transaction to which either of International Assets or FCStone may be a party (other than as specifically described herein with respect to the merger). Houlihan Lokey is not an expert in the evaluation of provisions for bad debts and did not independently verify such provisions of FCStone or examine any individual extensions of credit. Houlihan Lokey assumed, with the consent of International Assets, that the aggregate provision for bad debts set forth in the financial statements of FCStone is adequate to cover such losses and comply fully with applicable law and regulatory policy as of the date of such financial statements.

With respect to outstanding litigation involving FCStone, Houlihan Lokey has, at the instruction of International Assets, relied, without independent verification, solely upon the judgment of the management of International Assets and its counsel as to the outcome of the litigation and its effect on the financial condition and results of operations of FCStone.

Houlihan Lokey relied upon and assumed, without independent verification, that (a) the representations and warranties of all parties to the agreements identified in the first bullet point above and all other related documents and instruments that are referred to therein were true and correct, (b) each party to all such agreements and such other related documents and instruments would fully and timely perform all of the covenants and agreements required to be performed by such party, (c) all conditions to the consummation of the merger would be satisfied without waiver thereof, and (d) the merger would be consummated in a timely manner in accordance with the terms described in the agreements and documents provided to Houlihan Lokey, without any amendments or modifications thereto. Houlihan Lokey also assumed, with the consent of International Assets, that the merger will be treated as a tax-free transaction. Houlihan Lokey also relied upon and assumed, without independent verification, that (i) the merger would be consummated in a manner that complies in all respects with all applicable federal and state statutes, rules and regulations, and (ii) all governmental, regulatory, and other consents and approvals necessary for the consummation of the merger would be obtained and that no delay, limitations, restrictions or conditions would be imposed or amendments, modifications or waivers made that would result in the disposition of any material portion of the assets of International Assets or FCStone, or otherwise have an effect on International Assets or FCStone or any expected benefits of the merger that would be material to Houlihan Lokey's analyses or its opinion. In addition, Houlihan Lokey relied upon and assumed, without independent verification, that the final forms of any draft documents identified above would not differ in any respect from the drafts of said documents.

Furthermore, in connection with its opinion, Houlihan Lokey was not requested to make, and did not make, any physical inspection or independent appraisal or evaluation of any of the assets, properties or liabilities (fixed, contingent, derivative, off-balance-sheet or otherwise) of International Assets or FCStone or any other party, nor was Houlihan Lokey provided with any such appraisal or evaluation. Houlihan Lokey did not estimate, and expressed no opinion regarding, the liquidation value of any entity. Houlihan Lokey did not undertake any independent analysis of any potential or actual litigation, regulatory action, possible unasserted claims or other contingent liabilities, to which International Assets or FCStone are or may be a party or are or may be subject, or of any governmental investigation of any possible unasserted claims or other contingent liabilities to which International Assets or FCStone are or may be a party or are or may be subject.

Houlihan Lokey was not requested to, and did not, (a) initiate or participate in any discussions or negotiations with, or solicit any indications of interest from, third parties with respect to the merger, the assets, businesses or operations of International Assets or any other party, or any alternatives to the merger, (b) negotiate the terms of the merger, or (c) advise the board of directors of International Assets or any other party with respect to alternatives to the merger. The opinion was necessarily based on financial, economic, market and other conditions as in effect on, and the information made available to Houlihan Lokey as of July 1, 2009. Houlihan Lokey has not undertaken, and is under no obligation, to update, revise, reaffirm or withdraw its opinion, or otherwise comment on or consider events occurring after July 1, 2009. Houlihan Lokey did not express any opinion as to what the value of International Assets common stock actually will be when issued in connection with the merger or the price or range of prices at which International Assets common stock or FCStone common stock may be purchased or sold at any time.

The opinion was furnished for the use and benefit of the board of directors of International Assets in connection with its consideration of the merger and was not intended to be used for any other purpose without Houlihan Lokey's prior written consent. Houlihan Lokey's opinion should not be construed as creating any fiduciary duty on Houlihan Lokey's part to any party. The opinion was not intended to be, and does not constitute, a recommendation to the board of directors of International Assets, any security holder or any other person as to how to act or vote with respect to any matter relating to the merger.

Houlihan Lokey was not requested to opine as to, and its opinion did not express an opinion as to or otherwise address, among other things: (i) the underlying business decision of International Assets, its security holders or any other party to proceed with or effect the merger, (ii) the terms of any arrangements, understandings, agreements or documents related to, or the form or any other portion or aspect of, the merger or otherwise (other than the exchange ratio to the extent expressly specified herein), (iii) the fairness of any portion or aspect of the merger to the holders of any class of securities, creditors or other constituencies of International Assets of FCStone or to any other party, except as expressly set forth in the last sentence of the opinion, (iv) the relative merits of the merger as compared to any alternative business strategies that might exist for International Assets, FCStone or any other party or the effect of any other transaction in which International Assets, FCStone or any other party might engage, (v) the fairness of any portion or aspect of the merger to any one class or group of International Assets, FCStone or any other party's security holders vis-à-vis any other class or group of International Assets, FCStone or such other party's security holders (including, without limitation, the allocation of any consideration amongst or within such classes or groups of security holders), (vi) whether or not International Assets, FCStone, their respective security holders or any other party is receiving or paying reasonably equivalent value in the merger, (vii) the solvency, creditworthiness or fair value of International Assets, FCStone or any other participant in the merger under any applicable laws relating to bankruptcy, insolvency, fraudulent conveyance or similar matters, or (viii) the fairness, financial or otherwise, of the amount or nature of any compensation to or consideration payable to or received by any officers, directors or employees of any party to the merger, any class of such persons or any other party, relative to the exchange ratio or otherwise. Furthermore, no opinion, counsel or interpretation is intended in matters that require legal, regulatory, accounting, insurance, tax or other similar professional advice. It was assumed that such opinions, counsel or interpretations were or would be obtained from the appropriate professional sources. Furthermore, Houlihan Lokey relied, with the consent of International Assets, on the assessments by International Assets and its

advisers, as to all legal, regulatory, accounting, insurance and tax matters with respect to International Assets, FCStone and the merger.

In preparing its opinion to the board of directors of International Assets, Houlihan Lokey performed a variety of analyses, including those described below. The summary of Houlihan Lokey's analyses is not a complete description of the analyses underlying Houlihan Lokey's opinion. The preparation of a fairness opinion is a complex process involving various quantitative and qualitative judgments and determinations with respect to the financial, comparative and other analytical methods employed and the adaptation and application of these methods to the unique facts and circumstances presented. As a consequence, neither a fairness opinion nor its underlying analyses is readily susceptible to summary description. Houlihan Lokey arrived at its opinion based on the results of all analyses undertaken by it and assessed as a whole and did not draw, in isolation, conclusions from or with regard to any individual analysis, methodology or factor. Accordingly, Houlihan Lokey believes that its analyses and the following summary must be considered as a whole and that selecting portions of its analyses, methodologies and factors or focusing on information presented in tabular format, without considering all analyses, methodologies and factors or the narrative description of the analyses, could create a misleading or incomplete view of the processes underlying Houlihan Lokey's analyses and opinion. Each analytical technique has inherent strengths and weaknesses, and the nature of the available information may further affect the value of particular techniques.

In performing its analyses, Houlihan Lokey considered general business, economic, industry and market conditions, financial and otherwise, and other matters as they existed on, and could be evaluated as of, the date of the opinion. Houlihan Lokey's analyses involved judgments and assumptions with regard to industry performance, general business, economic, regulatory, market and financial conditions and other matters, many of which are beyond the control of International Assets and FCStone, such as the impact of competition on the business of International Assets and FCStone and on the industry generally, industry growth and the absence of any adverse material change in the financial condition and prospects of International Assets or FCStone or the industry or in the markets generally. No company, transaction or business used in Houlihan Lokey's analyses for comparative purposes is identical to either International Assets or FCStone or the proposed merger and an evaluation of the results of those analyses is not entirely mathematical. Houlihan Lokey believes that mathematical derivations (such as determining average and median) of financial data are not by themselves meaningful and should be considered together with qualities, judgments and informed assumptions. The estimates contained in International Assets' and FCStone's analyses and the implied reference range values indicated by Houlihan Lokey's analyses are not necessarily indicative of actual values or predictive of future results or values, which may be significantly more or less favorable than those suggested by the analyses. In addition, any analyses relating to the value of assets, businesses or securities do not purport to be appraisals or to reflect the prices at which businesses or securities actually may be sold, which may depend on a variety of factors, many of which are beyond the control of International Assets or FCStone. Much of the information used in, and accordingly the results of, Houlihan Lokey's analyses are inherently subject to substantial uncertainty.

Houlihan Lokey's opinion was provided to the board of directors of International Assets in connection with its consideration of the proposed merger and was only one of many factors considered by International Assets' board of directors in evaluating the proposed merger. Neither Houlihan Lokey's opinion nor its analyses were determinative of the exchange ratio or of the views of the board of directors or its management with respect to the merger or the exchange ratio. The type and amount of consideration payable in the merger were determined through negotiation between International Assets and FCStone, and the decision to enter into the merger was solely that of International Assets' board of directors.

The following is a summary of the material analyses reviewed by Houlihan Lokey with International Assets' board of directors on June 30, 2009 in connection with Houlihan Lokey's written opinion rendered on July 1, 2009. The order of the analyses does not represent relative importance or weight given to those analyses by Houlihan Lokey. The analyses summarized below include information presented in tabular format. The tables alone do not constitute a complete description of the analyses. Considering the data in the tables below without

considering the full narrative description of the analyses, as well as the methodologies underlying, and the assumptions, qualifications and limitations affecting, each analysis, could create a misleading or incomplete view of Houlihan Lokey's analyses.

For purposes of its analyses, Houlihan Lokey reviewed a number of financial metrics, including:

- Equity value calculated as the value of the relevant company's outstanding equity securities (taking into account its outstanding warrants and other convertible securities) based on the relevant company's closing stock price, or equity value, as of a specified date.
- Earnings adjusted for certain non-recurring items, or adjusted net income.
- Stockholder's equity less intangible assets, or net book value.

In addition, Houlihan Lokey performed a financial analysis of International Assets. Although Houlihan Lokey used the International Assets common stock price of $15.20, as of June 29, 2009, to evaluate the implied exchange ratio reference range, as more fully described below, Houlihan Lokey performed a separate financial analysis of International Assets in light of its relatively small market capitalization, limited volume of trading of its common stock and lack of research analyst coverage.

Unless the context indicates otherwise, equity values derived from the selected companies analysis described below were calculated using the closing price of International Assets common stock and FCStone common stock and the common stock of the selected institutional brokerage companies listed below as of June 29, 2009, and transaction values for the target companies derived from the selected transactions analysis described below were calculated as of the announcement date of the relevant transaction based on the estimated purchase prices paid in the selected transactions. Accordingly, this information may not reflect current or future market conditions. Estimates for each of adjusted net income for the next fiscal year for which financial information has not been made public, or NFY adjusted net income, and adjusted net income for the fiscal year following the next fiscal year for which financial information has not been made public, or NFY+1 adjusted net income, for International Assets and FCStone were based on estimates provided by the managements of International Assets and FCStone, respectively. Estimates of NFY adjusted net income and NFY+1 adjusted net income for the selected institutional brokerage companies listed below were based on certain publicly available estimates for those institutional brokerage companies.

Selected Companies Analysis

Houlihan Lokey calculated multiples of the equity value based on certain financial data for International Assets, FCStone and certain companies in the institutional brokerage industry (the "Selected Companies"). Houlihan Lokey selected publicly traded U.S. and European institutional brokerage companies that did not have significant asset management or lending businesses. The calculated multiples included (i) equity market value as a multiple of adjusted net income for the most recent twelve months for which financial information has been made public, or LTM adjusted net income, and (ii) equity market value as a multiple of NFY adjusted net income.

The list of Selected Companies and the related financial data are set forth below.

Selected Company	Equity Market Value ($USD in Millions)	Equity Market Value to Adjusted Net Income				Equity Market Value to Net Book Value	
		FYE(1)	LTM	NFY	NFY+1	FYE(1)	LTM
BCG Partners, Inc.	$ 747.6	*NMF(2)*	23.4x	10.5x	8.7x	6.94x	3.37x
GFI Group Inc.	$ 801.5	11.4x	17.7x	18.9x	13.7x	3.59x	3.48x
Tullett Prebon plc	$ 1,043.2	5.9x	5.9x	7.8x	7.3x	*NMF*	*NMF*
Compagnie Financiere Tradition	$ 613.9	7.5x	7.5x	7.7x	7.2x	3.66x	3.66x
TradeStation Group Inc.	$ 356.4	11.6x	13.2x	18.3x	15.2x	2.16x	2.13x
ICAP plc	$ 4,724.4	16.3x	16.3x	15.3x	13.7x	*NMF*	*NMF*
MF Global Ltd.	$ 707.4	8.4x	8.4x	11.2x	5.9x	*NMF*	*NMF*
Penson Worldwide Inc.	$ 236.7	22.2x	*NMF*	10.3x	7.8x	1.61x	0.89x
Investment Technology Group Inc.	$ 895.8	7.8x	9.4x	12.9x	10.3x	2.46x	2.38x
LaBranche & Co. Inc.	$ 236.5	*NMF*	*NMF*	10.9x	8.0x	0.71x	0.80x
Knight Capital Group Inc.	$ 1,659.0	9.3x	9.5x	15.3x	9.6x	2.35x	2.27x
optionsXpress Holdings, Inc.	$ 923.5	10.2x	11.5x	15.9x	12.7x	4.22x	4.28x
Van der Moolen Holding N.V.	$ 88.8	2.6x	2.6x	*NA(3)*	*NA*	1.99x	1.99x
Viel & Cie SA	$ 257.6	2.8x	2.8x	*NA*	*NA*	2.97x	2.97x
International Assets	**$ 143.7**	**4.9x**	**8.4x**	**6.9x**	**5.7x**	**2.20x**	**2.12x**
FCStone	**$ 116.2**	**2.5x**	**3.1x**	**5.0x**	**6.3x**	**0.54x**	**0.68x**

(1) FYE refers to the most recently completed fiscal year for which financial information has been made public.

(2) NMF refers to not meaningful.

(3) NA refers to not available.

The calculated multiple range and averages were as follows:

Multiple Description	Multiple Range and Averages			
	Low	High	Median	Mean
Equity Market Value as a multiple of:				
FYE Adjusted Net Income	2.6x	22.2x	8.9x	9.7x
LTM Adjusted Net Income	2.6x	23.4x	9.5x	10.7x
NFY Adjusted Net Income	7.7x	18.9x	12.1x	12.9x
NFY+1 Adjusted Net Income	5.9x	15.2x	9.1x	10.0x
Equity Market Value as a multiple of:				
FYE Net Book Value	0.71x	6.94x	2.46x	2.97x
LTM Net Book Value	0.80x	4.28x	2.38x	2.57x

International Assets

Houlihan Lokey applied the following selected multiple ranges derived from the selected companies analysis to corresponding financial data for International Assets. The selected companies analysis indicated the following implied equity value reference ranges for International Assets:

Multiple Description	Selected Multiple Range		Selected Equity Value Range (in millions)
	Low	High	
LTM Adjusted Net Income	7.5x	8.5x	$129.0 – $146.2
NFY Adjusted Net Income	6.5x	7.5x	$134.6 – $155.3

Houlihan Lokey adjusted the equity value reference range to arrive at an implied per share reference range by assuming there were 9.5 million shares outstanding of International Assets common stock on a diluted basis, based on public filings as of May 7, 2009.

The selected companies analysis based on LTM adjusted net income indicated the following implied per share reference range for International Assets, which range overlapped with International Assets per share market price as of June 29, 2009:

Implied Per Share Equity Reference Range for International Assets	Per Share Market Price
$13.65 – $15.47	$ 15.20

The selected companies analysis based on NFY adjusted net income indicated the following implied per share reference range for International Assets, which range overlapped with International Assets per share market price as of June 29, 2009:

Implied Per Share Equity Reference Range for International Assets	Per Share Market Price
$14.24 – $16.43	$ 15.20

FCStone

Houlihan Lokey applied the following selected multiple ranges derived from the selected companies analysis to corresponding financial data for FCStone. The selected companies analysis indicated the following implied equity value reference ranges for FCStone:

Multiple Description	Selected Multiple Range		Selected Equity Value Range (in millions)
	Low	High	
LTM Adjusted Net Income	3.5x	5.5x	$101.8 – $186.5
NFY Adjusted Net Income	5.5x	7.5x	$ 99.1 – $155.7

Houlihan Lokey made several adjustments to this selected equity value reference range to arrive at an implied per share reference range. These adjustments included assuming outstanding common shares of 27.9 million, based on public filings as of April 8, 2009, together with subtracting estimated potential litigation liabilities of FCStone of between $5 million and $15 million and a potential pension funding deficit liability of $14 million from the selected equity value reference range.

The selected companies analysis based on LTM adjusted net income indicated the following (i) implied per share reference range for FCStone, and (ii) implied exchange ratio reference range (based on the closing price of International Assets common stock on June 29, 2009 of $15.20), as compared to the proposed exchange ratio:

Implied Per Share Equity Reference Range for FCStone	Implied Exchange Ratio Reference Range	Exchange Ratio
$3.64 – $6.68	0.24 – 0.44	0.295

The selected companies analysis based on NFY adjusted net income indicated the following (i) implied per share reference range for FCStone, and (ii) implied exchange ratio reference range (based on the closing price of International Assets common stock on June 29, 2009 of $15.20), as compared to the proposed exchange ratio:

Implied Per Share Equity Reference Range for FCStone	Implied Exchange Ratio Reference Range	Exchange Ratio
$3.55 – $5.57	0.23 – 0.37	0.295

Selected Transactions Analysis

Houlihan Lokey calculated multiples of equity value and per share equity value based on the estimated purchase prices paid in certain publicly announced institutional brokerage transactions. Houlihan Lokey selected transactions announced within three years prior to the announcement of the proposed merger that involved institutional brokerage firms that did not have significant asset management or lending businesses. The calculated multiples included implied equity value of the target company as a multiple of LTM adjusted net income, which for the selected transactions were based on available LTM adjusted net income as of the announcement date of the relevant transaction.

The list of selected transactions and the related multiples and certain financial data are set forth below:

Announced	Target	Acquiror	Equity Value	Equity Value / Net Income	Price / Gross BV	Price / Tangible BV
01/08/2009	Thinkorswim Group Inc.	TD Ameritrade Holding Corporation	$ 578.9	10.3x	2.6x	NMF
12/19/2008	International Derivatives Clearing Group, LLC.	NASDAQ OMX Group, Inc.	$ 104.4	NA	NA	NA
10/30/2008	The Clearing Corporation	Intercontinental Exchange, Inc.	$ 39.0	NA	NA	NA
07/14/2008	E*Trade Canada Securities Corporation	The Bank Of Nova Scotia	$ 442.0	NA	NA	NA
06/03/2008	Creditex Group, Inc.	Intercontinental Exchange, Inc.	$ 522.0	40.4x	6.5x	18.3x
04/07/2008	Link Asset & Securities Co. Ltd.	ICAP plc	$ 311.0	11.8x	6.8x	NMF
03/17/2008	Primex Energy Brokers Ltd.	Tullett Prebon plc	$ 26.0	NA	NA	NA
08/01/2007	IWL Ltd.	Commonwealth Bank of Australia	$ 304.4	21.9x	3.7x	9.9x
06/08/2007	Redsky Financial LLC	Investment Technology Group	$ 21.1	NA	NA	NA
05/30/2007	BGC Division (Cantor Fitzgerald)	eSpeed	$1,305.1	NMF	18.0x	163.0x
01/24/2007	Xpress Trade LLC	OptionXpress Holdings	$ 37.0	8.3x	NA	NA
09/14/2006	New York Board of Trade, Inc.	Intercontinental Exchange, Inc	$1,066.4	80.6x	0.0x	0.0x
09/07/2006	Amerex Energy-North American Operations	GFI Group	$ 86.0	NA	NA	NA

The calculated multiple range and averages were as follows:

	Multiple Range and Averages			
Multiple Description	Low	High	Median	Mean
Implied Equity Value as a multiple of:				
Net Income	8.3x	80.6x	16.9x	28.9x
Implied Equity Value as a multiple of:				
Gross Book Value	2.6x	18.0x	6.5x	7.5x
Tangible Book Value	9.9x	163.0x	18.3x	63.7x

International Assets

Houlihan Lokey applied the following selected multiple ranges derived from the selected transactions analysis to corresponding financial data for International Assets. The selected transactions analysis indicated the following implied equity value reference range for International Assets:

	Selected Multiple Range		Selected Equity Value Range ($USD in millions)
Multiple Description	Low	High	
LTM Adjusted Net Income	8.0x	9.0x	$137.6 – $154.8

Houlihan Lokey made the per share adjustment for International Assets described above to arrive at an implied per share reference range. The selected transactions analysis indicated the following implied per share reference range for International Assets, which range overlapped with International Assets' per share market price as of June 29, 2009:

Implied Per Share Equity Reference Range for International Assets	Per Share Market Price
$14.56 – $16.38	$ 15.20

FCStone

Houlihan Lokey applied the following selected multiple ranges derived from the selected transactions analysis to corresponding financial data for FCStone. The selected transactions analysis indicated the following implied equity value reference range for FCStone:

Multiple Description	Selected Multiple Range		Selected Equity Value Range (in millions)
	Low	High	
LTM Adjusted Net Income	4.0x	6.0x	$120.4 – $205.2

Houlihan Lokey made the equity value adjustments described above relating to FCStone to arrive at an implied per share reference range. The selected transactions analysis indicated the following (i) implied per share reference range for FCStone, and (ii) implied exchange ratio reference range (based on the closing price of International Assets common stock on June 29, 2009 of $15.20), as compared to the proposed exchange ratio:

Implied Per Share Equity Reference Range for FCStone	Implied Exchange Ratio Reference Range	Exchange Ratio
$4.31 – $7.35	0.28 – 0.48	0.295

Discounted Cash Flow Analysis

International Assets

Houlihan Lokey calculated the estimated present value of the standalone, after-tax free cash flows that International Assets could generate over the remaining three-months of fiscal year 2009, and fiscal years 2010 and 2011, based on estimates of the future financial performance of International Assets provided by the management of International Assets. Houlihan Lokey then calculated a range of estimated terminal values based on a range of multiples of 6.0x to 8.0x of International Assets' estimated net income for the fiscal year ending 2011. The estimated after-tax free cash flows and terminal values were then discounted using a mid-year convention to the present value using discount rates ranging from 23.0% to 25.0%.

The discounted cash flow analysis indicated the following implied per share equity reference range for International Assets, which range was above International Assets' per share market price as of June 29, 2009:

Implied Per Share Equity Reference Range for International Assets	Per Share Market Price
$15.41 – $19.57	$ 15.20

FCStone

Houlihan Lokey calculated the estimated net present value of the standalone, after-tax free cash flows that FCStone could generate over the remaining three-months of fiscal year 2009, and fiscal years 2010 through 2013, based on estimates for the future financial performance of FCStone provided by FCStone's management. Houlihan Lokey then calculated a range of estimated terminal values based on a range of multiples of 5.0x to 7.0x of FCStone's estimated net income for the fiscal year ending 2013. The estimated after-tax free cash flows and terminal values were then discounted using a mid-year convention to the present value using discount rates ranging from 16.0% to 18.0%.

The discounted cash flow analysis indicated the following (i) implied per share equity reference range for FCStone, and (ii) implied exchange ratio reference range (based on the closing price of International Assets common stock on June 29, 2009 of $15.20), as compared to the proposed exchange ratio:

Implied Per Share Equity Reference Range for FCStone	Implied Exchange Ratio Reference Range	Exchange Ratio
$7.11 – $10.28	0.47 – 0.68	0.295

Contribution Analysis

- Houlihan Lokey analyzed the respective pro forma contributions of International Assets and FCStone based upon the revenue, earnings before interest, taxes, depreciation and amortization, commonly referred to as EBITDA, and net income for the fiscal year 2008, and estimated revenue, EBITDA and net income for fiscal years 2009 and 2010, based on estimates provided by the managements of International Assets and FCStone. The analysis was based on the following assumptions:
- 2009 and 2010 fiscal years for International Assets correspond to the fiscal years ending September 30, 2009 and 2010, respectively;
- 2009 and 2010 fiscal years for FCStone correspond to the fiscal years ending August 31, 2009 and 2010, respectively; and
- International Assets revenues were operating revenues and FCStone revenues were net revenues.

The analysis indicated the following relative contributions of International Assets and FCStone, as compared to the pro forma outstanding ownership percentage for the stockholders of each company (as of May 31, 2009 in the case of FCStone; as of June 30, 2009 in the case of International Assets), based on the exchange ratio:

	Relative Contributions		
	2008	2009E	2010E
Revenue			
International Assets	21.1%	31.0%	33.4%
FCStone	78.9%	69.0%	66.6%
EBITDA			
International Assets	26.5%	54.1%	56.6%
FCStone	73.5%	45.9%	43.4%
Net Income			
International Assets	18.5%	47.1%	57.4%
FCStone	81.5%	52.9%	42.6%
Pro Forma Ownership			
International Assets	52.5%		
FCStone	47.5%		

Houlihan Lokey also analyzed the respective contributions of International Assets and FCStone on the basis of each company's tangible book values, as well as their current market values and current stock price in relation to their 52-week high and low trading prices.

The analysis indicated the following relative contributions and relative values of International Assets and FCStone:

	Relative Contribution	
	As of June 15, 2008	Latest Reported(4)
Tangible Book Value		
International Assets	19.4%	28.1%
FCStone	80.6%	71.9%

	Relative Value	
	As of June 15, 2008	As of June 29, 2009
Market Value		
International Assets	19.2%	55.3%
FCStone	80.8%	44.7%

	High / Low	Stock Price As of June 29, 2009
Stock Price Compared to 52-Week High-Low		
International Assets	$37.74 / $5.29	$15.20
FCStone	$32.25 / $1.23	$ 4.16

(4) Latest reported tangible book values for International Assets and FCStone were as of February 28, 2009, and March 31, 2009, respectively.

Pro Forma Ownership	
International Assets	52.5%
FCStone	47.5%

Other Matters

Houlihan Lokey was engaged by International Assets to provide an opinion to International Assets' board of directors regarding the fairness from a financial point of view of the exchange ratio in the merger. International Assets engaged Houlihan Lokey based on Houlihan Lokey's experience and reputation. Houlihan Lokey is regularly engaged to render financial opinions in connection with mergers, acquisitions, divestitures, leveraged buyouts, recapitalizations, and for other purposes. Pursuant to the engagement letter, International Assets has agreed to pay Houlihan Lokey a customary fee for its services. Such amount became payable upon the delivery of Houlihan Lokey's opinion and was not contingent upon the conclusion reached therein. No portion of Houlihan Lokey's fee is contingent upon the successful completion of the merger. International Assets has also agreed to reimburse Houlihan Lokey for certain expenses and to indemnify Houlihan Lokey, its affiliates and certain related parties against certain liabilities and expenses, including certain liabilities under the federal securities laws arising out of or relating to Houlihan Lokey's engagement.

In the ordinary course of business, Houlihan Lokey and certain of its affiliates, as well as investment funds in which they may have financial interests, may acquire, hold or sell, long or short positions, or trade or otherwise effect transactions, in debt, equity, and other securities and financial instruments (including loans and other obligations) of, or investments in, International Assets, FCStone or any other party that may be involved in the merger and their respective affiliates or any currency or commodity that may be involved in the merger.

Houlihan Lokey and certain of its affiliates may provide investment banking, financial advisory and other financial services to International Assets and FCStone and other participants in the merger and certain of their respective affiliates in the future, for which Houlihan Lokey and such affiliates may receive compensation.

Opinion of FCStone's Financial Advisor

FCStone retained BMO Capital Markets to render an opinion to the FCStone board of directors as to the fairness, from a financial point of view, to FCStone's stockholders (other than International Assets and its affiliates) of the exchange ratio of 0.2950 of a share of International Assets common stock to be paid for each outstanding share of FCStone stock under the merger agreement, which is referred to herein as the exchange ratio. On July 1, 2009, at a meeting of FCStone's board of directors held to evaluate the merger, BMO Capital Markets delivered its oral opinion, which opinion was subsequently confirmed by delivery of its written opinion dated July 1, 2009, to the effect that, as of that date and subject to the various assumptions in such opinion, the exchange ratio, was fair, from a financial point of view, to the stockholders of FCStone (other than International Assets and any of its affiliates). BMO Capital Markets does not have any obligation to update, revise or reaffirm its opinion.

The full text of BMO Capital Markets' written opinion to the FCStone board of directors, which sets forth, among other things, the procedures followed, assumptions made, matters considered and limitations on the review undertaken, is attached as Annex E to this joint proxy statement/prospectus and is incorporated into this joint proxy statement/prospectus by reference. Holders of FCStone common stock are encouraged to read the opinion carefully and in its entirety. The following summary is qualified in its entirety by reference to the full text of such opinion. BMO Capital Markets' analyses and opinion were prepared for and addressed to the FCStone board of directors and are directed only to the fairness, from a financial point of view, to the stockholders of FCStone (other than International Assets and its affiliates) of the exchange ratio. BMO Capital Markets' opinion does not constitute a recommendation to FCStone stockholders or anyone else on how to vote at any meeting held in connection with the merger. BMO Capital Markets' opinion also does not in any manner address the prices at which FCStone or International Assets common stock have traded or may trade in the future, including subsequent to the completion of the merger. The BMO Capital Markets opinion has been approved by a fairness committee of BMO Capital Markets.

In preparing its opinion to the FCStone board of directors, BMO Capital Markets performed various financial and comparative analyses, including those described below. The summary set forth below does not purport to be a complete description of the analyses underlying BMO Capital Markets' opinion or the presentation made by BMO Capital Markets to the FCStone board of directors. The preparation of a fairness opinion is a complex analytic process involving various determinations as to the most appropriate and relevant methods of financial analysis and the application of those methods to the particular circumstances and, therefore, a fairness opinion is not readily susceptible to partial analysis or summary description. In arriving at its opinion, BMO Capital Markets did not attribute any particular weight to any analysis or factor considered by it, but rather made its determination as to fairness on the basis of its experience and professional judgment after considering the results of all of its analyses. Accordingly, notwithstanding the separate analyses summarized below, BMO Capital Markets believes that its analyses must be considered as a whole and that selecting portions of its analyses and factors, or focusing on information presented in tabular format, without considering all of the analyses and factors or the narrative description of the analyses, would create a misleading or incomplete view of the process underlying its opinion.

In arriving at its opinion, and performing the related financial analysis, BMO Capital Markets:

- reviewed a draft of the merger agreement dated June 30, 2009;
- reviewed FCStone's annual report on Form 10-K and related financial information included therein for the fiscal years ended August 31, 2008, and August 31, 2007, and FCStone's 10-Q for the quarter

ended February 28, 2009, in addition to selected unaudited financial information for the quarter ending May 31, 2009;

- reviewed International Assets' annual report on Form 10-K and related financial information included therein for the fiscal years ended September 30, 2008 and September 30, 2007, and International Assets' 10-Q for the quarter ended March 31, 2009;
- reviewed certain financial and operating information relating to the business, earnings, cash flow, assets, liabilities and prospects of FCStone and International Assets, including estimated synergies expected to result from the merger, furnished to BMO Capital Markets by FCStone and International Assets;
- conducted discussions with members of the senior management and other representatives of FCStone and International Assets concerning their respective operations, financial condition and prospects;
- reviewed the relative contribution of earnings, cash flow, equity, and equity values of FCStone and International Assets to the resulting entity;
- reviewed historical stock prices of the common stock of FCStone and International Assets;
- reviewed the pro forma impact of the merger on FCStone, based on assumptions relating to transaction expenses, purchase accounting assumptions and cost savings determined by senior management of FCStone and International Assets;
- performed discounted cash flow analyses for FCStone and International Assets; and
- reviewed such other financial studies and performed such other analyses and investigations that took into account such other matters as BMO Capital Markets deemed appropriate.

In rendering its opinion, BMO Capital Markets assumed and relied on the accuracy and completeness of information supplied or otherwise made available to BMO Capital Markets by FCStone, International Assets or their respective representatives or advisors or obtained by BMO Capital Markets from other sources. BMO Capital Markets did not assume any responsibility for independently verifying and did not independently verify such information. BMO Capital Markets did not independently evaluate, physically inspect or appraise any of the respective assets or liabilities (contingent or otherwise) of FCStone or International Assets and was not furnished with any such valuations or appraisals. BMO Capital Markets was not asked to and did not evaluate the solvency or fair value of FCStone or International Assets. With respect to financial projections, including estimated synergies, for FCStone and International Assets, BMO Capital Markets was advised by FCStone, and assumed, without independent investigation, that they had been reasonably prepared and reflected the best currently available estimates and good faith judgments of senior management of FCStone and International Assets of the expected future competitive, operating and regulatory environments and related financial performance of FCStone and International Assets. BMO Capital Markets expresses no opinion with respect to such projections, including estimated synergies, or the assumptions on which they are based. BMO Capital Markets was not asked to and did not consider the possible effects of any litigation or other legal claims. BMO Capital Markets further assumed that the merger will qualify as a tax-free reorganization for U.S. federal income tax purposes and that the merger will be consummated in a timely manner and in accordance with the terms of the merger agreement without waiver, modification or amendment of any material term, condition or agreement and that all governmental, regulatory and other consents and approvals necessary for the consummation of the merger will be obtained without any material adverse effect on FCStone or International Assets or on the contemplated benefits of the merger.

BMO Capital Markets' opinion is necessarily based upon financial, economic, market and other conditions and circumstances as in effect on, and information made available to BMO Capital Markets as of July 1, 2009. BMO Capital Markets disclaims any undertakings or obligations to advise any person of any change in any fact or matter affecting the opinion which may come or be brought to its attention after the date of the opinion.

BMO Capital Markets' opinion does not constitute a recommendation as to any action by the board of directors of FCStone or any stockholder of FCStone should take in connection with the merger or any aspect thereof and is not a recommendation to any person on how such person should vote with respect to the adoption of the merger agreement. BMO Capital Markets' opinion relates solely to the fairness, from a financial point of view, to stockholders of FCStone (other than International Assets and its affiliates) of the exchange ratio. BMO Capital Markets expresses no opinion as to the relative merits of the merger and any other transactions or business strategies discussed by the board of directors of FCStone as alternatives to the merger or the decision of the board of directors of FCStone to proceed with the merger, nor does BMO Capital Markets express any opinion on the structure, terms or effect of any other aspect of the merger or the other transactions contemplated by the merger agreement. BMO Capital Markets is not an expert in, and its opinion does not address, any of the legal, tax or accounting aspects of the proposed transaction, including, without limitation, whether or not the transactions contemplated by the merger agreement constitute a change of control under any contract or agreement to which the Company, International Assets or any of their respective subsidiaries is a party. BMO Capital Markets relied solely on FCStone's legal, tax and accounting advisors for such matters.

The following is a summary of the material analyses performed by BMO Capital Markets in connection with its opinion to the FCStone board of directors dated July 1, 2009. The following summary, however, does not purport to be a complete description of the financial analyses performed by BMO Capital Markets, nor does the order of analyses described represent relative importance or weight given to those analyses by BMO Capital Markets. Except as otherwise noted, the following quantitative information, to the extent that it is based on market data, is based on market data as it existed on or before June 30, 2009 and is not necessarily indicative of current market conditions. All actual and projected financial statements for International Assets, as utilized by BMO Capital markets, have been provided by International Assets management and have been prepared on a non GAAP basis. Some of the financial analyses summarized below include information presented in tabular format. In order to understand fully BMO Capital Markets' financial analyses, the tables must be read together with the text of the summary. The tables alone do not constitute a complete description of the financial analyses. Considering the data set forth below without considering the full narrative description of the financial analyses, including the methodologies and assumptions underlying the analyses, could create a misleading or incomplete view of BMO Capital Markets' financial analyses.

Merger Consideration. BMO Capital Markets calculated the implied merger price per share by multiplying the exchange ratio of 0.2950 by the closing price per share of International Assets' common stock of $14.87 on June 30, 2009. BMO Capital Markets noted that the implied $4.39 per share merger consideration represented an 11.1% premium to the closing stock price per share of FCStone's common stock on June 30, 2009 of $3.95. BMO Capital Markets noted that based on an exchange ratio of 0.2950 stockholders of FCStone's would have approximately 47.50% of the economic ownership and voting rights of the combined company.

Historical Exchange Ratio Analysis. BMO Capital Markets analyzed the historical trading price of FCStone stock relative to International Assets' common stock based on closing prices between June 29, 2008 and June 30, 2009 and calculated the historical exchange ratios during certain periods within those dates implied by dividing the daily closing prices per share of FCStone common stock by those of International Assets' common stock, and the average of those historical trading ratios for the various periods reviewed. BMO Capital Markets reviewed exchange ratios for periods ending on October 13, 2008 and June 30, 2009. BMO Capital Markets next compared the merger exchange ratio of 0.2950 provided for in the merger agreement with historical exchange ratios for the various periods ending October 13, 2008 and June 30, 2009.

The following table lists the implied exchange ratios for these periods:

Days Trading	Implied Exchange Ratio
June 30, 2009	0.2660
Last 30 days average	0.2950
Last three months average	0.2790
Last six months average	0.3500
FCStone / International Assets merger agreement	0.2950

Relative Contribution Analysis. BMO Capital Markets analyzed the contribution of each of FCStone and International Assets to the pro forma combined company with respect to earnings before interest, taxes and depreciation, or EBITDA, net income, book value, tangible book value, and current market capitalization. BMO Capital Markets analyzed these metrics for the latest twelve-month ("LTM") period ending and for projected operating results for fiscal year ending 2009 and 2010. For the latest twelve-month period ending, BMO Capital Markets utilized actual results as of May 31, 2009 provided by FCStone management and utilized three quarters of actual results ending March 31, 2009 plus projected quarter results as of June 30, 2009 as provided by management from International Assets. Projected operating results were prepared by FCStone and International Assets management respectively and assumed no cost savings or other synergies.

For purposes of the contribution analysis, BMO Capital Markets assumed that the contributions with respect to EBITDA reflected each company's contribution to the combined company's pro forma firm value. Equity value contributions were derived by adjusting firm value contributions for outstanding net debt of both companies. BMO Capital Markets noted that based on an exchange ratio of 0.2950 stockholders of FCStone's would have approximately 47.50% of the economic ownership and voting rights of the combined company.

The analyses yielded the following pro forma equity value contributions:

	Implied Percentage Contribution	
	FCStone	International Assets
Pro forma combined EBITDA		
LTM	58.7%	41.3%
Last Two Quarters(1)	18.2%	81.8%
2009 FY estimate	41.3%	58.7%
2010 FY estimate	42.1%	57.9%
Pro forma combined Net Income		
LTM	63.3%	36.7%
Last Two Quarters(1)	38.1%	61.9%
2009 FY estimate	49.9%	50.1%
2010 FY estimate	42.6%	57.4%
Book Value	66.0%	34.0%
Tangible Book Value	68.5%	31.5%
Current market capitalization	44.9%	55.1%

(1) Represents actual 5/31 & 2/28 quarters for FCStone and actual 3/31 & projected 6/30 quarters for International Assets

Accretion/Dilution Analysis. BMO Capital Markets analyzed the expected pro forma impact of the merger on FCStone's projected fiscal year 2010 (ended August 31, 2010) financial results, particularly earnings per share. For purposes of this analysis, the transaction was assumed to close on August 31, 2009. BMO Capital Markets analyzed the pro forma impact to FCStone's stockholders utilizing projections provided by FCStone and

International Assets management teams, including potential efficiencies and operating synergies available to the combined institution. BMO Capital Markets assumed such synergies are fully realized in the first year following consummation of the merger and assumed such synergies are realized over time. The analysis indicated that the merger would be accretive to FCStone's earnings per share for its fiscal year ended August 31, 2010.

Discounted Cash Flow Analyses. BMO Capital Markets performed discounted cash flow analyses of both International Assets and FCStone as stand-alone entities to derive a range of implied equity values for each company's common stock. Using financial projections prepared by FCStone management, BMO Capital Markets calculated a range of implied equity values per share by adding the present value of FCStone projected free cash flows through August 31, 2014 and the present value of FCStone "terminal value" based on a range of multiples of FCStone estimated 2014 EBITDA. Using financial forecasts prepared by International Assets management, BMO Capital Markets calculated a range of implied equity values per share of International Assets common stock using the same methodology. As part of this analysis, BMO Capital Markets also analyzed the weighted average cost of capital of FCStone and International Assets, which included a sensitivity analysis of each company's weighted average cost of capital.

BMO Capital Markets estimated the terminal value of FCStone, representing the value of FCStone's projected free cash flow beyond 2014 by applying terminal multiples of revenue ranging from 4.5x to 5.5x to FCStone's EBITDA in 2014. BMO Capital Markets then discounted FCStone's unlevered free cash flows and the range of terminal values to calculate the present values as of August 31, 2009, using a range of discount rates from 14.5% to 16.0%. BMO Capital Markets utilized this range of discount rates based on analyzing and comparing the weighted average cost of capital for the selected publicly traded companies used in the analysis. This resulted in an implied equity value per share for FCStone ranging from $7.28 to $8.94.

BMO Capital Markets estimated the terminal value of International Assets, representing the value of International Assets' projected free cash flow beyond 2014 by applying terminal multiples of revenue ranging from 4.5x to 5.5x to International Assets' EBITDA in 2014. BMO Capital Markets then discounted International Assets' unlevered free cash flows and the range of terminal values to calculate the present values as of September 30, 2009, using a range of discount rates from 14.0% to 15.5%. BMO Capital Markets utilized this range of discount rates based on analyzing and comparing the weighted average cost of capital for the selected publicly traded companies used in the analysis. This resulted in an implied equity value per share for International Assets ranging from $22.61 to $26.89.

BMO Capital Markets then used the implied equity value ranges for FCStone and International Assets common stock derived from the discounted cash flow analysis to calculate the maximum range of exchange ratios implied from those implied equity value ranges. This analysis yielded a range of implied exchange ratios from 0.2706 to 0.3955, which BMO Capital Markets compared to the transaction exchange ratio of 0.2950 pursuant to the merger agreement.

Miscellaneous. In performing its analyses, BMO Capital Markets made numerous assumptions with respect to industry performance, general business, economic, market and financial conditions and other matters, many of which are beyond the control of BMO Capital Markets, FCStone or International Assets. Any estimates contained in the analyses performed by BMO Capital Markets are not necessarily indicative of actual values or future results, which may be significantly more or less favorable than those suggested by such analyses. Additionally, estimates of the value of businesses or securities do not purport to be appraisals or to reflect the prices at which such businesses or securities might actually be sold. Accordingly, these analyses and estimates are inherently subject to substantial uncertainty. In addition, as described above, BMO Capital Markets' opinion was only one of several factors taken into consideration by the FCStone board of directors in making its determination to approve the merger agreement and the merger. Consequently, BMO Capital Markets' analyses should not be viewed as determinative of the decision of the FCStone board of directors or FCStone's management with respect to the fairness of the consideration provided for in the merger agreement.

FCStone retained BMO Capital Markets as its financial advisor based upon BMO Capital Markets' experience and expertise. BMO Capital Markets is a nationally recognized investment banking and advisory firm. Pursuant to the terms of the engagement letter between FCStone and BMO Capital Markets, FCStone has agreed to pay BMO Capital Markets a transaction fee of approximately $4.0 million, $1.5 million of which was payable upon execution of the merger agreement and approximately $2.5 million of which is contingent upon consummation of the transaction. FCStone also has agreed to reimburse BMO Capital Markets for reasonable expenses incurred by BMO Capital Markets in performing its services and to indemnify BMO Capital Markets and related persons and entities against liabilities, including liabilities under the U.S. federal securities laws, arising out of BMO Capital Markets' engagement.

As part of its investment banking business, BMO Capital Markets is regularly engaged in the valuation of businesses and securities in connection with mergers and acquisitions, negotiated underwritings, competitive biddings, secondary distributions of listed and unlisted securities, private placements and valuations for corporate and other purposes. BMO Capital Markets and its affiliates have in the past provided certain banking and other services to FCStone and its affiliates, and BMO Capital Markets and its affiliates may provide banking and other services to FCStone, International Assets or their respective affiliates in the future, for which BMO Capital Markets or such affiliate may have received or will receive customary fees. In particular, BMO Capital Markets was lead underwriter on FCStone's April 2007 initial public offering of common stock and a subsequent secondary offering of common stock. Additionally, BMO Capital Markets was the Syndication Agent and a lender for FCStone's (1) $75 million unsecured, 364 day committed revolver, which replaced a similar $250 million facility for which BMO Capital Markets acted in a similar capacity, and (2) $55 million subordinated debt facility. BMO Capital Markets provides a full range of financial advisory and securities services and, in the course of its normal trading activities, may from time to time effect transactions and hold securities, including derivative securities, of FCStone or International Assets for its own account and for the accounts of customers.

Financial Projections

During the course of the mutual due diligence review process undertaken in connection with the proposed merger, International Assets and FCStone each made available to the other party non-public business and financial information about their companies, including financial projections.

Differences between actual and projected results are to be expected, and actual results may be materially greater or less than those contained in the projections due to numerous risks and uncertainties, including but not limited to the important factors listed in the section of this joint proxy statement/prospectus entitled "Risk Factors." All projections are forward-looking statements, and these and other forward-looking statements are expressly qualified in their entirety by the risks and uncertainties identified in the "Risk Factors" section beginning on page 17 and the "Cautionary Statement Regarding Forward-Looking Statements" section beginning on page 41.

The projections provided by International Assets were adjusted to arrive at the following estimates, or ranges or estimates, of International Assets' future financial performance in the fiscal years ending September 30, 2009 through 2011 as an independent, standalone company. They include adjustments for discontinued operations and bad debts accounted for during fiscal year 2009.

($ millions)	2009 Estimated	2010 Estimated	2011 Estimated
Operating revenue	$112.4	$121.4	$133.6
EBITDA	$40.3 to $42.2	$45.4	$50.1
Net income	$20.1 to $20.7	$25.0	$27.7

These projections reflect marked to market numbers as utilized by International Assets in the discussion and analysis of its financial results. See "Management's Discussion and Analysis of Results of Operations and Financial Condition of International Assets" appearing on page 123 of this joint proxy statement/prospectus.

The projections provided by FCStone were adjusted to arrive at the following estimates, or ranges of estimates, of FCStone's future financial performance in the fiscal years ending August 31, 2009 through 2013 as an independent, stand-alone company. They include adjustments for bad debts and other items accounted for during fiscal 2009.

($ millions)	2009 Estimated	2010 Estimated	2011 Estimated	2012 Estimated	2013 Estimated
Net revenue	$249.9	$241.9	$ 263.0	$ 288.8	$ 318.4
EBITDA	$25.8 to 34.2	$34.8 to 37.0	$ 43.5	$ 52.5	$ 62.7
Net income	$11.9 to 23.3	$18.5	$ 23.7	$ 29.2	$ 35.5

The non-public business and financial information and projections that International Assets and FCStone provided to each other during the course of the mutual due diligence review process were provided solely in connection with such due diligence review and not expressly for inclusion or incorporation by reference in any filing with the SEC or document to be provided to stockholders of either company. The estimates of future financial performance for International Assets and FCStone described above also were provided to Houlihan Lokey and BMO Capital Markets for use in their financial analysis in connection with their opinions on the exchange ratio. There is no guarantee that any projections will be realized, or that the assumptions on which they are based will prove to be correct.

International Assets and FCStone do not as a matter of course make public any projections as to future performance or earnings. The projections set forth above are included in this joint proxy statement/prospectus only because this information was provided to the other party. The projections were not prepared with a view to public disclosure or compliance with the published guidelines of the SEC or the guidelines established by the American Institute of Certified Public Accountants regarding projections or forecasts. The projections do not purport to present operations in accordance with GAAP.

Neither International Assets' nor FCStone's independent auditors, nor any other independent accountants, have compiled, examined or performed any procedures with respect to the prospective financial information contained herein, nor have they expressed any opinion or any other form of assurance on such information or its achievability, and assume no responsibility for, and disclaim any association with, the prospective financial information.

Each company's internal financial forecasts, upon which the projections were based in part, are, in general, prepared solely for internal use, such as budgeting and other management decisions, and are subjective in many respects. As a result, these internal financial forecasts are susceptible to interpretations and periodic revision based on actual experience and business developments. The projections reflect numerous assumptions made by the management of International Assets and FCStone, as applicable, and general business, economic, market and financial conditions and other matters, all of which are difficult to predict and many of which are beyond the company's control. Accordingly, there can be no assurance that the assumptions made in preparing the projections will prove accurate or that any of the projections will be realized.

The inclusion of the projections herein should not be regarded as an indication that any of International Assets, FCStone, Houlihan Lokey and BMO Capital Markets or their respective affiliates or representatives considered or consider the projections to be a prediction of actual future events, and the projections should not be relied upon as such. Except as may be required by law, none of International Assets, FCStone, or any of their respective affiliates or representatives intends to update or otherwise revise the projections to reflect circumstances existing or arising after the date such projections were generated or to reflect the occurrence of future events, even in the event that any or all of the assumptions underlying the projections are shown to be in error.

Stockholders are cautioned not to place undue reliance on the projections included in this joint proxy statement/prospectus.

Interests of International Assets' Directors in the Merger

In considering the recommendation of the International Assets board of directors with respect to approving the issuance of shares of International Assets common stock, International Assets stockholders should be aware that certain members of the board of directors of International Assets have interests in the merger that are different from, or are in addition to, their interests as International Assets stockholders. These interests are described below. They may create an appearance of a conflict of interest. The International Assets board of directors was aware of these potential conflicts of interest during its deliberations on the merits of the merger and in making its decisions in approving the merger, the merger agreement, the issuance of shares of International Assets common stock pursuant to the merger agreement, and the related amendments to International Assets' certificate of incorporation.

In connection with the negotiation of the merger agreement, International Assets and FCStone agreed on changes to the director compensation policies of International Assets. These changes will be as follows:

- The compensation payable to each non-executive director for service as a board member will increase from $18,000 per year to $50,000 per year.
- The board will add a new position of vice-chairman, and the director holding this position will receive an additional $15,000 per year.
- Each non-executive director will also receive an annual grant of restricted stock having a fair value of $25,000 on the date of the annual meeting of stockholders.

Interests of FCStone's Executive Officers and Directors in the Merger

In considering the recommendation of the FCStone board of directors with respect to adopting the merger agreement, FCStone stockholders should be aware that certain members of the board of directors and executive officers of FCStone have interests in the merger that are different from, or are in addition to, their interests as FCStone stockholders. These interests may create an appearance of a conflict of interest. The FCStone board of directors was aware of these potential conflicts of interest during its deliberations on the merits of the merger and in making its decisions in approving the merger, the merger agreement and the related transactions.

Combined Company Board of Directors. The merger agreement provides that International Assets will cause Paul G. Anderson, Brent Bunte, Jack Friedman, Daryl Henze, Bruce Krehbiel and Eric Parthemore to be elected or appointed to the board of directors of International Assets as of the effective time of the merger, and they will be eligible to receive compensation from International Assets as non-employee directors, except in the case of Paul G. Anderson.

Indemnification and Insurance. The merger agreement provides that for a period of six years after the merger, FCStone, as the surviving corporation in the merger, will indemnify each current or former director and officer of FCStone from liability to the extent that applicable legal requirements permit a company to indemnify its own officers and directors. The merger agreement further provides that for a period of six years after the merger, FCStone will maintain in place the existing policy of directors and officers liability insurance (or obtain a comparable replacement policy) in favor of FCStone directors and officers covered as of the effective time of the merger under the current policy. Such policy will cover acts or omissions occurring on or before the closing of the merger and provide coverage and amounts no less favorable than in effect on July 1, 2009, except that International Assets will not be required to incur annual premium expense in excess of $1.3 million. If the annual premium payable exceeds $1.3 million, FCStone is obligated to obtain a policy providing the greatest coverage available at a cost not exceeding $1.3 million.

Accelerated Vesting of Options. Pursuant to the terms of the FCStone 2006 Equity Incentive Plan, upon the consummation of the merger, all outstanding unvested options to acquire shares of the common stock of FCStone will become fully vested, including options held by the executive officers and directors of FCStone. As of the date of the merger agreement, the executive officers of FCStone held unvested options to acquire 290,250 shares of FCStone common stock, and the non-employee directors held unvested options to acquire 141,750 shares of FCStone common stock. The exercise price of the unvested options is $16.00 per share.

Change in Control Severance Plan. Certain of FCStone's management and executive officers, Messrs. Anderson, Dunaway and Mortensen, are participants in FCStone's Change In Control Severance Plan, which we refer to as the Severance Plan. The Severance Plan provides that if, during the two-year period following the execution of the merger agreement, a participant terminates his employment for "good reason," or FCStone terminates the participant's employment other than for "cause" or on account of death or disability, FCStone will pay the participant, in a lump sum, as follows:

- salary through the date of termination, bonus calculated as the average of the prior two fiscal years' bonus allocated for the portion of the year in which the participant was employed with FCStone, and any accrued unpaid vacation pay;
- an amount equal to the product of the participant's multiple (which is 36 months in the case of Mr. Anderson and 24 months in the case of other participants) times:
    - the participant's highest monthly base salary during the 12-month period prior to the date of termination of employment, plus
    - the quotient of (a) the participant's average annualized annual incentive compensation awards to the participant during the three fiscal years immediately preceding the fiscal year in which employment is terminated, divided by (b) 12;
- an amount equal to the value of any unvested employer contributions under any qualified defined contribution retirement plan; and
- an amount equal to 50% of the average annualized equity compensation expense that has been recognized for financial reporting purposes for awards granted to the participant under the long-term incentive plans during the two immediately preceding fiscal years.

In addition, for a period following the termination of employment of 36 months in the case of Mr. Anderson and 24 months in the case of other participants, FCStone will continue to provide the participant and his dependents with such medical, accident, disability and/or life insurance coverage as FCStone provided such persons prior to the date of such termination. Finally, FCStone will pay the participant a tax "gross-up" for excise tax payable by the participant under section 4999 of the Internal Revenue Code in connection with the severance benefits.

If, during the two-year period following the execution of the merger agreement, a participant terminates his employment without "good reason," or FCStone terminates his employment for "cause," FCStone will pay the participant, in a lump sum, his salary through the date of termination, any unpaid bonus and other compensation and benefits for the most recently completed fiscal year, any accrued unpaid vacation pay, and any other amounts or benefits to which the participant is entitled through the date of termination under any other plan, policy, or agreement.

The following table shows the potential payments for each of the participants upon certain termination events, including termination events following a change of control of FCStone, if the termination had occurred on July 1, 2009. Fully vested benefits are not included in the table unless the form, amount or terms of the benefit would be enhanced or accelerated by the termination event.

Benefit	Termination due to Disability, Death or Retirement	Termination w/o Cause or for Good Reason After Change in Control
Paul G. (Pete) Anderson		
Salary and bonus severance payment(1)	—	$ 4,560,113
50% of equity compensation payment(2)	—	107,367
Continuation of insurance coverage(3)	—	44,686
Tax gross-up(4)	—	0
Unvested deferred compensation(5)	$ 499,858	0
Total for Mr. Anderson(6)	$ 499,858	$ 4,712,166
William J. Dunaway		
Salary and bonus severance payment(1)	—	$ 966,504
50% of equity compensation payment(2)	—	19,521
Continuation of insurance coverage(3)	—	25,851
Tax gross-up(4)	—	0
Unvested deferred compensation(5)	$ 115,975	0
Total for Mr. Dunaway(6)	$ 115,975	$ 1,011,876
Robert Mortenson		
Salary and bonus severance payment(1)	—	$ 432,417
50% of equity compensation payment(2)	—	19,521
Continuation of insurance coverage(3)	—	11,087
Tax gross-up(4)	—	0
Unvested deferred compensation(5)	$ 176,842	0
Total for Mr. Mortenson(6)	$ 176,842	$ 463,025

(1) Represents the amount calculated pursuant to the Severance Plan equal to the product of the participant's multiple (36 months in the case of Mr. Anderson and 24 months in the case of the other participants) times the sum of:

- the participant's highest monthly base salary during the 12 month period prior to termination, and
- one month of the participant's average annualized incentive compensation award during the three preceding fiscal years.

(2) Represents the amount calculated pursuant to the Severance Plan equal to 50% of average annualized equity compensation expense for long-term incentive plan awards granted during the two preceding fiscal years.

(3) Represents the amount calculated pursuant to the Severance Plan equal to our estimated incremental cost for medical, accident, disability and/or life insurance continuation coverage following termination of employment for 36 months in the case of Mr. Anderson and 24 months in the case of the other participants.

(4) Represents an estimate of the amount calculated pursuant to the Severance Plan for the tax gross-up based upon the following assumed tax rates: Section 280G excise tax — 20%; federal income tax — 35%; state income tax — 6%; and Medicare tax — 1.45%.

(5) Represents the amount calculated pursuant to our deferred compensation plans equal to the value of any unvested employer contributions made on the participant's behalf under such plans.

(6) With the exception of the continuation of insurance coverage, all amounts would be paid to the participant in a lump sum.

Material U.S. Federal Income Tax Consequences of the Merger

The following discussion summarizes the material U.S. federal income tax considerations of the merger of merger sub into FCStone that are expected to apply generally to U.S. Holders (as defined below) of FCStone common stock upon an exchange of their FCStone stock for International Assets common stock in the merger. This summary is based upon current provisions of the Internal Revenue Code of 1986, as amended (the "Code"), existing Treasury Regulations under the Code and current administrative rulings and court decisions, all of which are subject to change or different interpretation. Any change, which may or may not be retroactive, could alter the tax consequences to FCStone or the stockholders of FCStone as described in this summary. In addition, this summary assumes the truth and satisfaction of the statements and conditions described below as the basis for the tax opinions of Shutts & Bowen LLP, outside counsel to International Assets, and Stinson Morrison Hecker LLP, outside counsel to FCStone. No attempt has been made to comment on all U.S. federal income tax consequences of the merger that may be relevant to particular U.S. Holders, including holders:

- who are subject to special tax rules such as dealers, brokers and traders in securities, foreign persons, mutual funds, regulated investment companies, real estate investment trusts, insurance companies, banks or other financial institutions or tax-exempt entities;
- who are subject to the alternative minimum tax provisions of the Code;
- who acquired their shares in connection with stock option, warrant or stock purchase plans or in other compensatory transactions;
- who hold their shares as a hedge or as part of a hedging, straddle or other risk reduction strategy;
- who are partnerships or other pass-through entities or investors in such pass-through entities;
- who do not hold their shares as capital assets;
- whose shares constitute qualified small business stock with the meaning of Section 1202 of the Code; or
- who have a functional currency other than the U.S. dollar.

In addition, the following discussion does not address the tax consequences of the merger under state, local and foreign tax laws. Furthermore, the following discussion does not address any of the following:

- the tax consequences of transactions effectuated before, after or at the same time as the merger, whether or not they are in connection with the merger; or
- the tax consequences of the receipt of International Assets shares other than in exchange for FCStone shares.

For purposes of this discussion, a "U.S. Holder" means a beneficial owner of FCStone common stock who is:

- an individual who is a citizen or resident of the United States;
- a corporation (or other entity taxable as a corporation for U.S. federal income tax purposes) created or organized in the United States or under the laws of the United States or any subdivision thereof;
- an estate the income of which is includible in gross income for U.S. federal income tax purposes regardless of its source; or
- a trust (other than a grantor trust) if (A) a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust or (B) it has a valid election in place to be treated as a U.S. person.

Holders of FCStone common stock are advised and expected to consult their own tax advisors regarding the U.S. federal income tax consequences of the merger in light of their personal circumstances and the consequences of the merger under state, local and foreign tax laws.

It is a condition to the consummation of the merger that each of Shutts & Bowen LLP, outside counsel to International Assets, and Stinson Morrison Hecker LLP, outside counsel to FCStone, render a tax opinion to their respective clients to the effect that the merger will constitute a reorganization within the meaning of Section 368(a) of the Code. The tax opinion of Shutts & Bowen LLP, and the tax opinion of Stinson Morrison Hecker LLP, discussed in this section are each conditioned upon certain assumptions stated in their respective tax opinions and certain customary representations being delivered by International Assets, FCStone and merger sub.

No ruling from the IRS has been or will be requested in connection with the merger. In addition, stockholders of FCStone should be aware that the tax opinions discussed in this section are not binding on the IRS, the IRS could adopt a contrary position and a contrary position could be sustained by a court. In addition, if any of the representations or assumptions upon which the closing tax opinions of Shutts & Bowen LLP, and Stinson Morrison Hecker LLP, are based are inconsistent with the actual facts, the tax consequences of the merger could be adversely affected.

International Assets and FCStone intend that the merger will be treated as a reorganization pursuant to Section 368(a) of the Code. The discussion below assumes that the merger qualifies as a reorganization.

Exchange of FCStone Stock for International Assets Common Stock. Except as discussed below under " Cash in Lieu of Fractional Shares of International Assets Common Stock," FCStone stockholders generally will not recognize any gain or loss upon receipt of solely International Assets common stock in exchange for their FCStone common stock.

Tax Basis and Holding Period. The tax basis of International Assets common stock received by an FCStone stockholder in the merger will be equal to such stockholder's tax basis in the FCStone stock surrendered therefor. The holding period of International Assets common stock received by an FCStone stockholder in the merger will be equal to such stockholder's holding period in the FCStone stock exchanged therefor. If an FCStone stockholder owns multiple blocks of FCStone stock, such stockholder should consult its tax advisor with respect to the proper allocation of the tax basis and holding periods of its FCStone stock among the International Assets common stock received in the merger.

Cash in Lieu of Fractional Shares of International Assets Common Stock. If an FCStone stockholder receives cash instead of a fractional share of International Assets common stock, it will recognize a taxable gain or loss based upon the difference between the amount of cash that stockholder receives with respect to such fractional share and its tax basis in the shares of FCStone stock that is allocated to such fractional share. Any gain or loss that an FCStone stockholder recognizes generally will be treated as capital gain or loss. If such stockholder's holding period in a block of its FCStone stock is greater than one year as of the consummation of the merger, then such stockholder's capital gain or loss with respect to that block will constitute long-term capital gain or loss. The use of capital losses to offset ordinary income from other sources is subject to limitations.

Treatment of International Assets and FCStone. No gain or loss will be recognized by International Assets or FCStone solely as a result of the merger. Certain FCStone stockholders may be required to attach a statement to their tax returns for the year in which the merger is consummated that contains the information listed in Treasury Regulation Section 1.368-3(b), if applicable. FCStone stockholders are urged to consult their own tax advisors with respect to the applicable reporting requirements.

Backup Withholding. Any cash payments for fractional shares made to FCStone stockholders in connection with the merger may be subject to backup withholding on a holder's receipt of cash, unless such holder furnishes a correct taxpayer identification number and certifies that he or she is not subject to backup withholding or such stockholder is otherwise exempt from backup withholding. Any amount withheld under the backup withholding rules will generally be allowed as a refund or credit against the holder's U.S. federal income tax liability, provided the required information is furnished to the IRS.

The preceding discussion is intended only as a summary of certain U.S. federal income tax consequences of the merger and does not purport to be a complete analysis or discussion of all of the merger's potential tax effects. FCStone stockholders are urged to consult their own tax advisors as to the specific tax consequences to them of the merger, including tax return reporting requirements and the applicability and effect of federal, state, local, foreign and other applicable tax laws.

Anticipated Accounting Treatment

For accounting purposes, International Assets is considered to be acquiring FCStone in this transaction. The unaudited pro forma condensed combined financial statements included in this joint proxy statement/prospectus have been prepared in accordance with Article 11 of Regulation S-X, and assume that the transaction will be treated as a purchase pursuant to SFAS 141. Under this method of accounting, the excess of fair values of acquired net assets over the purchase price (if any) is first allocated to reduce the carrying values of non-current assets, such as intangible and fixed assets, with any remaining balance recorded as an extraordinary gain.

However, if the transaction were to be consummated in the 2010 fiscal year of International Assets (i.e. after September 30, 2009), SFAS 141R would apply and would materially change the accounting treatment. Under SFAS 141R, the following items likely would have a material impact on accounting for the transaction: (1) the excess of fair values of acquired net assets over the purchase price (if any) would not first be allocated to reduce the carrying values of various assets, but instead, would all be recorded as an ordinary gain in the statement of operations as opposed to an extraordinary gain; (2) intangible assets, such as FCStone's customer lists and non-compete agreements, would be valued after the merger, carried on the consolidated balance sheet at fair value and amortized over the appropriate periods through the consolidated income statement; (3) acquisition-related costs would not be part of the purchase price and, as a result, the impact to the pro forma balance sheet would be to reduce the purchase price and the related excess of fair value of acquired net assets over purchase price, with a corresponding decrease to pro forma retained earnings; and (4) any restructuring costs would be expensed as incurred.

Appraisal Rights

Under Delaware law, holders of FCStone common stock are not entitled to appraisal rights in connection with the merger because the International Assets common stock is listed on the NASDAQ Global Market and the FCStone common stock is listed on the NASDAQ Global Select Market. Under Delaware law, holders of International Assets common stock are not entitled to appraisal rights in connection with the merger.

Regulatory Approvals

International Assets and FCStone have agreed to use reasonable best efforts to obtain as promptly as practicable all regulatory approvals that are required to complete the transactions contemplated by the merger agreement.

International Assets must comply with applicable federal and state securities laws and the rules and regulations of the NASDAQ Global Market in connection with the issuance of shares of International Assets common stock in the merger and the filing of this joint proxy statement/prospectus with the U.S. Securities and Exchange Commission, or the SEC.

The merger is subject to the requirements of the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and the rules and regulations promulgated thereunder, which we call the HSR Act. The HSR Act provides that certain transactions may not be consummated until premerger notifications and required information have been furnished to the Antitrust Division of the Department of Justice and the Federal Trade Commission, or FTC, and the relevant waiting periods have been early terminated or have expired.

Although neither International Assets nor FCStone know of any reason why these regulatory approvals would not be obtained in a timely manner, neither International Assets nor FCStone can be certain when or if the approvals will be obtained.

Restrictions on Resales

All shares of International Assets common stock received by FCStone stockholders in the merger will be freely tradable, except that shares of International Assets common stock received by persons who become affiliates of International Assets for purposes of Rule 144 under the Securities Act may be resold by them only in transactions permitted by Rule 144, or as otherwise permitted under the Securities Act. Persons who may be deemed affiliates of International Assets generally include individuals or entities that control, are controlled by or are under common control with, International Assets and may include its officers and directors as well as its principal stockholders.

Legal Proceedings Related to the Merger

On July 7, 2009, the plaintiffs in a shareholder derivative case previously filed against FCStone (solely as a nominal defendant) and its directors and certain officers and former officers in the Circuit Court of Platte County, Missouri filed a motion for leave to amend the existing case to add a purported class action claim on behalf of the holders of FCStone common stock. If amended, the complaint would allege that the defendants breached their fiduciary duties by engaging in an unfair process in connection with the contemplated merger of FCStone and International Assets. If amended, the complaint would allege that the defendants aided the other defendants' breaches of their fiduciary duties. If plaintiffs are permitted to amend the complaint, they would seek to enjoin the merger with International Assets, to rescind the merger, and to recover legal fees and expenses. FCStone, to the extent it is named as a direct defendant, and the individual defendants intend to defend against the complaint vigorously.

On July 8, 2009, a purported class action complaint was filed against FCStone and its directors, International Assets and International Assets Acquisition Corp. in the Circuit Court of Clay County, Missouri by two individuals who purport to be stockholders of FCStone. Plaintiffs purport to bring this action on behalf of all stockholders of FCStone. The complaint alleges that the defendants breached their fiduciary duties by failing to maximize stockholder value in connection with the contemplated merger of FCStone and International Assets. The complaint also alleges that FCStone, International Assets, and International Assets Acquisition Corp. aided and abetted the individual defendants' alleged breach of fiduciary duties. Plaintiffs seek to permanently enjoin the merger with International Assets, monetary damages in an unspecified amount attributable to the alleged breach of duties, and legal fees and expenses. FCStone, International Assets and the individual defendants intend to defend against the complaint vigorously.

Vote Required

The affirmative vote of the holders of a majority of the shares of International Assets common stock voting in person or by proxy at the International Assets special meeting is required for approval of International Assets Proposal No. 1. The failure to submit a proxy card or vote at the special meeting, or an abstention, vote withheld or "broker non-votes" will have no effect on the outcome of International Assets Proposal No. 1.

The affirmative vote of the holders of a majority of the voting power of the shares of FCStone common stock outstanding on the record date for the FCStone special meeting is required for approval of FCStone Proposal No. 1. Abstentions will be counted towards a quorum and will have the same effect as negative votes on FCStone Proposal No. 1 and "broker non-votes" will be counted towards a quorum, but will not be counted for any purpose in determining whether FCStone Proposal No. 1 is approved.

THE MERGER AGREEMENT

The following summary of the merger agreement is qualified in its entirety by reference to the complete text of the merger agreement, a copy of which is attached as Annex A to this joint proxy statement/prospectus and incorporated herein by reference. The rights and obligations of the parties are governed by the express terms and conditions of the merger agreement and not by this summary or any other information contained in this joint proxy statement/prospectus. We urge you to read the merger agreement carefully and in its entirety, as well as this joint proxy statement/prospectus, before making any decisions regarding the merger.

The merger agreement has been included with this joint proxy statement/prospectus to provide you additional information regarding its terms. The merger agreement sets forth the contractual rights of International Assets and FCStone, but is not intended to be a source of factual, business or operational information about International Assets or FCStone. That kind of information can be found elsewhere in this joint proxy statement/prospectus and in the other filings each of International Assets and FCStone makes with the SEC, which are available as described in "Where You Can Find Additional Information."

As a stockholder, you are not a third party beneficiary of the merger agreement and therefore you may not directly enforce any of its terms or conditions. The parties' representations, warranties and covenants were made as of specific dates and only for purposes of the merger agreement and are subject to important exceptions and limitations, including a contractual standard of materiality different from that generally relevant to investors. In addition, the representations and warranties may have been included in the merger agreement for the purpose of allocating risk between International Assets and FCStone, rather than to establish matters as facts. Certain of the representations, warranties and covenants in the merger agreement are qualified by information each of International Assets and FCStone filed with the SEC prior to the date of the merger agreement, as well as by disclosure schedules each of International Assets and FCStone delivered to the other party prior to signing the merger agreement. The disclosure schedules have not been made public because, among other reasons, they include confidential or proprietary information. The parties believe, however, that all information material to a stockholder's decision to approve the merger is included or incorporated by reference in this document.

You should also be aware that none of the representations or warranties has any legal effect among the parties to the merger agreement after the effective time of the merger, nor will the parties to the merger agreement be able to assert the inaccuracy of the representations and warranties as a basis for refusing to close the transaction unless all such inaccuracies as a whole have had or would be reasonably likely to have a material adverse effect on the party that made the representations and warranties.

Furthermore, you should not rely on the covenants in the merger agreement as actual limitations on the respective businesses of International Assets and FCStone, because either party may take certain actions that are either expressly permitted in the confidential disclosure schedules to the merger agreement or as otherwise consented to by the appropriate party, which consent may be given without prior notice to the public.

Form and Effective Times of the Merger

The merger agreement contemplates that, in connection with the closing under the merger agreement, merger sub, a direct, wholly owned subsidiary of International Assets, will merge with and into FCStone, with FCStone surviving as a direct wholly owned subsidiary of International Assets.

The closing of the merger will take place in Kansas City, Missouri, on the date specified by the parties to the merger agreement, which will be within five business days following the date all of the conditions to the merger described below in "Conditions to the Merger" are fulfilled or waived (other than those conditions that by their nature are to be fulfilled at the closing, but subject to the fulfillment or waiver of those conditions). The merger will be effective at the time of the filing of a certificate of merger with the Delaware Secretary of State or at such other date and time as International Assets and FCStone mutually agree upon and include in the certificate of merger.

Consideration to be Received in the Merger

In the merger, each holder of shares of FCStone common stock will have the right to receive 0.2950 shares of International Assets common stock in exchange for each share of FCStone common stock. Holders of FCStone common stock will have the right to receive cash for any fractional shares they otherwise would receive in the merger. The amount of cash for any fractional shares of International Assets common stock will be determined by multiplying any fractional share of International Assets' common stock by the average daily closing prices per share of International Assets common stock, as reported on the NASDAQ Stock Market for the ten trading days immediately preceding the two trading days immediately preceding FCStone's stockholder meeting.

Cancellation of Certain Shares of FCStone Common Stock in the Merger

At the effective time of the merger, each share of FCStone common stock issued and held in FCStone's treasury or owned by International Assets (or any of their respective wholly-owned subsidiaries) will be canceled without payment of any consideration.

No Further Ownership Rights

After the effective time of the merger, each of FCStone's outstanding stock certificates or book-entry shares held by FCStone stockholders will represent only the right to receive the merger consideration. The merger consideration paid upon surrender of each certificate will be paid in full satisfaction of all rights pertaining to the shares of FCStone common stock represented by that certificate.

Adjustment to the Exchange Ratio

If, before the completion of the merger, the outstanding shares of International Assets common stock or the outstanding shares of FCStone common stock increase, decrease, change into or are exchanged for a different number or class of shares, in each case, by reason of any reclassification, recapitalization, stock split, split-up, combination or exchange of shares or a stock dividend or dividend payable in other securities is declared with a record date prior to the consummation of the merger, or any other similar transaction occurs, the merger exchange ratio will be adjusted accordingly.

Rule 16b-3 Approval

Before the completion of the merger, International Assets and FCStone shall each take all such steps as may be necessary or appropriate to cause any disposition of FCStone shares or conversion of any derivative securities in respect of such shares in connection with the consummation of the transactions contemplated by the merger agreement by each individual who is subject to the reporting requirements of Section 16(a) of the Securities Exchange Act of 1934 to be exempt from Section 16(b) under Rule 16b-3 under that act.

Cancellation of FCStone Stock Options

At the effective time of the merger, subject to the terms set forth in the merger agreement, all outstanding and unexercised employee and director stock options to purchase shares of FCStone's common stock will cease to represent options to purchase FCStone common stock and will be converted automatically into options to purchase International Assets common stock, adjusted to reflect the exchange ratio of 0.2950, and International Assets will assume each of FCStone's options in accordance with the terms of the option.

Procedures for Exchange of Share Certificates

International Assets will choose a bank or trust company reasonably satisfactory to FCStone to act as exchange agent. International Assets will deposit with the exchange agent certificates representing its common stock to be issued pursuant to the merger agreement, as well as sufficient cash to pay cash in lieu of fractional shares of International Assets common stock in accordance with the merger agreement. Promptly after the effective time of the merger, International Assets will cause the exchange agent to mail to each holder of record of one or more certificates that, immediately prior to the effective time of the merger, represented shares of the common stock of FCStone:

- a letter of transmittal (which will specify that delivery will be effected, and risk of loss and title to the certificates will pass, only upon delivery of the certificates to the exchange agent and will be in such form and have such other provisions as the exchange agent may reasonably specify); and
- instructions for use in effecting the surrender of the certificates in exchange for certificates representing shares of the common stock of International Assets, any unpaid dividends and distributions on those shares and cash in lieu of any fractional shares.

Upon surrender of a certificate representing the common stock of FCStone for cancellation to the exchange agent, together with the letter of transmittal described above, duly executed and completed in accordance with the instructions that accompany the letter of transmittal, the holder of that certificate will be entitled to receive in exchange (1) a certificate representing that number of whole shares of International Assets common stock and (2) a check representing the amount of cash in lieu of fractional shares of International Assets common stock, if any, and unpaid dividends and distributions, if any, the holder has the right to receive pursuant to the provisions of the merger agreement, after giving effect to any required withholding tax. The surrendered certificate will then be canceled.

If you own FCStone common stock in book entry form or through a broker, bank or other holder of record, you will not need to obtain stock certificates to submit for exchange to the exchange agent. However, you or your broker or other nominee will need to follow the instructions provided by the exchange agent in order to properly surrender your FCStone shares.

No interest will be paid or accrued on the cash in lieu of fractional shares and unpaid dividends and distributions, if any, payable to holders of any certificates representing shares of common stock of FCStone. Further, no dividends or other distributions declared or made after the effective time of the merger with respect to shares of International Assets common stock with a record date after the effective time of the merger will be paid to any holder of any unsurrendered certificate representing shares of common stock of FCStone with respect to the shares of International Assets common stock issuable upon the surrender of such certificate until such certificate is surrendered.

In the event of a transfer of ownership of FCStone common stock that is not registered in the transfer records of FCStone, a certificate representing the proper number of shares of International Assets common stock, together with a check for the cash to be paid in lieu of fractional shares, if any, may be issued to the transferee if the certificate representing such common stock of FCStone is presented to the exchange agent, accompanied by all documents required to evidence and effect such transfer and to evidence that any applicable stock transfer taxes have been paid.

Any former stockholders of FCStone who have not surrendered their certificates representing FCStone common stock within two years after the effective time of the merger should only look to International Assets, not the exchange agent, for delivery of certificates representing shares of International Assets common stock and cash in lieu of any fractional shares and for any unpaid dividends and distributions on the shares of International Assets common stock deliverable to those former stockholders pursuant to the merger agreement.

Representations and Warranties

FCStone, on the one hand, and International Assets and merger sub, on the other hand, have made various representations and warranties in the merger agreement which, in the cases of International Assets and FCStone, are substantially reciprocal. Those representations and warranties are subject to qualifications and limitations agreed to by the parties in connection with negotiating the terms of the merger agreement. Some of the more significant of these representations and warranties pertain to:

- the organization, good standing and foreign qualification of the parties and the corporate authority to own, operate and lease their respective properties and to carry on their respective businesses as currently conducted;
- the authorization, execution, delivery and enforceability of the merger agreement and related matters;
- capitalization;
- subsidiaries;
- compliance with laws and possession of permits;
- whether each party's execution and delivery of the merger agreement or consummation of the transactions contemplated thereby causes any:
    - conflict with such party's charter documents,
    - "change of control" under any material agreements or any employee benefit plans of such party,
    - breach or default, or the creation of any liens, under any agreements of such party, or
    - any violation of applicable law;
- the documents and reports that the parties have filed with the SEC and other self-regulatory organizations;
- litigation;
- whether certain events, changes or effects have occurred since International Assets or FCStone filed their respective annual reports on Form 10-K to the date of the merger agreement;
- taxes;
- employee benefit plans;
- labor matters;
- environmental matters;
- customer accounts;
- regulatory requirements;
- intellectual property matters;
- insurance;
- broker's fees and similar fees;
- receipt of opinions from financial advisors;
- the stockholder votes required in connection with the adoption of merger agreement;
- material contracts;
- anti-money laundering standards; and
- title and ownership of property and equipment and related matters.

None of these representations and warranties will survive after the effective time of the merger.

Covenants and Agreements

Interim Operations

Each of International Assets and FCStone has agreed to customary covenants that place restrictions on it and its subsidiaries until the completion of the merger. Except as set forth in the disclosure schedules provided by each of International Assets and FCStone, as expressly permitted or provided for by the merger agreement, as required by applicable laws or with the written consent of the other party, each of International Assets and FCStone has agreed that it will:

- conduct its operations and cause each of its subsidiaries to conduct its operations in the usual, regular and ordinary course in substantially the same manner as previously conducted;
- use its reasonable best efforts, and cause each of its subsidiaries to use its reasonable best efforts, to:
  - preserve intact its business organization and goodwill;
  - keep available the services of its officers, employees and consultants;
  - maintain satisfactory business relationships;
  - pay all applicable taxes; and
  - maintain all permits necessary to the conduct of its business;
- not amend or propose to amend its organizational documents;
- not amend any material term of any outstanding security issued by International Assets, FCStone or their respective subsidiaries;
- not declare, set aside or pay any dividend or other distribution payable in cash, stock or property with respect to its capital stock;
- not redeem, purchase or otherwise acquire, directly or indirectly, any of its capital stock or other securities;
- not issue, sell, pledge, dispose of or encumber any:
  - shares of its capital stock;
  - securities convertible into or exchangeable for, or options, warrants, calls, commitments or rights of any kind to acquire, any shares of its capital stock, or
  - other securities;
- not enter into new agreements to acquire any business or any corporation, partnership, joint venture, association or other business organization or division;
- not enter into any new agreements to acquire any assets, including real estate;
- not amend, extend or terminate any material contracts, or waive or release any rights under such contracts;
- not enter into any new material contracts;
- not transfer, lease, license, sell, mortgage, pledge, encumber or subject to any lien any property or assets or cease to operate any assets;
- not make certain changes to the compensation and benefit arrangements of directors, officers or other employees;
- not extend the terms of a credit facility or increase the available borrowings under a credit facility;
- not incur or assume any material indebtedness;

- not modify any material indebtedness or other liability in a manner that would have an adverse effect;
- not assume, guarantee, endorse or otherwise become liable or responsible (whether directly, contingently or otherwise) for the obligations of any other person, except in the ordinary course of business;
- not make any loans, advances or capital contributions to, or investments in, any other person other than customary loans or advances to employees and customers in accordance with past practice;
- not change any accounting policies or procedures (including procedures with respect to reserves, revenue recognition, payments of accounts payable and collection of accounts receivable) used by it unless required by the party's registered independent public auditors, applicable law or GAAP;
- not make any material tax election or material change in any tax election, change or consent to any change in FCStone's, International Assets' or their respective subsidiaries' method of accounting for tax purposes;
- not file any amended tax return or enter into any settlement or compromise of any tax liability of FCStone, International Assets or their respective subsidiaries in an amount in excess of $100,000;
- not pay, discharge, satisfy, settle or compromise any claim, litigation or any legal proceeding;
- not enter into any negotiations relating to, or adopt or amend in any respect, any collective bargaining agreement;
- not adopt or amend in any respect, any work rule or practice, or any other labor-related agreement or arrangement;
- not enter into any material agreement or arrangement with any of its officers, directors, employees or any "affiliate" or "associate" of any of its officers or directors (as such terms are defined in Rule 405 under the Securities Act of 1933);
- not enter into any agreement, arrangement or contract to allocate, share or otherwise indemnify for taxes;
- not make, authorize or agree to make any capital expenditures in an aggregate amount exceeding $1,000,000 for each quarterly period;
- not dispose of, license or permit to abandon, invalidate or lapse, any rights in, to or for the use of any material intellectual property;
- not change, in any material respect, policies regarding (i) the pricing of the execution and/or clearing of trades, or (ii) the amount of interest rebated to customers on, or interest associated with, customer margin accounts;
- not change, in any material respect, policies regarding the commissions paid to brokers;
- not engage in hiring, firing, or redeploying of employees;
- not make any material change to any credit or risk management policies, practices or procedures; or
- not agree or commit to do any of the foregoing.

No Solicitation

Both parties have agreed they will not, nor will they permit any of their respective subsidiaries or officers, directors, employees, agents, advisors or representatives, directly or indirectly through another person, to:

- solicit, initiate or encourage (including by way of providing information), or knowingly facilitate any inquiries, proposals or offers with respect to, or the making or completion of, any acquisition proposal;

- participate or engage in any discussions or negotiations concerning an acquisition proposal;
- otherwise take any action to facilitate any effort or attempt to make or implement an acquisition proposal; or
- withdraw, modify or amend the board of directors' recommendation of the merger.

In addition, both parties have agreed to notify each other within 24 hours, if they, their subsidiaries, or any of their representatives receives an acquisition proposal. The parties have also agreed to:

- keep each other fully informed of the status and material terms and conditions (including any change therein) of any acquisition proposal or inquiry as to such party; and
- provide each other with the identity of such person and provide a copy of such acquisition proposal, indication, inquiry or request.

These provisions do not prevent FCStone or International Assets from pursuing superior acquisition proposals, and if either company's board of directors decides that its company has received a superior acquisition proposal, the board is allowed to change its recommendation that the stockholders approve this transaction.

An "acquisition proposal" is any offer or proposal, or any indication of interest in making an offer or proposal, made by a person or group at any time relating to:

- any merger, consolidation, share exchange, business combination, recapitalization, reorganization, liquidation, dissolution or other similar transaction or series of related transactions in which a person would acquire International Assets, FCStone or any of their respective subsidiaries' securities or assets;
- any direct or indirect purchase or sale, lease, exchange, transfer or other disposition of the consolidated assets (including stock of subsidiaries) of International Assets, FCStone or their respective subsidiaries taken as a whole, constituting 10% or more of the total consolidated assets of such company and its subsidiaries, taken as a whole, or accounting for 10% or more of the total consolidated revenues of such company and its subsidiaries, taken as a whole, in any one transaction or in a series of transactions; or
- any direct or indirect purchase or sale of or tender offer, exchange offer or any similar transaction or series of related transactions engaged in by any person involving 10% or more of the outstanding shares of common stock of the company in question.

A "superior proposal" is an acquisition proposal (as defined above, but changing the references to "10% or more" in the definition to "50.1%"), which is determined in good faith by the board of directors of the party receiving the proposal, after consultation with its financial and legal advisers, to be more favorable to its stockholders from a financial point of view.

The merger agreement allows the board of each company to engage in negotiations with or provide information to another person if it receives a *bona fide* superior proposal, or an acquisition proposal that the board of directors in good faith determines could lead to a superior proposal, and if the board of directors, after consultation with its outside legal counsel determines that failure to act on such superior proposal could be inconsistent with the board's fiduciary duties.

The board of each company can also change its recommendation that the stockholders approve the merger in response to a material development or change in circumstances which occurs or arises after July 2, 2009, if the board in good faith (after consultation with its outside legal counsel) determines that failure to do so could be inconsistent with its fiduciary duties.

In addition, if the board of directors of either company concludes it could be inconsistent with its fiduciary obligations to its stockholders, the board can change its recommendation to its stockholders or terminate the merger agreement if the board concludes in good faith that an unsolicited acquisition proposal might lead to a superior proposal, and the company has given the other party five days to renegotiate the merger agreement so that the unsolicited acquisition proposal is no longer a superior proposal.

The merger agreement also allows each company to take and disclose to its stockholders a position contemplated by Rule 14d-9 or Rule 14e-2(a) promulgated under the Securities Exchange Act of 1934.

Additional Agreements

Pursuant to the merger agreement, each of International Assets and FCStone also has agreed:

- to prepare and file this joint proxy-statement/prospectus;
- to hold a stockholders meeting as promptly as practicable, after the SEC declares the Registration Statement on form S-4 effective;
- to use commercially reasonable efforts to solicit, in FCStone's case, the approval of the merger agreement, and in International Assets' case, approval of the issuance of stock as contemplated by the merger agreement and the proposed amendments to its certificate of incorporation;
- except as otherwise allowed by the merger agreement, to recommend the merger to its stockholders;
- in the case of International Assets, to register the shares it issues pursuant to the merger with the SEC and list such shares on the NASDAQ Stock Market;
- to comply in all material respects with all applicable laws and all applicable rules and regulations in connection with the execution, delivery and performance of the merger agreement and the transactions contemplated by the merger agreement;
- to promptly notify the other party if:
    - any representation or warranty made by it becomes untrue or inaccurate;
    - there is a failure to comply with or satisfy in any material respect any covenant, condition or agreement under the merger agreement;
    - any event, fact or circumstances arises that could have a material adverse;
    - any notice is received alleging that a third-party consent is required in connection with the merger;
    - any notice is received from any governmental entity pertaining to the merger;
    - any notice or other communication is received regarding any pending or threatened legal proceedings; or
    - any event occurs that would be reasonably likely to prevent the satisfaction of the closing conditions to the merger;
- to provide reasonable access to its directors, officers, employees, representatives, properties, records, files, correspondence, audits and other information;
- to hold in strict confidence all information obtained by them in accordance with a confidentiality agreement that was previously entered into between FCStone and International Assets;
- to the extent permitted by law and NASDAQ rules, to consult with one another before issuing any press release or making any public statements about the merger;
- to use commercially reasonable efforts to obtain any required approvals or consents;

- if any takeover statutes enacted under state or federal law become applicable to the merger, the companies and their respective boards shall grant any approvals or take any actions necessary to eliminate or minimize the effects of any takeover statute or regulation;
- to cause any disposition of shares or conversion of derivative securities in respect of such shares in connection with the merger to be exempt under Rule 16b-3 of the Exchange Act; and
- take all necessary action to cause as of the effective time of the merger, the board of directors of International Assets to consist of thirteen members, seven of whom will consist of the current members of the International Assets board of directors and six of whom will consist of current members of the FCStone board of directors.

Pursuant to the merger agreement and in addition to the applicable covenants of International Assets listed above, International Assets has agreed to cause FCStone, as a wholly owned subsidiary of International Assets following the effective time of the merger:

- to indemnify, hold harmless and advance expenses, to the greatest extent permitted by law as of the date of the merger agreement, to each person who is, or has been at any time prior to the effective time of the merger, an officer or director of FCStone and its subsidiaries, with respect to all acts or omissions by them in their capacities as such or taken at the request of FCStone at any time prior to the effective time of the merger;
- to honor all indemnification agreements, expense advancement and exculpation provisions with any of such officers or directors of FCStone or its subsidiaries (including under FCStone's certificate of incorporation or by-laws) in effect as of the date of the merger agreement;
- for a period of six years after the effective time of the merger, to maintain officers' and directors' liability insurance covering the individuals who are, or at any time prior to the effective time of the merger were, covered by FCStone's existing officers' and directors' liability insurance policies on terms substantially no less advantageous to such individuals, provided that the surviving corporation will not be required to pay annual premiums in excess of 250% of the last annual premium paid by FCStone prior to the date of the merger agreement, but in such case to provide the maximum coverage that is then available for 250% of such annual premium;
- in the event of a change of control of the surviving corporation, proper provisions will be made so that the successors and assigns of the surviving corporation will assume the foregoing indemnification obligations;
- to honor in accordance with their terms all of FCStone's existing employment, severance, consulting and salary continuation agreements;
- to employ the existing employees of FCStone and its subsidiaries immediately after the effective time of the merger, except that neither International Assets nor FCStone will have any obligation to continue employing any employee for any length of time except in accordance with any employment agreement; and
- to the extent permissible under applicable benefit plans, to waive, and to cause the relevant insurance carriers and other third parties to waive, all restrictions and limitations for any existing medical condition for FCStone employees and their eligible dependents to the extent that such condition would be covered by the relevant FCStone benefit plan in effect immediately prior to the merger and to waive any waiting period limitation or evidence of insurability requirement which would otherwise be applicable to such employee to the extent the employee in question has satisfied any similar requirement while employed at FCStone prior to the effective time of the merger.

FCStone has agreed to discontinue, upon International Assets' request, any further contributions to its employee stock ownership plan prior to the effective time of the merger, and to take any actions required to minimize or eliminate its obligations with respect to such plan. FCStone has also agreed that, upon a written request from International Assets, it will amend its benefit plans to comply with Section 409A of the Internal Revenue Code.

Conditions to the Merger

Mutual Conditions to Each Party's Obligation to Effect the Merger

The merger agreement contains customary closing conditions, including the following conditions that apply to the obligations of each of FCStone, International Assets and merger sub:

- each of International Assets and FCStone has obtained the approval of its stockholders to adopt the merger agreement;
- any waiting period applicable to the completion of the merger under the Hart-Scott-Rodino Act has expired or been terminated;
- there is no final or preliminary administrative order denying approval of or prohibiting the merger issued by a regulatory authority that would reasonably be expected to have a material adverse effect on International Assets or FCStone after the merger;
- none of the parties to the merger agreement is subject to any decree, order or injunction of a U.S. court of competent jurisdiction that prohibits the consummation of the merger;
- the SEC has declared the registration statement, of which this joint proxy statement/prospectus forms a part, to be effective, and no stop order concerning the registration statement is in effect;
- the NASDAQ Stock Market has authorized for listing the shares of International Assets common stock to be issued pursuant to the merger, subject to official notice of issuance; and
- the parties have obtained all required consents, except where the failure to obtain any such consent has not had and is not reasonably likely to have a material adverse effect.

For purposes of this summary of the merger agreement, the term "material adverse effect" means, with respect to any party, any effect, change, fact, event, occurrence, development or circumstance that, individually or together with any other effect, change, fact, event, occurrence, development or circumstance that individually or in the aggregate is, or is reasonably likely to result in, a material adverse effect on or change in the condition (financial or otherwise), properties, business, operations, results of operations, assets or liabilities of the company and its subsidiaries, taken as a whole, or that does, or is reasonably likely to, prohibit, restrict or materially impede or have a material adverse effect on the ability of the party to perform its obligations under the merger agreement or to consummate the transactions contemplated by the merger agreement, including the merger.

None of the following shall be taken into account in determining whether there has been a material adverse effect, or if a material adverse effect could reasonably be expected to occur:

- changes or conditions generally affecting the economy or the financial, credit or securities markets as a whole, to the extent such changes do not affect the company and its subsidiaries, taken as a whole, in a materially disproportionate manner relative to other participants in the securities brokerage, commodities brokerage or foreign exchange industries with respect to International Assets and the commodities brokerage industry with respect to FCStone,
- political or regulatory conditions (including any changes thereto), to the extent such changes do not affect the party claiming the material adverse effect and its subsidiaries, taken as a whole, in a materially disproportionate manner relative to other participants in the securities brokerage, commodities brokerage or foreign exchange industries with respect to International Assets and the commodities brokerage industry with respect to FCStone,
- with respect to International Assets changes in, or events or conditions affecting, any of the securities brokerage, commodities brokerage or foreign exchange industries, to the extent such changes do not affect International Assets and its subsidiaries, taken as a whole, in a materially disproportionate manner relative to other participants in the securities brokerage, commodities brokerage or foreign exchange industries,

- with respect to FCStone changes in, or events or conditions affecting, the commodities brokerage industry, to the extent such changes do not affect FCStone and its subsidiaries, taken as a whole, in a materially disproportionate manner relative to other participants in the commodities brokerage industry,
- changes, after the date hereof, in GAAP or the accounting rules or regulations of the SEC, to the extent such changes do not affect the party claimed to have suffered a material adverse effect and its subsidiaries, taken as a whole, in a materially disproportionate manner relative to other participants in the securities brokerage, commodities brokerage or foreign exchange industries with respect to International Assets and the commodities brokerage industry with respect to FCStone,
- actions expressly permitted by the merger agreement or that are taken with the prior informed written consent of the other party, or
- changes in any law, to the extent such changes do not affect the company claimed to have suffered a material adverse effect and its subsidiaries, taken as a whole, in a materially disproportionate manner relative to other participants in the securities brokerage, commodities brokerage or foreign exchange industries with respect to International Assets and the commodities brokerage industry with respect to FCStone.

Additional Conditions to Each Party's Obligation to Effect the Merger

In addition to the conditions described above, neither FCStone, on the one hand, nor International Assets or merger sub, on the other hand, is obligated to effect the merger unless the following conditions are satisfied or waived by that party on or before the closing date:

- no court or governmental entity has enacted, issued, promulgated, enforced or entered any law or order or taken any action which prohibits, restricts or makes illegal the consummation of the merger or the other transactions contemplated by the merger agreement;
- the other party has performed in all material respects its covenants and agreements under the merger agreement;
- the representations and warranties of the other party are true and correct as of the closing date (except to the extent such representations and warranties expressly relate to an earlier date, in which case as of such earlier date), except where the failure of any such representations and warranties to be true and correct, individually or in the aggregate, has not had and is not reasonably likely to have a material adverse effect on the party making the representation or warranty;
- such party's tax counsel has provided the tax opinion described under "Material U.S. Federal Income Tax Consequences of the Merger" beginning on page 84; and
- no change, event, occurrence, state of facts or development has occurred and is continuing that, individually or in the aggregate, has had or is reasonably likely to have a material adverse effect on the other party.

In addition, International Assets is not required to consummate the transaction until FCStone has closed certain accounts which are specified in FCStone's disclosure schedule.

Termination of the Merger Agreement

The board of directors of International Assets or FCStone may terminate the merger agreement at any time prior to the consummation of the merger (including after the meetings of the stockholders of International Assets and FCStone, even if the stockholders have adopted the merger agreement) by mutual written consent or if:

- the parties have not consummated the merger by December 31, 2009 (the "termination date"), and the party desiring to terminate the merger agreement has not failed to perform or observe in any material

respect any of its obligations under the merger agreement in any manner that caused or resulted in the failure of the merger to occur on or before that date;

- a federal or state court of competent jurisdiction or federal or state governmental, regulatory or administrative agency or commission has issued an order, decree or ruling or taken any other action permanently restraining, enjoining or otherwise prohibiting the transactions contemplated by the merger agreement and such order, decree, ruling or other action has become final and nonappealable;
- the other party has breached any representation or warranty or failed to perform any covenant or agreement in the merger agreement, or any representation or warranty of the other party has become untrue, in any case such that the condition to the closing of the merger agreement related to the performance of the covenants and agreements in the merger agreement by the other party and the accuracy of the representations and warranties of the other party would not be satisfied as of the date of the termination, and the breach is not curable or, if curable, is not cured within 30 days after the party desiring to terminate the merger agreement gives written notice of the breach to the other party;
- the stockholders of International Assets or FCStone hold a meeting to consider the merger agreement but do not vote to adopt the merger agreement;
- the board of directors of the other party has made an adverse recommendation change;
- the board of directors determines it could be inconsistent with their fiduciary duties not to pursue a superior acquisition proposal; or
- if each of the stockholders of International Assets identified on Schedule I to the Support Agreement have not executed a Joinder Agreement by August 16, 2009.

Expenses and Termination Fees

Whether or not the merger is consummated, all costs and expenses incurred in connection with the merger agreement and the transactions contemplated by the merger agreement will be paid by the party incurring those expenses, except as otherwise provided in the merger agreement.

Termination Fee and Other Amounts Payable by FCStone upon Termination

If the merger agreement is terminated because FCStone's stockholders do not vote to adopt the merger agreement, then FCStone will pay International Assets at the time of termination a fee of $4,900,000, plus International Assets' expenses associated with the merger agreement up to $2,000,000. FCStone will not have to pay this fee if a "Purchase Event" has occurred.

If a Purchase Event occurs, FCStone will pay International Assets' expenses associated with the merger agreement up to $2,000,000, in addition to International Assets' rights under the Stock Option Agreement. See "Stock Option Agreement" on page 103. A "Purchase Event" means any of the following events:

- prior to the termination of the merger agreement, any person (other than International Assets or any subsidiary of International Assets) acquires beneficial ownership (as such term is defined in Rule 13d-3 promulgated under the Exchange Act) of or the right to acquire beneficial ownership of, shares of FCStone common stock or other voting securities representing 20% or more of the voting power of FCStone;
- any group (as such term is defined in Section 13(d)(3) of the Exchange Act), other than a group of which International Assets or its subsidiaries is a member, is formed which beneficially owns or has the right to acquire beneficial ownership of, shares of FCStone common stock or other voting securities representing 20% or more of the voting power of FCStone;

- FCStone terminates the merger agreement because it has received a superior acquisition proposal;
- International Assets terminates the merger agreement because FCStone failed to recommend the merger, changed its recommendation to the stockholders or resolved to do so;
- any person shall have made an acquisition proposal during the term of the merger agreement which proposal has been publicly disclosed and not withdrawn prior to the FCStone special meeting and thereafter the merger agreement is terminated because FCStone's stockholders do not approve the merger;
- any person makes an acquisition proposal with respect to FCStone during the term of the merger agreement which proposal has been publicly disclosed and not withdrawn prior to the termination of the merger agreement and the merger agreement is terminated by any party because the effective time has not occurred by December 31, 2009, and, within twelve months after the termination of the merger agreement, any acquisition with respect to FCStone shall have been consummated or a definitive agreement with respect to any such acquisition shall have been entered into; or
- International Assets terminates the merger agreement due to FCStone's willful breach of or willful failure to perform any of its obligations under any covenant contained in the merger agreement.

Termination Fee and Other Amounts Payable by International Assets upon Termination

International Assets will pay FCStone $4,900,000, plus FCStone's expenses associated with the merger agreement up to $2,000,000, if:

- any person makes an acquisition proposal with respect to International Assets during the term of the merger agreement which proposal has been publicly disclosed and not withdrawn prior to the termination of the merger agreement and the merger agreement is terminated by any party because the effective time has not occurred by December 31, 2009, and, within twelve months after the termination of the merger agreement, any acquisition with respect to International Assets shall have been consummated or a definitive agreement with respect to any such acquisition shall have been entered into;
- International Assets or FCStone terminates the merger agreement because International Assets held a stockholders meeting to consider the merger agreement, but International Assets' stockholders did not vote to adopt all of the International Assets Proposals;
- International Assets terminates the merger agreement because it receives a superior proposal;
- FCStone terminates the merger agreement because International Assets' board failed to recommend the merger or changed its recommendation; or
- FCStone terminates the merger agreement because of International Assets' willful breach of or willful failure to perform any its obligations under any covenant contained in the merger agreement.

Amendment; Extensions and Waivers

The parties may amend the merger agreement, by action taken or authorized by their boards of directors, at any time before or after approval of the merger by the stockholders of International Assets or FCStone. After the stockholders adopt the merger agreement, however, no amendment to the merger agreement may be made that by law requires the further approval of stockholders unless that further approval is obtained.

At any time prior to the effective time of the merger, each party may, by action taken by its board of directors, to the extent legally allowed:

- extend the time for the performance of any of the obligations or other acts of the other parties to the merger agreement;

- waive any inaccuracies in the representations and warranties made to such party contained in the merger agreement or in any document delivered pursuant to the merger agreement; and
- waive compliance with any of the agreements or conditions for the benefit of such party contained in the merger agreement.

At this time, neither company's board of directors contemplates or intends to waive any condition to the consummation of the merger. If either company's board of directors were to choose to grant a waiver, a stockholder would not have an opportunity to vote on that waiver, and that company and its stockholders would not have the benefit of the waived condition. Each company's board of directors expects that it would waive a condition to the consummation of the merger only after determining that the waiver would have no material effect on the rights and benefits that company and its stockholders expect to receive from the merger.

Governing Law

The merger agreement is governed by and will be construed and enforced in accordance with the laws of the State of Delaware without regard to the conflicts of law provisions of Delaware law that would cause the laws of other jurisdictions to apply.

STOCK OPTION AGREEMENT

The following summary of the stock option agreement is qualified in its entirety by reference to the complete text of the stock option agreement, a copy of which is attached as Annex B to this joint proxy statement/prospectus and incorporated herein by reference. The rights and obligations of the parties are governed by the express terms and conditions of the stock option agreement and not by this summary or any other information contained in this joint proxy statement/prospectus. We urge you to read the stock option agreement carefully and in its entirety, as well as this joint proxy statement/prospectus, before making any decisions regarding the merger.

On July 2, 2009, in connection with the merger agreement, FCStone granted to International Assets an irrevocable option to purchase, under certain circumstances, newly-issued shares of FCStone common stock equal to 19.9% of its outstanding common shares at a price, subject to certain adjustments, of $4.15 per share. The holder of the option may exercise the option, in whole or part, and from time to time, if a Purchase Event occurs.

A “Purchase Event” means any of the following events:

- prior to the termination of the merger agreement, any person (other than International Assets or any subsidiary of International Assets) acquires beneficial ownership (as such term is defined in Rule 13d-3 promulgated under the Exchange Act) of or the right to acquire beneficial ownership of, shares of FCStone common stock or other voting securities representing 20% or more of the voting power of FCStone;
- any group (as such term is defined in Section 13(d)(3) of the Exchange Act), other than a group of which International Assets or its subsidiaries is a member, is formed which beneficially owns or has the right to acquire beneficial ownership of, shares of FCStone common stock or other voting securities representing 20% or more of the voting power of FCStone;
- FCStone terminates the merger agreement because it has received a superior acquisition proposal;
- International Assets terminates the merger agreement because FCStone failed to recommend the merger, changed its recommendation to the stockholders or resolved to do so;
- any person shall have made an acquisition proposal during the term of the merger agreement which proposal has been publicly disclosed and not withdrawn prior to the FCStone special meeting and thereafter the merger agreement is terminated because FCStone’s stockholders do not approve the merger;
- any person makes an acquisition proposal with respect to FCStone during the term of the merger agreement which proposal has been publicly disclosed and not withdrawn prior to the termination of the merger agreement and the merger agreement is terminated by any party because the effective time has not occurred by December 31, 2009, and, within twelve months after the termination of the merger agreement, any acquisition with respect to FCStone shall have been consummated or a definitive agreement with respect to any such acquisition shall have been entered into; or
- International Assets terminates the merger agreement, due to FCStone’s willful breach of or willful failure to perform any of its obligations under any covenant contained in the merger agreement.

The option agreement will terminate and be of no further full force or effect upon the earliest to occur of:

- the effective time of the merger;
- the termination of the merger agreement by its terms so long as a Purchase Event has not occurred and no party has made an acquisition proposal (as described in the “The Merger Agreement” above) with respect to FCStone;

- twelve months after the termination of the merger agreement if a person has made an acquisition proposal with respect to FCStone and no acquisition is consummated and no definitive agreement with respect to such alternative acquisition proposal is entered into; and
- the date which is six months after the occurrence of a Purchase Event.

International Assets will be entitled to purchase any optioned shares with respect to which it has exercised its option to purchase in accordance with the option agreement prior to the termination of the option agreement.

The option agreement cannot be assigned without the prior written consent of the other party and is governed by Delaware law.

SUPPORT AGREEMENT

The following summary of the support agreement is qualified in its entirety by reference to the complete text of the support agreement, a copy of which is attached as Annex C to this joint proxy statement/prospectus and incorporated herein by reference. The rights and obligations of the parties are governed by the express terms and conditions of the support agreement and not by this summary or any other information contained in this joint proxy statement/prospectus. We urge you to read the support agreement carefully and in its entirety, as well as this joint proxy statement/prospectus, before making any decisions regarding the merger.

Sean O'Connor, Scott Branch and John Radziwill, each of whom is either an executive officer and/or a director of International Assets, and certain of their affiliates (consisting of St. James Trust, Barbara Branch, Goldcrown Asset Management Limited and Humble Trading Limited), have each entered into a support agreement dated July 1, 2009 with FCStone, pursuant to which these stockholders have agreed to vote all shares of International Assets common stock owned by them as of the record date in favor of adopting of the merger agreement and against any alternative transaction with respect to International Assets.

Each such party has also agreed that, before the International Assets special meeting of stockholders, they will not transfer, assign, convey or dispose of any shares of International Assets common stock, any options to purchase shares of International Assets common stock or any other International Assets securities owned by them except in certain circumstances. Approximately 2,784,976 shares in the aggregate, or 30.6% of the International Assets common stock outstanding on the record date for the International Assets special meeting, are subject to such voting agreements.

The Support Agreement will terminate upon the earlier of: (a) the consummation of the merger agreement in accordance with its terms or the effectiveness of the merger; or (b) a change in the recommendation of the International Assets board of directors with respect to the merger.

INTERNATIONAL ASSETS PROPOSAL NO. 2

AMENDMENT TO INTERNATIONAL ASSETS' CERTIFICATE OF INCORPORATION TO INCREASE THE AUTHORIZED SHARES OF INTERNATIONAL ASSETS COMMON STOCK

Overview

The International Assets board of directors has unanimously approved a proposal to amend its certificate of incorporation to increase the authorized shares of common stock of International Assets to 30,000,000 shares, subject to stockholder approval. International Assets' board has declared this amendment to be advisable and recommended that this proposal be presented to International Assets' stockholders for approval. The text of the form of proposed amendment to International Assets' certificate of incorporation to increase the authorized shares of common stock of International Assets to 30,000,000 shares is attached to this joint proxy statement/prospectus as Annex F.

If the International Assets stockholders approve this Proposal No. 2 and the International Assets Proposal No. 1 to approve the issuance of International Assets common stock in the merger, International Assets expects to file a certificate of amendment to the International Assets certificate of incorporation with the Secretary of State of the State of Delaware to increase the number of authorized shares of common stock immediately prior to the proposed merger. Upon filing the certificate of amendment to International Assets' certificate of incorporation, the number of authorized shares of common stock will increase from 17,000,000 to 30,000,000.

On , 2009, the record date for the International Assets special meeting, International Assets had an aggregate of shares outstanding, approximately shares of International Assets common stock were issuable pursuant to outstanding stock options and convertible notes and shares of International Assets common stock were reserved for future issuance pursuant to International Assets' equity incentive plans.

The primary reason for this increase in the authorized shares is to effect the merger with FCStone. If International Assets' stockholders do not approve International Assets Proposal No. 1 to approve the issuance of shares of International Assets common stock in the merger, then the International Assets board of directors will, notwithstanding stockholder approval of this proposed amendment, abandon this proposed amendment.

Reasons for the Increase in Authorized Shares

The primary reason for the increase in authorized shares is to effect the merger. At present, International Assets does not have sufficient authorized shares of its common stock in order to effect the merger and to issue the International Assets common stock in the merger pursuant to the merger agreement. Additionally, approval of an increase in authorized shares of International Assets common stock is a closing condition to the obligations of the parties to consummate the merger pursuant to the merger agreement. If International Assets Proposal No. 2 is not approved by the International Assets stockholders, and the closing condition to the merger agreement is not waived, International Assets will be unable to complete the merger.

Although at present, apart from the shares to be issued pursuant to the merger and pursuant to its equity incentive plans and outstanding convertible notes, International Assets has no commitments or agreements to issue additional shares of common stock, it desires to have additional shares available to provide additional flexibility to use its capital stock for business and financial purposes in the future. In this regard, in connection with International Assets' evaluation of its strategic and financing alternatives, International Assets may determine to issue additional shares of its common stock at any time following the completion of the merger. In addition, the additional shares may be used for various purposes without further stockholder approval, except as may be required by applicable law, regulations promulgated by government agencies, the rules of the NASDAQ Global Market or other market or exchange on which International Assets common stock is then listed. These purposes may include, among others:

- raising capital;

- providing equity incentives to employees, officers or directors;
- establishing strategic relationships with other companies; and
- expanding the business of the combined company through the acquisition of other businesses or products.

The terms of additional shares of common stock will be identical to those of the currently outstanding shares of International Assets common stock. However, because holders of International Assets common stock have no preemptive rights to purchase or subscribe for any unissued stock of International Assets, the issuance of any additional shares of common stock authorized as a result of the increase in the number of authorized shares of common stock will substantially reduce the current stockholders' percentage of ownership interest in the total outstanding shares of common stock.

Effects of the Increase in Authorized Shares

The proposed increase in the authorized number of shares of common stock could have a number of effects on the stockholders of International Assets depending upon the exact nature and circumstances of any actual issuances of authorized but unissued shares. The increase could have an anti-takeover effect, in that additional shares could be issued (within the limits imposed by applicable law) in one or more transactions that could make a change in control or takeover of International Assets difficult. For example, additional shares could be issued by International Assets so as to dilute the stock ownership or voting rights of persons seeking to obtain control of International Assets. Similarly, the issuance of additional shares to certain persons allied with International Assets' management could have the effect of making it more difficult to remove International Assets' management by diluting the stock ownership or voting rights of persons seeking to cause such removal.

The proposed amendment to International Assets' certificate of incorporation to increase the number of authorized shares of common stock from 17,000,000 shares to 30,000,000 shares will be effective upon the filing of the certificate of amendment with the Secretary of State of the State of Delaware. Notwithstanding stockholder approval of this proposed amendment, International Assets' board of directors may abandon the proposed amendment without any further action by International Assets stockholders at any time prior to its effectiveness, and will abandon the proposed amendment if International Assets' stockholders do not approve Proposal No. 1 to approve the issuance of shares pursuant to the merger. International Assets expects to file such proposed amendment immediately prior to the proposed merger if International Assets' stockholders approve International Assets Proposal No. 1 and this Proposal No. 2. As previously noted, the proposed amendment to International Assets' certificate of incorporation to increase the number of authorized shares of common stock is a condition to the consummation of the merger.

Vote Required; Recommendation of International Assets Board of Directors

The affirmative vote of the holders of a majority of the shares of International Assets common stock outstanding on the record date for the International Assets special meeting is required to approve the proposal to amend International Assets' certificate of incorporation to increase the authorized shares of common stock of International Assets to 30,000,000 shares.

A failure to submit a proxy card or vote at the special meeting, or an abstention, vote withheld or "broker non-vote" will have the same effect as a vote against International Assets Proposal No. 2.

The International Assets board of directors unanimously recommends that International Assets stockholders vote "For" International Assets Proposal No. 2 to approve an amendment to International Assets' certificate of incorporation to increase the number of authorized shares of International Assets common stock to 30,000,000 shares.

INTERNATIONAL ASSETS PROPOSAL NO. 3

AMENDMENT TO THE CERTIFICATE OF INCORPORATION OF INTERNATIONAL ASSETS TO ESTABLISH A CLASSIFIED BOARD OF DIRECTORS INITIALLY CONSISTING OF 13 MEMBERS TO BE DIVIDED INTO THREE CLASSES, THE REDUCTION IN THE SIZE OF THE BOARD TO 11 MEMBERS IN 2012 AND TO NINE MEMBERS IN 2013, AND THE ELIMINATION OF THE CLASSIFIED BOARD IN 2013

Overview

The International Assets board of directors has unanimously approved, subject to stockholder approval, a proposal to amend the certificate of incorporation of International Assets to establish a classified board of directors initially consisting of 13 members to be divided into three classes, the reduction in the size of the board to 11 members in 2012 and to nine members in 2013, and the elimination of the classified board in 2013. The board of International Assets has declared this amendment to be advisable and recommended that this proposal be presented to International Assets stockholders for approval.

The text of the form of proposed amendment to the certificate of incorporation of International Assets is included as Annex G to this joint proxy statement/prospectus.

If the International Assets stockholders approve this Proposal No. 3, and the other conditions to the consummation of the merger are fulfilled or waived, International Assets expects to file a certificate of amendment to the International Assets certificate of incorporation with the Secretary of State of the State of Delaware to establish the classified board and otherwise implement this Proposal No. 3 immediately prior to the proposed merger.

Upon filing the certificate of amendment to the certificate, the board of International Assets will be increased to 13 members divided into three classes.

The primary reason for the proposal to establish the classified board is to effect the merger with FCStone. If International Assets' stockholders do not approve International Assets Proposal No. 1 to approve the issuance of shares of International Assets common stock in the merger, or any of the other conditions to the consummation of the merger are not fulfilled or waived, then the International Assets board of directors will, notwithstanding stockholder approval of this proposed amendment, abandon this proposed amendment.

Proposed Amendment

At the present time, International Assets has a board of directors consisting of seven members, each of whom is elected to serve for a period of one year. The bylaws of International Assets provide that the number of directors will be determined from time to time by the vote of a majority of the directors then in office.

Under the proposed amendment, the certificate of incorporation of International Assets would be revised to provide for the following:

- To fix the number of directors at 13 until the 2012 annual meeting of stockholders.
- To reduce the number of directors to 11 commencing at the 2012 annual meeting and continuing until the 2013 annual meeting of stockholders.
- To reduce the number of directors to nine commencing at the 2013 annual meeting; and to provide that number of directors will thereafter be fixed from time to time by resolution of the board of directors, provided, however that the number of directors fixed by the board of directors will be no less than five or more than twenty-five.

- To establish that the board of directors will be classified until the 2013 annual meeting, with respect to the time for which the directors severally hold office, into three classes, designated as Class I, Class II and Class III.
- To provide that the number of directors in each Class shall be as follows:
  - Until the 2012 annual meeting, Class I will have four members, Class II will have four members; and Class III will have five members;
  - Commencing at the 2012 annual meeting and continuing until the 2013 annual meeting, Class I will have four members, Class II will have four members; and Class III will have three members.
- To provide that the members of Class I will initially serve for a term expiring at the 2010 annual stockholders meeting, and will thereafter serve for a term expiring at the 2013 annual meeting.
- To provide that the members of Class II will initially serve for a term expiring at the 2011 annual stockholders meeting, and will thereafter serve for a term expiring at the 2013 annual meeting.
- To provide that the members of Class III will initially serve for a term expiring at the 2012 annual meeting, and will thereafter serve for a term expiring at the 2013 annual meeting.
- To provide that commencing at the 2013 annual meeting, the board of directors will no longer be classified, and directors elected at the 2013 annual meeting or any subsequent annual meeting of stockholders will serve until the next annual meeting of stockholders, except in the event of their resignation or removal.

Background and Reasons for the Amendment

During the negotiation of the merger agreement, International Assets and FCStone agreed that the ability of the combined company to successfully integrate the businesses of International Assets and FCStone would be enhanced by the addition of six of the current directors of FCStone to the board of directors of International Assets. The addition of these directors is expected to provide the combined company with the benefit of their substantial knowledge of the operations of FCStone as well as their expertise in the commodities industry. International Assets and FCStone also agreed that the establishment of a classified board would provide assurance to the customers and employees of both companies that there would be stability and continuity in the board of directors during the period of the integration.

During these negotiations, FCStone and International Assets also agreed as follows:

- That the size of the board should be reduced from 13 members to nine members over a period of approximately three years. Both companies agreed that a board of nine members would be able to make decisions more efficiently than a board of 13 members, but that the reduction in size should not occur until the integration process was expected to be completed.
- That the classified board provision should be eliminated in 2013. Both companies agreed that the classified board would only be appropriate until the integration process was expected to be completed.

Effect of the Amendment

If the amendment is adopted and implemented, then the board of directors of International Assets will be increased from its current seven members to 13 members through the addition of six members that have been designated by FCStone. Additionally, each of the directors will be assigned to one of three classes. The assignment of the directors to each class will be determined by International Assets and FCStone at the time of the completion of the merger.

Delaware law provides that, if a corporation has a classified board, unless the corporation's certificate of incorporation specifically provides otherwise, the directors may only be removed by the stockholders for cause. International Assets' certificate of incorporation, as amended by the proposed classified board amendment, would not provide for removal of directors other than for cause. Therefore, if Proposal No. 3 is adopted, stockholders will be able to remove directors of International Assets for cause, but not in other circumstances. Presently, all of the directors of International Assets are elected annually and all of the directors may be removed, with or without cause, by the holders of a majority of the outstanding common stock of International Assets.

Unless a director is removed or resigns, three annual elections could be needed to replace all of the directors on the classified board of directors. The classified board amendment may, therefore, discourage an individual or entity from acquiring a significant position in International Assets' stock with the intention of obtaining immediate control of the board of directors during the period prior to the 2013 annual meeting, following which the board would no longer be classified. If this proposal is adopted, these provisions will be applicable to each annual election of directors, including the elections following any change of control of International Assets.

Advantages of the Amendment

The classified board amendment is designed to assure continuity and stability in the board of directors' during the expected period for the integration of International Assets and FCStone. This will ensure that, at any given time, a majority of the directors will have prior experience with International Assets and FCStone and, therefore, will be familiar with their business and operations.

The board of directors of International Assets believes that the stability in the board of directors' leadership and policies will facilitate the integration of the businesses. The board of directors also believes that the classified board amendment will assist the board of directors in protecting the interests of International Assets' stockholders in the event of an unsolicited offer for International Assets by encouraging any potential acquirer to negotiate directly with the board of directors.

Disadvantages of the Amendment

The classified board amendment may increase the amount of time required for a takeover bidder to obtain control of International Assets without the cooperation of the board of directors, even if the takeover bidder were to acquire a majority of the voting power of International Assets' outstanding common stock. Without the ability to obtain immediate control of the board of directors, a takeover bidder will not be able to take action to remove other impediments to its acquisition of International Assets. Thus, the classified board amendment could discourage certain takeover attempts, perhaps including some takeovers that stockholders may feel would be in their best interests. By potentially discouraging accumulations of large blocks of International Assets' stock and fluctuations in the market price of International Assets' stock caused by accumulations, the classified board amendment could cause stockholders to lose opportunities to sell their shares at temporarily higher prices. Further, the classified board amendment will make it more difficult for stockholders to change the majority composition of the board of directors, even if the stockholders believe such a change would be desirable. Because of the additional time required to change the control of the board of directors, the classified board amendment could be viewed as tending to perpetuate present management. These disadvantages are mitigated because the classified board provisions will expire in 2013.

Relationship to Merger Agreement

Approval of the amendment is one of the conditions to the consummation of the merger.

If International Assets Proposal No. 3 is not approved by International Assets stockholders, and the closing condition to the merger agreement is not waived, International Assets will be unable to complete the merger.

The proposed amendment will be effective upon the filing of a certificate of amendment with the Secretary of State of the State of Delaware. Notwithstanding stockholder approval of this proposed amendment, the board of directors of International Assets may abandon the proposed amendment without any further action by International Assets stockholders at any time prior to its effectiveness, and will abandon the proposed amendment if the merger is not consummated. International Assets expects to file the proposed amendment immediately prior to the consummation of the proposed merger.

Vote Required; Recommendation of International Assets Board of Directors

The affirmative vote of the holders of a majority of the shares of International Assets common stock outstanding on the record date for the International Assets special meeting is required to approve the proposed amendment.

A failure to submit a proxy card or vote at the special meeting, or an abstention, vote withheld or "broker non-vote" will have the same effect as a vote against International Assets Proposal No. 3.

The board of directors of International Assets unanimously recommends that International Assets' stockholders vote "For" International Assets Proposal No. 3 to approve an amendment to International Assets' certificate of incorporation to establish a classified board of directors initially consisting of 13 members to be divided into three classes, the reduction in size of the board to 11 members in 2012 and to nine members in 2013, and the elimination of the classified board in 2013.

INTERNATIONAL ASSETS PROPOSAL NO. 4

AMENDMENT TO INTERNATIONAL ASSETS' CERTIFICATE OF INCORPORATION TO ELIMINATE THE REQUIREMENT OF STOCKHOLDER APPROVAL TO REPLACE OR CHANGE THE CHAIRMAN OF THE BOARD

Overview

The International Assets board of directors has, subject to stockholder approval, unanimously approved a proposal to amend its certificate of incorporation to eliminate the requirement of stockholder approval to replace or change the chairman of the board. International Assets' board has declared this amendment to be advisable and recommended that this proposal be presented to International Assets stockholders for approval.

The certificate of incorporation of International Assets currently provides that the chairman of the board of International Assets may only be replaced or changed with the approval of the holders of at least 75% of the outstanding shares of the common stock of International Assets.

If the International Assets stockholders approve this Proposal No. 4, International Assets expects to file a certificate of amendment to the International Assets certificate of incorporation with the Secretary of State of the State of Delaware to eliminate this provision, immediately after the special meeting of stockholders.

Reasons for the Amendment

The primary reason for the elimination of this provision is to effect the merger with FCStone. Under the terms of the merger agreement, the elimination of this provision is a closing condition to the obligations of the parties to consummate the merger. The elimination of this provision will facilitate changes in the position of chairman of the board by allowing this position to be determined by the members of the board of directors of International Assets, rather than through the affirmative vote of the holders of 75% of the common stock of International Assets.

In connection with the negotiation of the terms of the merger agreement, International Assets and FCStone agreed that the position of chairman of the board should be selected by the members of the board of International Assets based upon an annual assessment of which member would be best suited to fulfill the duties of this position.

At the present time, Diego Veitia serves as the chairman of the board of International Assets, and it is anticipated that he will continue to be the chairman after the consummation of the merger until the expiration of his term.

The board of International Assets also believes that this provision should be eliminated regardless of whether the merger is consummated. Accordingly, International Assets intends to file a certificate of amendment with the Secretary of State of the State of Delaware to eliminate this provision, even if the merger is not consummated. The board of International Assets believes that the provision interferes with the ability of the board to manage International Assets by restricting the board's ability to determine who will serve as chairman.

Relationship to Merger Agreement

Approval of the amendment is one of the conditions to the consummation of the merger.

If International Assets Proposal No. 4 is not approved by International Assets stockholders, and the closing condition to the merger agreement is not waived, International Assets will be unable to complete the merger.

The proposed amendment will be effective upon the filing of a certificate of amendment with the Secretary of State of the State of Delaware.

Notwithstanding stockholder approval of this proposed amendment, the board of directors of International Assets may abandon the proposed amendment without any further action by International Assets stockholders at any time prior to its effectiveness. However, unlike the other proposed amendments to the certificate of incorporation, International Assets intends to file a certificate of amendment with the Secretary of State of the State of Delaware to eliminate this provision, even if the merger is not consummated.

Vote Required; Recommendation of International Assets Board of Directors

The affirmative vote of the holders of 75% of the shares of International Assets common stock outstanding on the record date for the International Assets special meeting is required to approve the proposal to eliminate the requirement in the certificate of incorporation of stockholder approval to replace or change the chairman of the board.

A failure to submit a proxy card or vote at the special meeting, or an abstention, vote withheld or "broker non-vote" will have the same effect as a vote against International Assets Proposal No. 4.

International Assets' board of directors unanimously recommends that International Assets stockholders vote "For" International Assets Proposal No. 4 to approve an amendment to International Assets' certificate of incorporation to eliminate the requirement of stockholder approval to replace or change the chairman of the board.

INTERNATIONAL ASSETS PROPOSAL NO. 5

POSSIBLE ADJOURNMENT OF THE INTERNATIONAL ASSETS SPECIAL MEETING

If International Assets fails to receive a sufficient number of votes to approve any of International Assets Proposal Nos. 1, 2, 3 or 4, International Assets may propose to adjourn the special meeting for a period of not more than 30 days for the purpose of soliciting additional proxies to approve any of International Assets Proposal Nos. 1, 2, 3 or 4. International Assets currently does not intend to propose adjournment at the International Assets special meeting if there are sufficient votes to approve each of International Assets Proposal Nos. 1, 2, 3 and 4.

Vote Required; Recommendation of International Assets Board of Directors

The affirmative vote of the holders of a majority of the voting power of the shares of International Assets common stock voting in person or by proxy at the International Assets special meeting is required for approval of International Assets Proposal No. 5.

The failure to submit a proxy card or vote at the special meeting, or an abstention, vote withheld or "broker non-votes" will be counted towards a quorum but will have no effect on the outcome of International Assets Proposal No. 5.

International Assets' board of directors unanimously recommends that International Assets' stockholders vote "For" International Assets Proposal No. 5 to adjourn the International Assets special meeting, if necessary, if a quorum is present, to solicit additional proxies if there are not sufficient votes in favor of any of International Assets Proposal Nos. 1, 2, 3 or 4.

FCSTONE PROPOSAL NO. 2

POSSIBLE ADJOURNMENT OF THE FCSTONE SPECIAL MEETING

If FCStone fails to receive a sufficient number of votes to approve FCStone Proposal No. 1, FCStone may propose to adjourn the special meeting, for a period of not more than 30 days for the purpose of soliciting additional proxies to approve FCStone Proposal No. 1. FCStone currently does not intend to propose adjournment at the FCStone special meeting if there are sufficient votes to approve FCStone Proposal No. 1.

Vote Required; Recommendation of FCStone Board of Directors

The affirmative vote of the holders of a majority of the voting power of the shares of FCStone common stock voting in person or by proxy at the FCStone special meeting is required for approval of FCStone Proposal No. 2.

The failure to submit a proxy card or vote at the special meeting, or an abstention, vote withheld or "broker non-votes" will be counted towards a quorum, but will have no effect on the outcome of FCStone Proposal No. 2.

The FCStone board of directors unanimously recommends that FCStone's stockholders vote "For" FCStone Proposal No. 2 to adjourn the FCStone special meeting, if necessary, to solicit additional proxies if there are not sufficient votes in favor of FCStone Proposal No. 1.

BUSINESS OF INTERNATIONAL ASSETS

Overview

International Assets and its subsidiaries form a financial services group focused on select international markets. International Assets commits its capital and expertise to market-making and dealing in financial instruments, currencies and commodities, and to asset management. International Assets' activities are divided into five reportable business segments—international equities market-making, foreign exchange trading, commodities trading, international debt capital markets and asset management.

- **International Equities Market-Making**. International Assets is a leading U.S. market maker in select foreign securities, including unlisted American Depository Receipts and foreign common shares. International Assets provides execution and liquidity primarily to U.S.-based wire houses, regional broker-dealers and institutional investors.
- **Foreign Exchange Trading**. International Assets trades select illiquid currencies of developing countries. International Assets' target customers are financial institutions, multi-national corporations, and governmental and charitable organizations operating in these developing countries. In addition, International Assets executes trades based on the foreign currency flows inherent in its existing international securities activities. International Assets primarily acts as a principal in buying and selling foreign currencies on a spot basis.
- **Commodities Trading**. International Assets provides a full range of over-the-counter precious and base metals trading and hedging capabilities to producers, consumers, recyclers and investors with a particular focus on transactions that include physical delivery. Acting as a principal, International Assets commits its capital to buy and sell the metals on a spot and forward basis.
- **International Debt Capital Markets**. International Assets originates international debt transactions for issuers located primarily in emerging markets. This includes bond issues, syndicated loans, asset securitizations as well as forms of other negotiable debt instruments. International Assets also actively trades a wide variety of international debt instruments including both investment grade and higher yielding emerging market bonds with particular focus on smaller emerging market sovereign, corporate and bank bonds that trade worldwide on an over-the-counter basis.
- **Asset Management**. International Assets provides asset management services through two wholly owned subsidiaries: INTL Capital Ltd. and Gainvest S.A. Sociedad Gerente de Fondos Communes de Inversion. INTL Capital Ltd. acts as the investment adviser to INTL Trade Finance Fund Ltd. Gainvest acts as an investment adviser to three investment funds organized and traded in Argentina.

International Assets was formed in October 1987 and during the 2008 fiscal year conducted operations through a number of wholly-owned operating subsidiaries and two joint ventures. As of September 30, 2008, International Assets had 195 employees located in seven countries.

International Assets' internet address is www.intlassets.com. International Assets' annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, statements of changes in beneficial ownership and press releases are available in the Investor Relations section of this website. International Assets' website also includes information regarding International Assets' corporate governance, including International Assets' Code of Ethics, which governs International Assets' directors, officers and employees.

Business Strategy

International Assets seeks to exploit niche financial markets that are not perceived as attractive to larger financial services companies and exhibit one or more of the following characteristics:

- the size of the market is relatively small

- the market has limited liquidity with opaque pricing
- the market is difficult to automate and contains a service component requiring manual intervention

By providing execution for International Assets' clients in these markets. International Assets is able to earn premium spreads that allow it to achieve its financial objectives.

International Assets' customers, which include major investment banks, commercial banks, brokers, institutional investors, corporations, charities, governmental organizations throughout the world and non-governmental organizations, are generally end users of the financial products which International Assets offers. These customers demand consistent, quality execution.

International Assets' management strategy is to apply a centralized and disciplined capital allocation, risk management and cost control process while delegating the execution of strategic objectives and day-to-day management to experienced individuals. This requires high quality managers, a clear communication of performance objectives and strong financial and compliance controls. International Assets believes this strategy will enable International Assets to build a scalable and significantly larger organization that embraces an entrepreneurial approach to business underpinned by strong central controls.

Each of International Assets' businesses is volatile and their financial performance can change due to a variety of factors which are both outside of management's control and not readily predictable. To address this volatility, International Assets has sought to diversify into a number of uncorrelated businesses.

Trading Revenues

In International Assets' business, purchases of individual securities, currencies, commodities or derivative instruments may be from single or multiple customers or counterparties. These purchases may be covered by a matching sale to a customer or counterparty or may be aggregated with other purchases to provide liquidity intraday, for a number of days or, in some cases, particularly the base metals business, even longer periods of time (during which market values may fluctuate). Sales of individual securities, currencies, commodities or derivative instruments may also be to single or multiple customers or counterparties. They may be made from inventory, they may be covered by a simultaneous and matching purchase in the market or they may represent a short sale and be covered by a later purchase in the market.

While International Assets is able to track the number and dollar amount of individual transactions with each customer, this information is not a reliable indicator of revenues because it is not necessarily proportional to revenues or profitability. Depending on the nature of the instrument traded, market conditions and timing of a transaction, revenues and profitability may differ widely from trade to trade and from customer to customer.

International Equities Market-Making

International Assets is a leading U.S. market-maker in unlisted ADRs and foreign common shares. International Assets conducts these activities through INTL Trading, Inc. ("INTL Trading"), a broker-dealer regulated by the Financial Industry Regulatory Authority ("FINRA"). INTL Trading provides execution services and liquidity to national broker-dealers, regional broker-dealers and institutional investors. International Assets focuses on those international equities in which International Assets can use its expertise and experience to provide customers with competitive execution and superior service. International Assets also utilizes its proprietary technology, including internet technology, to achieve these goals.

International Assets makes markets in approximately 800 ADRs and foreign ordinary shares traded in the over-the-counter ("OTC") market. In addition, International Assets will, on request, make prices in more than 8,000 other ADRs and foreign common shares. As a market-maker, International Assets provides trade execution

services by offering to buy shares from, or sell shares to, broker-dealers and institutions. International Assets displays the prices at which it is willing to buy and sell these securities and adjusts its prices in response to market conditions. When acting as principal, International Assets commits its own capital and derives revenue from the difference between the prices at which International Assets buys and sells shares. International Assets also earns commissions by executing trades on an agency basis.

While International Assets' customers are other broker-dealers and institutions, the business tends to be driven by the needs of the private clients of those broker-dealers and institutions. The size of private client trades may be uneconomical for the in-house international equities trading desks of International Assets' customers to execute. International Assets is able to provide execution of smaller trades at profitable margins.

Foreign Exchange Trading

International Assets trades over 100 currencies, with a concentration on select, illiquid currencies of developing countries. International Assets has an extensive global correspondent network that provides access to these currencies at competitive rates. International Assets' target customers are financial institutions, multi-national corporations, governmental and charitable organizations operating in and transferring funds to or from these developing countries. In addition, International Assets executes trades based on the foreign currency flows inherent in International Assets' other international activities.

International Assets primarily acts as a principal in buying and selling foreign currencies on a spot basis. International Assets derives revenue from the difference between the purchase and sale prices.

International Assets periodically holds foreign currency positions for longer periods to create liquidity for customers or to generate proprietary earnings.

International Assets' foreign exchange activities in fiscal 2008 were conducted through INTL Global Currencies Ltd., which we refer to as INTL Global Currencies, a wholly-owned subsidiary domiciled in the United Kingdom. During 2007, International Assets also established a company in Hong Kong, INTL Global Currencies (Asia) Ltd., to conduct a margin foreign exchange trading business. This company became operational in October 2007. Due to continuing losses and, in International Assets' view, little prospect of turning this business to profitability, the activities of the Hong Kong company were terminated at the end of August 2008. The losses of this company have been reported as discontinued operations in International Assets' consolidated income statements.

Commodities Trading

International Assets' commodities trading activities encompass the trading of physical metals such as gold, silver and platinum group metals as well as certain base metals, mainly lead and copper. International Assets has relationships with a number of small and medium-sized metals producers, refiners, recyclers, consumers and manufacturing entities, and provides them with a full range of physical metals trading and hedging capabilities. International Assets is also active in the acquisition of scrap metals which are refined under contract and sold to International Assets' customers.

International Assets provides customers with sophisticated option products, including combinations of buying and selling puts and calls. International Assets assists its customers in protecting the value of their future production by selling customers put options or making forward purchases on an OTC basis. International Assets mitigates its risks by effecting offsetting option trades with market counterparties or through the purchase or sale of exchange-traded commodities futures.

International Assets commits its own capital to buy and sell precious and base metals on a spot and forward basis. International Assets derives revenue from the difference between the purchase and sale prices.

International Assets generally mitigates the price risk associated with its commodities inventory through the use of exchange-traded derivatives. This price risk mitigation does not generally qualify for hedge accounting under generally accepted accounting principles ("GAAP"). In such situations, unrealized gains in inventory are not recognized under GAAP, but unrealized gains and losses in related derivative positions are recognized under GAAP. Additionally, GAAP does not require International Assets to reflect changes in estimated values of forward commitments to purchase and sell commodities. As a result, International Assets' reported commodities trading earnings are subject to significant volatility. International Assets' commodities trading activities are conducted through wholly owned subsidiaries, INTL Commodities, Inc., INTL Commodities DMCC, and INTL Commodities Mexico S de RL de CV (together, "INTL Commodities"), incorporated in the state of Delaware, Dubai and Mexico respectively. INTL Commodities has a branch office in London and has also established a trading presence in Singapore to focus on customers in that region.

International Debt Capital Markets

International Assets originates, structures and places a wide array of emerging market debt instruments in the international and domestic capital markets. These instruments include complex asset-backed securities ("ABS"), unsecured bond and loan issues, negotiable notes and other trade-related debt instruments used in cross-border trade finance. The transactions may be evidenced by loan agreements, bonds, notes, bills of exchange, accounts receivable and other types of debt instruments and may be placed as private or public transactions and may constitute securities in certain instances. International Assets also provides execution services for debt securities, in which it derives revenues from the difference between the purchase and sales prices.

From time to time International Assets may invest its own capital in debt instruments before selling them. These instruments are typically sold to international banks and financial institutions.

International Assets earns fees for introducing borrowers and lenders or advising borrowers on capital raising transactions.

Most of International Assets' activities are conducted through INTL Trading, with non-securities transactions conducted through International Assets Holding Corporation or INTL Capital Ltd., which we refer to as INTL Capital. Local market transactions in South America are conducted through INTL Gainvest, a leading participant in the Argentine ABS market, and through Compania Inversora Bursatil Sociedad de Bolsa ("CIBSA"), a regulated securities brokerage business based in Argentina that was acquired in April 2009.

Asset Management

International Assets' revenues in the asset management business include management and performance fees for management of third party assets and investment gains or losses on International Assets' investments in registered funds or proprietary accounts managed by International Assets or independent investment managers. Total third party assets under management at March 31, 2008 amounted to approximately $0.7 billion, of which approximately $0.4 billion was managed by the Company's asset management joint venture, INTL Consilium LLC. International Assets disposed of its interest in INTL Consilium effective April 30, 2009. The fair value of proprietary investments at March 31, 2009 was $27.8 million.

International Assets' strategy is to build the asset management business by applying an absolute return philosophy to niche markets in which International Assets has significant expertise and experience. This business is conducted through INTL Capital and INTL Gainvest.

INTL Capital is domiciled in Dubai and is authorized by the Dubai Financial Service Authority to operate from the Dubai International Financial Centre. INTL Capital manages the INTL Trade Finance Fund Limited, a Cayman Island company established to invest primarily in global trade finance-related assets.

INTL Gainvest is authorized by the Argentina regulatory authorities to manage three locally listed mutual funds. These funds consist primarily of asset backed securities issued by Argentine companies, are domestically rated and distributed to local pension funds, corporations and individuals. In addition, INTL Gainvest manages segregated portfolios for high net worth individuals.

Prior to April 30, 2009, the asset management business of International Assets included the results of INTL Consilium LLC, a joint venture organized by International Assets and an unaffiliated third party and is consolidated as a variable interest entity in accordance with FIN 46(R). International Assets disposed of its interest in INTL Consilium LLC effective April 30, 2009.

Competition

The international financial markets are highly competitive and rapidly evolving. In addition, these markets are dominated by firms with significant capital and personnel resources that are not currently available to International Assets. International Assets expects these competitive conditions to continue in the future, although the nature of the competition may change as a result of the current global financial crisis. In addition, the crisis is likely to produce opportunities for International Assets to expand or consolidate its activities. International Assets' strategy is to focus on smaller niche markets that are less attractive to larger competitors and require specialized expertise. International Assets believes that it can compete successfully with other financial intermediaries in these markets based on International Assets' expertise and quality of service.

International Assets' activities are impacted, and will continue to be impacted, by investor interest in the markets served by International Assets. The instruments traded in these markets compete with a wide range of alternative investment instruments. International Assets seeks to counterbalance changes in demand in specified markets by undertaking activities in multiple uncorrelated markets.

Technology has increased competitive pressures on financial intermediaries by improving dissemination of information, making markets more transparent and facilitating the development of alternative execution mechanisms. In the debt trading markets, TRACE, the trade reporting system introduced by FINRA, has reduced spreads and profitability. In the equity markets, electronic communication networks, referred to as ECNs, compete with market-makers like International Assets. ECNs provide a neutral forum in which third parties display and match their orders, but do not commit capital or provide liquidity to the marketplace. ECNs and similar alternative execution mechanisms provide the greatest benefit for markets in highly liquid securities. Similar execution mechanisms also exist in the foreign exchange market. International Assets competes by focusing on niche markets for less liquid instruments and using its capital to enhance liquidity for customers.

Administration and Operations

International Assets employs operations personnel to supervise and, for certain products, complete the clearing and settlement of transactions.

INTL Trading's securities transactions are cleared through Broadcort, a division of Merrill Lynch, Pierce, Fenner & Smith, Inc. INTL Trading does not hold customer funds or directly clear or settle securities transactions.

In the foreign exchange and commodities trading businesses, International Assets records all transactions in a proprietary trading system and employs operations staff to settle all transactions. International Assets may hold customer funds in relation to these activities.

International Assets' administrative staff manages International Assets' internal financial controls, accounting functions, office services and compliance with regulatory requirements.

Governmental Regulation

International Assets' activities, particularly in the securities markets, are subject to significant governmental regulation, both in the United States and overseas. Failure to comply with regulatory requirements could result in administrative or court proceedings, censure, fines, issuance of cease-and-desist orders, suspension or disqualification of the regulated entity, its officers, supervisors or representatives.

The regulatory environment in which International Assets operates is subject to frequent change and these changes directly impact International Assets' business and operating results. The U.S.A. Patriot Act of 2001 and the Sarbanes-Oxley Act of 2002 have placed additional regulatory burdens and compliance costs on International Assets.

The securities industry in the United States is subject to extensive regulation under federal and state securities laws. International Assets is required to comply with a wide range of requirements imposed by the SEC, state securities commissions and FINRA. These regulatory bodies are charged with safeguarding the integrity of the financial markets and with protecting the interests of investors in these markets.

The activities of INTL Trading, as a broker-dealer, are primarily regulated by FINRA and the SEC.

Net Capital Requirements

INTL Trading is subject to the net capital requirements imposed by SEC Rule 15c3-1 under the Securities Exchange Act of 1934. These requirements are intended to ensure the financial integrity and liquidity of broker-dealers. They establish both minimum levels of capital and liquid assets. The net capital requirements prohibit the payments of dividends, redemption of stock, the prepayment of subordinated indebtedness and the making of any unsecured advances or loans to any stockholder, employee or affiliate, if such payment would reduce the broker-dealer's net capital below required levels.

The net capital requirements restrict the ability of INTL Trading to make distributions to International Assets. They also restrict the ability of INTL Trading to expand its business beyond a certain point without the introduction of additional capital.

As of both March 31, 2009 and September 30, 2008, INTL Trading's net capital was $1.5 million, which was $0.5 million in excess of its minimum net capital requirement on each date.

Foreign Operations

International Assets operates in a number of foreign jurisdictions, including the United Kingdom, Argentina, Uruguay, Mexico, Nigeria, Dubai and Singapore. International Assets has established wholly-owned subsidiaries in Mexico and Nigeria but does not have offices or employees in those countries.

INTL Trading has a branch office in the United Kingdom. As a result, its activities are also subject to regulation by the United Kingdom Financial Services Authority.

The activities of INTL Capital Limited and INTL Commodities DMCC are subject to regulation by the Dubai Financial Services Authority and the Dubai Multi Commodities Centre, respectively.

The activities of INTL Global Currencies (Asia) Limited were subject to regulation by the Hong Kong Securities & Futures Commission until its activities were discontinued at the end of August 2008.

Business Risks

International Assets seeks to mitigate the market and credit risks arising from its financial trading activities through an active risk management program. The principal objective of this program is to limit trading risk to an acceptable level while maximizing the return generated on the risk assumed.

International Assets has a defined risk policy which is administered by International Assets' risk committee, which reports to International Assets' audit committee. International Assets has established specific exposure limits for inventory positions in every business, as well as specific issuer limits and counterparty limits. These limits are designed to ensure that in a situation of unexpectedly large or rapid movements or disruptions in one or more markets, systemic financial distress, the failure of a counterparty or the default of an issuer, the potential estimated loss will remain within acceptable levels. The audit committee reviews the performance of the risk committee on a quarterly basis to monitor compliance with the established risk policy.

Properties

International Assets maintains offices in:

- the United States, in New York, Altamonte Springs, Florida and Miami, Florida
- Argentina, in Buenos Aires
- Uruguay, in Montevideo
- the United Kingdom, in London
- the United Arab Emirates, in Dubai
- Singapore

International Assets leases all of International Assets' office space except for the space in Buenos Aires, which International Assets owns.

Legal Proceedings

On July 7, 2009, the plaintiffs in a stockholder derivative case previously filed against FCStone (solely as a nominal defendant) and its directors and certain officers and former officers in the Circuit Court of Platte County, Missouri filed a motion for leave to amend the existing case to add a purported class action claim on behalf of the holders of FCStone common stock. If amended, the complaint would allege that the defendants breached their fiduciary duties by engaging in an unfair process in connection with the contemplated merger of FCStone and International Assets. If amended, the complaint would allege that the defendants aided the other defendants' breaches of their fiduciary duties. If plaintiffs are permitted to amend the complaint, they would seek to enjoin the merger with International Assets, to rescind the merger or any of its terms, and recover legal fees and expenses. FCStone, to the extent it is named as a direct defendant, and the individual defendants intend to defend against the complaint vigorously.

On July 8, 2009, a purported class action complaint was filed against FCStone and its directors, International Assets and International Assets Acquisition Corp. in the Circuit Court of Clay County, Missouri by two individuals who purport to be stockholders of FCStone. Plaintiffs purport to bring this action on behalf of all stockholders of FCStone. The complaint alleges that the defendants breached their fiduciary duties by failing to maximize stockholder value in connection with the contemplated merger of FCStone and International Assets. The complaint also alleges that FCStone, International Assets, and International Assets Acquisition Corp. aided and abetted the individual defendants' alleged breach of fiduciary duties. Plaintiffs seek to permanently enjoin the merger with International Assets, monetary damages in an unspecified amount attributable to the alleged breach of duties, and legal fees and expenses. FCStone, International Assets and the individual defendants intend to defend against the complaint vigorously.

Except for the cases described above, International Assets is not currently a defendant in any legal proceedings. In light of the nature of International Assets' activities, it is possible that International Assets may be involved in litigation in the future, which could have a material adverse impact on International Assets and its financial condition and results of operations.

MANAGEMENT DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION OF INTERNATIONAL ASSETS

Results of Operations for 2008, 2007 and 2006

Set forth below is International Assets' discussion of the results of its operations, as viewed by management, for the fiscal years 2008, 2007 and 2006, respectively. This discussion refers to both GAAP results and adjusted marked-to-market information.

Set forth below is a table that reflects results of operations and related financial information on a marked to market basis.

Pro Forma Adjusted Financial Information (non-GAAP) (UNAUDITED)

(In millions, except employee count and ratios)	2008	2007	2006	2005	2004
As reported on a GAAP basis:					
Operating revenues	$127.4	$53.6	$35.9	$26.1	$22.0
Net income	$ 27.8	$ (4.5)	$ 3.5	$ 2.6	$ (0.1)
Income (loss) from continuing operations	$ —	$ —	$ —	$ 2.6	$ (0.1)
Stockholders' equity	$ 74.8	$35.6	$33.9	$28.1	$24.6
Marked-to-market basis (unaudited, pro forma, non-GAAP):					
Adjusted operating revenues	$100.5	$77.0	$43.4	$26.1	$22.0
Adjusted, pro forma income from continuing operations	$ 12.4	$10.3	$ 8.2	$ 2.6	$ (0.1)
Adjusted, pro forma net income	$ 11.0	$10.1	$ 8.2	$ 2.6	$ (0.1)
Adjusted EBITDA	$ 27.7	$26.7	$15.0	$ 5.1	$ 5.1
Adjusted stockholders' equity	$ 77.3	$54.9	$38.7	$28.1	$24.6
Adjusted return on average equity	16.6%	21.7%	24.6%	9.9%	(0.6)%
The following marked-to-market adjustments were made to the GAAP basis numbers shown above (unaudited, pro forma, non-GAAP management data):					
Net change in unrealized fair market value gain in physical commodities inventory	$ (28.3)	$24.5	$ 6.0		
Other marked-to-market adjustments	1.4	(1.1)	1.5		
Gross marked-to-market adjustment	(26.9)	23.4	7.5		
Pro forma tax effect at 37.5%	10.1	(8.8)	(2.8)		
After tax marked-to-market adjustment	$ (16.8)	$14.6	$ 4.7		
Cumulative after tax adjustment	$ 2.5	$19.3	$ 4.7		
Reconciliation of net income to adjusted EBITDA (non-GAAP)					
Net income	$ 27.8	$ (4.5)	$ 3.5	$ 2.6	$ (0.1)
Minority interests	0.4	0.6	0.1	—	—
Income tax	17.1	(2.0)	1.8	1.5	2.0
Depreciation and amortization	1.2	0.8	0.4	0.3	0.2
Interest expense	11.2	9.3	2.1	1.3	3.2
Interest income	(3.1)	(0.9)	(0.4)	(0.6)	(0.2)
Change in unrealized fair market value gain in physical commodities inventory	(28.3)	24.5	6.0	—	—
Other marked-to-market adjustments	1.4	(1.1)	1.5	—	—
Adjusted EBITDA (non-GAAP)	**$ 27.7**	**$26.7**	**$15.0**	**$ 5.1**	**$ 5.1**
Other Data:					
Employees (end of period)	195	170	89	67	51
Compensation and benefits / adjusted operating revenues	39.8%	39.5%	38.5%	42.1%	38.6%
Leverage ratio: Total assets to equity (end of period)	5.9	10.1	5.9	5.2	2.8

For the international equities, international debt capital markets, foreign exchange trading and asset management segments, there are no differences between the GAAP results and the adjusted marked-to-market results. Only the commodities trading segment has differences between the GAAP results and the adjusted marked-to-market results. However, this means that there are differences between the GAAP basis and marked-to-market basis total operating revenues, total contribution and net income. Please note that any term below that contains the word ‘adjusted’ refers to non-GAAP, marked-to-market information.

The requirements of U.S. GAAP to carry derivatives at fair market value but physical commodities inventory at the lower of cost or market value have a significant temporary impact on International Assets’ reported earnings. Under GAAP, gains and losses on commodities inventory and derivatives which International Assets intends to be offsetting are often recognized in different periods. Additionally, GAAP does not require International Assets to reflect changes in estimated values of forward commitments to purchase and sell commodities.

For these reasons, management assesses International Assets’ operating results on a marked-to-market basis. Management relies on these adjusted operating results to evaluate the performance of International Assets’ commodities business segment and its personnel.

Under “Marked-to-market basis” in the tables below are International Assets’ adjusted operating revenues, pro forma income from continuing operations, pro forma net income, adjusted EBITDA and adjusted stockholders’ equity, which have been adjusted to reflect the marked-to-market differences in International Assets’ commodities business during each period (in the case of operating revenues and net income) and the cumulative differences (in the case of stockholders’ equity). International Assets has also included the estimated tax liability which would have been incurred as a result of these adjustments, utilizing a blended tax rate of 37.5%.

Pro Forma Quarterly Adjusted Financial Information (non-GAAP) (UNAUDITED)

(In millions)	Q4 2008	Q3 2008	Q2 2008	Q1 2008	Q4 2007	Q3 2007	Q2 2007	Q1 2007	Q4 2006	Q3 2006	Q2 2006	Q1 2006
As reported on a GAAP basis:												
Operating revenues	$ 21.8	$ 30.9	$ 32.7	$ 42.0	$20.1	$ 9.5	$14.8	$ 9.2	$ 4.4	$14.1	$ 9.0	$ 8.4
Income from continuing operations	$ 2.2	$ 7.2	$ 6.7	$ 13.1	$ 0.2	$ (3.7)	$ 0.6	$ (1.4)	$ (2.0)	$ 3.3	$ 1.1	$ 1.1
Net income	$ 2.1	$ 6.8	$ 6.0	$ 12.9	$ 0.1	$ (3.8)	$ 0.6	$ (1.4)	$ (2.0)	$ 3.3	$ 1.1	$ 1.1
Stockholders' equity	$ 74.8	$ 64.5	$ 57.1	$ 49.9	$35.6	$35.3	$37.1	$35.5	$33.9	$35.9	$31.0	$29.7
Marked-to-market basis (unaudited, pro forma, non-GAAP):												
Adjusted operating revenues	$ 18.4	$ 23.2	$ 30.2	$ 28.7	$24.8	$18.7	$18.1	$15.4	$11.8	$12.1	$10.3	$ 9.3
Adjusted, pro forma income from continuing operations	$ —	$ 2.4	$ 5.1	$ 4.9	$ 3.1	$ 2.0	$ 2.7	$ 2.5	$ 2.6	$ 2.0	$ 2.0	$ 1.6
Adjusted, pro forma net income	$ (0.1)	$ 2.0	$ 4.4	$ 4.7	$ 3.0	$ 1.9	$ 2.7	$ 2.5	$ 2.6	$ 2.0	$ 2.0	$ 1.6
Adjusted EBITDA	$ (0.5)	$ 6.1	$ 10.6	$ 11.5	$ 8.9	$ 6.0	$ 6.3	$ 5.5	$ 4.4	$ 4.0	$ 3.6	$ 3.0
Adjusted stockholders' equity	$ 77.3	$ 69.2	$ 66.6	$ 61.0	$54.9	$51.7	$47.8	$44.1	$38.6	$36.0	$32.4	$30.2
Trailing twelve months on marked-to-market basis (unaudited, pro forma, non-GAAP):												
Adjusted operating revenues	$100.5	$106.9	$102.4	$ 90.3	$77.0	$64.0	$57.4	$49.6	$43.5			
Adjusted, pro forma net income	$ 11.0	$ 14.1	$ 14.0	$ 12.3	$10.1	$ 9.7	$ 9.8	$ 9.1	$ 8.2			
Adjusted EBITDA	$ 27.7	$ 37.1	$ 37.0	$ 32.7	$26.7	$22.2	$20.2	$17.5	$15.0			
Adjusted return on average equity	16.6%	23.2%	24.5%	23.5%	21.7%	22.3%	24.5%	24.2%	24.5%			
The following marked-to-market adjustments were made to the GAAP basis numbers shown above (unaudited, pro forma, non-GAAP management data):												
Net change in unrealized fair market value gain in physical commodities inventory	$ (2.0)	$ (12.3)	$ 2.3	$(16.3)	$ 7.3	$10.7	$ 1.6	$ 4.9	$ 6.0	$ (1.3)	$ 1.1	$ 0.2
Other marked-to-market adjustments	(1.4)	4.6	(4.8)	3.0	(2.6)	(1.5)	1.7	1.3	1.4	(0.7)	0.2	0.7
Gross marked-to-market adjustment	(3.4)	(7.7)	(2.5)	(13.3)	4.7	9.2	3.3	6.2	7.4	(2.0)	1.3	0.9
Pro forma tax effect at 37.5%	1.2	2.9	0.9	5.1	(1.8)	(3.5)	(1.2)	(2.3)	(2.8)	0.7	(0.4)	(0.4)
After tax marked-to-market adjustment	$ (2.2)	$ (4.8)	$ (1.6)	$ (8.2)	$ 2.9	$ 5.7	$ 2.1	$ 3.9	$ 4.6	$ (1.3)	$ 0.9	$ 0.5
Cumulative after tax adjustment	$ 2.5	$ 4.7	$ 9.5	$ 11.1	$19.3	$16.4	$10.7	$ 8.6	$ 4.7	$ 0.1	$ 1.4	$ 0.5
Reconciliation of net income to adjusted EBITDA (non-GAAP)												
Net income	$ 2.1	$ 6.8	$ 6.0	$ 12.9	$ 0.1	$ (3.8)	$ 0.6	$ (1.4)	$ (2.0)	$ 3.3	$ 1.1	$ 1.1
Minority interests	(1.1)	0.2	0.5	0.8	0.2	0.1	0.1	0.2	0.1	—	—	—
Income tax	—	4.6	4.3	8.2	0.3	(2.0)	0.5	(0.8)	(1.5)	2.0	0.7	0.5
Depreciation and amortization	0.4	0.3	0.2	0.3	0.4	0.2	0.1	0.1	0.1	0.1	0.1	0.1
Interest expense	2.9	2.5	2.8	3.0	3.6	2.5	1.7	1.5	0.5	0.6	0.5	0.5
Interest income	(1.4)	(0.6)	(0.7)	(0.4)	(0.4)	(0.2)	(0.1)	(0.2)	(0.2)	—	(0.1)	(0.1)
Change in unrealized fair market value gain in physical commodities inventory	(2.0)	(12.3)	2.3	(16.3)	7.3	10.7	1.7	4.8	6.0	(1.3)	1.1	0.2
Other marked-to-market adjustments	(1.4)	4.6	(4.8)	3.0	(2.6)	(1.5)	1.7	1.3	1.4	(0.7)	0.2	0.7
Adjusted EBITDA (non-GAAP)	**$ (0.5)**	**$ 6.1**	**$ 10.6**	**$ 11.5**	**$ 8.9**	**$ 6.0**	**$ 6.3**	**$ 5.5**	**$ 4.4**	**$ 4.0**	**$ 3.6**	**$ 3.0**

Adjusted operating revenues, adjusted net income, adjusted EBITDA and adjusted stockholders' equity are financial measures that are not recognized by GAAP, and should not be considered as alternatives to operating revenues, net income or stockholders' equity calculated under GAAP or as an alternative to any other measures of performance derived in accordance with GAAP. International Assets has included these non-GAAP financial measures because it believes that they permit investors to make more meaningful comparisons of performance between the periods presented. In addition, these non-GAAP measures are used by management in evaluating International Assets' performance.

Financial Overview

The following table shows an overview of International Assets' financial results.

(in millions)	2008	% Change	2007	% Change	2006
Year Ended September 30,					
FINANCIAL OVERVIEW					
Adjusted total operating revenues (non-GAAP)	$100.5	31%	$77.0	77%	$43.4
Interest expense	11.2	19%	9.4	348%	2.1
Net revenues (non-GAAP)	89.3	32%	67.6	64%	41.3
Non-interest expenses	68.6	37%	49.9	75%	28.5
Income before income tax and minority interest (non-GAAP)	20.7	17%	17.7	38%	12.8
Pro forma income tax expense (non-GAAP)	7.9	16%	6.8	51%	4.5
Minority interest in income of consolidated entities	0.4	(33)%	0.6	500%	0.1
Income from continuing operations	12.4	20%	10.3	26%	8.2
Loss from discontinued operations, net of taxes	1.4	600%	0.2	n/m	—
Pro forma net income (non-GAAP)	$ 11.0	9%	$10.1	23%	$ 8.2
Reconciliation of operating revenues from GAAP to adjusted, non-GAAP numbers:					
Total operating revenues, (GAAP)	$127.4		$53.6		$35.9
Gross marked to market adjustment	(26.9)		23.4		7.5
Operating revenues (non-GAAP)	$100.5		$77.0		$43.4
Reconciliation of income tax expense from GAAP to pro forma, non-GAAP numbers:					
Income tax expense (benefit) (GAAP)	$ 18.0		$ (2.0)		$ 1.7
Pro forma taxes on gross marked to market adjustment at 37.5%	(10.1)		8.8		2.8
Pro forma income tax expense (non-GAAP)	$ 7.9		$ 6.8		$ 4.5

2008 Operating Revenues vs. 2007 Operating Revenues

International Assets' operating revenues under GAAP for 2008 and 2007 were $127.4 million and $53.6 million, respectively. International Assets' adjusted operating revenues were $100.5 million in 2008, 31% higher than the operating revenues of $77.0 million in 2007. This was attributable to adjusted operating revenue increases of 69% in foreign exchange trading, 62% in commodities trading and 23% in equities market-making, offset by decreases of 33% in debt capital markets and 13% in asset management. International Assets' trading and market-making segments generally performed well throughout the year, with the equities and foreign exchange trading businesses both experiencing a strong fourth quarter and the commodities trading business performing very well in the first half of the year. However, total adjusted operating revenues during the second half of the year and particularly in the fourth quarter were adversely affected by losses in the asset management segment. These arose as a result of reduced investment advisory fees and marked-to-market losses on

International Assets' seed capital investments, directly related to redemptions from funds under management and to declining values of assets as the global financial crisis gathered pace. International Assets' assets under management in the asset management segment increased from $1.3 billion at September 30, 2007 to $2.3 billion at June 30, 2008 but then declined to $1.2 billion by September 30, 2008. The debt arrangement and placement business, accounted for in International Assets' debt capital markets segment, was also adversely affected by a sharp reduction in investment appetite during the year. See the segmental analysis below for additional information on activity in each of the segments.

2007 Operating Revenues vs. 2006 Operating Revenues

International Assets' operating revenues under GAAP for 2007 and 2006 were $53.6 million and $35.9 million, respectively. International Assets' adjusted operating revenues were $77.0 million in 2007, 78% higher than the operating revenues of $43.4 million in 2006. Adjusted operating revenues increased in all International Assets' business segments: by 977% in asset management, 167% in debt capital markets, 67% in commodities trading, 53% in equities market-making and 10% in foreign exchange trading. See the segmental analysis below for additional information on activity in each of the segments, including information on the 2006 accounting treatment of International Assets' asset management joint venture, INTL Consilium, which helps to explain the large increase in operating revenues in the asset management segment. Assets under management more than doubled, from $505 million at the end of 2006 to $1.3 billion at the end of 2007. The increased adjusted operating revenues in the commodities trading business was largely a result of improved revenues in the precious metals business. Increased volumes of trades drove the increased profitability in the equities market-making business.

2008 Expenses vs. 2007 Expenses

Interest expense: Interest expense increased by 19% from $9.4 million in 2007 to $11.2 million in 2008 as a result of increased average borrowings during the year, though at lower absolute interest rates.

Non-interest expenses: The following table sets forth information concerning non-interest expenses.

(in millions)	2008	% Change	2007	% Change	2006
Year Ended September 30,					
NON-INTEREST EXPENSES					
Compensation and benefits	$40.0	32%	$30.4	82%	$16.7
Clearing and related expenses	15.5	31%	11.8	53%	7.7
Other non-interest expenses					
- Occupancy and equipment rental	1.5	36%	1.1	83%	0.6
- Professional fees	2.3	21%	1.9	138%	0.8
- Depreciation and amortization	1.0	25%	0.8	100%	0.4
- Business development	2.8	65%	1.7	55%	1.1
- Insurance	0.4	33%	0.3	50%	0.2
- Other	5.1	168%	1.9	90%	1.0
	13.1	70%	7.7	88%	4.1
Total non-interest expenses	$68.6	37%	$49.9	75%	$28.5

Non-Interest Expenses: Non-interest expenses increased by 37% from $49.9 million in 2007 to $68.6 million in 2008.

Compensation and Benefits: Compensation and benefits expense grew by 32% from $30.4 million to $40.0 million. These represented 58% of total non-interest expenses in 2008, compared with 61% in 2007. Total variable compensation paid to traders increased 37% from $13.0 million in 2007 to $17.8 million in 2008, as a

result of increased revenues. Administrative and executive bonuses, including deferred compensation expenses (a proportion of current year bonuses allocated to restricted stock awards is deferred and expensed as vesting occurs), were $2.7 million, compared with $3.2 million in 2007. Stock option expense in 2008 was $0.8 million, compared with $0.7 million in 2007. Salaries and benefits increased 31% from $14.3 million in 2007 to $18.7 million. The number of employees in International Assets grew 15% from 170 at the end of 2007 to 195 at the end of 2008.

Clearing and Related Expenses: Clearing and related expenses increased by 31% from $11.8 million in 2007 to $15.5 million in 2008. The increase was mainly a result of increased equities volumes and commissions paid in the foreign exchange trading business. Clearing and related expenses include bank charges, which increased from $0.8 million in 2007 to $1.3 million in 2008. Bank charges include commitment and arrangement fees paid to banks.

Other Non-Interest Expenses: Other non-interest expenses increased by 70% from $7.7 million in 2007 to $13.1 million in 2008. $2.4 million of the amount in 2008 relates to the write-off of a receivable from one of International Assets' customers. International Assets provided for $1.2 million of this amount during the second fiscal quarter of 2008. Following deterioration of the value of the customer's assets from which payment might have been expected, International Assets has decided to write off the balance of the amount owing. There was a 21% increase in professional fees, which included fees for legal action taken against the defaulting customer referred to above and additional fees for tax advice and increased audit fees. Business development costs increased by $1.1 million, or 65%, from $1.7 million to $2.8 million, largely as a result of establishing and building new customer bases from offices that were set up during 2007, and additional management travel. Other increases related to the general expansion of International Assets' business.

Provision for Taxes: The effective income tax rate on a GAAP basis was 37.8% in 2008, compared with 34.8% in 2007. This change was primarily due to changes in the geographic mix of profits or losses.

International Assets' effective income tax rate can vary from period to period depending on, among other factors, the geographic and business mix or International Assets' earnings, the level of International Assets' pre-tax earnings and the level of International Assets' tax credits.

Minority Interest: The minority interest in income of consolidated entities decreased from $0.6 million in 2007 to $0.4 million in 2008. This represents the minority interests in International Assets' two joint ventures, INTL Consilium and INTL Commodities DMCC, and in INTL Gainvest Capital Uruguay S.A.

Loss from Discontinued Operations: The loss from discontinued operations was $0.2 million in 2007 and $1.4 million in 2008. On August 1, 2008, International Assets notified the employees of its Hong Kong subsidiary, INTL Global Currencies (Asia) Ltd., of its intention to discontinue its foreign exchange margin trading operations. As of September 30, 2008, International Assets was in the process of effecting the orderly liquidation of this subsidiary, which is expected to be completed before the end of the first quarter of fiscal 2009. International Assets incurred losses before taxes of $2.4 million and $0.2 million in this subsidiary during fiscal years 2008 and 2007, respectively. International Assets expects to realize a tax benefit of $1.0 million for the 2008 fiscal year.

2007 Expenses vs. 2006 Expenses

Interest Expense: International Assets' interest expense was $9.3 million in 2007, compared to $2.1 million in 2006. The expense in 2007 included $1.9 million of interest payable to holders of International Assets' senior subordinated convertible notes, $0.4 million of convertible note issuance expense and liquidated damages liability amortized and charged as interest, $1.2 million of interest incurred in International Assets' equity and debt capital markets businesses, including interest to prime brokers for managed accounts, $1.1 million of interest paid to banks in the foreign exchange trading business, $3.8 million of interest paid in the commodities business and $1.0 million of interest paid to banks for general borrowing purposes.

Non-Interest Expenses: International Assets' total non-interest expenses increased by approximately 75% to $49.9 million in 2007 from $28.5 million in 2006. The increase of approximately $21.4 million was primarily due to higher compensation and benefit expenses, which increased by $13.7 million, or 82%, as a result of increased variable compensation and bonuses and increased employee numbers. The balance of the increase was attributable to costs associated with the expansion of International Assets' business.

Compensation and Benefits: International Assets' compensation and benefit expense increased 82% to $30.4 million in 2007 from $16.7 million in 2006. Variable compensation to traders increased by 102%, from $6.4 million to $13.0 million, as a result of increased revenues. Administrative and executive bonuses increased from $2.4 million to $3.2 million. The number of employees increased by 91%, from 89 at the end of 2006 to 170 at the end of 2007. Salaries and benefits for INTL Consilium are included in International Assets' 2006 Consolidated Statement of Operations from August 1, 2006, the date from which the accounts of INTL Consilium were consolidated by International Assets.

Clearing and related expenses: Clearing and related expenses increased by 53% to $11.8 million in 2007 from $7.7 million in 2006, mainly as a result of increased securities activity. Securities related clearing expenses increased by 40% to $9.4 million in 2007 from $6.7 million in 2006. Total ADR fees decreased from approximately $2.7 million in 2006 to $2.2 million in 2007 as a result of fewer shares converted, and negotiation of better fees. Bank charges are included in clearing and related expenses. These amounted to $0.8 million in 2007, compared to $0.6 million in 2006 and include commitment and arrangement fees paid to banks.

Other Non-Interest Expenses: Other non-interest expenses increased by 88% from $4.1 million in 2006 to $7.7 million in 2007, mainly as a result of the expansion of International Assets' activities. The number of offices increased from 4 at the end of 2006 to 11 at the end of 2007. The number of companies in the group increased from 10 at the end of 2006 to 20 at the end of 2007. As mentioned above, the number of employees increased from 89 at the end of 2006 to 170 at the end of 2007. Professional fees, in particular, which consist mainly of legal, taxation, auditing and accounting fees, showed a large increase, from $0.8 million in 2006 to $2.3 million in 2007, mainly as a result of the increased number of companies, initial compliance with section 404 of the Sarbanes-Oxley Act, accounting fees in the asset management business and legal fees.

Provision for Taxes: The effective income tax rate on a GAAP basis was 35.1% in 2007, compared with 32.1% in 2006. This change was primarily due to changes in the geographic mix of profits or losses.

Minority Interest: The minority interest in income of consolidated entities increased from $0.1 million in 2006 to $0.6 million in 2007. In 2007 this represented the minority interests in International Assets' two joint ventures, INTL Consilium and INTL Commodities DMCC, and in INTL Gainvest Capital Uruguay S.A. In 2006 this represented only the minority interest in INTL Consilium.

Segment Information

The following table sets forth information concerning International Assets' principal business segments.

(in millions) Year Ended September 30,	2008	% Change	2007	% Change	2006
SEGMENTAL RESULTS					
International equities market-making					
- operating revenues	$ 33.9	23%	$ 27.5	53%	$18.0
- variable expenses	16.3	19%	13.7	57%	8.7
- contribution	17.6	28%	13.8	48%	9.3
Foreign exchange trading					
- operating revenues	23.8	68%	14.2	10%	12.9
- variable expenses	6.1	97%	3.1	3%	3.0
- contribution	17.7	59%	11.1	12%	9.9
Commodities trading					
- adjusted operating revenues (non-GAAP)	22.8	61%	14.2	69%	8.4
- variable expenses	4.5	61%	2.8	100%	1.4
- contribution (non-GAAP)	18.3	61%	11.4	63%	7.0
International debt capital markets					
- operating revenues	4.3	(33)%	6.4	167%	2.4
- variable expenses	0.5	(72)%	1.8	350%	0.4
- contribution	3.8	(17)%	4.6	130%	2.0
Asset management					
- operating revenues	12.2	(13)%	14.0	977%	1.3
- variable expenses	2.8	65%	1.7	240%	0.5
- contribution	9.4	(24)%	12.3	1,438%	0.8
Other					
- operating revenues	3.5	400%	0.7	75%	0.4
- variable expenses	0.2	n/m	0.1	n/m	—
- contribution	3.3	450%	0.6	50%	0.4
Total Segmental Results					
- operating revenues (non-GAAP)	100.5	31%	77.0	77%	43.4
- variable expenses	30.4	31%	23.2	66%	14.0
- contribution (non-GAAP)	$ 70.1	30%	$ 53.8	83%	$29.4
Reconciliation of commoditites trading operating revenues from GAAP to adjusted, non-GAAP numbers:					
Total operating revenues, (GAAP)	$ 49.7		$ (9.2)		$ 0.9
Gross marked to market adjustment	(26.9)		23.4		7.5
Operating revenues (non-GAAP)	$ 22.8		$ 14.2		$ 8.4
Reconciliation of commodities trading contribution from GAAP to adjusted, non-GAAP numbers:					
Total commodities trading contribution, (GAAP)	$ 45.2		$(12.0)		$ (0.5)
Gross marked to market adjustment	(26.9)		23.4		7.5
Commodities trading contribution (non-GAAP)	$ 18.3		$ 11.4		$ 7.0
Reconciliation of total operating revenues from GAAP to adjusted, non-GAAP numbers:					
Total operating revenues, (GAAP)	$127.4		$ 53.6		$35.9
Gross marked to market adjustment	(26.9)		23.4		7.5
Operating revenues (non-GAAP)	$100.5		$ 77.0		$43.4
Reconciliation of contribution from GAAP to adjusted, non-GAAP numbers:					
Total contribution, (GAAP)	$ 97.0		$ 30.4		$21.9
Gross marked to market adjustment	(26.9)		23.4		7.5
Contribution (non-GAAP)	$ 70.1		$ 53.8		$29.4

2008 vs. 2007 Segmental Analysis

The adjusted net contribution of all International Assets' business segments increased 30% from $53.8 million in 2007 to $70.1 million in 2008. Net contribution consists of operating revenues less direct clearing and clearing related charges and variable compensation paid to traders. Variable compensation is paid to traders on the basis of a fixed percentage of the aggregate of revenues less clearing and related charges, base salaries and a fixed overhead allocation. Net contribution is one of the key measures used by management to assess the performance of each segment.

International equities market-making. Operating revenues increased by 23% from $27.5 million in 2007 to $33.9 million in 2008. 2008 produced monthly revenues ranging from $1.7 million to $4.6 million, and an average of $2.8 million. The volume of trades was higher in 2008 than in 2007 by approximately 60%, due to increased customer activity. Both volumes and market volatility are the drivers of this business. Equity market-making operating revenues include the trading profits earned by International Assets before the related expense deduction for ADR conversion fees. These ADR fees are included in the statement of operations as clearing and related expenses.

The contribution attributable to this segment increased 28% from $13.8 million to $17.6 million. Variable expenses expressed as a percentage of operating revenues decreased from 50% to 48%.

Foreign exchange trading. Operating revenues increased by 68% from $14.2 million in 2007 to $23.8 million in 2008 as the customer base expanded and International Assets rolled out a system that allows customers to place trades electronically. The profitability of this business also depends on the extent of dislocation in the developing world currency markets in which it operates, with instability producing opportunities for greater profitability.

The contribution attributable to this segment increased 59% from $11.1 million to $17.7 million. Variable expenses expressed as a percentage of operating revenues increased from 22% to 26%, mainly as a result of commissions paid to introducers for additional business.

Commodities trading. Operating revenues under GAAP increased from a loss of $9.2 million in 2007 to operating revenues of $49.7 million in 2008. Adjusted operating revenues increased by 61% from $14.2 million in 2007 to $22.8 million in 2008.

Precious metals adjusted operating revenues increased 51% from $7.0 million in 2007 to $10.6 million in 2008. Base metals adjusted operating revenues increased 69% from $7.2 million in 2007 to $12.2 million in 2008. Precious metals operating revenues have increased as a result of increased customer business and additional business done by International Assets' Dubai joint venture and from International Assets' Singapore office. Base metals operating revenues benefited during the first half of 2008 from a disparity between the price of auto batteries, which International Assets recycles for their lead content, and the price at which it was able to sell lead to customers. With the rapid decline in lead prices during calendar 2008, this disparity also declined to the extent that recycling became less attractive in the second half of fiscal 2008.

The adjusted contribution attributable to this segment increased 61% from $11.4 million to $18.4 million. Variable expenses expressed as a percentage of operating revenues decreased marginally from 20% to 19%.

International debt capital markets. Operating revenues decreased by 33% from $6.4 million in 2007 to $4.3 million in 2008. The composition of the operating revenues in this segment changed between 2007 and 2008, shifting from trading revenues to fee revenues as International Assets changed its focus to the arranging and placing of debt issues and asset-backed securitization. Trading revenues were $2.0 million in 2007 but negligible in 2008. However, a sharp decline in the market's appetite for risk during 2008 resulted in an overall decrease in operating revenue.

The contribution attributable to this segment decreased 17% from $4.6 million to $3.8 million. Variable expenses expressed as a percentage of operating revenues decreased from 28% to 12%, as a result of a decrease in variable compensation.

Asset management. International Assets' asset management segment revenues include management and performance fees, commissions and other revenues received by International Assets for management of third party assets and investment gains or losses on International Assets' investments in registered funds or proprietary accounts managed either by International Assets' investment managers or by independent investment managers. International Assets has invested in registered funds in order to provide seed capital. In addition, a proprietary account managed by International Assets' asset management joint venture, INTL Consilium, was established to produce a track record for the launch of a fund specializing in African investments. This fund, the Legacy Greater Africa Alpha Fund, advised by INTL Consilium, was established in July 2008 with an initial $25 million investment by an African bank.

Operating revenues decreased by 13% from $14.0 million in 2007 to $12.2 million in 2008. Total operating revenues in this segment were $16.2 million for the nine months to June 30, 2008. Redemptions from and losses in funds managed by International Assets during the fourth quarter of 2008 reduced total third party assets under management in this segment from $2.3 billion at June 30, 2008 to $1.2 billion at September 30, 2008. Performance in the funds did not meet required hurdles and there was a reversal of performance fees previously accrued. Management fees were earned on a lower asset base. International Assets also suffered marked-to-market losses in its proprietary investments (investments in registered funds and the proprietary account referred to above) of $4.2 million during the fourth quarter of 2008. The fair value of International Assets' proprietary investments was $37.9 million at September 30, 2008 and $33.4 million at September 30, 2007.

The contribution attributable to this segment decreased by 24% from $12.3 million to $9.4 million. Variable expenses expressed as a percentage of operating revenues increased from 12% to 23% as a result of increases in fund accounting expenses.

2007 vs. 2006 Segmental Analysis

The adjusted net contribution of all International Assets' business segments increased 82% from $29.5 million in 2006 to $53.8 million in 2007.

International equities market-making. Operating revenues increased 53% to $27.5 million in 2007 from $18.0 million in 2006. Volumes increased as a result of increasingly favorable market conditions. Revenues in each quarter of 2007 were higher than the best quarter of 2006, with the second and fourth quarters of 2007 being particularly strong.

The contribution attributable to this segment increased 48% from $9.3 million to $13.8 million. Variable expenses expressed as a percentage of operating revenues increased from 48% to 50%.

Foreign exchange trading. Operating revenues in this segment increased 10% to $14.2 million in 2007 from $12.9 million in 2006. This was largely due to a good fourth quarter result, with performance through the third quarter in 2007 lagging behind that of 2006. International Assets focused on further expanding its customer base during the year and benefited in the fourth quarter from volatile conditions in some of International Assets' markets. Foreign exchange operating revenues decreased from 36% of total revenue in 2006 to 27% in 2007.

The contribution attributable to this segment increased 12% from $9.9 million to $11.1 million. Variable expenses expressed as a percentage of operating revenues decreased marginally from 23% to 22%.

Commodities trading. Operating revenues under GAAP decreased from $0.9 million in 2006 to a loss of $9.3 million in 2007. Adjusted operating revenues increased by 67% from $8.5 million to $14.2 million.

Precious metals adjusted operating revenues increased 268% from $1.9 million in 2006 to $7.0 million in 2007. This was as a result of expanding International Assets' platinum group metals activities, volatility in precious metals prices and increased physical business as the Dubai joint venture became established.

Base metals adjusted operating revenues increased by 9% from $6.6 million in 2006 to $7.2 million in 2007.

The contribution attributable to this segment increased 61% from $7.1 million to $11.4 million. Variable expenses expressed as a percentage of operating revenues increased from 16% to 20%.

International debt capital markets. Operating revenues increased 167% to $6.4 million in 2007 from $2.4 million in 2006. Debt capital markets operating revenues increased to 12% of total operating revenues in 2007 from 6% in 2006. The principal reason for this increase was the expansion of International Assets' debt origination business. International Assets substantially enhanced its ability to originate and structure corporate debt transactions in 2007 with the recruitment of experienced individuals in New York and Miami. International Assets also benefited from the acquisition of INTL Gainvest in May 2007, which actively participates in the domestic asset-backed securitization markets in Argentina and Brazil. Total fee income from these activities was $3.8 million. International Assets' debt trading business has been adversely affected by decreasing spreads and volumes over the past two years. TRACE, FINRA's bond trade tracking system, has introduced greater transparency into the markets and has contributed to the reduced spreads. Debt trading and related revenues increased to $2 million in 2007 from $1.1 million in 2006, with gains on proprietary trading making up for reduced activity in secondary market customer trading. Trade finance revenues decreased to $0.6 million in 2007 from $1.2 million in 2006 as the focus in this business shifted to the establishment and management of the INTL Trade Finance Fund Limited in February 2007, which primarily invests in global trade finance-related assets.

The contribution attributable to this segment increased 130% from $2.0 million to $4.6 million. Variable expenses expressed as a percentage of operating revenues increased from 17% to 28% as a result of increased variable compensation.

Asset management. International Assets separately disclosed the results of the asset management segment of its business for the first time in 2006. Commencing on August 1, 2006 International Assets consolidated the accounts of INTL Consilium, International Assets' asset management joint venture. INTL Consilium's results had been accounted for on the equity method prior to that date. International Assets owns a 50.1% interest in INTL Consilium. International Assets has a wholly-owned subsidiary, INTL Capital, which commenced business as an investment adviser to the INTL Trade Finance Fund in February 2007. INTL Gainvest, acquired in May 2007, also conducts an asset management business.

Operating revenues in this segment were $14.0 million in 2007, compared with $1.3 million in 2006. These amounts are not directly comparable because INTL Consilium's results were consolidated only for the last two months of fiscal 2006. Total third party assets under management at September 30, 2007 were $1.3 billion (including approximately $16 million invested by International Assets and $60 million invested by one of International Assets' principal stockholders), compared with $505 million at September 30, 2006 (including approximately $5 million invested by International Assets and $100 million invested by one of International Assets' principal stockholders. The latter amount was redeemed in full during the 2008 fiscal year). Also included in the operating revenues of this segment are the gains in a proprietary account managed by INTL Consilium that was valued at $9.4 million at September 30, 2007.

Variable vs. Fixed Expenses

	Year Ended September 30,					
	2008	% of Total	2007	% of Total	2006	% of Total
	(in millions)					
VARIABLE vs. FIXED EXPENSES						
Variable expenses allocated to segments	$30.4	44%	$23.2	47%	$14.0	49%
Administrative and executive bonuses	2.5	4%	3.0	6%	2.4	9%
Bad debts	2.4	3%	0.1	0%	—	0%
Total variable expenses	35.3	51%	26.3	53%	16.4	58%
Fixed expenses	33.3	49%	23.6	47%	12.1	42%
Total non-interest expenses	$68.6	100%	$49.9	100%	$28.5	100%

International Assets aims to make its non-interest expenses variable to the greatest extent possible, and to keep its fixed costs as low as possible. The table above shows an analysis of International Assets' total non-interest expenses for 2006, 2007 and 2008. Variable expenses consist of clearing and clearing related expenses, variable compensation paid to traders, bonuses paid to operational, administrative and managerial employees and bad debt expenses. As a percentage of total non-interest expenses, variable expenses have declined from 58% in 2006 to 51% in 2008. This is a result of a growing infrastructure and employee base. Monthly fixed costs have remained stable since February 2008.

Results of Operations for the Three and Six Months ended March 31, 2009 and 2008

Set forth below is International Assets' discussion of the results of its operations, as viewed by management, for the fiscal quarters and six-month periods ended March 31, 2009 and 2008, respectively. The quarters will be referred to in this discussion as "Q2 2009" and "Q2 2008", and the six-month periods as "YTD 2009" and "YTD 2008", respectively. This discussion refers to both GAAP results and adjusted marked-to-market information, in accordance with the information presented below under the heading 'Pro Forma Adjusted Financial Information'.

For the international equities, foreign exchange trading, international debt capital markets and asset management segments, there are no differences between the GAAP results and the adjusted marked-to-market results. Only the commodities trading segment has differences between the GAAP results and the adjusted marked-to-market results. However, this means that there are differences between the GAAP basis and marked-to-market basis numbers for total operating revenues, total contribution and net income. Please note that any term below that contains the word 'adjusted' refers to non-GAAP, marked-to-market information.

Pro Forma Adjusted Financial Information (non-GAAP) (UNAUDITED)

	Three Months Ended March 31,		Six Months Ended March 31,	
(In millions, except employee count and ratios)	**2009**	**2008**	**2009**	**2008**
As reported on a GAAP basis:				
Operating revenues	$ 27.1	$ 32.7	$ 56.7	$ 74.7
Income from continuing operations	$ 4.3	$ 6.5	$ 7.8	$ 20.2
Net income	$ 4.0	$ 6.0	$ 7.3	$ 18.9
Stockholders' equity	$ 79.3	$ 57.1		
Marked-to-market basis (unaudited, pro forma, non-GAAP):				
Adjusted operating revenues	$ 27.5	$ 30.2	$ 58.5	$ 58.9
Adjusted, pro forma income from continuing operations	$ 4.3	$ 5.1	$ 8.5	$ 10.0
Adjusted, pro forma net income	$ 4.3	$ 4.4	$ 8.5	$ 9.1
Adjusted EBITDA	$ 7.5	$ 10.6	$ 16.6	$ 22.1
Adjusted stockholders' equity	$ 83.0	$ 66.6		
Cumulative after tax adjustment to stockholders' equity	$ 3.7	$ 9.5		
Trailing twelve months on marked-to-market basis (unaudited, pro forma, non-GAAP):				
Adjusted operating revenues	$ 100	$ 102		
Adjusted, pro forma net income	$ 10	$ 14		
Adjusted EBITDA	$ 22	$ 37		
Adjusted return on average equity	13.9%	24.5%		
The following marked-to-market adjustments were made to the GAAP basis numbers shown above (unaudited, pro forma, non-GAAP management data):				
Gross marked-to-market adjustment	0.4	(2.5)	1.8	(15.8)
Pro forma tax effect at 37.5%	(0.1)	0.9	(0.6)	6.0
After tax marked-to-market adjustment	$ 0.3	$ (1.6)	$ 1.2	$ (9.8)
Reconciliation of net income to adjusted EBITDA (non-GAAP)				
Net income	$ 4.0	$ 6.0	$ 7.3	$ 18.9
Minority interests	0.3	0.5	0.5	1.3
Income tax	0.8	4.3	3.3	12.5
Depreciation and amortization	0.3	0.2	0.5	0.5
Interest expense	2.3	2.8	4.6	5.8
Interest income	(0.6)	(0.7)	(1.4)	(1.1)
Gross marked-to-market adjustment	0.4	(2.5)	1.8	(15.8)
Adjusted EBITDA (non-GAAP)	$ 7.5	$ 10.6	$ 16.6	$ 22.1
Other data (unaudited, pro forma, non-GAAP):				
Employees (end of period)	186	181		
Compensation and benefits / adjusted operating revenues	37.8%	36.4%	41.0%	36.7%
Leverage ratio: Total assets to equity (end of period)	4.6	5.9		

Adjusted operating revenues, adjusted net income, adjusted EBITDA and adjusted stockholders' equity are financial measures that are not recognized by GAAP, and should not be considered as alternatives to operating revenues, net income or stockholders' equity calculated under GAAP or as an alternative to any other measures of performance derived in accordance with GAAP. International Assets has included these non-GAAP financial measures because it believes that they permit investors to make more meaningful comparisons of performance between the periods presented. In addition, these non-GAAP measures are used by management in evaluating International Assets' performance.

Financial Overview

The following table shows an overview of International Assets' financial results.

	Three Months Ended March 31,			Six Months Ended March 31,		
(In millions)	2009	% Change	2008	2009	% Change	2008
FINANCIAL OVERVIEW						
Adjusted total operating revenues (non-GAAP)	$27.5	(9)%	$30.2	$58.5	(1)%	$ 58.9
Interest expense	2.3	(18)%	2.8	4.6	(21)%	5.8
Net revenues (non-GAAP)	25.2	(8)%	27.4	53.9	2%	53.1
Non-interest expenses	19.7	7%	18.4	41.0	16%	35.3
Income before income tax and minority interest (non-GAAP)	5.5	(39)%	9.0	12.9	(28)%	17.8
Pro forma income tax expense (non-GAAP)	0.9	(74)%	3.4	3.9	(40)%	6.5
Minority interest in income of consolidated entities	0.3	(40)%	0.5	0.5	(62)%	1.3
Income from continuing operations (non-GAAP)	4.3	(6)%	5.1	8.5	(15)%	10.0
Loss from discontinued operations net of tax	—	(100)%	0.7	—	(100)%	0.9
Pro forma net income (non-GAAP)	$ 4.3	(2)%	$ 4.4	$ 8.5	(7)%	$ 9.1
Reconciliation of operating revenues from GAAP to adjusted, non-GAAP numbers:						
Total operating revenues, (GAAP)	$27.1		$32.7	$56.7		$ 74.7
Gross marked-to-market adjustment	0.4		(2.5)	1.8		(15.8)
Operating revenues (non-GAAP)	$27.5		$30.2	$58.5		$ 58.9
Reconciliation of income tax expense from GAAP to pro forma, non-GAAP numbers:						
Income tax expense (GAAP)	$ 0.8		$ 4.3	$ 3.3		$ 12.5
Pro forma taxes on gross marked-to-market adjustment at 37.5%	0.1		(0.9)	0.6		(6.0)
Pro forma income tax expense (non-GAAP)	$ 0.9		$ 3.4	$ 3.9		$ 6.5

Q2 2009 Operating Revenues vs. Q2 2008 Operating Revenues

International Assets' operating revenues under GAAP for Q2 2009 and Q2 2008 were $27.1 million and $32.7 million, respectively. International Assets' adjusted operating revenues were $27.5 million in Q2 2009, compared with $30.2 million in Q2 2008. Decreases in adjusted operating revenues of 18% in equities market-making, 5% in commodities trading, 50% in debt capital markets and 40% in asset management were partially offset by a 51% increase in foreign exchange trading adjusted operating revenues. The unusual levels of volatility in global equity markets experienced during the first quarter of fiscal 2009 were not sustained during Q2 2009. Reduced volumes during the quarter produced matching results. The commodities trading results in Q2 2009 were largely driven by precious metals activity, while those in Q2 2008 were driven by base metals trading activity. Foreign exchange trading produced its best quarter ever in Q2 2009. The lack of demand and risk intolerance caused by the global financial crisis continues to adversely affect International Assets' debt arrangement and placement business, accounted for in the debt capital markets segment. Reduced revenue in the asset management segment arose as a result of reduced investment advisory fees related to redemptions from funds under management and to declining values of assets as a result of the global financial crisis. See the segmental analysis below for additional information on activity in each of the segments.

YTD 2009 Operating Revenues vs. YTD 2008 Operating Revenues

International Assets' operating revenues under GAAP for YTD 2009 and YTD 2008 were $56.7 million and $74.7 million, respectively. International Assets' adjusted operating revenues were $58.5 million in YTD 2009, 1% lower than the operating revenues of $58.9 in YTD 2008. Adjusted operating revenues increased by 46% in equities market-making, 15% in foreign exchange trading and 13% in commodities trading, offset by decreases of 43% in debt capital markets and 80% in asset management. The equities market-making segment benefited from the unusual levels of volatility in global equity markets during 2009. Foreign exchange trading revenues have continued to climb during 2009 as a result of widening spreads in emerging market exchange rates and increased customer activity. The commodities trading results in YTD 2009 have been largely driven by precious metals activity, compared with base metals activity in YTD 2008. Operating revenues in the debt capital markets segment has been adversely affected in YTD 2009 by the global financial crisis. Reduced investment advisory fees related to redemptions from funds under management and to declining values of assets as a result of the global financial crisis, as well as marked-to-market losses in International Assets' proprietary investments in certain funds and accounts managed by International Assets, led to reduced revenue and losses in the asset management segment.

Q2 2009 Interest expense vs. Q2 2008 Interest expense

Interest expense: Interest expense decreased by 18% from $2.8 million in Q2 2008 and $2.3 million in Q2 2009 as a result of decreased average borrowings and lower interest rates. In mid-2008 International Assets entered into two three-year interest rate swaps for a total of $100 million. These were designated as cash flow hedges. See Note 10 to the condensed consolidated financial statements for further information. International Assets pays a fixed 3.66% (on average), and receives a variable rate equal to one-month LIBOR. One-month LIBOR was lower than the fixed rate of 3.66% paid by International Assets for most of Q2 2009, resulting in a net interest expense on the swaps. The effective portion of the interest expense on the swaps during Q2 2009 had the effect of increasing International Assets' reported interest expense by $0.6 million.

YTD 2009 Interest expense vs. YTD 2008 Interest expense

Interest expense: Interest expense decreased by 21% from $5.8 million in YTD 2008 to $4.6 million in YTD 2009 as a result of decreased average borrowings and lower interest rates. The effective portion of the interest expense on the interest rate swaps (referred to in the paragraph above) during YTD 2009 had the effect of increasing International Assets' reported interest expense by $0.8 million.

Non-interest expenses

The following table shows a summary of International Assets' non-interest expenses.

	Three Months Ended March 31,			Six Months Ended March 31,		
(In millions)	2009	% Change	2008	2009	% Change	2008
NON-INTEREST EXPENSES						
Compensation and benefits	$10.4	(5)%	$11.0	$24.0	11%	$21.6
Clearing and related expenses	5.0	28%	3.9	9.9	29%	7.7
Other non-interest expenses						
- Occupancy and equipment rental	0.3	0%	0.3	0.7	0%	0.7
- Professional fees	0.3	(40)%	0.5	1.1	10%	1.0
- Depreciation and amortization	0.3	0%	0.3	0.5	0%	0.5
- Business development	0.5	(17)%	0.6	1.0	(23)%	1.3
- Insurance	0.1	0%	0.1	0.2	0%	0.2
- Other	2.8	65%	1.7	3.6	57%	2.3
Total other non-interest expenses	4.3	23%	3.5	7.1	18%	6.0
Total non-interest expenses	$19.7	7%	$18.4	$41.0	16%	$35.3

Q2 2009 Non-Interest Expenses vs. Q2 2008 Non-Interest Expenses

Total Non-Interest Expenses: Non-interest expenses increased by 7% from $18.4 million in Q2 2008 to $19.7 million in Q2 2009.

Compensation and Benefits: Compensation and benefits expense decreased by 5% from $11.0 million to $10.4 million. These represented 53% of total non-interest expenses in Q2 2009, compared with 60% in Q2 2008. The variable portion of compensation and benefits decreased by 5% from $5.7 million in Q2 2008 to $5.4 million in Q2 2009, mainly as a result of decreased revenues. The fixed portion of compensation and benefits decreased 6% from $5.3 million to $5.0 million, resulting from reduced base salaries. The number of employees declined from 190 at the beginning of Q2 2009 to 186 at the end of Q2 2009, compared with 181 employees at the end of Q2 2008. Stock-based compensation expense was $0.5 million and $0.4 million for Q2 2009 and Q2 2008, respectively.

Clearing and Related Expenses: Clearing and related expenses increased by 28% from $3.9 million in Q2 2008 to $5.0 million in Q2 2009. The increase was mainly a result of increased equities volumes and third-party commissions paid in the foreign exchange trading business.

Other Non-Interest Expenses: Other non-interest expenses increased by 23% from $3.5 million in Q2 2008 to $4.3 million in Q2 2009. In Q2 2009 these included $1.8 million of bad debt write-offs, compared with $1.1 million in Q2 2008, and $0.5 million as an impairment charge relating to International Assets' joint venture interest in INTL Consilium, LLC, which International Assets agreed to discontinue its business relationship with and redeem effective April 30, 2009. The 40% decrease in professional fees was as a result of adjustments made to accruals in the prior quarter. Business development costs decreased by 17%, from $0.6 million to $0.5 million.

Provision for Taxes: The effective income tax rate on a GAAP basis was 16% in Q2 2009, compared with 37% in Q2 2008. This change was primarily due to changes in the geographic mix of profits and losses.

International Assets' effective income tax rate can vary from period to period depending on, among other factors, the geographic and business mix of International Assets' earnings, the level of International Assets' pre-tax earnings and the level of International Assets' tax credits.

Minority Interest: The minority interest in income of consolidated entities decreased from $0.5 million in Q2 2008 to $0.3 million in Q2 2009. This represents the minority interests in International Assets' joint venture, INTL Consilium, LLC, and in INTL Gainvest Capital Uruguay S.A. During February 2009, International Assets acquired the 50% interest held by International Assets' joint venture partner in INTL Commodities DMCC, making this company a wholly-owned subsidiary.

Loss from Discontinued Operations: On August 1, 2008, International Assets notified the employees of its Hong Kong subsidiary, INTL Global Currencies (Asia) Ltd., of its intention to discontinue its foreign exchange margin trading operations. The subsidiary has been closed down without any material expenses incurred beyond those accrued at September 30, 2008. The loss from discontinued operations, net of taxes, was $0.7 million in Q2 2008.

YTD 2009 Non-Interest Expenses vs. YTD 2008 Non-Interest Expenses

Total Non-Interest Expenses: Non-interest expenses increased by 16% from $35.3 million in YTD 2008 to $41.0 million in YTD 2009.

Compensation and Benefits: Compensation and benefits expense increased by 11% from $21.6 million to $24.0 million. These represented 59% of total non-interest expenses in YTD 2009, compared with 61% in YTD 2008. The variable portion of compensation and benefits increased by 26% from $11.4 million in YTD 2008 to

$14.4 million in YTD 2009. Although total revenues decreased by 1%, variable compensation numbers for the YTD 2009 period are unusual because of very high equities market-making revenues in the quarter ended December 31, 2008 and because losses, such as the asset management losses in the same period, do not result in a corresponding credit to the variable compensation expense. The fixed portion of compensation and benefits decreased 6% from $10.2 million to $9.6 million, as a result of having fewer employees. The number of employees declined from 195 at the beginning of YTD 2009 to 186 at the end of YTD 2009, compared with 181 employees at the end of YTD 2008. Stock-based compensation expense was $0.9 million and $0.7 million for YTD 2009 and YTD 2008, respectively.

Clearing and Related Expenses: Clearing and related expenses increased by 29% from $7.7 million in YTD 2008 to $9.9 million in YTD 2009. The increase was mainly a result of increased equities volumes and third-party commissions paid in the foreign exchange trading business.

Other Non-Interest Expenses: Other non-interest expenses increased by 18% from $6.0 million in YTD 2008 to $7.1 million in YTD 2009. In YTD 2009 these included $1.9 million of bad debt write-offs, compared with $1.1 million in YTD 2008, and a $0.5 million impairment charge relating to International Assets' joint venture interest in INTL Consilium, LLC, which International Assets agreed to discontinue its business relationship with and redeem, effective April 2009. Business development costs decreased by 23%, from $1.3 million to $1.0 million.

Provision for Taxes: The effective income tax rate on a GAAP basis was 30% in YTD 2009, compared with 37% in YTD 2008. This change was primarily due to changes in the geographic mix of profits and losses.

International Assets' effective income tax rate can vary from period to period depending on, among other factors, the geographic and business mix of International Assets' earnings, the level of International Assets' pre-tax earnings and the level of International Assets' tax credits.

Minority Interest: The minority interest in income of consolidated entities decreased from $1.3 million in YTD 2008 to $0.5 million in YTD 2009. This represents the minority interests in International Assets' two joint ventures, INTL Consilium, LLC and INTL Commodities DMCC, and in INTL Gainvest Capital Uruguay S.A. During February 2009 International Assets acquired the 50% interest held by International Assets' joint venture partner in INTL Commodities DMCC, making this company a wholly-owned subsidiary.

Loss from Discontinued Operations: On August 1, 2008, International Assets notified the employees of its Hong Kong subsidiary, INTL Global Currencies (Asia) Ltd., of its intention to discontinue its foreign exchange margin trading operations. The subsidiary has been closed down without any material expenses incurred beyond those accrued at September 30, 2008. The loss from discontinued operations, net of taxes, was $0.9 million in YTD 2008.

Segment Information

The following table shows information concerning International Assets' principal business segments.

(In millions)	Three Months Ended March 31, 2009	% Change	2008	Six Months Ended March 31, 2009	% Change	2008
SEGMENTAL RESULTS						
International equities market-making						
- operating revenues	$ 6.9	(19)%	$ 8.5	$25.4	46%	$ 17.4
- variable expenses	3.4	(17)%	4.1	10.9	27%	8.6
- contribution	3.5	(20)%	4.4	14.5	65%	8.8
Foreign exchange trading						
- operating revenues	8.0	51%	5.3	13.3	15%	11.6
- variable expenses	2.3	77%	1.3	3.7	37%	2.7
- contribution	5.7	43%	4.0	9.6	8%	8.9
Commodities trading						
- adjusted operating revenues (non-GAAP)	8.9	(5)%	9.4	16.5	13%	14.6
- variable expenses	2.3	44%	1.6	4.6	64%	2.8
- adjusted contribution (non-GAAP)	6.6	(15)%	7.8	11.9	1%	11.8
International debt capital markets						
- operating revenues	0.5	(50)%	1.0	1.2	(43)%	2.1
- variable expenses	—	(100)%	0.1	—	(100)%	0.2
- contribution	0.5	(44)%	0.9	1.2	(37)%	1.9
Asset management						
- operating revenues	3.2	(40)%	5.3	2.4	(80)%	12.0
- variable expenses	0.2	(78)%	0.9	0.5	(76)%	2.1
- contribution	3.0	(32)%	4.4	1.9	(81)%	9.9
Other						
- operating revenues	—	(100)%	0.7	(0.3)	n/m	1.2
- variable expenses	0.1	n/m	—	0.1	n/m	—
- contribution	(0.1)	n/m	0.7	(0.4)	n/m	1.2
Total Segmental Results						
- adjusted operating revenues (non-GAAP)	27.5	(9)%	30.2	58.5	(1)%	58.9
- variable expenses	8.3	4%	8.0	19.8	21%	16.4
- adjusted contribution (non-GAAP)	$19.2	(14)%	$22.2	$38.7	(9)%	$ 42.5
Reconciliation of commodities trading operating revenues from GAAP to adjusted, non-GAAP numbers:						
Total operating revenues, (GAAP)	$ 8.5		$11.9	$14.7		$ 30.4
Gross marked-to-market adjustment	0.4		(2.5)	1.8		(15.8)
Adjusted operating revenues (non-GAAP)	$ 8.9		$ 9.4	$16.5		$ 14.6
Reconciliation of commodities trading contribution from GAAP to adjusted, non-GAAP numbers:						
Total commodities trading contribution, (GAAP)	$ 6.2		$10.3	$10.1		$ 27.6
Gross marked-to-market adjustment	0.4		(2.5)	1.8		(15.8)
Commodities trading adjusted contribution (non-GAAP)	$ 6.6		$ 7.8	$11.9		$ 11.8
Reconciliation of total operating revenues from GAAP to adjusted, non-GAAP numbers:						
Total operating revenues, (GAAP)	$27.1		$32.7	$56.7		$ 74.7
Gross marked-to-market adjustment	0.4		(2.5)	1.8		(15.8)
Adjusted operating revenues (non-GAAP)	$27.5		$30.2	$58.5		$ 58.9
Reconciliation of total contribution from GAAP to adjusted, non-GAAP numbers:						
Total contribution, (GAAP)	$18.8		$24.7	$36.9		$ 58.3
Gross marked-to-market adjustment	0.4		(2.5)	1.8		(15.8)
Adjusted contribution (non-GAAP)	$19.2		$22.2	$38.7		$ 42.5

Q2 2009 vs. Q2 2008 Segmental Analysis

The adjusted contribution of all International Assets' business segments was $19.2 million in Q2 2009, compared with $22.2 million in Q2 2008. Contribution consists of operating revenues less direct clearing and clearing related charges and variable compensation paid to traders. Variable compensation is paid to traders on the basis of a fixed percentage of the aggregate of revenues less clearing and related charges, base salaries and a fixed overhead allocation. Contribution is one of the key measures used by management to assess the performance of each segment.

International equities market-making. Operating revenues decreased by 19% from $8.5 million in Q2 2008 to $6.9 million in Q2 2009. Operating revenues in this segment are largely dependent on overall volume and volatility. During Q2, 2009, volume and volatility both declined. Equity market-making operating revenues include the trading profits earned by International Assets before the related expense deduction for ADR conversion fees. These ADR fees are included in the condensed consolidated income statements as clearing and related expenses.

The contribution attributable to this segment decreased 20% from $4.4 million to $3.5 million. Variable expenses expressed as a percentage of operating revenues increased from 48% to 49%.

Foreign exchange trading. Operating revenues were at a record level in Q2 2009, increasing by 51% from $5.3 million in Q2 2008 to $8.0 million in Q2 2009. Operating revenues increased due to wider spreads on currencies of developing countries in response to the global financial crisis, and an increased customer base.

The contribution attributable to this segment increased 43% from $4.0 million to $5.7 million. Variable expenses expressed as a percentage of operating revenues increased from 25% to 29%, mainly as a result of commissions paid to third-party introducers.

Commodities trading. Operating revenues under GAAP decreased from $11.9 million in Q2 2008 to $8.5 million in Q2 2009. Adjusted operating revenues decreased by 5% from $9.4 million in Q2 2008 to $8.9 million in Q2 2009.

Precious metals adjusted operating revenues increased from $4.1 million in Q2 2008 to $6.9 million in Q2 2009. Base metals adjusted operating revenues decreased from $5.3 million in Q2 2008 to $2.0 million in Q2 2009. Precious metals operating revenues have increased as a result of increased customer business and increasing revenue flows from International Assets' Dubai subsidiary and from International Assets' Singapore office. Base metals operating revenues decreased due to the substantial decline in prices of base metals since Q2 2008, which has made recycling less profitable and resulted in decreased activity.

The adjusted contribution attributable to this segment decreased 15% from $7.8 million to $6.6 million. Variable expenses expressed as a percentage of operating revenues increased from 17% to 26%.

International debt capital markets. Operating revenues decreased by 50% from $1.0 million in Q2 2008 to $0.5 million in Q2 2009. The business focuses on the arranging and placing of debt issues and asset backed securitization. Operating revenues have been adversely affected by the lack of market demand and intolerance for risk caused by the global financial crisis.

The contribution attributable to this segment decreased 44% from $0.9 million to $0.5 million.

Asset management. International Assets' asset management segment revenues include management and performance fees, commissions and other revenues received by International Assets for management of third party assets and investment gains or losses on International Assets' investments in funds or proprietary accounts managed either by International Assets' investment managers or by independent investment managers.

Operating revenues decreased 40% from $5.3 million in Q2 2008 to $3.2 million in Q2 2009. Redemptions from and losses in funds managed by International Assets during Q2 2009 reduced total third party assets under management in this segment from $1.2 billion at September 30, 2008 to $0.7 billion at March 31, 2009. Assets under management at March 31, 2008 were $2.2 billion. Management fees, earned on a lower asset base, and other income were $1.6 million during Q2 2009. Net marked-to-market gains in proprietary investments were $1.6 million. During Q2 2009, International Assets redeemed or sold certain of its proprietary investments, the fair value of which was $27.8 million at March 31, 2009 and $36.7 million at December 31, 2008.

The contribution attributable to this segment decreased 32% from $4.4 million in Q2 2008 to $3.0 million in Q2 2009. On May 8, 2009, International Assets agreed to discontinue its business relationship with and redeem its partnership interest in INTL Consilium, LLC ("INTL Consilium") effective April 30, 2009. The results of INTL Consilium, previously consolidated, will qualify for accounting purposes to be treated as discontinued operations with effect from the fiscal quarter ending June 30, 2009. Operating revenues for INTL Consilium were $0.8 million and $1.9 million for Q2 2009 and Q2 2008, respectively.

YTD 2009 vs. YTD 2008 Segmental Analysis

The adjusted contribution of all International Assets' business segments was $38.7 million in YTD 2009, compared with $42.5 million in YTD 2008.

International equities market-making. Operating revenues increased by 46% from $17.4 million in YTD 2008 to $25.4 million in YTD 2009. Operating revenues in this segment are largely dependent on overall volume and volatility. Market volatility reached unprecedented levels during the quarter ended December 31, 2008, in response to the global financial crisis, but then declined significantly during the quarter ended March 31, 2009. Equity market-making operating revenues include the trading profits earned by International Assets before the related expense deduction for ADR conversion fees. These ADR fees are included in the condensed consolidated income statements as clearing and related expenses.

The contribution attributable to this segment increased 65% from $8.8 million to $14.5 million. Variable expenses expressed as a percentage of operating revenues decreased from 49% to 43%.

Foreign exchange trading. Operating revenues increased by 15% from $11.6 million in YTD 2008 to $13.3 million in 2009, due to a larger customer base and wider spreads in developing market currency exchange rates.

The contribution attributable to this segment increased 8% from $8.9 million to $9.6 million. Variable expenses expressed as a percentage of operating revenues increased from 23% to 28%, mainly as a result of commissions paid to third-party introducers.

Commodities trading. Operating revenues under GAAP decreased from $30.4 million in YTD 2008 to $14.7 million in YTD 2009. Adjusted operating revenues increased by 13% from $14.6 million in YTD 2008 to $16.5 million in YTD 2009.

Precious metals adjusted operating revenues increased from $5.2 million in YTD 2008 to $12.9 million in YTD 2009. Base metals adjusted operating revenues decreased from $9.4 million in YTD 2008 to $3.6 million in YTD 2009. Precious metals operating revenues have increased as a result of increased customer business and increasing revenue flows from International Assets' Dubai subsidiary and from International Assets' Singapore office. Base metals operating revenues decreased due to the substantial decline in prices since Q2 2008, which has made recycling less profitable and resulted in decreased activity.

The adjusted contribution attributable to this segment increased 1% from $11.8 million to $11.9 million. Variable expenses expressed as a percentage of operating revenues increased from 19% to 28%.

International debt capital markets — Operating revenues decreased by 43% from $2.1 million in YTD 2008 to $1.2 million in YTD 2009. The business focuses on the arranging and placing of debt issues and asset backed securitization. Operating revenues have been adversely affected by the lack of market demand and intolerance for risk caused by the global financial crisis.

The contribution attributable to this segment decreased 37% from $1.9 million to $1.2 million.

Asset management. International Assets' asset management segment revenues include management and performance fees, commissions and other revenues received by International Assets for management of third party assets and investment gains or losses on International Assets' investments in funds or proprietary accounts managed either by International Assets' investment managers or by independent investment managers.

Operating revenues decreased 80% from $12.0 million in YTD 2008 to $2.4 million in YTD 2009. Redemptions from and losses in funds managed by International Assets during YTD 2009 reduced total third party assets under management in this segment from $1.2 billion at September 30, 2008 to $0.7 billion at March 31, 2009. Assets under management at March 31, 2008 were $2.2 billion. Management fees, earned on a lower asset base, and other income were $3.6 million during YTD 2009. Net marked-to-market losses in proprietary investments were $1.2 million. During the six-month period to March 31, 2009, International Assets redeemed or sold certain of its proprietary investments, the fair value of which was $27.8 million at March 31, 2009 and $37.9 million at September 30, 2008.

The contribution attributable to this segment decreased 81% from $9.9 million in YTD 2008 to $1.9 million in YTD 2009. On May 8, 2009, International Assets agreed to discontinue its business relationship with and redeem its partnership interest in INTL Consilium, LLC ("INTL Consilium") effective April 30, 2009. The results of INTL Consilium, previously consolidated, will qualify to be treated for accounting purposes as discontinued operations with effect from the fiscal quarter ending on June 30, 2009. Operating revenues for INTL Consilium were $1.9 million and $7.7 million for YTD 2009 and YTD 2008, respectively.

Variable vs. Fixed Expenses

	Three Months Ended March 31,				Six Months Ended March 31,			
(In millions)	2009	% of Total	2008	% of Total	2009	% of Total	2008	% of Total
VARIABLE vs. FIXED EXPENSES								
Variable clearing and related expenses	$ 4.5	23%	$ 3.2	17%	$ 8.8	21%	$ 6.6	19%
Variable compensation	5.4	27%	5.7	31%	14.4	35%	11.3	32%
Bad debts and impairment	2.3	12%	1.1	6%	2.4	6%	1.1	3%
Total variable expenses	12.2	62%	10.0	54%	25.6	62%	19.0	54%
Fixed expenses	7.5	38%	8.4	46%	15.4	38%	16.3	46%
Total non-interest expenses	$19.7	100%	$18.4	100%	$41.0	100%	$35.3	100%

International Assets aims to make its non-interest expenses variable to the greatest extent possible, and to keep its fixed costs as low as possible. The table above shows an analysis of International Assets' total non-interest expenses for the quarters and six-month periods ended March 31, 2009 and 2008, respectively. Variable expenses consist of clearing and related expenses, variable compensation paid to traders, bonuses paid to operational, administrative and managerial employees and bad debts and impairment expenses. As a percentage of total non-interest expenses, variable expenses increased from 54% in both periods shown for 2008 to 62% in both periods shown for 2009.

Liquidity, Financial Condition and Capital of International Assets

International Assets continuously reviews its overall capital needs to ensure that its capital base, including both stockholders' equity and debt, can appropriately support the anticipated capital needs of its operating subsidiaries.

At March 31, 2009, International Assets had total equity capital of approximately $79.3 million, convertible subordinated notes of approximately $16.7 million, and bank loans of approximately $80.7 million. At September 30, 2008, International Assets had total equity capital of $74.8 million, convertible subordinated notes of $16.8 million, and bank loans of $119.8 million

A substantial portion of International Assets' assets are liquid. The majority of the assets consist of financial instruments, which fluctuate depending on the level of customer business. At March 31, 2009, approximately 94% of International Assets' assets consisted of cash, cash equivalents, receivables from brokers, dealers, clearing organization and customers, marketable financial instruments, physical commodities inventory and investments in managed funds. All assets are financed by International Assets' equity capital, subordinated convertible notes, bank loans, short-term borrowings from financial instruments sold, not yet purchased, metals leases and other payables.

International Assets' assets and liabilities may vary significantly from period to period due to changing customer requirements, and economic and market conditions, as well as the growth of International Assets. International Assets' total assets at March 31, 2009 and September 30, 2008, were $365.5 million and $438 million, respectively. International Assets' total assets at September 30, 2008 and September 30, 2007, were $438.0 million and $361.2 million, respectively. International Assets' operating activities generate or utilize cash as a result of net income or loss earned or incurred during each period and fluctuations in its assets and liabilities. The most significant fluctuations arise from changes in the level of customer activity, commodities prices and changes in the balances of financial instruments and commodities inventory. Additionally, in fiscal 2008 International Assets consolidated the assets and liabilities of the INTL Consilium Convertible Arbitrage Fund for the first time, which had the effect of adding $77.4 million of assets and $57.3 million of liabilities to International Assets' balance sheet at September 30, 2008.

Approximately $21 million of exchangeable foreign ordinary equities and ADR's are included within financial instruments owned and financial instruments sold, not yet purchased, respectively, on International Assets' condensed consolidated balance sheet at March 31, 2009.

At March 31, 2009, International Assets had bank facilities under which International Assets could borrow up to a maximum of $200 million, subject to certain conditions. At March 31, 2009 the total outstanding under all of these facilities was $80.7 million. International Assets is in compliance with all of its covenants to lenders.

Subsequent to March 31, 2009, International Assets modified the terms of its bank facilities. As a result of these modifications, International Assets can borrow up to a maximum of $137 million, subject to certain conditions.

International Assets' largest bank facility is a renewable, revolving syndicated committed loan facility under which International Assets' wholly-owned subsidiary, INTL Commodities, Inc., is entitled to borrow up to $62 million, subject to certain conditions. There are three commercial banks that are the underlying lenders within the syndicate group. The loan proceeds are used to finance the activities of INTL Commodities, Inc. and are secured by its assets. This facility is scheduled to expire on June 25, 2010.

International Assets has two credit facilities with a commercial bank that are committed until December 31, 2010, a general facility for $35 million and a facility used by International Assets' subsidiary, INTL Global Currencies, for $25 million.

International Assets' Dubai subsidiary, INTL Commodities DMCC, has an uncommitted bank facility of $15 million.

The interest rate on all of International Assets' bank facilities is variable. In mid-2008 International Assets entered into two three-year interest rate swaps for a total of $100 million as a hedge against movements in LIBOR-based interest rates. International Assets pays a fixed 3.66% (on average), and receives a variable rate equal to one-month LIBOR. One-month LIBOR has been lower than the fixed rate of 3.66% paid by International Assets for most of YTD 2009, resulting in a net interest expense on the swaps and an increase in total interest expense reported.

International Assets receives cash from precious metals customers in Dubai and Singapore as collateral against margin trading positions. Where a right of setoff exists with the same counterparty under master netting agreements, International Assets nets collateral balances against financial instruments. At March 31, 2009 the gross value of collateral balances held by International Assets from its customers was approximately $90 million, of which approximately $41 million was netted against financial instrument balances. The net funding available to International Assets' commodities business from collateral balances at March 31, 2009 was thus approximately $49 million.

INTL Trading, International Assets' broker-dealer subsidiary, is subject to the net capital requirements of the SEC relating to liquidity and net capital levels. At March 31, 2009, INTL Trading had regulatory net capital of $1.5 million, which was $0.5 million in excess of its minimum net capital requirement.

International Assets' ability to receive distributions from INTL Trading is restricted by regulations of the SEC and FINRA. International Assets' right to receive distributions from its subsidiaries is also subject to the rights of the subsidiaries' creditors, including customers of INTL Trading. INTL Trading paid dividends to International Assets of approximately $2.5 million and $7.5 million during YTD 2008 and YTD 2009, respectively.

In September 2006 International Assets completed a private placement of $27 million of 7.625% subordinated convertible notes ('the Notes'), of which $16.7 million in principal amount remain outstanding and unconverted. The Notes mature in September 2011. They are convertible at any time at the option of the holders at $25.47 per share. The Notes contain customary anti-dilutive provisions. At the current conversion price, conversion would result in the issuance of 656,936 new shares of common stock. International Assets may require conversion at any time if the dollar volume-weighted average share price exceeds $38.25 for 20 out of any 30 consecutive trading days. Holders may redeem their Notes at par if the interest coverage ratio set forth in the Notes is less than 2.75 for the twelve-month period ending December 31, 2009. International Assets may redeem the Notes at 110% of par on March 11, 2010.

International Assets entered into an agreement on April 30, 2007 to acquire the Gainvest group of companies ("INTL Gainvest") in South America. Pursuant to this acquisition, International Assets made a payment of $1.4 million to the sellers on June 1, 2008, equal to 25% of the aggregate revenues of INTL Gainvest earned for the year ended April 30, 2008, which has been recorded as additional goodwill. International Assets is obligated to make a further payment on June 1, 2009 equal to 25% of the aggregate revenues of INTL Gainvest earned during the 12 months ended April 30, 2009. The revenues on which the 25% is calculated are subject to a minimum threshold of $5.5 million and a maximum ceiling of $11 million for this period. The aggregate revenues of INTL Gainvest in the eleven-month period from May 1 to March 31, 2009 had not exceeded the minimum threshold of $5.5 million and, accordingly, no accrual was made for deferred acquisition consideration at March 31, 2009. If the threshold is exceeded, International Assets will make a payment of at least $1.4 million on June 1, 2009.

Certain subsidiaries of International Assets that are regulated in foreign jurisdictions are subject to minimum capital requirements. INTL Capital Ltd. is regulated by the Dubai Financial Services Authority, in the United

Arab Emirates, and is subject to a minimum capital requirement which at March 31, 2009 was approximately $0.5 million. INTL Capital Ltd. was in compliance with its capital requirements at March 31, 2009.

International Assets' cash and cash equivalents decreased from approximately $62.8 million at September 30, 2008 to approximately $49.2 million at March 31, 2009, a net decrease of approximately $13.6 million. Operating activities provided net cash of $31 million. Bank facilities were paid down by $39.1 million and net cash of $5.7 million was used in investing activities.

International Assets is continuously evaluating opportunities to expand its business. Expansion of International Assets' activities will require funding and will have an effect on liquidity.

Apart from what has been disclosed above, there are no known trends, events or uncertainties that have had or are likely to have a material impact on the liquidity, financial condition and capital resources of International Assets.

Commitments

Information about International Assets' commitments is contained in Note 16 of the Consolidated Financial Statements.

International Assets' senior subordinated convertible notes, as described in note 2 of the Notes to the Consolidated Financial Statements, are due in September 2011 if they are not converted or redeemed prior to their due date.

Off Balance Sheet Arrangements

International Assets is party to certain financial instruments with off-balance sheet risk in the normal course of business as a registered securities broker-dealer and from its market making and proprietary trading in the foreign exchange and commodities trading business. As part of these activities, International Assets carries short positions. For example, it sells financial instruments that it does not own, borrows the financial instruments to make good delivery, and therefore is obliged to purchase such financial instruments at a future date in order to return the borrowed financial instruments. International Assets has recorded these obligations in the consolidated financial statements at September 30, 2008 at fair value of the related financial instruments, totaling $159.0 million. These positions are held to offset the risks related to financial assets owned and reported on International Assets' Consolidated Balance Sheets under 'Financial instruments owned, at fair value', 'Physical commodities inventory, at cost' and 'Trust certificates, at fair value'. International Assets will incur losses if the fair value of the financial instruments sold, not yet purchased, increases subsequent to September 30, 2008, which might be partially or wholly offset by gains in the value of assets held at September 30, 2008. The total of $159.0 million includes a liability of $20.0 million for derivatives, based on their market value as of September 30, 2008. Listed below are the fair values of trading-related derivatives as of September 30, 2008 and September 30, 2007. Assets represent net unrealized gains and liabilities represent net unrealized losses.

	September 30,			
	2008		2007	
(In millions)	Assets	Liabilities	Assets	Liabilities
Equity index derivatives	$ 1.8	$ 0.2	$ 0.1	$ —
Interest rate derivatives	—	0.5	—	—
Commodity price derivatives	29.7	12.6	66.7	72.6
	$31.5	$ 13.3	$66.8	$ 72.6

Options and futures contracts held by International Assets result from market-making and proprietary trading activities in International Assets' foreign exchange/commodities trading business segment. International Assets assists its customers in its commodities business to protect the value of their future production (precious or base metals) by selling them put options on an OTC basis. International Assets also provides its commodities customers with sophisticated option products, including combinations of buying and selling puts and calls. International Assets mitigates its risk by effecting offsetting options with market counterparties or through the purchase or sale of exchange traded commodities futures. The risk mitigation of offsetting options is not within the documented hedging designation requirements of FAS 133.

Derivative contracts are traded along with cash transactions because of the integrated nature of the markets for such products. International Assets manages the risks associated with derivatives on an aggregate basis along with the risks associated with its proprietary trading and market-making activities in cash instruments as part of its firm-wide risk management policies.

Critical Accounting Policies

International Assets' condensed consolidated financial statements are prepared in accordance with generally accepted accounting principles. International Assets' significant accounting policies are described in the Summary of Significant Accounting Policies in the consolidated financial statements for the year ended September 30, 2008 included elsewhere in this joint proxy statement/prospectus.

International Assets has adopted Statement of Financial Accounting Standards ("SFAS") 159 and SFAS 157 with effect from Q1 2009. The adoption of SFAS 159 has not resulted in the valuation of any additional categories of financial assets or liabilities at fair value than was the case before adoption. The adoption of SFAS 157 has resulted in additional disclosures which are set forth in Note 5 to the condensed consolidated financial statements. At March 31, 2009 International Assets had a total of $18.5 million of financial assets at fair value in the level 3 category, representing 5.1% of total assets and 11.2% of total financial assets at fair value. Of the $18.5 million, $11.3 million relates to International Assets' investment in the INTL Trade Finance Fund, whose underlying assets are short-term, trade-related debt instruments and $5.2 million relates to corporate bonds. These assets are purchased and sold on a principal-to-principal basis and their value is dependent on estimates of yields in small, inactive and specialized markets. The remaining $2.0 million is comprised of $1.2 million in pre-IPO proprietary investments, valued at cost less an appropriate liquidity provision, and $0.8 million in hedge fund investments.

International Assets believes that of its significant accounting policies, those described below may, in limited instances, involve a high degree of judgment and complexity. These critical accounting policies may require estimates and assumptions that affect the amounts of assets, liabilities, revenues and expenses reported in the condensed consolidated financial statements. Due to their nature, estimates involve judgment based upon available information. Actual results or amounts could differ from estimates and the difference could have a material impact on the financial statements. Therefore, understanding these policies is important in understanding the reported results of operations and the financial position of International Assets.

Valuation of Financial Instruments, Investments in Managed Funds and Foreign Currencies

International Assets' financial instruments and investments in managed funds are reflected in the financial statements at fair value or amounts that approximate fair value. Unrealized gains and losses related to these financial instruments are reflected in net earnings. Where available, International Assets uses prices from independent sources such as listed market prices, or broker or dealer price quotations. Fair values for certain derivative contracts are derived from pricing models that consider current market and contractual prices for the underlying financial instruments or commodities, as well as time value and yield curve or volatility factors underlying the positions. In some cases, even where the value of a financial instrument is derived from an independent market price or broker or dealer quote, certain assumptions may be required to determine the fair

value. However, these assumptions may be incorrect and the actual value realized upon disposition could be different from the current carrying value. The value of foreign currencies, including foreign currencies sold, not yet purchased, are converted into their U.S. dollar equivalents at the foreign exchange rates in effect at the close of business at the end of the accounting period. For foreign currency transactions completed during each reporting period, the foreign exchange rate in effect at the time of the transaction is used.

The application of the valuation process for financial instruments and foreign currencies is critical because these items represent a significant portion of International Assets' total assets. The accuracy of the valuation process allows International Assets to report accurate financial information. Valuations for substantially all of the financial instruments held by International Assets are available from independent publishers of market information. The valuation process may involve estimates and judgments in the case of certain financial instruments. Given the wide availability of pricing information and the high degree of liquidity of the majority of International Assets' assets, there is insignificant sensitivity to changes in estimates and insignificant risk of changes in estimates having a material effect on International Assets. The basis for valuing financial instruments or investments in managed funds has not undergone any change.

Revenue Recognition

The revenues of International Assets are derived principally from realized and unrealized trading income in securities, derivative instruments, commodities and foreign currencies purchased or sold for International Assets' account. Realized and unrealized trading income is recorded on a trade date basis. Securities owned and securities sold, not yet purchased and foreign currencies sold, not yet purchased, are stated at market value with related changes in unrealized appreciation or depreciation reflected in 'Net dealer inventory and investment gains'. Fee and interest income are recorded on the accrual basis and dividend income is recognized on the ex-dividend date.

Revenue on commodities that are purchased for physical delivery to customers and that are not readily convertible into cash is recognized at the point in time when the commodity has been shipped, title and risk of loss has been transferred to the customer, and the following conditions have been met: persuasive evidence of an arrangement exists, the price is fixed and determinable, and collectability of the resulting receivable is reasonably assured.

The critical aspect of revenue recognition for International Assets is recording all known transactions as of the trade date of each transaction for the financial period. International Assets has developed systems for each of its businesses to capture all known transactions. Recording all known transactions involves reviewing trades that occur after the financial period that relate to the financial period. The accuracy of capturing this information is dependent upon the completeness and accuracy of data capture of the operations systems and International Assets' clearing firm.

Physical Commodities Inventory

Physical commodities inventory is valued at the lower of cost or market value, determined using the specific identification weighted average price method. International Assets separately discloses the value of commodities in process, which include commodities in the process of being recycled, and finished commodities. International Assets generally seeks to mitigate the price risk associated with physical commodities held in inventory through the use of derivatives. This price risk mitigation does not generally qualify for hedge accounting under GAAP. Any unrealized gains in physical commodities inventory are not recognized under GAAP, but unrealized gains and losses in related derivative positions are recognized under GAAP. As a result, International Assets' reported commodities trading earnings are subject to volatility.

Effects of Inflation

Because International Assets' assets are, to a large extent, liquid in nature, they are not significantly affected by inflation. Increases in International Assets' expenses, such as compensation and benefits, clearing and related expenses, occupancy and equipment rental, due to inflation, may not be readily recoverable from increasing the prices of services offered by International Assets. In addition, to the extent that inflation results in rising interest rates or has other adverse effects on the financial markets and on the value of the financial instruments held in inventory, it may adversely affect International Assets' financial position and results of operations.

Recently Issued Accounting Standards

The details for recently issued accounting standards can be found under Note 1 of the consolidated financial statements of International Assets for the fiscal year ended September 30, 2008, appearing elsewhere in this joint proxy statement/prospectus.

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

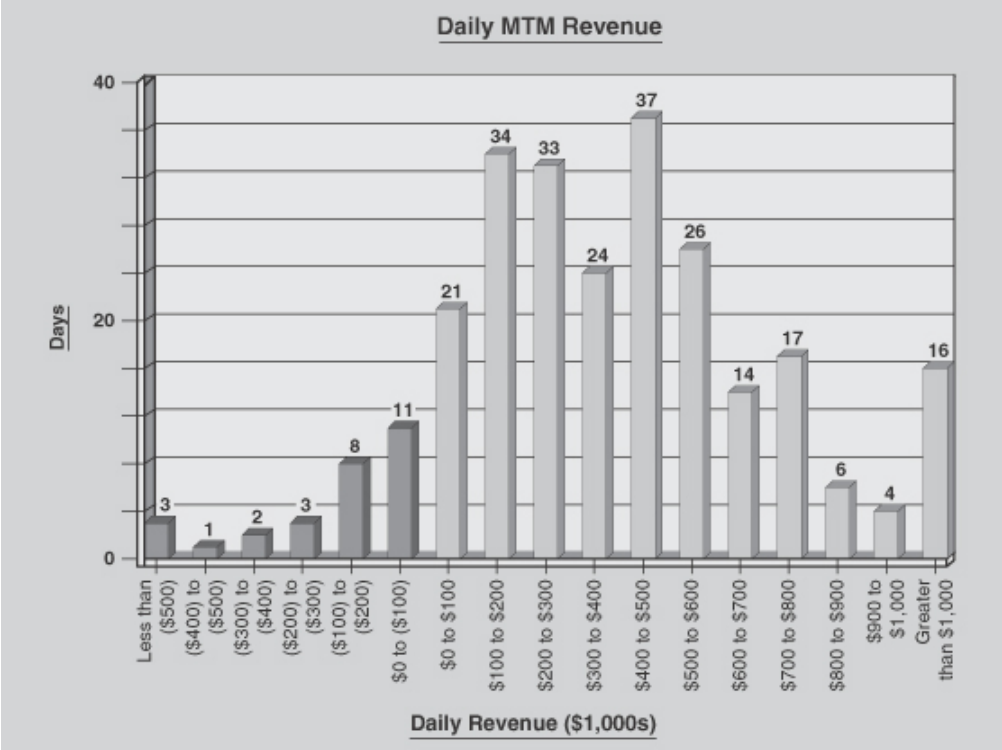
International Assets conducts its market-making and trading activities predominantly as a principal, which subjects its capital to significant risks. These risks include, but are not limited to, absolute and relative price movements, price volatility and changes in liquidity, over which International Assets has virtually no control. International Assets' exposure to market risk varies in accordance with the volume of customer-driven market-making transactions, the size of the proprietary positions and the volatility of the financial instruments traded.

International Assets seek to mitigate exposure to market risk by utilizing a variety of qualitative and quantitative techniques:

- diversification of business activities and instruments
- limitations on positions
- allocation of capital and limits based on estimated weighted risks
- daily monitoring of positions and mark-to-market profitability

International Assets utilizes derivative products in a trading capacity as a dealer, to satisfy customer needs and mitigate risk. International Assets manages risks from both derivatives and non-derivative cash instruments on a consolidated basis. The risks of derivatives should not be viewed in isolation, but in aggregate with International Assets' other trading activities.

Management believes that the volatility of revenues is a key indicator of the effectiveness of its risk management techniques. The graph below summarizes volatility of daily revenue during fiscal year 2008.



In International Assets' securities market-making and trading activities, International Assets maintains inventories of equity and debt securities. In International Assets' commodities trading activities, International Assets' positions include physical inventories, forwards, futures and options. International Assets' commodity trading activities are managed as one consolidated book for each commodity encompassing both cash positions and derivative instruments. International Assets monitors the aggregate position for each commodity in equivalent physical weight. The table below illustrates, for fiscal 2008, International Assets' average, greatest long, greatest short and minimum day-end positions by business segment.

(In millions)	Greatest Gross	Average Gross	Greatest Net Long	Greatest Net Short	Average Net
Equity net of long and short	$ 14.6	$ 10.3	$ 11.1	$ (2.7)	$ 4.2
Debt	6.4	2.2	4.2	(0.4)	1.9
Foreign Exchange	22.8	12.9	13.3	(1.6)	6.8
Commodities	4.1	1.8	1.7	(3.7)	(0.9)
Asset Management (Funds & Other Investment)	n/a	n/a	49.3	n/a	37.0

MANAGEMENT OF INTERNATIONAL ASSETS FOLLOWING THE MERGER

Resignation of FCStone's Directors

It is contemplated that each director of FCStone and its subsidiaries will resign at or prior to the effective time of the merger agreement.

Executive Officers and Directors of Combined Company

The merger agreement provides that the International Assets board of directors following the effective time of the merger will be increased from seven members to 13 members, with the six members to be designated by FCStone (currently expected to be Paul G. Anderson, Brent Bunte, Jack Friedman, Daryl Henze, Bruce Krehbiel and Eric Parthemore) and the seven current directors of International Assets (currently Scott Branch, John Fowler, Robert Miller, Sean O'Connor, John Radziwill, Diego Veitia and Justin Wheeler).

The following table lists the names and ages as of July 15, 2009 and positions of the individuals who are expected to serve as executive officers and directors of International Assets upon completion of the merger:

Name	Age	Current Position	Position with International Assets upon Completion of Merger
Sean O'Connor	46	Chief Executive Officer and Director of International Assets	Chief Executive Officer and Director
Paul G. Anderson	56	President, Chief Executive Officer and Director of FCStone	President and Director
Scott J. Branch	47	President and Director of International Assets	Chief Operating Officer and Director
William J. Dunaway	37	Chief Financial Officer of FCStone	Chief Financial Officer
Brian T. Sephton	52	Chief Financial Officer of International Assets	Chief Legal and Governance Officer
Nancey M. McMurtry	61	Vice President and Secretary of International Assets	Vice President and Secretary
James W. Tivy	41	Group Controller of International Assets	Group Controller
Brent Bunte	52	Director of FCStone	Director
John M. Fowler	60	Director of International Assets	Director
Jack Friedman	51	Director of FCStone	Director
Daryl Henze	66	Director of FCStone	Director
Bruce Krehbiel	55	Chairman and Director of FCStone	Director
Diego J. Veitia	65	Chairman and Director of International Assets	Chairman and Director
Eric Parthemore	60	Director of FCStone	Director
Robert A. Miller, Ph.D.	66	Director of International Assets	Director
John Radziwill	61	Director of International Assets	Director
Justin R. Wheeler	37	Director of International Assets	Director

The background of these individuals is as follows:

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 has served as a director of FCStone since November 9, 2006. He has been employed by FCStone since 1987 and has served as president and chief executive officer since 1999. Prior to becoming president of FCStone, Mr. Anderson was the vice president of operations. 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 sits on the board of directors of Associated Benefits Corporation and is a member of National Council of Farmer Cooperatives, the National Feed and Grain Association and several other state associations.

Scott J. Branch joined International Assets in October 2002 as President. In December 2002, he was elected to the Board of Directors. 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 forfeiting and syndications group.

William J. Dunaway has been employed as Chief Financial Officer of FCStone since January 2008. Mr. Dunaway has over 15 years of industry experience with FCStone, or one of its predecessor companies, most recently as Executive Vice President and Treasurer. Prior to that, he served as Vice President and Assistant Treasurer of Accounting and Finance with responsibility over the regulatory accounting of FCStone, LLC.

Brian T. Sephton joined International Assets in December 2004 as its Executive Vice President and was appointed Chief Financial Officer effective January 1, 2005. From 1999 until 2004, Mr. Sephton served as Senior Vice President of Standard New York Securities in Miami, Florida, with responsibilities for managing the activities of an office specializing in Latin American investment banking and investment advisory businesses. From 1997 to 1999, Mr. Sephton was Managing Director of Standard Bank Jersey Ltd, a private bank. Mr. Sephton has also qualified and practiced as a chartered accountant and an attorney in South Africa.

Nancey M. McMurtry joined International Assets in 1988 and currently serves as Vice President/Corporate Secretary. Prior to 2003, she served as Assistant Secretary of International Assets. Under her service as Vice President Mrs. McMurtry serves in various capacities within the group of companies, including that of Group Compliance Officer.

James W. Tivy joined International Assets in 2008 and currently serves as its Group Comptroller. From 2006 through 2007 Mr. Tivy served as the Manager of Financial Reporting for Hard Rock International, which was a subsidiary of Rank Group, Plc. From 2004 until 2006 Mr. Tivy served as the Accounting Manager of Faro Technologies, Inc., a NASDAQ listed corporation. Mr. Tivy has been a CPA since 1995.

Brent Bunte has served as a director of FCStone since 2000 and is the former chairman of its audit committee. Mr. Bunte is the manager of the 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. He also acts as a consultant to private companies. 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 has served as a director of FCStone since 1996 and is 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 21 years. For the past 16 years, Mr. Friedman had served as manager of Swiss Valley Ag Center in Monticello, Iowa. Mr. Friedman serves as a director of Western Dubuque Biodiesel LLC.

Daryl Henze has served as a director of FCStone since November 9, 2006. He also serves as the chairman of its audit committee. 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 Accounting Advisory 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.

Bruce Krehbiel has served as a director of FCStone since 1988 and is 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.

Robert A. Miller, Ph.D. was elected as a director of International Assets in February, 1998. He currently acts as an independent consultant and is a trustee and chairman of the board of directors of The Dreman Contrarian Trust. From 2005 to August 2007, Dr. Miller served as 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. He also served as an advisor to Bergmann Associates, LLC, a privately owned architectural and engineering firm based in Rochester, New York from 2000 to 2004.

Eric Parthemore has served as a director of FCStone since 1996 and as its 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 the Farmers Commission Company in Upper Sandusky, Ohio and has held that position 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 and serves as a trustee of the OABA Education Trust.

John Radziwill was elected as a director of International Assets in December 2002. Mr. Radziwill is currently a director of USA Micro Cap Value Co. Ltd, Goldcrown Group Limited, Baltimore Capital Plc and Onyx International Growth Fund Limited. In the past five years, he has also served as a director of Acquisitor Plc, Acquisitor Holdings (Bermuda) Ltd., Air Express International Corp., Interequity Capital Corporation, Radix Ventures Inc., Radix Organization Inc. and Lionheart Group Inc. Mr. Radziwill is a member of the Bar of England and Wales.

Justin R. Wheeler was elected as a director of International Assets in November 2004. Since 2000, he has been employed by Leucadia National Corporation, International Assets' 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.

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.

Composition of the Board of Directors

The board of directors of International Assets is currently comprised of seven directors who are elected annually. In the event that the Proposal No. 3 is approved and the merger is consummated, International Assets will establish a classified board of thirteen members, with the six members to be designated by FCStone (currently expected to be Paul G. Anderson, Brent Bunte, Jack Friedman, Daryl Henze, Bruce Krehbiel and Eric Parthemore) and the seven current directors of International Assets (currently Scott Branch, John Fowler, Robert Miller, Sean O'Connor, John Radziwill, Diego Veitia and Justin Wheeler).

There are no family relationships among any of the current International Assets directors and executive officers, and there are no family relationships among any of the proposed combined company directors and executive officers.

Director Independence

Of the seven current members of the International Assets board of directors, four have been determined to be independent within the meaning of the independent director guidelines of the NASDAQ Stock Market LLC.

Of the thirteen members of the combined company board of directors that will be appointed in connection with the completion of the merger, ten+ have been determined to be independent within the meaning of the independent director guidelines of the NASDAQ Stock Market LLC.

Committees of the Board of Directors

The International Assets board of directors currently has, and after completion of the merger the combined company will have, an audit committee, a compensation committee and a nominating and corporate governance committee.

Audit Committee

The International Assets audit committee oversees corporate accounting and financial reporting processes and assists the board of directors in monitoring the International Assets financial systems and its legal and regulatory compliance. The International Assets audit committee also:

- oversees the work of the independent auditors;
- approves the hiring, discharging and compensation of the independent auditors;
- approves engagements of the independent auditors to render any audit or permissible non-audit services;
- reviews the qualifications and independence of the independent auditors;
- monitors the rotation of partners of the independent auditors on the engagement team as required by law;
- reviews the financial statements and critical accounting policies and estimates;
- reviews the adequacy and effectiveness of internal controls; and
- reviews and discusses with management and the independent auditors the results of the annual audit, quarterly financial statements, and publicly filed reports.

The combined company audit committee is expected to retain these duties and responsibilities after completion of the merger.

The members of the International Assets audit committee are John Radziwill, Justin R. Wheeler and John M. Fowler. John Radziwill is the chairman of the audit committee. Each of the members is a financial expert under the rules of the Securities and Exchange Commission. The International Assets board of directors has concluded that the composition of the International Assets audit committee meets the requirements for independence under the rules and regulations of the NASDAQ Stock Market LLC and SEC. International Assets believes that the functioning of its audit committee complies with the applicable requirements of the rules and regulations of the NASDAQ Stock Market LLC and SEC.

Following the completion of the merger, the board of directors of International Assets will appoint the members of the combined company audit committee. Each member of the combined company audit committee is expected to meet the requirements for independence under the rules and regulations of the NASDAQ Stock Market LLC and SEC. International Assets and FCStone believe that, after completion of the merger, the functioning of the combined company audit committee will comply with the applicable requirements of the rules and regulations of the NASDAQ Stock Market LLC and SEC.

Compensation Committee

The International Assets compensation committee oversees corporate compensation programs. The compensation committee also:

- reviews and recommends policy relating to compensation and benefits of officers and employees;
- reviews and approves corporate goals and objectives relevant to compensation of the chief executive officer and other senior officers;
- evaluates the performance of officers in light of established goals and objectives;
- sets compensation of officers based on the compensation committee's evaluations;
- administers the issuance of stock options and other awards under International Assets stock plans; and
- reviews and evaluates its own performance and that of its members, including compliance with its committee charter.

The combined company compensation committee is expected to retain these duties and responsibilities following completion of the merger.

The members of the International Assets compensation committee are John M. Fowler, John Radziwill and Robert A. Miller. John M. Fowler is the chairman of the compensation committee. The International Assets board of directors has determined that each member of its compensation committee is independent within the meaning of the independent director guidelines of the NASDAQ Stock Market LLC. International Assets believes that the composition of its compensation committee meets the requirements for independence under, and the functioning of its compensation committee complies with, any applicable requirements of the rules and regulations of the NASDAQ Stock Market LLC and SEC.

Following completion of the merger, the board of directors of International Assets will appoint the members of the combined company compensation committee. Each member of the combined company compensation committee is expected to be independent within the meaning of the independent director guidelines of the NASDAQ Stock Market LLC. International Assets and FCStone believe that, after the completion of the merger, the composition of the compensation committee will meet the requirements for independence under, and the functioning of such compensation committee will comply with, any applicable requirements of the rules and regulations of the NASDAQ Stock Market LLC and SEC.

Nominating and Corporate Governance Committee

The nominating and corporate governance committee assists the International Assets board of directors in ensuring that it is properly constituted and conducts itself appropriately in carrying out its duties and meeting its fiduciary obligations, and that International Assets has and follows appropriate corporate governance standards. The nominating and corporate governance committee also:

- develops and recommends to the board of directors the governance principles applicable to International Assets;
- oversees the evaluation of the board of directors and management;
- recommends director nominees for each committee of the boards of directors;
- assists the board of directors in identifying prospective director nominees and determines the director nominees for election at the Annual Meeting of Stockholders; and
- monitors and reviews compliance with the Code of Ethics, which is applicable to directors, officers and employees.

The combined company nominating and corporate governance committee is expected to retain these duties and responsibilities following completion of the merger.

The members of the International Assets nominating and corporate governance committee are Robert A. Miller, John Radziwill and Justin R. Wheeler. Robert A. Miller is the chairman of the nominating and corporate governance committee. The International Assets board of directors has determined that each member of its nominating and corporate governance committee is independent within the meaning of the independent director guidelines of the NASDAQ Stock Market LLC.

Following completion of the merger, the board of directors of International Assets will appoint the members of the combined company nominating and corporate governance committee. Each member of the combined company nominating and corporate governance committee is expected to be independent within the meaning of the independent director guidelines of the NASDAQ Stock Market LLC.

The board of directors of International Assets or, following the merger, the combined company may from time to time establish other committees.

Director Compensation

International Assets reimburses non-employee directors for reasonable out-of-pocket expenses incurred in attending meetings of the board of directors or any committee of the board of directors. Non-employee directors also receive:

- $18,000 per year for service as a board member.
- $28,000 per year for service as chairman of the board.
- $10,000 per year for service as chairperson of the audit committee.
- $5,000 per year for service as chairperson of the compensation committee.
- $5,000 per year for service as chairperson of the nominating committee.
- Each non-employee director also receives an annual grant of shares of restricted stock that vests ratably over a period of three years. The number of shares to be issued is determined annually by the board of directors of International Assets. For 2008, each non-employee director received a grant of 500 restricted shares.

No director who serves as an employee of International Assets receives compensation for services rendered as a director.

Following the consummation of the merger, it is anticipated that the directors of the combined company will receive the following compensation:

- $50,000 per year for service as a board member.
- $28,000 per year for service as chairman of the board.
- $15,000 per year for service as vice-chairman of the board.
- $10,000 per year for service as chairperson of the audit committee.
- $5,000 per year for service as chairperson of the compensation committee.
- $5,000 per year for service as chairperson of the nominating committee.
- Each director will also receive an annual grant of restricted stock having a fair value of $25,000 on the date of the annual meeting of stockholders.

Director Compensation Table: Combined Company Directors from International Assets

The table that follows sets forth a summary of the compensation paid in 2008 to non-employee directors of International Assets that are proposed to be continuing directors of the combined company following consummation of the merger.

Non-Employee Director Compensation
For Fiscal Year Ended September 30, 2008

Name	Fees Earned or Paid in Cash ($)	Stock Awards ($)(1)	Option Awards ($)(2)	All Other Compensation ($)(3)	Total ($)
John M. Fowler	$ 23,000	$12,575	$5,402		$40,977
Robert A. Miller, Ph.D.	$ 23,000	$12,575	$5,402		$40,977
John Radziwill	$ 26,387	$12,575	$5,402	$ 1,612	$45,977
Diego J. Veitia	$ 44,275	$12,575	$5,402	$ 1,725	$63,977
Justin R. Wheeler	$ 18,000	$12,575	$5,402		$35,977

(1) The amounts in this column represent the dollar amount recognized for financial statement reporting purposes with respect to the 2008 fiscal year for the fair value of restricted stock awards granted to each director in fiscal 2008 in accordance with SFAS 123R. Fair value is calculated using the closing price of International Assets' common stock on the date of grant. For additional information, refer to Note 18 to International Assets' consolidated financial statements for the fiscal year ended September 30, 2008, included elsewhere in this joint proxy statement/prospectus. These amounts reflect International Assets' accounting expense for these awards, and do not correspond to the actual value that will be recognized by the named directors. At September 30, 2008, Messrs. Fowler, Miller and Wheeler each held 830 shares of restricted stock, Mr. Radziwill held 921 shares and Mr. Veitia held 927 shares.

(2) The amounts in this column represent the dollar amount recognized for financial statement reporting purposes with respect to the 2008 fiscal year of the expense recognized by International Assets in accordance with SFAS 123R 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 option grants made prior to fiscal 2008, see Note 18 to International Assets' consolidated financial statements for the fiscal year ended September 30, 2008, included elsewhere in this joint proxy statement/prospectus. These amounts reflect International Assets' accounting expense for these awards, and do not correspond to the actual value that will be recognized by the named directors. At September 30, 2008, Messrs. Fowler, Radziwill and Wheeler each held options to acquire 5000 shares and Mr. Miller held options to purchase 16,199 shares.

(3) Messrs. Radziwill and Veitia chose to participate in the International Assets' restricted stock program which operates in conjunction with its restricted stock plan. Each director exchanged a portion of his director's fees for shares of restricted stock.

On December 4, 2008, the Board of Directors approved grants of 5,000 options to each non-executive director with an exercise price of $6.35 per share, except for the options awarded to Mr. Radziwill which had an exercise price of $6.985 per share. On the same day, the Board of Directors approved an award of 1,500 shares of restricted stock for each non-employee director. In accordance with SEC rules, these items of compensation will be reported in the Non-Employee Director Compensation Table for the 2009 fiscal year. The fair market value of the common stock on December 4, 2008 was $6.35.

Director Compensation Table: Combined Company Directors from FCStone

The table that follows sets forth a summary of the compensation paid in 2008 to non-employee directors of FCStone that are proposed to be directors of the combined company following consummation of the merger.

Name	Fees Earned or Paid in Cash ($)(1)	Stock Awards ($)(2)	Option Awards ($)(3)	Total ($)
Brent Bunte	$ 73,000	$33,310	$26,644	$ 132,954
Jack Friedman	$ 82,833	$33,310	$35,969	$ 152,112
Daryl Henze	$ 83,583	$33,310	$13,322	$ 130,215
Bruce Krehbiel	$ 107,167	$33,310	$47,959	$ 188,436
Eric Parthemore	$ 76,583	$33,310	$35,969	$ 145,862

(1) The amounts in this column include quarterly retainer fees, meeting and activity fees and chairman and executive committee retainer fees received for service as a director, as follows:

Name	Quarterly Retainers ($)	Meeting and Activity Fees ($)	Chair and Executive Committee Retainers ($)	Total Fees Paid in Cash ($)
Brent Bunte	$ 48,750	$ 14,250	$ 10,000	$ 73,000
Jack Friedman	$ 48,750	$ 24,500	$ 9,583	$ 82,833
Daryl Henze	$ 48,750	$ 20,250	$ 14,583	$ 83,583
Bruce Krehbiel	$ 48,750	$ 24,250	$ 34,167	$107,167
Eric Parthemore	$ 48,750	$ 18,250	$ 9,583	$ 76,583

(2) The amounts in this column reflect the dollar amount recognized for financial statement reporting purposes, in accordance with SFAS No. 123R, for shares of restricted stock awarded to each named director. Assumptions used in the calculation of these amounts are contained in footnote 11 to the consolidated financial statements included in FCStone's Annual Report on Form 10-K, as amended, for its 2008 fiscal year, which is incorporated by reference into this joint proxy statement/prospectus. The grant date fair value, computed in accordance with SFAS No. 123R, of the shares of restricted stock awarded to each named director in its 2008 fiscal year was $50,000. As of August 31, 2008, the aggregate number of unvested shares of restricted stock held by each named director was 1,051.

(3) The amounts in this column reflect the dollar amount recognized for financial statement reporting purposes, in accordance with SFAS No. 123R, for option awards granted to each named director. Assumptions used in the calculation of these amounts are included in footnote 11 the proxy statement/prospectus consolidated financial statements included in FCStone's Annual Report on Form 10-K, as amended, for its 2008 fiscal year. There were no grants of stock options to its director during its 2008 fiscal year. As of August 31, 2008, which is incorporated by reference into this joint proxy statement/prospectus the aggregate number of vested and unvested stock options held by each named director was as follows: Mr. Bunte (44,250); Mr. Friedman (65,475); Mr. Henze (9,250); Mr. Krehbiel (84,500); and Mr. Parthemore (63,975).

Compensation Committee Interlocks and Insider Participation

The members of the combined company's compensation committee will be appointed immediately after the completion of the merger. Each member of the compensation committee is expected to be an "outside" director as that term is defined in Section 162(m) of the Code, and a "non-employee" director within the meaning of Rule 16b-3 of the rules promulgated under the Exchange Act. None of the proposed combined company's executive officers serve as a member of the board of directors or compensation committee of any entity that has one or more executive officers who is proposed to serve on the combined company's board of directors or compensation committee following the merger.

EXECUTIVE COMPENSATION OF INTERNATIONAL ASSETS

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

Background

International Assets' Compensation Committee has primary responsibility for the design and implementation of International Assets' executive compensation program. The Committee directly determines the compensation for International Assets' three principal executive officers — Sean O'Connor (the Chief Executive Officer), Scott Branch (the President) and Brian T. Sephton (the Chief Financial Officer). The Committee receives recommendations from the Chief Executive Officer regarding the compensation of the President and the Chief Financial Officer. The Committee also supervises and reviews the compensation for the Group Controller and the Secretary. The salaries for those officers are currently determined by one or more of International Assets' three principal executive officers.

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

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

Objectives of International Assets' Executive Compensation Program

International Assets' 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 International Assets' success
- To encourage long term service to International Assets by awarding equity based compensation

Attract and Retain Talented Employees

International Assets' 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, International Assets needs to ensure that International Assets' compensation program provides competitive levels of compensation. Therefore, the Compensation Committee seeks to provide executives with compensation which is similar to the compensation paid by other financial services firms.

Provide Compensation Based on Performance

International Assets believes that its continued success requires it to reward individuals based upon their contribution to International Assets' 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

International Assets seeks to encourage long-term service by making equity awards to International Assets' executives. In the case of the three principal executive officers, the Compensation Committee has elected to award a portion of the executive's bonus in the form of restricted stock, subject to the Committee's discretion. 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 International Assets as a whole, International Assets believes International Assets' 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 stockholders

Elements of Compensation

International Assets' 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

International Assets pays each executive officer a 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 salary levels of International Assets' executives are modest compared to other financial service firms.

The base salaries for the Chief Executive Officer and the President were originally established at the time the executives joined International Assets in 2002 and have not been increased since that time. The base salary for each of them is $175,000. The base salary for the Chief Financial Officer was also established at the time of his initial employment, and has not been increased since that time. The base salary for the Chief Financial Officer is $135,000. The base salary for the Group Controller was determined by the Chief Financial Officer and the President and was reviewed by the compensation committee. The base salary for the Group Controller during fiscal 2008 was $105,000. The base salary for the Corporate Secretary was determined by the Chief Executive Officer and the President and was reviewed by the Compensation Committee. The base salary for the Secretary during fiscal 2008 was increased to $125,000.

Executive Performance Plan

International Assets 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.

International Assets utilizes the EPP to reward International Assets' three principal executive officers (Messrs. O'Connor, Branch and Sephton). The bonuses paid under the EPP are objective and are based on criteria established by International Assets in advance. The Compensation Committee utilizes bonuses under the EPP as International Assets' primary tool for encouraging executives to maximize productivity and profitability. Awards under the plan provide executives with an incentive to focus on aspects of International Assets' performance that the Compensation Committee believes are key to International Assets' 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 International Assets 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 International Assets would have recognized in that year if such commodity inventory had been valued at market.

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 International Assets' public filings, excluding early extinguishment of debt, and
- the disposition of a business, in whole or in part.

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 International Assets' public filings, and
- the impact of investments or acquisitions.

Each of these adjustments may relate to International Assets as a whole or any part of International Assets' 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 International Assets' 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 International Assets' 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 International Assets' 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 International Assets' 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 International Assets' 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 at the end of 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 stockholder approval if such approval is required to satisfy the requirements of Section 162(m).

Application of Executive Performance Plan in 2008

For 2008, the Compensation Committee selected Sean O'Connor, Scott Branch and Brian T. Sephton to be participants in the Executive Performance Plan, with targeted bonus amounts of $800,000 in the case of Sean O'Connor and Scott Branch, and $600,000 in the case of Brian T. Sephton.

The Compensation Committee also established the following performance targets under the Executive Performance Plan for 2008.

Executive Compensation Performance Targets For Fiscal 2008

	Target range					
Increase in share price	<4%	4-7.99%	8-11.99%	12-15.99%	16-19.99%	20%+
% adjustment to target bonus	**0%**	**-60%**	**-40%**	**1/4 of target**	**+60%**	**+100%**
Adjusted return on equity	<8%	8-11.99%	12-14.99%	15-17.49%	17.5-19.99%	20%+
% adjustment to target bonus	**0%**	**-60%**	**-40%**	**1/4 of target**	**+40%**	**+100%**
Fixed costs*	>15%	10-14.99%	5-9.99%	0-4.99%	0-(4.99)%	<(5)%
% adjustment to target bonus	**0%**	**-60%**	**-40%**	**1/8 of target**	**+20%**	**+60%**
Variable costs**	>38%	35-37.99%	32-34.99	29-31.99	26-28.99%	<26%
% adjustment to target bonus	**0%**	**-60%**	**-40%**	**1/8 of target**	**+20%**	**+60%**
Adjusted EBITDA growth	<5%	5-9.99%	10-19.99%	20-29.99%	30-39.99%	>40%
% adjustment to target bonus	**0%**	**-60%**	**-40%**	**1/4 of target**	**+60%**	**+100%**

* 2008 performance target for fixed costs (expressed as a fixed amount): $32,441,000

** 2008 performance target for variable costs (expressed as a percentage of total operating revenues): 29.2%

For 2008, the Compensation Committee also established the portion of each bonus earned under the Executive Performance Plan that would be payable in restricted stock based on a sliding scale, as follows:

- Portion of bonus not exceeding $200,000: 15%
- Portion of bonus exceeding $200,000 but not exceeding $400,000: 20%
- Portion of bonus exceeding $400,000 but not exceeding $600,000: 25%
- Portion of bonus exceeding $600,000: 30%

The Committee also retained its right to pay the bonus earned on an all cash basis.

Bonuses Earned under Executive Performance Plan for 2008

Based on International Assets' results for 2008, the nominal amount of the bonuses earned under the Executive Performance Plan by the three participating executive officers were as follows:

Bonuses Under
2008 Executive Performance Plan

Name	Nominal Amount(1)	Cash Amount(2)	Restricted Shares(3) (#)	Restricted Shares(3) Value
Sean M. O'Connor(4)	$ 620,000	$ 620,000	—	—
Scott J. Branch(5)	$ 620,000	$ 620,000	—	—
Brian T. Sephton(6)	$ 465,000	$ 378,750	15,152	$ 115,003

(1) This column sets forth the nominal amount of the bonus earned by each executive under the plan in 2008. A portion of these amounts are paid in the form of cash bonuses and the balance is paid in the form of restricted stock valued at a discount of 25% to the market value of International Assets' common stock. At the discretion of the Compensation Committee the bonus may be paid in cash only.

(2) This column sets forth the cash amount paid to the executive under the plan. These amounts were paid in fiscal 2009. For Mr. O'Connor and Mr. Branch, the Committee determined that these bonus payments would be paid in cash.

(3) This column sets forth the number of shares of restricted stock, if any, awarded to each executive under the plan and the value of the shares calculated under FAS 123R. These shares vest over a period of three years. These shares were granted on December 12, 2008, and had a fair market value of $7.59 per share on the date of grant.

(4) This executive also received an additional discretionary cash bonus of $130,000. See "Discretionary Bonuses" below.

(5) This executive also received an additional cash bonus of $130,000. See "Discretionary Bonuses" below.

(6) This executive also received an additional cash bonus of $73,125 and an additional discretionary award of 4,282 restricted shares. See "Discretionary Bonuses" below.

Discretionary Bonuses

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

In the case of discretionary bonuses awarded to the three 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 International Assets' 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 International Assets' common stock at the time of the award. The restricted stock vests over a period of three years. In 2008, 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 International Assets' success for the fiscal year.

For 2008, the Compensation Committee elected to award discretionary bonuses in the following nominal amounts to the three principal executive officers:

Discretionary Bonuses-Three Principal Executive Officers

Name	Nominal Amount(1)	Cash Amount(2)	Restricted Shares(3) (#)	Restricted Shares(3) Value
Sean M. O'Connor	$ 130,000	$ 130,000	—	—
Scott J. Branch	$ 130,000	$ 130,000	—	—
Brian T. Sephton	$ 97,500	$ 73,125	4,282	$ 32,500

(1) This column sets forth the nominal amount of the discretionary bonus awarded to each executive in 2008. A portion of these amounts is paid in the form of cash bonuses and the balance, if any, is paid in the form of restricted stock valued at a discount of 25% to the market value of International Assets' common stock.

(2) This column sets forth the cash amount of the discretionary bonus awarded to the executive in 2008. These amounts were paid in fiscal 2009.

(3) This column sets forth the number of shares of restricted stock awarded to each executive and the value of the shares calculated under FAS 123R. These shares vest over a period of three years. These shares were granted on December 12, 2008, and had a fair market value of $7.59 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 International Assets' performance in 2008. 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 2008.

The Committee elected to award the nominal amount of the discretionary bonuses to two of the three principal executive officers in all cash and awarded the nominal amount to the third principal executive through a combination of cash and restricted stock.

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

For 2008, 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) (#)	Restricted Shares(3) Value
James W. Tivy	$ 65,000	$ 53,000	2,201	$ 16,000
Nancey M. McMurtry	$ 75,000	$ 60,000	2,751	$ 20,000

(1) This column sets forth the nominal amount of the discretionary bonus awarded to each executive in 2008. These amounts were paid in fiscal 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 International Assets' common stock.

(2) This column sets forth the cash amount of the discretionary bonus awarded to the executive in 2008. These amounts were paid in fiscal 2009.

(3) This column sets forth the number of shares of restricted stock awarded and the value of the shares calculated under FAS 123R. These shares vest over a period of three years. These shares were granted on November 28, 2008, and had a fair market value of $7.27 per share on the date of grant.

In December 2008, the Compensation Committee elected to award restricted shares and incentive stock options to four of the named executive officers. These shares and options were intended to be part of the compensation for these executives officers for the 2009 fiscal year. The Committee awarded 10,000 restricted shares to each of Sean O'Connor and Scott Branch, 7,500 shares to Brian T. Sephton and 15,000 shares to Nancey McMurtry. The Committee awarded options for 80,000 shares for each of Sean O'Connor and Scott Branch and for 60,000 shares to Brian T. Sephton. 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 vested during years three, four and five. The stock options granted to Mr. Sephton have an exercise price of $6.62 per share, a term of six years and vested during years three, four and five.

Other Benefits

International Assets provides medical, life insurance, disability and other similar benefits to executives and other employees. International Assets intends these benefits to be generally competitive, in order to help in International Assets' efforts to recruit and retain talented executives. International Assets' executives participate in these benefit programs on the same basis as all of International Assets' other employees.

Under their employment agreements, Mr. O'Connor and Mr. Branch are entitled to severance in an amount equal to 100% of their total compensation for the longer of the remaining term of the agreement (which is a maximum of one year) or a period of six months in the case of Mr. O'Connor and Mr. Branch. Under his employment agreement, Mr. Sephton would be entitled to severance in an amount equal to four months of his annual salary.

If each of the executives had been terminated as of September 30, 2008, they would have been entitled to the following termination payments: Mr. O'Connor ($87,500), Mr. Branch ($87,500) and Mr. Sephton ($45,000).

International Assets reserves the right to offer additional payments to terminated employees if it is determined to be in International Assets' best interests. International Assets has the right to fully vest executives in their equity awards upon retirement and in certain other termination of services circumstances.

Summary Compensation Table

The following table sets forth information concerning the compensation of International Assets' (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 2008 and 2007.

Name and Principal Position	Fiscal Year	Salary ($)	Bonus ($)(1)	Stock Awards ($)(2)	Option Awards ($)(3)	Non-Equity Incentive Plan Compensation ($)(4)	All Other Compen-sation ($)(5)	Total ($)
Sean M. O'Connor	2008	$175,000	$130,000	$129,323	$ 45,021(6)	$ 620,000	$ 10,500	$1,109,844
Director and Chief Executive Officer	2007	$175,000	$263,000	—	$263,000	322,000	10,500	$ 842,599
Scott J. Branch	2008	$175,000	$130,000	$129,323	$ 45,021(6)	620,000	$ 10,500	$1,109,844
Director and President	2007	$175,000	$263,000	—	$263,000	322,000	10,500	$ 842,599
Brian T. Sephton	2008	$135,000	$ 73,125	$ 82,323	$ 30,201(7)	378,750	$ 13,000	$ 712,399
Treasurer and Chief Financial Officer	2007	$135,000	207,875	—	$ 53,563	244,000	$ 13,000	$ 653,438
Nancey McMurtry	2008	$103,613	$ 60,000	$ 18,016	—	—	$ 4,908	$ 186,537
Vice President and Secretary	2007	$ 81,120	$ 56,500	—	—	—	$ 4,129	$ 141,749
James Tivy	2008	$ 78,167(8)	$ 53,000	—	$ 7,827	—	$ 3,935	$ 142,929
Group Comptroller	2007	—	—	—	—	—	—	—
Jonathan Hinz	2008	$ 31,250	—	—	—	—	$ 938	$ 32,188
Group Controller	2007	$125,000	$ 85,000	—	—	—	$ 6,300	$ 216,300

(1) The amounts in this column reflect discretionary cash bonuses awarded to the executive officers in 2008. These were paid in fiscal 2009. In December 2008, certain of these officers also received discretionary awards of restricted stock for services rendered in the 2008 fiscal year. In accordance with SEC rules, those stock grants will be reported in the Summary Compensation Table for 2009. See “Discretionary Bonuses” above.

(2) The amounts in this column reflect discretionary awards of restricted stock for services rendered in the 2007 fiscal year, but granted in December, 2007 which was in fiscal year 2008.

(3) The amounts in this column represent the dollar amounts recognized for financial statement reporting purposes with respect to the 2008 fiscal year for each of the named executive officers in accordance with SFAS 123R, 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 option grants made prior to fiscal 2008, see Note 18 in International Assets’ consolidated financial statements for the fiscal year ended September 30, 2008, included elsewhere in this joint proxy statement/prospectus. These amounts reflect International Assets’ 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 awarded to the executive officers in 2008 under the Executive Performance Plan. These were paid in the 2009 fiscal year. Mr. Sephton was also granted 19,434 shares of restricted stock under the Executive Performance Plan in 2008. In accordance with SEC rules, this stock grant will be reported in the Summary Compensation Table for 2009. See “Executive Performance Plan” above.

(5) The amounts in this column represents the dollar amount of matching contributions made by International Assets under its SIMPLE IRA plan.

(6) In December 2005, Mr. O’Connor and Mr. Branch were each granted options to acquire 25,000 shares of International Assets’ common stock with an exercise price of $10.12 (which was at 15% above the market price on the date of the grant). These options were granted in recognition for services performed during the 2005 fiscal year. For information on the valuation assumptions with respect to these option grants, see Note 18 in International Assets’ consolidated financial statements for the fiscal year ended September 30, 2008, included elsewhere in this joint proxy statement/prospectus. These amounts reflect International Assets’ accounting expense for these awards, and do not correspond to the actual value that will be recognized by the named executive officers.

(7) In December 2004, at the commencement of his employment with International Assets, Mr. Sephton was granted options to acquire 20,000 shares of common stock at an exercise price of $7.35 (which was the market price on the date of grant). In December 2005, Mr. Sephton was granted options to acquire 15,000 shares of the common stock at an exercise price of $10.12 (which was 15% above the market price on the date of the grant). These options were granted in recognition of services performed during the 2005 fiscal year. For information on the valuation assumptions with respect to this option grant, see Note 18 in International Assets’ consolidated financial statements for the fiscal year ended September 30, 2008, included elsewhere in this joint proxy statement/prospectus These amounts reflect International Assets’ accounting expense for these awards, and do not correspond to the actual value that will be recognized by the named executive officers.

(8) Mr. Tivy joined International Assets in the second quarter of the 2008 fiscal year.

Grants of Plan Based Awards — 2008

The following table sets forth information on plan based awards granted in 2008 to each of International Assets' named executive officers. There can be no assurance that the amounts disclosed below will ever by realized. The amount of these equity awards that was expensed, and the amount of the non-equity awards that was earned in 2008, are shown in the Summary Compensation Table on page 168.

Grants of Plan-Based Awards For Fiscal Year Ended September 30, 2008

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 of Stock or Units (#)(2)	All Other Option Awards: Number of Securities Under-lying Options (#)	Exercise or Base Price of Option Awards ($/Sh)	Grant Date Fair Value of Stock and Option Awards
			Thresh-old ($)	Target ($)(1)	Maxi-mum ($)	Thres-hold ($)	Target ($)	Maxi-mum (#)(3)				
Sean M. O'Connor Chief Executive Officer	12/14/2007	11/29/2007		800,000	3,000,000				7977	—	—	$ 220,005
Scott J. Branch President	12/14/2007	11/29/2007		800,000	3,000,000				7977	—	—	$ 220,005
Brian T. Sephton Chief Financial Officer	12/14/2007	11/29/2007		600,000	3,000,000				5348	—	—	$ 147,498
Nancey McMurtry VP, Secretary	11/30/2007	11/30/2007	—	—	—				640	—	—	$ 18,016
James W. Tivy Group Comptroller	05/08/2008	05/08/2008	—	—	—				—	5,000	25 15	$ 125,750

(1) This column sets forth the target amount for each named executive officer under International Assets' Executive Performance Plan for the year ended September 30, 2008. 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, 2008 for each named executive officer is set forth in the "Summary Compensation Table." The cash bonus awards were paid in December, 2008 which is in fiscal year 2009. 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, 2008.

(2) Consists of restricted shares issued in fiscal 2008 under the Executive Performance Plan and under International Assets' Restricted Stock Plan with respect to services rendered in fiscal year 2007. These shares vest ratably over a three year period on the anniversary of the grant date.

Outstanding Equity Awards at Fiscal Year-End — 2008

The following table sets forth all outstanding equity awards held by the named executive officers as of September 30, 2008.

Outstanding Equity Awards at September 30, 2008

	Stock Awards					
Name	Number of Securities Underlying Unexercised Options (#) Exercisable	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	57,500	—	$ 2.50	12/6/2012	7,977(4)	$ 192,325(6)
	132,500	—	$ 2.50	3/7/2013		
	12,333(1)	8,500	$ 10.12	12/2/2009		
Scott J. Branch	22,500	—	$ 2.50	12/6/2012	7,977(4)	$ 192,325(6)
	92,500	—	$ 2.50	3/7/2013		
	8,250	—	$ 8.568	11/18/2008		
	16,500(2)	8,500	$ 10.12	12/2/2009		
Brian T. Sephton	9,900(3)	5,100	$ 10.12	12/2/2009	5,348(4)	$ 128,940(6)
Nancey M. McMurtry	1,000	—	$ 11.625	3/10/2010	640(4)	$ 15,430(6)
	10,000	—	$ 3.125	3/09/2011		
	11,500	—	$ 1.40	4/11/2012		
James W. Tivy	5,000	5,000	$ 25.15	5/08/2012	—	—

(1) This option was fully vested on December 2, 2008.

(2) This option was fully vested on December 2, 2008.

(3) This option was fully vested on December 2, 2008.

(4) These shares vest equally on December 14, 2008, 2009 and 2010

(5) These shares vest equally on November 30, 2008, 2009 and 2010.

(6) Based on market value of International Assets' common stock on September 30, 2008.

Options Exercised and Stock Vested- 2008

The following table sets forth the number of shares of common stock acquired during 2008 by each named executive officer upon the exercise of options or through the vesting of restricted stock.

Options Exercised and Stock Vested During Fiscal Year Ended September 30, 2008

	Option Awards		Stock Awards	
Name	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise ($)	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting ($)
Sean M. O'Connor	39,167	$ 847,129(1)	—	—
Scott Branch	88,500	$ 2,154,564(2)	—	—
Brian T. Sephton	20,000	$ 356,452(3)	—	—
Nancey McMurtry	5,000	$ 115,325(4)	—	—
James W. Tivy	—	—	—	—

(1) These amounts reflect the exercise of 25,000 options at an exercise price of $8.568; 4,167 options at an exercise price of $10.12; and 10,000 options at an exercise price of $2.50.

(2) These amounts reflect the exercise of 80,000 options at an exercise price of $2.50; 8,500 options at an exercise price of $8.568.

(3) These amounts reflect the exercise of 20,000 options at an exercise price of $7.35.

(4) These amounts reflect the exercise of 3,500 options at an exercise price of $1.30 and 1,500 options at $1.40.

Change of Control

None of the five named executive officers are entitled to any benefits, including acceleration of equity awards, upon a change in control of International Assets.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS OF COMBINED COMPANY

Policies and Procedures for Related Person Transactions of International Assets

International Assets has adopted a written Code of Ethics which is on International Assets' website. The Code of Ethics governs the behavior of all International Assets' employees, officers and directors, including the named executive officers. The Code of Ethics provides that no employee shall engage in any transaction involving International Assets if the employee or a member of his or her immediate family has a substantial interest in the transaction or can benefit directly or indirectly from the transaction (other than through the employee's normal compensation), unless the transaction or potential benefit and the interest have been disclosed to and approved by International Assets.

If one of International Assets' executive officers has the opportunity to invest or otherwise participate in such a transaction, the policy requires the executive to contact the President and the Chairman of the Audit Committee. Any such transaction must be approved by the Audit Committee.

The Code of Ethics has been adopted by the Board of Directors and any exceptions to the policies set forth in the Code of Ethics must be requested in writing addressed to the Audit Committee of the Board of Directors. If an executive officer requests an exception, the request must be delivered to the Chairman of the Audit Committee and no exceptions shall be effective unless approved by the Audit Committee.

Transactions with International Assets Related Persons

Since the beginning of fiscal year 2008, there have not been any transactions, nor are there any currently proposed transactions, in which International Assets was or is to be a participant, the amount involved exceeded $120,000 or one percent of the average of International Assets' total assets at year end for the last two completed fiscal years, and any related person had or will have a material direct or indirect interest.

Reference is made to the section entitled "International Assets Proposal No. 1 — The Merger — Interests of International Assets' Directors in the Merger."

Transactions with FCStone Related Persons

Reference is made to the section entitled "FCStone Proposal No. 1 — The Merger — Interests of FCStone's Executive Officers and Directors in the Merger."

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT OF INTERNATIONAL ASSETS

The following table and related notes present certain information concerning the beneficial ownership of the common stock of International Assets as of July 1, 2009, by:

- each person or group known by International Assets to be the beneficial owner of more than 5% of the outstanding common stock of International Assets.
- each director of International Assets.
- each executive officer of International Assets named in the “Summary Compensation Table” included in the proxy statement filed by International Assets with the SEC on January 15, 2009.
- all of the current executive officers and directors of International Assets as a group. all of the current executive officers and directors of International Assets as a group.

Name	Number of Shares Beneficially Owned(1)(2)	Percent of Class
Leucadia National Corporation(3)	1,384,985	15.2%
Sean M. O’Connor(4)(5)(6)	1,217,631	13.1%
St. James Trust(7)	780,434	8.6%
Scott J. Branch(8)(9)(10)	1,032,821	11.2%
Barbara Branch(11)	367,647	4.0%
John Radziwill(12)(13)(14)(15)	850,357	9.3%
Goldcrown Asset Management Ltd.(15)	569,852	6.3%
Bares Capital Management, Inc.(16)(19)	1,208,722	13.3%
Samuel and Eileen Taub(17)	499,426	5.5%
Duke University(18)(19)	386,000	4.2%
The Duke Endowment(18)(19)	169,000	1.9%
Employees Retirement Plan of Duke University(18)(19)	66,000	0.7%
Diego J. Veitia(20)(21)(22)	117,611	1.3%
Brian T. Sephton(23)	80,134	*
Nancey McMurtry(24)	58,891	*
Robert A. Miller(25)	35,867	*
John M. Fowler(26)	16,500	*
Justin R. Wheeler(27)	7,500	*
James W. Tivy(28)	7,973	*
All directors and executive officers as a group (ten persons)(29)	3,426,585	36.2%

* Less than 1.0%

(1) Except as otherwise noted, all shares were owned directly with sole voting and investment power.

(2) Includes shares of common stock that can be acquired under outstanding options within 60 days from July 1, 2009 and restricted shares granted through July 1, 2009.

(3) The address of Leucadia National Corporation is 315 Park Ave. S., New York, New York 10010.

(4) The address of Sean M. O’Connor is 708 Third Avenue, 7th Floor, New York, New York 10017.

(5) Includes 780,434 shares held by The St. James Trust. Mr. O’Connor is an advisor to The St. James Trust and his family members are among the beneficiaries of the Trust.

(6) Includes 185,833 shares which Mr. O’Connor may acquire under outstanding stock options and 15,318 restricted shares. As of July 1, 2009, 133,246 of these shares were held in a margin account.

(7) The address of the St. James Trust is Standard Bank Offshore Trust Company Jersey Ltd., Standard Bank House, 47-49 La Motte Street, St. Helier, Jersey JE4 8XR, Channel Islands.

(8) Scott J. Branch's address is 708 Third Avenue, 7th Floor, New York, New York 10017.

(9) Includes 367,647 shares owned by Mr. Branch's spouse, Barbara Branch.

(10) Includes 130,000 shares which Mr. Branch may acquire under outstanding stock options and 15,318 restricted shares. As of July 1, 2009, 330,000 of these shares were held in a margin account.

(11) Barbara Branch's address is 708 Third Avenue, 7th Floor, New York, New York 10017.

(12) Includes 2,086 restricted shares.

(13) Includes 569,853 shares owned by Goldcrown Asset Management Limited. Mr. Radziwill is a director and a beneficial owner of more than 10% of Goldcrown Asset Management Limited.

(14) Includes 278,418 shares owned by Humble Trading Limited. Mr. Radziwill is affiliated with Humble Trading Limited but disclaims beneficial ownership of these shares.

(15) The address of John Radziwill and Goldcrown Asset Management Limited is 1st Floor, 9 Walton Street, London SW3 2JD.

(16) The address of Bares Capital Management, Inc. is 221 W 6th Street, Suite 1225 Austin, TX 78701

(17) The address of Samuel and Eileen Taub is 141 South Linden Drive, Beverly Hills California 90210.

(18) The address for these three related entities is c/o DUMAC, LLC, 406 Blackwell St., Suite 300, Durham, North Carolina 27701.

(19) The collective shares for these three entities totaling 621,000 are reflected in the total shares shown for Bares Capital Management.

(20) The address of Diego J. Veitia is P.O. Box 1046, Winter Park, Florida 32790.

(21) Includes 94,525 shares held by The Diego J. Veitia Family Trust (the "Veitia Family Trust"). Mr. Veitia is the settlor, sole trustee and primary beneficiary of the Veitia Family Trust.

(22) Includes 2,489 restricted shares.

(23) Includes 15,000 shares which Mr. Sephton may acquire under outstanding stock options and 30,499 restricted shares. As of July 1, 2009, 33,783 of these shares were held in a margin account.

(24) Includes 14,000 shares which Mrs. McMurtry may acquire under outstanding stock options and 18,177 restricted shares.

(25) Includes 11,199 shares which Dr. Miller may acquire under outstanding stock options and 2,330 restricted shares.

(26) Includes 1,995 restricted shares.

(27) Includes 1,995 restricted shares.

(28) Includes 1,687 shares which Mr. Tivy may acquire under outstanding stock options and 2,201 restricted shares.

(29) Includes 356,032 shares which may be acquired under outstanding stock options and 92,073 restricted shares.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT OF THE COMBINED COMPANY FOLLOWING THE MERGER

The following table and related notes present certain information concerning the beneficial ownership of the common stock of International Assets upon consummation of the merger, by:

- each person or group known by International Assets to become the beneficial owner of more than 5% of the outstanding common stock of International Assets upon consummation of the merger.
- each director and executive officer of International Assets upon consummation of the merger.
- all of the executive officers and directors of International Assets upon consummation of the merger, as a group.

The percent of common stock of International Assets is based on 9,106,009 shares of common stock outstanding as of July 1, 2009. The percent of common stock of FCStone is based on 27,930,188 shares of common stock outstanding as of July 1, 2009. The percent of common stock of International Assets is based on 17,345,441 shares of common stock of International Assets outstanding upon the consummation of the merger and assumes, among other things, that the exchange ratio of FCStone common stock will be 0.2950 shares of International Assets stock for each share of FCStone's common stock. Shares of International Assets' common stock subject to options that are currently exercisable or are exercisable within 60 days after July 1, 2009, are treated as outstanding and beneficially owned by the person holding them for the purpose of computing the percentage ownership of International Assets' common stock of that person but are not treated as outstanding for the purpose of computing the percentage ownership of International Assets' common stock of any other person. Shares of FCStone's common stock subject to options that are currently exercisable or are exercisable within 60 days of July 1, 2009 will be automatically converted at the effective time of the merger into the right to receive International Assets' common stock in lieu of FCStone's common stock and are treated as outstanding and beneficially owned by the person holding them for the purpose of computing the percentage ownership of common stock of the combined company of that person but are not treated as outstanding for the purpose of computing the percentage ownership of common stock of International Assets of any other stockholder.

all of the current executive officers and directors of International Assets as a group.

Name	Number of Shares Beneficially Owned(1)(2)	Percent of Class
Leucadia National Corporation(3)	1,384,985	8.0
Sean M. O'Connor(4)(5)(6)	1,217,631	7.0
St. James Trust(7)	780,434	4.5
Scott J. Branch(8)(9)(10)	1,032,821	6.0
Barbara Branch(11)	367,647	2.1
John Radziwill(12)(13)(14)(15)	850,357	4.9
Goldcrown Asset Management Ltd.(15)	569,852	3.3
Bares Capital Management, Inc.(16)(19)	1,208,722	7.0
Diego J. Veitia(17)(18)(19)	117,611	*
Brian T. Sephton(20)	80,134	*
Nancey McMurtry(21)	58,891	*
Robert A. Miller(22)	35,867	*
John M. Fowler(23)	16,500	*
Justin R. Wheeler(24)	7,500	*
James W. Tivy(25)	7,973	*
Paul G. Anderson(26)	113,306	*
Brent Bunte(27)	66,443	*
William J. Dunaway(28)	11,136	*
Jack Friedman(29)	60,121	*
Daryl Henze(30)	4,372	*
Bruce Krehbiel(31)	36,194	*
Eric Parthemore(32)	32,448	*
All directors and executive officers as a group (17 persons)(36)	3,747,605	21.6%

* Less than 1.0%

(1) Except as otherwise noted, all shares were owned directly with sole voting and investment power.

(2) Includes shares of common stock that can be acquired under outstanding options within 60 days from July 1, 2009 and restricted shares granted through July 1, 2009.

(3) The address of Leucadia National Corporation is 315 Park Ave. S., New York, New York 10010.

(4) The address of Sean M. O'Connor is 708 Third Avenue, 7th Floor, New York, New York 10017.

(5) Includes 780,434 shares held by The St. James Trust. Mr. O'Connor is an advisor to The St. James Trust and his family members are among the beneficiaries of the Trust.

(6) Includes 185,833 shares which Mr. O'Connor may acquire under outstanding stock options and 15,318 restricted shares. As of July 1, 2009, 133,246 of these shares were held in a margin account.

(7) The address of the St. James Trust is Standard Bank Offshore Trust Company Jersey Ltd., Standard Bank House, 47-49 La Motte Street, St. Helier, Jersey JE4 8XR, Channel Islands.

(8) Scott J. Branch's address is 708 Third Avenue, 7th Floor, New York, New York 10017.

(9) Includes 367,647 shares owned by Mr. Branch's spouse, Barbara Branch.

(10) Includes 130,000 shares which Mr. Branch may acquire under outstanding stock options and 15,318 restricted shares.

(11) Barbara Branch's address is 708 Third Avenue, 7th Floor, New York, New York 10017.

(12) Includes 2,086 restricted shares.

(13) Includes 569,853 shares owned by Goldcrown Asset Management Limited. Mr. Radziwill is a director and a beneficial owner of more than 10% of Goldcrown Asset Management Limited.

(14) Includes 278,418 shares owned by Humble Trading Limited. Mr. Radziwill is affiliated with Humble Trading Limited but disclaims beneficial ownership of these shares.

(15) The address of John Radziwill and Goldcrown Asset Management Limited is 1st Floor, 9 Walton Street, London SW3 2JD.

(16) The address of Bares Capital Management, Inc. is 221 W 6th Street, Suite 1225 Austin, TX 78701

(17) The address of Diego J. Veitia is P.O. Box 1046, Winter Park, Florida 32790.

(18) Includes 94,525 shares held by The Diego J. Veitia Family Trust (the "Veitia Family Trust"). Mr. Veitia is the settlor, sole trustee and primary beneficiary of the Veitia Family Trust.

(19) Includes 2,489 restricted shares.

(20) Includes 15,000 shares which Mr. Sephton may acquire under outstanding stock options and 30,499 restricted shares. As of July 1, 2009, 33,783 of these shares were held in a margin account.

(21) Includes 14,000 shares which Mrs. McMurtry may acquire under outstanding stock options and 18,177 restricted shares.

(22) Includes 11,199 shares which Dr. Miller may acquire under outstanding stock options and 2,330 restricted shares.

(23) Includes 1,995 restricted shares.

(24) Includes 1,995 restricted shares.

(25) Includes 1,687 shares which Mr. Tivy may acquire under outstanding stock options and 2,201 restricted shares.

(26) Includes 104,582 shares issuable upon the exercise of currently exercisable stock options and 1,644 shares held in Mr. Anderson's employee stock ownership plan account.

(27) Includes 6,947 shares issuable upon the exercise of currently exercisable stock options and 58,300 shares held by NEW Cooperative, of which Mr. Bunte is manager.

(28) Includes 10,797 shares issuable upon the exercise of currently exercisable stock options and 205 shares held in Mr. Dunaway's employee stock ownership plan account.

(29) Includes 11,071 shares issuable upon the exercise of currently exercisable stock options and 48,002 shares held by Innovative Ag Services, of which Mr. Friedman is manager.

(30) Includes 30 shares issuable upon the exercise of currently exercisable stock options.

(31) Includes 13,936 shares issuable upon the exercise of currently exercisable stock options and 21,948 shares held by Kanza Cooperative Association, of which Mr. Krehbiel is manager.

(32) Includes 10,629 shares issuable upon the exercise of currently exercisable stock options and 21,244 shares held by The Farmers Commission Company, of which Mr. Parthemore is president and chief executive officer.

(33) [Includes 356,032 shares which may be acquired under outstanding stock options and 92,073 restricted shares.]

DESCRIPTION OF CAPITAL STOCK OF INTERNATIONAL ASSETS

The following is only a summary of the material terms of International Assets' current capital stock. Because it is only a summary, it does not contain all the information that may be important to you. Accordingly, you should read carefully the more detailed provisions of International Assets' current certificate of incorporation and bylaws, which have previously been filed with the SEC, and applicable Delaware law.

Authorized Capital Stock

International Assets' authorized capital stock currently consists of 17,000,000 shares of common stock, $0.01 par value per share, and 1,000,000 shares of preferred stock, $0.01 par value per share. As of July 15, 2009, there were 9,106,009 shares of International Assets' common stock outstanding held of record by stockholders and no shares of preferred stock outstanding. International Assets is holding in treasury, at cost, 11,257 shares of common stock as of July 15, 2009. In the event that Proposal No. 1 and Proposal No. 2 of International Assets are approved and the merger is consummated, the number of shares of common stock that International Assets is authorized to issue will increase to 30,000,000 shares.

Common Stock

The holders of International Assets' common stock have equal ratable rights to dividends from funds legally available therefor, when, as and if declared by International Assets' board of directors. Holders of common stock are also entitled to share ratably in all of International Assets' assets available for distribution to holders of common stock upon liquidation, dissolution or winding up of the affairs of International Assets.

All shares of common stock now outstanding are fully paid and non-assessable.

The holders of shares of International Assets' common stock do not have cumulative voting rights, which means that the holders of more than 50% of such outstanding shares, voting for the election of directors, can elect all of the directors to be elected, if they so choose, and in such event, the holders of the remaining shares will not be able to elect any of the directors. The holders of 50% percent of the outstanding common stock constitute a quorum at any meeting of stockholders, and the vote by the holders of a majority of the outstanding shares are required to effect certain fundamental corporate changes, such as liquidation, merger or amendment of the certificate of incorporation.

International Assets' bylaws provide that any action required or permitted to be taken by the holders of shares of International Assets' common stock at an annual meeting or special meeting of such stockholders may be taken without a meeting if a consent in writing, setting forth the action so taken, is signed by all of the stockholders who would be entitled to vote at a meeting for such purpose. International Assets' bylaws further provide that special meetings of holders of shares of International Assets' common stock may only be called by the president, a majority of its board of directors, or holders of not less than one-fifth of its common stock outstanding.

Preferred Stock

International Assets is authorized to issue up to 1,000,000 shares of preferred stock with such designations, rights and preferences as may be determined from time to time by International Assets' board of directors. Accordingly, International Assets' board of directors is empowered, without stockholder approval, to issue preferred stock with dividend, liquidation, conversion, voting or other rights which could adversely affect the voting power or other rights of the holders of International Assets' common stock. In the event of issuance, the preferred stock could be utilized, under certain circumstances, as a method of discouraging, delaying or preventing a change in control of International Assets. There are no shares of preferred stock currently issued or outstanding.

Dividends

International Assets has not paid any cash dividends on its common stock. The payment of cash dividends in the future, if any, will be contingent upon International Assets' revenues and earnings, if any, capital requirements and general financial condition. The payment of any dividends will be within the discretion of International Assets' board of directors. It is the present intention of the board of directors to retain all earnings, if any, for use in International Assets' business operations and, accordingly, the board does not anticipate paying any cash dividends in the foreseeable future.

Listing

International Assets' common stock is listed on the Nasdaq Global Market under the trading symbol "IAAC."

Transfer Agent and Registrar

The transfer agent for International Assets' common stock is Mellon Investor Services, Inc.

Anti-Takeover Provisions

General. The Delaware General Corporation Law contains provisions designed to enhance the ability of International Assets' board of directors to respond to attempts to acquire control of International Assets. These provisions may discourage takeover attempts which have not been approved by the board of directors. This could include takeover attempts that some of International Assets' stockholders deem to be in their best interests. These provisions may adversely affect the price that a potential purchaser would be willing to pay for International Assets' common stock. These provisions may deprive stockholders of the opportunity to obtain a takeover premium for their shares. These provisions could make the removal of incumbent management more difficult. These provisions may enable a minority of International Assets' directors and the holders of a minority of its outstanding voting stock to prevent, discourage or make more difficult a merger, tender offer or proxy contest, even though the transactions may be favorable to the interests of stockholders. These provisions could also potentially adversely affect the market price of the common stock.

Authorized but Unissued Shares. The authorized but unissued shares of International Assets' common stock and preferred stock will be available for future issuance without stockholder approval. These additional shares may be used for a variety of corporate purposes, including future public offerings to raise additional capital, corporate acquisitions and employee benefit plans. The existence of authorized but unissued shares of common stock and preferred stock may enable International Assets' board of directors to issue shares of stock to persons friendly to existing management. This may have the effect of discouraging attempts to obtain control of International Assets.

Delaware Takeover Statute. International Assets is subject to Section 203 of the Delaware General Corporation Law which, subject to certain exceptions, prohibits a publicly-held Delaware corporation from engaging in any business combination with any interested stockholder for a period of three years following the date that such stockholder became an interested stockholder, unless:

(1) prior to such date, the board of directors of the corporation approved either the business combination or the transaction that resulted in the stockholder becoming an interested stockholder;

(2) upon consummation of the transaction that resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock of the corporation outstanding at the time the transaction commenced, excluding for purposes of determining the number of shares outstanding those shares owned:

(a) by persons who are directors and also officers, and

(b) by employee stock plans in which employee participants do not have the right to determine confidentially whether shares held subject to the plan may be tendered in a tender or exchange offer; or

(3) on or subsequent to such date, the business combination is approved by the board of directors and authorized at an annual or special meeting of stockholders, and not by written consent, by the affirmative vote of at least 66% of the outstanding voting stock that is not owned by the interested stockholder.

Section 203 defines "business combination" to include:

(1) any merger or consolidation involving the corporation and the interested stockholder;

(2) any sale, transfer, pledge or other disposition of 10% or more of the assets of the corporation involving the interested stockholder;

(3) subject to certain exceptions, any transaction that results in the issuance or transfer by the corporation of any stock of the corporation to the interested stockholder;

(4) any transaction involving the corporation that has the effect of increasing the proportionate share of the stock of any class or series of the corporation beneficially owned by the interested stockholder; or

(5) the receipt by the interested stockholder of the benefit of any loans, advances, guarantees, pledges or other financial benefits provided by or through the corporation.

In general, Section 203 defines an interested stockholder as any entity or person beneficially owning 15% or more of the outstanding voting stock of the corporation and any entity or person affiliated with, or controlling or controlled by, such entity or person.

Classified Board Provision

In the event that Proposal No. 1 and Proposal No. 3 of International Assets are approved and the merger is consummated, International Assets will establish a classified board of directors for a period expiring in 2013. The establishment of the classified board could discourage certain takeover attempts. See "International Assets Proposal No. 3" for more information on the establishment of the classified board.

Limitations on Liability and Indemnification of Officers and Directors

International Assets' certificate of incorporation includes a provision that eliminates the personal liability of International Assets' directors for monetary damages for certain breaches of fiduciary duty as a director to the fullest extent permitted by Delaware law. International Assets' bylaws provide that International Assets must indemnify its directors and officers to the fullest extent permitted by Delaware law, and must advance expenses to such directors and officers in connection with any legal proceeding to the fullest extent permitted by Delaware law, subject to certain exceptions. International Assets also carries directors' and officers' liability insurance.

The limitation of liability and indemnification provisions in International Assets' certificate of incorporation and bylaws may discourage stockholders from bringing a lawsuit against directors for breaches of their fiduciary duty. They may also have the effect of reducing the likelihood of derivative litigation against directors and officers, even though an action of this kind, if successful, might otherwise benefit International Assets and its stockholders. Furthermore, a stockholders' investment may be adversely affected to the extent International Assets pays the costs of settlement and damage awards against directors and officers pursuant to these indemnification provisions. However, International Assets believes these indemnification provisions are necessary to attract and retain qualified directors and officers.

COMPARATIVE RIGHTS OF INTERNATIONAL ASSETS STOCKHOLDERS AND FCSTONE STOCKHOLDERS

Both International Assets and FCStone are incorporated under the laws of the State of Delaware and, accordingly, the rights of the stockholders of each are currently, and will continue to be, governed by the Delaware General Corporation Law. Before the consummation of the merger, the rights of holders of FCStone common stock are also governed by the certificate of incorporation and the bylaws of FCStone, as amended. After the consummation of the merger, FCStone stockholders will become stockholders of International Assets, and their rights will be governed by the Delaware General Corporation Law, the amended and restated certificate of incorporation of International Assets (as amended pursuant to Proposals No. 2, 3 and 4), and the bylaws of International Assets.

The following is a summary of the material differences between the rights of FCStone stockholders and the rights of International Assets stockholders, and, if applicable, the rights of the International Assets stockholders under the International Assets' certificate of incorporation as amended by Proposals No. 2, 3 and 4. While we believe that this summary covers the material differences between the two, this summary may not contain all of the information that is important to you. This summary is not intended to be a complete discussion of the respective rights of FCStone and International Assets stockholders and is qualified in its entirety by reference to the Delaware General Corporation Law and the various documents of International Assets and FCStone that we refer to in this summary. You should carefully read this entire joint proxy statement/prospectus and the other documents we refer to in this joint proxy statement/prospectus for a more complete understanding of the differences between being a stockholder of International Assets and being a stockholder of FCStone. International Assets and FCStone have filed their respective documents referred to herein with the SEC and/or have attached them as exhibits to this joint proxy statement/prospectus, and will send copies of these documents to you upon your request. *See* "Where You Can Find More Information."

	International Assets	***FCStone***
Authorized Capital Stock	Current Certificate of Incorporation The authorized capital stock of International Assets currently consists of 17,000,000 shares of common stock, $0.01 par value per share, and 1,000,000 shares of preferred stock, $0.01 par value per share. Certificate of Incorporation as Amended by Proposal No. 2 If Proposal No. 2 is approved by the holders of International Assets' common stock, the authorized capital stock of International Assets will be increased to consist of 30,000,000 shares of common stock, $0.01 par value per share, and 1,000,000 shares of preferred stock, $0.01 par value per share.	FCStone's certificate of incorporation authorizes it to issue up to 100,000,000 shares of common stock, par value $0.0001, and up to 20,000,000 shares of preferred stock, par value $0.0001.
Number of Directors; Classification of Board of Directors	Current Certificate of Incorporation and Bylaws International Assets' bylaws currently provide that a majority of the members of International Assets' board of directors can determine the number of directors on its board. There	FCStone's certificate of incorporation provides that the number of directors constituting FCStone's board of directors shall be fixed in the manner provided in FCStone's bylaws. FCStone's bylaws provide that the number of directors shall be the same as the number of FCStone's initial board of directors.

currently are seven directors serving on International Assets' board.

Certificate of Incorporation as Amended by Proposal 3

Upon consummation of the merger and approval by the International Assets' stockholders of Proposal 3, the board of directors of International Assets would be changed to become a classified board for a limited period of time, as follows:

(a) The number of directors on International Assets' board of directors shall be as follows:

(i) The number of directors of International Assets shall be fixed at thirteen until the first annual stockholders meeting occurring after December 31, 2011.

(ii) The number of directors of International Assets shall be reduced to, and fixed at, eleven commencing as of the first annual stockholders meeting occurring after December 31, 2011 and continuing until the first annual stockholders meeting occurring after December 31, 2012.

(iii) The number of directors of International Assets shall be reduced to, and fixed at, nine commencing as of the first annual stockholders meeting occurring after December 31, 2012, and shall thereafter be fixed from time to time by resolution of the Board of Directors, provided, however that the number of directors fixed by the board shall not be less than five or more than twenty-five.

(b) Until the first annual stockholders meeting occurring after December 31, 2012, the board of directors of International Assets shall be classified, with respect to the time for which they severally hold office, into three classes, designated as Class I, Class II and Class III. The number of directors in each Class shall be as follows:

(i) Until the first annual stockholders meeting occurring after December 31, 2011, Class I shall have four members, Class II shall have four members; and Class III shall have five members;

However, this number may be increased or decreased by FCStone's board of directors. There currently are twelve directors serving on FCStone's board of directors. FCStone's certificate of incorporation provides that FCStone's board of directors shall be divided into three classes, as nearly equal in number as the then total number of directors constituting the whole board of directors permits, with the term of office of one class expiring each year.

Under Delaware law, the directors of a corporation that has a classified board within the meaning of Delaware law may be removed by the corporation's stockholders only for cause unless the corporation's certificate of incorporation provides otherwise. Additionally, as a result of the classification of FCStone's board, two annual meetings of stockholders may be required for the stockholders to change a majority of the directors on FCStone's board.

FCStone's certificate of incorporation provides for the removal of any director or the entire board of directors at any time, but only for cause and only by the affirmative vote of the holders of two-thirds (2/3) or more of the outstanding shares of FCStone's common stock. For these purposes, the term "for cause" means the commission of a felony, or a finding by a court of competent jurisdiction of liability for negligence, or misconduct, in the performance of the director's duty to FCStone in a matter of substantial importance to FCStone, where such adjudication is no longer subject to direct appeal. If the holders of any series of preferred stock have the right to elect one or more directors, the provisions relating to the removal of any director or the entire board of directors would not apply to any director so elected.

(ii) Commencing as of the first annual stockholders meeting occurring after December 31, 2011 and continuing until the first annual stockholders meeting occurring after December 31, 2012, Class I shall have four members, Class II shall have four members; and Class III shall have three members.

(c) The members of Class I shall initially serve for a term expiring at the first annual stockholders occurring after December 31, 2009, and shall thereafter serve for a term expiring at the first annual stockholders meeting occurring after December 31, 2012.

(d) The members of Class II shall initially serve for a term expiring at the first annual stockholders meeting occurring after December 31, 2010, and shall thereafter serve for a term expiring at the first annual stockholders meeting occurring after December 31, 2012.

(e) The members of Class III shall initially serve for a term expiring at the first annual stockholders meeting occurring after December 31, 2011, and shall thereafter serve for a term expiring at the first annual stockholders meeting occurring after December 31, 2012.

(f) Commencing as of the first annual stockholders meeting occurring after December 31, 2012, the board of directors of International Assets shall no longer be classified, and directors elected at any annual meeting of stockholders shall serve until the next annual meeting of stockholders and until their respective successors shall be duly elected and qualified or until their respective earlier resignation or removal.

Additionally, as a result of the classification of International Assets board, two annual meetings of stockholders may be required for the stockholders to change a majority of the directors on International Assets' board.

Under Delaware law, the directors of a corporation that has a classified board within the meaning of Delaware law may be removed by the corporation's stockholders only for cause unless the corporation's certificate of

	incorporation provides otherwise. If Proposal 2 is approved, the certificate of incorporation of International Assets will contain no provision authorizing removal of directors other than for cause. As a result, the stockholders of International Assets will be permitted to remove International Assets' directors only for cause so long as International Assets has a classified board (i.e., until the first annual meeting of International Assets' stockholders occurring after December 31, 2012).	
Cumulative Voting	The Delaware General Corporation Law provides that stockholders of a corporation are not entitled to the right to cumulative voting in the election of directors unless the corporation's certificate of incorporation provides otherwise. International Assets' certificate of incorporation does not provide International Assets' stockholders with any cumulative voting rights.	FCStone's certificate of incorporation does not provide FCStone's stockholders with any cumulative voting rights.
Vacancies on the Board of Directors	The bylaws of International Assets provide that vacancies on International Assets' board of directors and newly created directorships resulting from any increase in the authorized number of directors shall be filled by a majority of the remaining directors on the board of directors, even if such directors constitute less than a quorum. However, the bylaws of International Assets further provide that if, at the time of filling any such vacancy or newly created directorship, the directors then in office are less than a majority of the whole board of directors (as measured immediately prior to any such increase in the number of directors), then the Delaware Court of Chancery may, upon application of any one or more stockholders holding at least 10% of the total outstanding shares having rights to vote for the directors, summarily order an election by stockholders to be held to fill any such vacancies or newly created directorships.	The bylaws of FCStone provide that vacancies and newly created directorships resulting from any increase in the authorized number of directors elected by all of the stockholders having the right to vote as a single class may be filled by a majority of the directors then in office, even if less than a quorum or by the sole remaining director. FCStone's bylaws further provide that, whenever the holders of any class or classes of stock or series thereof are entitled to elect one or more directors, vacancies and newly created directorships of such class or classes or series may be filled by a majority of the directors elected by such class or classes or series thereof then in office.
Stockholder Action by Written Consent	International Assets' bylaws specify that International Assets' stockholders can take action by written consent if all the stockholders who would be entitled to vote at a meeting for such purpose execute such written consent.	FCStone's bylaws require that all actions of the holders of common stock must be taken by a vote of such holders at an annual or special meeting, and do not authorize such stockholders to take action by written consent without a meeting.

Amendment to Certificate of Incorporation	International Assets' certificate of incorporation may be amended in any manner permitted by law.	FCStone's certificate of incorporation may be amended in any manner permitted by law; provided, however, that none of the provisions of Articles V, VIII, XI or X (excluding the second sentence of Section 2 of Article X) of FCStone's certificate of incorporation may be amended, altered, changed or repealed except upon the affirmative vote at any annual or special meeting of FCStone's stockholders, of the holders of at least two thirds (2/3) or more of the Total Voting Power (as defined below) of the then outstanding shares of Voting Stock (as defined below), considered for this purpose as one class, nor can any new provisions to FCStone's certificate of incorporation be adopted or existing provisions to FCStone's certificate of incorporation be amended, altered or repealed which in either instance are in conflict or inconsistent with Articles V, VIII, XI or X except upon such two thirds (2/3) or more stockholder vote; and provided, further, that none of the provisions of Articles XIV or the second sentence of Section 2 of Article X of FCStone's certificate of incorporation may be amended, altered, changed or repealed except upon the affirmative vote at any annual or special meeting of the stockholders, of the holders of at least three-fourths (3/4) or more of the Total Voting Power of the then outstanding shares of Voting Stock, considered for this purpose as one class, nor shall new provisions to FCStone's certificate of incorporation be adopted or existing provisions to FCStone's certificate of incorporation be amended, altered or repealed which in either instance are in conflict or inconsistent with Articles XIV or the second sentence of Section 2 of Article X of FCStone's certificate of incorporation except upon such three-fourths (3/4) or more stockholder vote. The term "*Total Voting Power*" is defined for these purposes to mean the aggregate of all votes of all outstanding shares of Voting Stock; and (b) the term "*Voting Stock*" is defined to mean the shares of all classes of Capital Stock of FCStone entitled to vote on amending, altering, changing or repealing FCStone's certificate of incorporation or any provision thereof.

Amendment to Bylaws	International Assets' bylaws provide that such bylaws, may be adopted, amended or repealed by a majority of the members of International Assets' board of directors.	The board of directors of FCStone has the authority to adopt, amend or repeal FCStone's bylaws without the approval of the holders of FCStone's common stock. However, the holders of FCStone's common stock have the right to initiate, without the approval of FCStone's board of directors, proposals to adopt, amend or repeal FCStone bylaws. The approval of a majority of the votes cast at any annual or special meeting of the holders of common stock at which a quorum is present is required in order to adopt, repeal or amend the bylaws in response to such stockholder proposals.
Special Meetings of Stockholders	International Assets' bylaws provide that special meetings of International Assets' stockholders may only be called by the president, a majority of its board of directors, or holders of not less than one-fifth of its common stock outstanding.	FCStone's bylaws provide that special meetings of its stockholders may only be called by the Chairman of FCStone's board of directors, by the President of FCStone, by a majority of FCStone's board of directors.
Notice of Special Meetings	International Assets' bylaws require that notice of a special meeting of stockholders shall be given to stockholders not less than 10 days or more than 50 days before the date of the meeting.	FCStone's bylaws require that notice of a special meeting of stockholders shall be given to stockholders not less than 10 days or more than 60 days before the date of the meeting.
Proxy	International Assets' bylaws provide that every stockholder entitled to vote at a meeting of stockholders may do so in person or may authorize another person(s) to act for such stockholder by means of a proxy executed in a manner permitted by Delaware law, which proxy shall be valid for no longer than three years, unless the proxy itself provides for a longer term.	FCStone's bylaws provide that every stockholder entitled to vote at a meeting of stockholders may do so in person or may authorize another person(s) to act for such stockholder by means of a proxy executed in a manner permitted by applicable law, which proxy shall be valid for no longer than three years, unless the proxy itself provides for a longer term.
Preemptive Rights	The holders of International Assets' common stock have no preemptive rights.	The holders of FCStone's common stock have no preemptive rights.
Dividends	Subject to the limitations under the Delaware General Corporation Law and any preferential dividend rights of outstanding preferred stock, holders of International Assets' common stock are entitled to receive their pro rata share of such dividends or other distributions as may be declared by International Assets' board of directors from time to time out of funds legally available therefor.	The holders of FCStone's common stock have substantially the same rights. Subject to the limitations under the Delaware General Corporation Law and any preferential dividend rights of outstanding preferred stock, holders of FCStone's common stock are entitled to receive their pro rata share of such dividends or other distributions as may be declared by FCStone's board of directors from time to time out of funds legally available therefor.

Limitation of Personal Liability of Directors	As authorized by Delaware corporation law and as provided for in International Assets' certificate of incorporation, a director of International Assets is not personally liable to International Assets or its stockholders for monetary damages for breach of fiduciary duty as a director, except for liability: • for any breach of the director's duty of loyalty to International Assets or its stockholders; • for any act or omission not in good faith or which involved intentional misconduct or a knowing violation of law; • for unlawful payments of dividends or unlawful stock repurchases or redemptions as provided by Delaware corporation law, or • for any transaction from which the director derived an improper personal benefit.	FCStone has substantially the same limitations on the liabilities of its directors.
Indemnifica-tion of Officers and Directors	International Asset's bylaws provide that International Assets will indemnify its directors and officers to the fullest extent permitted by Delaware law, and it will advance expenses to International Assets' directors and officers in connection with a legal proceeding to the fullest extent permitted by Delaware law, subject to certain exceptions. International Assets also carries directors' and officers' liability insurance.	FCStone is obligated to indemnify FCStone's directors and officers to the fullest extent permitted by law. To this end, FCStone has entered into indemnification agreements with FCStone's directors and certain of FCStone's officers providing for procedures for indemnification by FCStone to the fullest extent permitted by law and advancement by FCStone of certain expenses and costs relating to claims, suits or proceedings arising from their services to FCStone. FCStone also carries directors' and officers' liability insurance.
Appraisal Rights	Appraisal rights are not available to International Assets stockholders with respect to the merger.	Appraisal rights are not available to FCStone stockholders with respect to the merger.
Certain Business Combination Restrictions	Section 203 of the Delaware General Corporation Law generally protects publicly traded Delaware corporations from hostile takeovers and from certain actions following such takeovers. The restrictions set forth in Section 203 of the Delaware General Corporation Law, with respect to the merger, do not apply because International Assets' board of directors has expressly approved the merger agreement.	Section 203 of the Delaware General Corporation Law generally protects publicly traded Delaware corporations from hostile takeovers and from certain actions following such takeovers. The restrictions set forth in Section 203 of the Delaware General Corporation Law, with respect to the merger with merger sub, do not apply because FCStone's board of directors has expressly approved the merger agreement.

Stockholder Approval of Chairman of the Board Position	Current Certificate of Incorporation International Assets' certificate of incorporation currently provides that the chairman of the board may only be replaced or changed with the approval of the holders of at least 75% of the outstanding shares of the common stock of International Assets. Certificate of Incorporation as Amended by Proposal 4 If Proposal 4 is approved, the requirement for stockholder approval to replace or change the chairman of the board of International Assets will be eliminated.	FCStone's bylaws provide that the board may designate the chief executive officer as chairman or elect a chairman of the board.

UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS

The following unaudited pro forma condensed combined financial statements have been derived from the historical consolidated financial statements of International Assets and FCStone. If the transaction closes on or before September 30, 2009, it will be accounted for under Statement of Financial Accounting Standards ("SFAS") No. 141, *Business Combinations* ("SFAS 141"), the accounting standard that currently applies to International Assets. The unaudited pro forma condensed consolidated financial statements shown below reflect historical financial information and have accordingly been prepared on the basis that the transaction is accounted for under SFAS 141. International Assets has been treated as the acquirer in the proposed transaction for accounting purposes. If the transaction closes after September 30, 2009, it will be accounted for under the revised standard, SFAS 141(R), to be adopted by International Assets on October 1, 2009. SFAS 141(R) prohibits early adoption. The table below highlights the important differences between SFAS 141 and SFAS 141(R).

Brief description of consolidated accounting treatment of material items arising in this transaction under each of SFAS 141 and SFAS 141(R)

Material items	SFAS 141	SFAS 141(R)
Negative goodwill (excess of FCStone's net asset value over purchase price paid by International Assets)	Applied first to write down goodwill, intangible assets and other non-current assets of FCStone, with any remaining balance treated as an extraordinary gain in International Assets' income statement.	Entire amount of negative goodwill is treated as an ordinary gain in International Assets' income statement.
FCStone's goodwill, intangible assets and other non-current assets	Negative goodwill (excess of net asset value over purchase price) is first applied to write down FCStone's goodwill, intangible assets and other non-current assets, potentially reducing all of these to zero.	All FCStone's assets and liabilities are valued upon closing of the transaction and carried at fair value on the consolidated balance sheet, with any appropriate amortization charged to the income statement in future periods.
Purchase price	Determined using the weighted-average of the closing market prices of International Assets' common stock for a period beginning two days before and ending two days after July 1, 2009	Determined using the market price of International Assets common stock on the date of closing of the transaction.
Acquisition costs incurred by International Assets	These are included in the purchase price.	These are not included in the purchase price but are expensed through the income statement.

The transactions reflected in the pro forma financial statements include (1) the exchange of all outstanding shares of FCStone common stock at the exchange ratio; and (2) the exchange of unvested and vested FCStone stock options for vested International Assets stock options with adjustments to the number of shares and strike price to reflect the exchange ratio.

The following unaudited pro forma condensed combined balance sheet at March 31, 2009 is presented on a basis to reflect the merger and related transactions as if they had occurred on March 31, 2009. Because of different fiscal period ends, the unaudited pro forma condensed combined balance sheet data at March 31, 2009, is prepared by combining the balance sheet at March 31, 2009 for International Assets and the balance sheet at

May 31, 2009 for FCStone and then making pro forma adjustments in order to reflect the potential effect of the transaction on the balance sheet. The following unaudited pro forma condensed combined income statement for the nine months ended March 31, 2009 and fiscal year ended September 30, 2008 is presented on a basis to reflect the merger and related transactions as if they had occurred on October 1, 2007. Because of different fiscal period ends, the unaudited pro forma condensed combined income statement for the nine months ended March 31, 2009 combines International Assets historical consolidated income statement for the nine months then ended with FCStone's historical consolidated statement of operations for the nine months ended May 31, 2009. International Assets historical consolidated income statement for the nine months ended March 31, 2009 is derived from the unaudited income statement for the six months ended March 31, 2009 and the historical results for the fourth quarter of the fiscal year ended September 30, 2008 in order to present results for comparable periods. See Note 1 to the pro forma financial statements for additional information. The unaudited pro forma condensed combined income statement for the fiscal year ended September 30, 2008 combines International Assets' historical consolidated income statement for the fiscal year then ended with FCStone's results of operations for the fiscal year ended August 31, 2008. Pro forma adjustments are made in order to reflect the potential effect of the transaction on the income statement.

The process of valuing FCStone's tangible and intangible assets and liabilities, as well as evaluating accounting policies for conformity, is still in the preliminary stages. Accordingly, the purchase price allocation adjustments included in the pro forma financial statements are preliminary and have been made solely for the purpose of providing these pro forma financial statements. For purposes of the pro forma financial statements, International Assets and FCStone have made preliminary allocations, where sufficient information is available to make a fair value estimate, to those tangible and intangible assets to be acquired and liabilities to be assumed based on preliminary estimates of their fair value as of March 31, 2009. For those assets and liabilities where insufficient information is available to make a reasonable estimate of fair value, the pro forma financial statements reflect the carrying value of these assets and liabilities at March 31, 2009. Any excess of the adjusted net assets of FCStone over the fair value of the consideration transferred has been reflected as an extraordinary gain from a bargain purchase (negative goodwill) and is included within retained earnings in the pro forma balance sheet at March 31, 2009. International Assets currently expects that the process of determining fair value of the tangible and intangible assets acquired and liabilities assumed will be completed within one year of closing the transaction. Material revisions to International Assets's preliminary estimates could be necessary as more information becomes available through the completion of this final determination. The actual amounts recorded following the completion of the merger may be materially different from the information presented in these pro forma financial statements due to a number of factors, including:

- timing of completion of the merger;
- changes in International Assets share price;
- changes in the net assets of FCStone;
- changes in the market conditions and financial results which may impact cash flow projections in the valuation; and
- other changes in market conditions which may impact the fair value of FCStone's net assets.

The pro forma financial statements should be read in conjunction with the pro forma notes. The pro forma financial statements and pro forma notes were based on, and should be read in conjunction with:

- International Assets historical audited consolidated financial statements for the fiscal year ended September 30, 2008 and the related notes included elsewhere in this joint proxy statement/prospectus;
- International Assets unaudited consolidated financial statements as of and for the six months ended March 31, 2009 and the related notes included elsewhere in this joint proxy statement/prospectus.
- FCStone's historical audited financial statements for the year ended August 31, 2008 and the related notes included in FCStone's Annual Report on Form 10-K/A for the fiscal year ended August 31, 2008 which is incorporated by reference into this joint proxy statement/prospectus; and

- FCStone's unaudited consolidated financial statements as of and for the nine months ended May 31, 2009 and the related notes in FCStone's Quarterly Report on Form 10-Q for the nine months ended May 31, 2009 which is incorporated by reference into this joint proxy statement/prospectus.

International Assets and FCStone's historical consolidated financial information has been adjusted in the pro forma financial statements to give effect to pro forma events that are (1) directly attributable to the merger; (2) factually supportable; and (3) with respect to the pro forma income statement, expected to have a continuing impact on the combined results. The pro forma financial statements do not reflect any revenue enhancements or any cost savings from operating efficiencies, synergies or other restructurings that could result from the merger.

The pro forma adjustments are based upon available information and assumptions that the managements of International Assets and FCStone believe reasonably reflect the merger. The unaudited pro forma financial statements are provided for illustrative purposes only and do not purport to represent what the actual consolidated results of operations or the consolidated financial position of International Assets would have been had the merger occurred on the dates assumed, nor are they necessarily indicative of future consolidated results of operations or financial position.

International Assets and FCStone Unaudited Pro Forma Condensed Combined Balance Sheet
As of March 31, 2009

(In millions, except par value and share amounts)	IAHC Historical March 31, 2009	FC Stone Historical May 31, 2009	Pro Forma Adjustment		Pro Forma Combined
ASSETS					
Cash and cash equivalents:					
Unrestricted	$ 32.8	$ 15.9	$ (6.0)	G	$ 42.7
Segregated	—	13.9			13.9
Commodity exchanges and clearing organizations — customer segregated deposits and receivables	—	831.6			831.6
Proprietary commodity accounts receivable and deposits	—	254.5			254.5
Cash and cash equivalents deposited with brokers, dealers and clearing organization	16.4	—			16.4
Receivable from brokers, dealers and clearing organization	16.3	50.4			66.7
Receivable from customers, net	37.6	21.4			59.0
Financial instruments owned, at fair value	153.6	16.3			169.9
Open contracts receivable	—	175.5			175.5
Physical commodities inventory, at cost	75.2	—			75.2
Notes receivable and advances	—	2.3			2.3
Income tax receivable	—	46.5	1.0	F,G	47.5
Investments in managed funds, at fair value	12.1	—			12.1
Deferred income taxes	1.9	20.1	6.1	A	28.1
Exchange memberships and stock	—	3.1			3.1
Property and equipment, net	3.1	7.9	(7.9)	A	3.1
Goodwill and intangible assets	11.6	7.5	(7.5)	A	11.6
Debt issuance costs, net	0.5	—			0.5
Other assets	4.4	10.2	(0.9)	A	13.7
Total assets	$ 365.5	$ 1,477.1	$ (15.2)		$ 1,827.4
LIABILITIES AND STOCKHOLDERS' EQUITY					
Liabilities:					
Commodity and customer regulated accounts payable	$ —	$ 828.6			$ 828.6
Accounts payable and accrued expenses	2.9	270.6			273.5
Open contracts payable	—	164.3			164.3
Financial instruments sold, not yet purchased, at fair value	132.5	—			132.5
Payable to lenders under loans and overdrafts	80.7	—			80.7
Payable to brokers, dealers and clearing organization	11.6	—			11.6
Payable to customers	26.6	—			26.6
Accrued compensation and benefits	6.5	—			6.5
Income taxes payable	1.2	—	(1.2)	F	—
Subordinated debt	—	41.0			41.0
Other long-term liabilities	0.5	—			0.5
	262.5	1,304.5	(1.2)		1,565.8
Convertible subordinated notes payable, net	16.7				16.7
Total liabilities	279.2	1,304.5	(1.2)		1,582.5
Commitments and contingencies					
Minority interest	7.0	6.7			13.7
Stockholders' equity:					
Preferred stock	—	—			—
Common stock	0.1	108.1	(108.0)	D,E	0.2
Common stock in treasury, at cost	(0.1)	(2.2)	2.3	C	—
Additional paid-in capital	50.0	13.0	112.4	A,D,E,G	175.4
Retained earnings	34.0	51.3	(25.0)	B,E,G	60.3
Accumulated other comprehensive loss	(4.7)	(4.3)	4.3	E	(4.7)
Total stockholders' equity	79.3	165.9	(14.0)		231.2
Total liabilities and stockholders' equity	$ 365.5	$ 1,477.1	$ (15.2)		$ 1,827.4

International Assets and FCStone Unaudited Pro Forma Condensed Combined Income Statement
For the Nine Months Ended March 31, 2009

(In millions, except share and per share amounts)	IAHC Historical Nine Months Ended March 31, 2009	FC Stone Historical Nine Months Ended May 31, 2009	Pro Forma Adjustment		Pro Forma Combined
Revenues:					
Sales of physical commodities	$ 32,833.4	$ 19.3			$ 32,852.7
Net dealer inventory and investment gains	64.0	—			64.0
Commissions and clearing fees	—	109.7			109.7
Service, consulting, brokerage and asset management fees	3.2	43.3			46.5
Interest	—	21.8			21.8
Other	9.1	5.6			14.7
Total revenues	32,909.7	199.7	—		33,109.4
Cost of sales of physical commodities	32,831.3	19.1			32,850.4
Operating revenues	78.4	180.6	—		259.0
Interest expense	7.5	3.4			10.9
Net revenues	70.9	177.2	—		248.1
Non-interest expenses:					
Compensation and benefits	32.7	47.3			80.0
Clearing and related expenses	13.9	65.3			79.2
Introducing broker commissions	—	16.9			16.9
Depreciation and amortization	0.8	2.2	(2.2)	H	0.8
Bad debts and impairments	3.6	120.1			123.7
Other	6.9	29.3	(0.2)	H	36.0
Total non-interest expenses	57.9	281.1	(2.4)		336.6
Income (loss) before income tax and minority interest	13.0	(103.9)	2.4		(88.5)
Income tax expense (benefit)	4.2	(42.1)	0.9	H	(37.0)
Income (loss) before minority interest	8.8	(61.8)	1.5		(51.5)
Minority interest in income (loss) of consolidated entities	(0.6)	(0.6)			(1.2)
Income (loss) from continuing operations	$ 9.4	$ (61.2)	$ 1.5		$ (50.3)
Basic earnings (loss) per share:					
Income (loss) from continuing operations	$ 1.06	$ (2.19)			$ (2.94)
Diluted earnings (loss) per share:					
Income (loss) from continuing operations	$ 0.94	$ (2.19)			$ (2.94)
Weighted average number of common shares outstanding:					
Basic	8,864,298	27,922,000	(19,685,010)		17,101,288
Diluted	9,972,697	27,922,000	(20,793,409)		17,101,288

International Assets and FCStone Unaudited Pro Forma Condensed Combined Income Statement
For the Fiscal Year Ended September 30, 2008

(In millions, except share and per share amounts)	IAHC Historical Fiscal Year Ended September 30, 2008	FCStone Historical Fiscal Year Ended August 31, 2008	Pro Forma Adjustment		Pro Forma Combined
Revenues:					
Sales of physical commodities	$ 18,255.2	$ 2.0			$ 18,257.2
Net dealer inventory and investment gains	80.6	—			80.6
Commissions and clearing fees	—	179.2			179.2
Service, consulting, brokerage and asset management fees	13.4	97.7			111.1
Interest	—	48.3			48.3
Other	9.7	10.3			20.0
Total revenues	18,358.9	337.5	—		18,696.4
Cost of sales of physical commodities	18,231.5	1.1			18,232.6
Operating revenues	127.4	336.4	—		463.8
Interest expense	11.2	5.7			16.9
Net revenues	116.2	330.7	—		446.9
Non-interest expenses:					
Compensation and benefits	40.0	79.7			119.7
Clearing and related expenses	15.5	104.0			119.5
Introducing broker commissions	—	33.3			33.3
Depreciation and amortization	1.0	2.0	(2.0)	H	1.0
Bad debts and impairments		2.0			2.0
Other	12.1	31.6	(0.1)	H	43.6
Total non-interest expenses	68.6	252.6	(2.1)		319.1
Income before income tax and minority interest	47.6	78.1	2.1		127.8
Income tax expense	18.0	30.9	0.8	H	49.7
Income before minority interest	29.6	47.2	1.3		78.1
Minority interest in income (loss) of consolidated entities	0.4	(0.2)			0.2
Income from continuing operations	$ 29.2	$ 47.4	$ 1.3		$ 77.9
Basic earnings per share:					
Income from continuing operations	$ 3.47	$ 1.71			$ 4.69
Diluted earnings per share:					
Income from continuing operations	$ 3.09	$ 1.64			$ 4.23
Weighted average number of common shares outstanding:					
Basic	8,434,976	27,749,000	(19,563,045)		16,620,931
Diluted	9,901,766	28,934,000	(20,398,470)		18,437,296

Notes to Unaudited Pro Forma Condensed Combined Financial Statements

Note 1 — Conforming Interim Periods

International Assets' second quarter results for the interim period covered the six months ended on March 31, 2009 while FCStone's third quarter results for the interim period covered the nine months ended on May 31, 2009. In order for the pro forma results to be comparative with FCStone's unaudited interim nine month results, International Assets historical financial information for the income statement covering the nine months ended March 31, 2009 has been derived by adding the unaudited results for the six months ended March 31, 2009 to the audited results for the fiscal year ended September 30, 2008 and deducting the unaudited results for the nine months ended June 30, 2008, as follows:

(In millions, except share and per share amounts)	IAHC Historical Six Months Ended March 31, 2009 A	IAHC Historical Fiscal Year Ended September 30, 2008 B	IAHC Historical Nine Months Ended June 30, 2008 C	IAHC Historical Nine Months Ended March 31, 2009 D = A + B - C
Revenues:				
Sales of physical commodities	$ 25,924.0	$ 18,255.2	$ 11,345.8	$ 32,833.4
Net dealer inventory and investment gains	35.4	80.6	52.0	64.0
Commissions and clearing fees	—		—	—
Service, consulting, brokerage and asset management fees	2.7	13.4	12.9	3.2
Interest	—	—	—	—
Other	5.8	9.7	6.4	9.1
Total revenues	25,967.9	18,358.9	11,417.1	32,909.7
Cost of sales of physical commodities	25,911.2	18,231.5	11,311.4	32,831.3
Operating revenues	56.7	127.4	105.7	78.4
Interest expense	4.6	11.2	8.3	7.5
Net revenues	52.1	116.2	97.4	70.9
Non-interest expenses:				
Compensation and benefits	24.0	40.0	31.3	32.7
Clearing and related expenses	9.9	15.5	11.5	13.9
Introducing broker commissions	—	—	—	—
Depreciation and amortization	0.5	1.0	0.7	0.8
Bad debts and impairments	2.4	2.4	1.2	3.6
Other	4.2	9.7	7.0	6.9
Total non-interest expenses	41.0	68.6	51.7	57.9
Income before income tax and minority interest	11.1	47.6	45.7	13.0
Income tax expense	3.3	18.0	17.1	4.2
Income before minority interest	7.8	29.6	28.6	8.8
Minority interest in income (loss) of consolidated entities	0.5	0.4	1.5	(0.6)
Income from continuing operations	$ 7.3	$ 29.2	$ 27.1	$ 9.4
Basic earnings per share:				
Income from continuing operations				$ 1.06
Diluted earnings per share:				
Income from continuing operations				$ 0.94
Weighted average number of common shares outstanding:				
Basic				8,864,298
Diluted				9,972,697

Note 2 — Preliminary Purchase Price

International Assets is subject to the terms and conditions of the merger agreement unanimously approved by the boards of directors of both International Assets and FCStone. Pursuant to the terms and conditions of the merger agreement, International Assets will acquire all of the outstanding shares of FCStone common stock at the fixed exchange ratio of 0.295 shares of International Assets common stock for each share of FCStone common stock. In addition, each outstanding vested and unvested FCStone stock option granted under FCStone's stock option plan will be converted into a vested option to purchase shares of International Assets common stock, with adjustments to the number of shares and the strike price to reflect the exchange ratio. For purposes of the pro forma financial statements, the purchase price was computed using FCStone's publicly available information and reflects the market value of International Assets common stock to be issued in connection with the merger based on a price of $14.80 per share, which is the weighted-average of the closing market prices of International Assets' common stock for a period beginning two days before and ending two days after July 1, 2009. International Assets expects to issue approximately 8.2 million common shares in the proposed combination based on the number of shares of FCStone common stock outstanding as of July 1, 2009. The purchase price is estimated to be $123.4 million, which includes

- the issuance of International Assets common stock
- the conversion of vested and unvested FCStone stock options into options to purchase International Assets common stock
- International Assets acquisition costs of approximately $1.5 million which, under SFAS 141, are required to be added to the purchase price

The purchase price as of March 31, 2009 is calculated as follows:

(amounts in millions, except share and per share amounts)	March 31, 2009
FCStone outstanding shares as of July 1, 2009	27,930,188
Exchange ratio	0.295
Number of shares of International Assets common stock to be issued	8,239,405
Weighted average price per share of International Assets common stock, for the period covering two days immediately before and after July 1, 2009	$ 14.80
Consideration attributable to issuance of International Assets common stock	$ 121.9
International Assets acquisition costs	1.5
Total purchase price	$ 123.4

The following is a preliminary estimate of the assets to be acquired and the liabilities to be assumed by International Assets in the merger, reconciled to the estimate of consideration expected to be transferred.

(amounts in millions)	March 31, 2009
Book value of net assets acquired at March 31, 2009	$ 165.9
Adjusted for:	
FCStone write-down of non-current assets, net of deferred taxes	(10.2)
Adjusted book value of net assets acquired	155.7
Adjusted for:	
FCStone transaction costs	(4.5)
International Assets transaction costs	(1.5)
Excess net assets over purchase price (negative goodwill)	(26.3)
Total purchase price	$ 123.4

For the purposes of the pro forma financial statements, International Assets has made a preliminary estimate of the fair value for certain of FCStone's assets and liabilities. After closing of the transaction, International Assets will undertake a valuation to determine the fair value of the FCStone assets to be acquired and liabilities to be assumed and the related allocations of purchase price. The valuations produced by this exercise may differ materially from the values shown in the pro forma financial statements. Actual transaction costs may differ materially from those shown in the pro forma financial statements.

The merger is reflected in the pro forma balance sheet as follows:

A. the writing down of $7.9 million in property and equipment, $7.5 million in intangible assets, and $0.9 million in equipment related to research and development activities, net of estimated deferred taxes of $6.1 million, set up for this item in accordance with the guidance of SFAS 109, *Accounting for Income Taxes*;

B. the excess of the book value of the assets acquired and liabilities assumed over the purchase price of $27.8 million is reflected as an increase in retained earnings as an extraordinary gain (negative goodwill);

C. the cancellation of all outstanding shares of treasury stock;

D. the issuance of 8,239,405 shares of International Assets common stock, which increases stockholders' equity by $121.9 million; and

E. the acquisition and cancellation of FCStone's common stock and elimination of FCStone's stockholders' equity, which reduces stockholders' equity by $165.9 million; and

F. the reclassification of taxes payable of $1.2 million to tax receivable; and

G. the recognition of $1.5 million in International Assets transaction costs and $4.5 million in FCStone transaction costs, net of the related tax benefit of $2.2 million.

The merger is reflected in the pro forma income statement as follows:

H. The elimination of depreciation and amortization expense for FCStone totaling $2.4 million and $2.1 million for the nine months ended May 31, 2009 and fiscal year ended August 31, 2008, respectively, due to the write down of FCStone's non-current property and equipment, equipment related to research and development activities, and intangible assets. These amounts result in adjustments to income taxes of $0.9 million and $0.8 million for the nine months ended May 31, 2009 and fiscal year ended August 31, 2008, respectively.

Note 3 — International Assets Transaction Costs

International Assets estimates that its expenses for this transaction will be approximately $1.5 million, of which $1.0 million is contingent upon the successful closing of this transaction. These costs include fees for investment banking services, legal, accounting, due diligence, tax, valuation, printing and other various services necessary to complete the transaction. In accordance with SFAS 141, these costs are capitalized and included in the purchase price for the purpose of calculating the value of negative goodwill.

The merger agreement also provides for certain termination rights that may result in either International Assets or FCStone paying a termination fee. The pro forma financial statements have been prepared under the assumption that the merger will be completed and reflects only an estimate of those costs to be incurred by each company in connection with the merger. The pro forma financial statements do not reflect any potential termination fees.

Note 4 – Pro Forma Earnings (Loss) Per Share

The pro forma combined earnings (loss) and diluted earnings per share for the respective periods presented are based on the combined weighted average number of common and diluted potential common shares of International Assets and FCStone for all periods presented. The number of weighted average common shares, including all diluted potential common shares, reflects the exchange of 0.295 shares of International Assets common stock for each share of FCStone common stock. Amounts used in the determination of the pro forma basic and diluted earnings per share are as follows:

(In millions, except share and per share numbers)	As of and for the Nine Months Ended March 31, 2009	As of and for the Fiscal Year Ended September 30, 2008
Pro forma (loss) income from continuing operations	$ (50.3)	$ 77.9
Earnings (loss) per common share:		
Weighted average basic shares outstanding	17,101,288	16,620,931
Per share	$ (2.94)	$ 4.69
Diluted earnings (loss) per common share:		
Weighted average diluted shares outstanding	17,101,288	18,437,296
Per share	$ (2.94)	$ 4.23

At March 31, 2009, options to purchase 992,972 shares of International Assets common stock were outstanding but not included in the calculation of diluted earnings per common share as the pro forma results indicated a loss per share. At September 30, 2008, options to purchase 121,341 shares of International Assets common stock were outstanding but not included in the calculation of diluted earnings per common share as the exercise price was higher than the market price (antidilutive).

Note 5 — Stock Options

Pursuant to the terms and conditions of the merger agreement, upon the completion of the merger, vested and unvested FCStone stock options will be converted into vested options to purchase shares of International Assets common stock with the same terms and conditions as the applicable FCStone stock options after taking into account the exchange ratio. As of July 1, 2009, FCStone had outstanding stock options for the purchase of approximately 2.3 million shares of FCStone common stock. In accordance with the merger agreement, 0.2950 stock options will be issued for each stock option assumed and the strike prices will be adjusted accordingly.

LEGAL MATTERS

Shutts & Bowen LLP, Miami, Florida, will pass upon the validity of the International Assets common stock offered by this joint proxy statement/prospectus. The material U.S. federal income tax consequences of the merger will be passed upon for International Assets by Shutts & Bowen LLP and for FCStone by Stinson Morrison Hecker LLP.

EXPERTS

The consolidated financial statements of International Assets as of September 30, 2008 and 2007 and for each of the three years ended September 30, 2008, included in this joint proxy statement/prospectus and registration statement, and the effectiveness of International Assets' internal control over financial reporting as of September 30, 2008 have been audited by Rothstein Kass & Company, P.C., independent registered public accounting firm, as set forth in their reports appearing elsewhere herein. Such consolidated financial statements are included herein in reliance on such report given upon the authority of such firm as experts in accounting and auditing.

The consolidated financial statements and schedules of FCStone as of August 31, 2008 and 2007 and for each of the years in the three-year period ended August 31, 2008, and management's assessment of the effectiveness of internal control over financial reporting as of August 31, 2008, have been incorporated by reference herein and in the registration statement in reliance upon the reports of KPMG LLP, an independent registered public accounting firm, incorporated by reference herein, and upon the authority of said firm as experts in accounting and auditing.

HOUSEHOLDING OF JOINT PROXY STATEMENT/PROSPECTUS

As permitted by the Securities Exchange Act, only one copy of this joint proxy statement/prospectus is being delivered to stockholders residing at the same address, unless stockholders have notified the company whose shares they hold of their desire to receive multiple copies of the joint proxy statement/prospectus. This is known as householding.

Each of International Assets and FCStone will promptly deliver, upon oral or written request, a separate copy of this joint proxy statement/prospectus to any stockholder residing at an address to which only one copy was mailed. Requests for additional copies should be directed to: International Assets Holding Corporation, 220 E. Central Parkway, Suite 2060 Altamonte Springs, Florida, 32701, Attn: Investor Relations, (888) 345-4685 ext. 335, or to FCStone Group, Inc., Attn: Investor Relations, 1251 NW Briarcliff Parkway, Suite 800, Kansas City, Missouri 64116, (800) 255-6381.

WHERE YOU CAN FIND MORE INFORMATION

International Assets and FCStone each file annual, quarterly and current reports, proxy statements and other information with the SEC. You may read and copy any materials that the companies file at the SEC's Public Reference Rooms at 100 F Street, NE Washington, DC 20549, on official business days during the hours of 10:00 am to 3:00 pm. Please call the SEC at 1-800-SEC-0330 for further information on the Public Reference Room. International Assets' and FCStone's public filings are also available to the public from commercial document retrieval services and at the Internet web site maintained by the SEC at http://www.sec.gov.

You may obtain a free copy of International Assets annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to those reports on the day of filing with the SEC on

the Internet at http://www.intlassets.com or by contacting the Investor Relations Department at International Assets' corporate office by calling 1-888-345-4685 ext. 345 or making a request in writing to International Assets Holding Corp., 220 E. Central Parkway, Suite 2060 Altamonte Springs, Florida, 32701, Attn: Investor Relations.

You may obtain a free copy of FCStone annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to those reports on the day of filing with the SEC on the Internet at http://www.fcstone.com or by contacting the Investor Relations Department at FCStone's corporate office by calling (800) 255-6381 or making a request in writing to FCStone Group Inc., Attn: Investor Relations, 1251 NW Briarcliff Parkway, Suite 800, Kansas City, Missouri 64116.

International Assets has filed a Form S-4 registration statement to register with the SEC the offering and sale of the shares of International Assets common stock to be issued in the merger contemplated by the merger agreement. This joint proxy statement/prospectus is a part of that registration statement and constitutes a prospectus and proxy statement of International Assets and a proxy statement of FCStone for the special meeting.

The SEC allows FCStone to "incorporate by reference" business and financial information that is not included in or delivered with this document, which means that FCStone can disclose important information to you by referring to another document filed separately with the SEC. The information incorporated by reference is deemed to be part of this document, except for any information superseded by information in this document or incorporated by reference subsequent to the date of this document.

This joint proxy statement/prospectus incorporates by reference the documents listed below that FCStone has previously filed with the SEC:

- Annual Report on Form 10-K/A for the fiscal year ending August 31, 2008;
- Quarterly Reports on Forms 10-Q for the quarters ending November 30, 2008, February 28, 2009, and May 31, 2009;
- Current Reports on Forms 8-K filed with the SEC on November 12, 2008, January 16, 2009, March 19, 2009, March 24, 2009, June 29, 2009 and July 2, 2009; and
- A description of the Common Stock, par value $0.0001 per share, of FCStone is contained under the caption "Description of Common Stock" in the Prospectus that constitutes part of FCStone's Registration Statement on Form S-1 (File No. 333-137967) initially filed with the SEC on October 12, 2006, as amended from time to time and is incorporated by reference into FCStone's Registration Statement on Form 8-A12B filed with the SEC on March 14, 2007.

In addition, FCStone incorporates by reference additional documents that it may subsequently file with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended, between the date of this joint proxy statement/prospectus and the date the date of the stockholders meeting (other than information furnished and not filed with the SEC). These documents include periodic reports, such as annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K.

To the extent that any information contained in any current report on Form 8-K, or any exhibit thereto, was furnished, rather than filed with, the SEC, such information or exhibit is specifically not incorporated by reference in this document.

International Assets and FCStone also incorporate by reference the following additional documents:

- the Agreement and Plan of Merger and Reorganization attached to this joint proxy statement/prospectus as Annex A;
- the Stock Option Agreement between International Assets and FCStone stockholders attached to this joint proxy statement/prospectus as Annex B;

- the Support Agreement between FCStone and certain International Assets stockholders attached to this joint proxy statement/prospectus as Annex C;
- the Opinion of Houlihan Lokey Howard & Zukin Financial Advisors, Inc. attached to this joint proxy statement/prospectus as Annex D;
- the Opinion of BMO Capital Markets, Inc. attached to this joint proxy statement/prospectus as Annex E;
- Form of Certificate of Amendment to the Certificate of Incorporation of International Assets to Increase the Authorized Shares of International Assets Common Stock as Annex F; and
- Form of Certificate of Amendment to the Certificate of Incorporation of International Assets to Establish Classified Board as Annex G.

International Assets has supplied all information contained in this joint proxy statement/prospectus relating to International Assets or merger sub, and FCStone has supplied all information relating to FCStone.

You should rely only on the information contained in this joint proxy statement/prospectus to vote your shares at the special meeting. We have not authorized anyone to provide you with information that differs from that contained in this joint proxy statement/prospectus. This joint proxy statement/prospectus is dated , 2009. You should not assume that the information contained in this joint proxy statement/prospectus is accurate as of any date other than that date, and neither the mailing of this joint proxy statement/prospectus to stockholders nor the issuance of shares of International Assets common stock in the merger shall create any implication to the contrary.

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OF INTERNATIONAL ASSETS HOLDING CORPORATION

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Board of Directors and Stockholders of
International Assets Holding Corporation

We have audited the accompanying consolidated balance sheets of International Assets Holding Corporation and Subsidiaries (the "International Assets") as of September 30, 2008 and 2007, and the related consolidated income statements, consolidated statements of stockholders' equity and consolidated cash flow statements for each of the years in the three-year period ended September 30, 2008. We have also audited International Assets' internal control over financial reporting as of September 30, 2008, based on criteria established in Internal Control — Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). International Assets' management is responsible for these financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on these consolidated financial statements and an opinion on International Assets' internal control over financial reporting based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audit of the consolidated financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. Our audit over internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of International Assets as of September 30, 2008 and 2007, and the results of its operations and its cash flows for each of the years in the three-year period ended September 30, 2008 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, International Assets maintained, in all material respects, effective internal control over financial reporting as of September 30, 2008, based on criteria established in Internal Control — Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

/s/ Rothstein, Kass & Company, P.C.
Rothstein, Kass & Company, P.C.
Roseland, New Jersey
December 8, 2008

INTERNATIONAL ASSETS HOLDING CORPORATION

Consolidated Balance Sheet
(In millions, except par value and share amounts)

September 30,	2008	2007
ASSETS		
Cash	$ 48.2	$ 36.0
Cash and cash equivalents deposited with brokers, dealers and clearing organization	14.6	17.7
Receivable from brokers, dealers and clearing organization	20.2	31.5
Receivable from customers, net	49.2	40.4
Financial instruments owned, at fair value	218.0	147.0
Physical commodities inventory, at cost	57.4	39.4
Trust certificates, at fair value	—	11.2
Prepaid income taxes	—	1.1
Investment in managed funds, at fair value	11.9	16.3
Deferred income taxes	—	5.6
Property and equipment, net	2.5	2.4
Intangible assets, net	0.6	0.8
Goodwill	8.8	7.3
Debt issuance costs, net	0.6	1.2
Other assets	6.0	3.3
Total assets	$438.0	$361.2
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities:		
Accounts payable and accrued expenses	$ 4.3	$ 5.2
Financial instruments sold, not yet purchased, at fair value	151.5	163.8
Payable to lenders under loans and overdrafts	119.8	85.1
Payable to brokers, dealers and clearing organization	25.0	14.5
Payable to customers	26.3	18.3
Accrued compensation and benefits	8.0	7.2
Income taxes payable	1.0	3.0
Deferred income taxes	2.0	—
Other long-term liabilities	0.4	0.5
	338.3	297.6
Convertible subordinated notes payable, net	16.8	24.9
Total liabilities	355.1	322.5
Commitments and contingencies (see Note 16)		
Minority owners' interest in consolidated entities	8.1	3.1
Stockholders' equity:		
Preferred stock, $.01 par value. Authorized 1,000,000 shares; no shares issued or outstanding	—	—
Common stock, $.01 par value. Authorized 17,000,000 shares; issued and outstanding 8,928,711 shares at September 30, 2008 and 8,253,508 shares at September 30, 2007	0.1	0.1
Additional paid-in capital	48.9	36.6
Retained earnings (accumulated deficit)	26.7	(1.1)
Accumulated other comprehensive income (loss)	(0.9)	—
Total stockholders' equity	74.8	35.6
Total liabilities and stockholders' equity	$438.0	$361.2

See accompanying notes.

INTERNATIONAL ASSETS HOLDING CORPORATION

Consolidated Income Statements
(In millions, except share and per share amounts)

Year Ended September 30,	2008	2007	2006
Revenues:			
Sales of physical commodities	$ 18,255.2	$ 4,429.3	$ 442.9
Net dealer inventory and investment gains	80.6	18.1	31.2
Asset management fees	13.4	7.8	0.8
Other	9.7	5.1	1.6
Total revenues	18,358.9	4,460.3	476.5
Cost of sales of physical commodities	18,231.5	4,406.7	440.6
Operating revenues	127.4	53.6	35.9
Interest expense	11.2	9.4	2.1
Net revenues	116.2	44.2	33.8
Non-interest expenses:			
Compensation and benefits	40.0	30.4	16.7
Clearing and related expenses	15.5	11.8	7.7
Occupancy and equipment rental	1.5	1.1	0.6
Professional fees	2.3	1.9	0.8
Depreciation and amortization	1.0	0.8	0.4
Business development	2.8	1.7	1.1
Insurance	0.4	0.3	0.2
Other	5.1	1.9	1.0
Total non-interest expenses	68.6	49.9	28.5
Income (loss) before income tax and minority interest	47.6	(5.7)	5.3
Income tax expense (benefit)	18.0	(2.0)	1.7
Income (loss) before minority interest	29.6	(3.7)	3.6
Minority interest in income of consolidated entities	0.4	0.6	0.1
Income (loss) from continuing operations	29.2	(4.3)	3.5
Loss from discontinued operations, net of taxes	1.4	0.2	—
Net income (loss)	$ 27.8	$ (4.5)	$ 3.5
Basic earnings (loss) per share:			
Continuing operations	$ 3.47	$ (0.54)	$ 0.45
Discontinued operations	$ (0.17)	$ (0.02)	$ —
Net basic earnings (loss) per share	$ 3.30	$ (0.56)	$ 0.45
Diluted earnings (loss) per share			
Continuing operations	$ 3.09	$ (0.54)	$ 0.41
Discontinued operations	$ (0.14)	$ (0.02)	$ —
Net diluted earnings (loss) per share	$ 2.95	$ (0.56)	$ 0.41
Weighted average number of common shares outstanding:			
Basic	8,434,976	8,086,837	7,636,808
Diluted	9,901,766	8,086,837	8,387,761

See accompanying notes.

INTERNATIONAL ASSETS HOLDING CORPORATION

Consolidated Cash Flow Statements
(In millions)

Year Ended September 30,	2008	2007	2006
Cash flows from operating activities:			
Net income (loss)	$ 27.8	$ (4.5)	$ 3.5
Adjustments to reconcile net income (loss) to net cash used in operating activities:			
Depreciation and amortization	1.2	0.8	0.4
Income tax benefit on stock awards exercised	—	—	0.4
Deferred income taxes	7.8	(6.3)	1.6
Amortization of debt issuance costs and debt discount	0.3	0.4	—
Convertible debt interest settled in Company stock upon partial conversion	0.1	—	—
Minority interest	0.4	0.6	0.1
Amortization of stock-based compensation expense	1.5	0.8	—
Unrealized investment loss (gain) from INTL Consilium managed funds	3.5	(1.5)	(0.2)
Changes in operating assets and liabilities:			
Receivable from brokers, dealers and clearing organization	11.2	(23.1)	(4.5)
Receivable from customers	(19.5)	(13.6)	0.2
Financial instruments owned, at fair value	(26.2)	(58.1)	(13.2)
Physical commodities inventory, at cost	(17.8)	(24.1)	(15.3)
Prepaid income taxes	1.1	2.1	(2.8)
Other assets	(2.3)	(1.8)	0.2
Accounts payable and accrued expenses	(2.0)	3.3	0.8
Financial instruments sold, not yet purchased, at fair value	(32.9)	55.6	18.8
Payable to brokers, dealers and clearing organization	10.5	4.6	5.5
Payable to customers	8.0	10.7	(0.4)
Accrued compensation and benefits	0.7	3.0	2.1
Income taxes payable	(2.0)	1.5	(0.7)
Other liabilities	—	(0.2)	(0.5)
Net cash used in operating activities	(28.6)	(49.8)	(4.0)
Cash flows from investing activities:			
Capital contribution of consolidated joint venture partner	—	2.0	—
Capital distribution of consolidated joint venture partner	(2.8)	(0.7)	0.3
Cash from consolidation of ICCAF	16.4	—	0.4
Cash acquired with acquisition of Gainvest	—	2.2	—
Payments related to acquisition of Gainvest	(1.4)	(2.8)	—
Payments related to acquisition of INTL Global Currencies	—	(0.8)	(1.8)
Investment in managed funds	(10.0)	(13.5)	(1.0)
Investment withdrawals from managed funds	—	—	3.4
Purchase of property and equipment	(1.1)	(1.2)	(0.6)
Net cash provided by (used in) investing activities	1.1	(14.8)	0.7
Cash flows from financing activities:			
Issuance of convertible subordinated notes payable, net	—	—	25.4
Payable to lenders under loans and overdrafts	34.7	78.5	(6.3)
Exercise of stock options	1.4	1.1	2.0
Income tax benefit on stock awards exercised	1.3	0.7	—
Net cash provided by financing activities	37.4	80.3	21.1
Effect of exchange rates on cash and cash equivalents	(0.8)	—	—
Net increase in cash and cash equivalents	9.1	15.7	17.8
Cash and cash equivalents at beginning of period	53.7	38.0	20.2
Cash and cash equivalents at end of period	$ 62.8	$ 53.7	$ 38.0
Supplemental disclosure of cash flow information:			
Cash paid for interest	$ 10.2	$ 8.3	$ 2.0
Income taxes paid	$ 9.4	$ 1.7	$ 3.2
Supplemental disclosure of non-cash investing and financing activities:			
Conversion of subordinated notes to common stock, net	$ 8.1	$ 1.9	$ —
Release of trust certificates	$ 11.2	$ 2.9	$ 1.4
Estimated beginning fair value of assets and (liabilities) received on consolidation:			
Assets acquired	$ 50.9	$ 8.8	$ 1.2
Liabilities assumed	(43.7)	(6.0)	(0.1)
Minority owners interest	(7.2)	—	(0.3)
Total net assets acquired	$ —	$ 2.8	$ 0.8
Identified intangible assets on acquisitions	$ —	$ 0.9	$ —
Additional goodwill on acquisitions	$ —	$ 1.0	$ 0.3
Issuance of common stock related to acquisitions	$ —	$ 1.7	$ —

See accompanying notes.

INTERNATIONAL ASSETS HOLDING CORPORATION

Consolidated Statements of Stockholder's Equity
(In millions)

	Common Stock	Additional Paid-in Capital	Retained Earnings (Accumulated Deficit)	Accumulated Other Comprehensive Loss	Total
Balance as of October 1, 2005	$ 0.1	$ 28.1	$ (0.1)	$ —	$28.1
Components of comprehensive income:					
Net income			3.5		3.5
Total comprehensive income					$ 3.5
Exercise of stock options	—	2.0			2.0
Stock-based compensation		0.3			0.3
Balance as of September 30, 2006	$ 0.1	$ 30.4	$ 3.4	$ —	$33.9
Components of comprehensive loss:					
Net loss			(4.5)		(4.5)
Total comprehensive loss					$ (4.5)
Exercise of stock options	—	1.1			1.1
Stock-based compensation		1.5			1.5
Debt conversion	—	1.9			1.9
Issuance of shares for acquisition	—	1.7			1.7
Balance as of September 30, 2007	$ 0.1	$ 36.6	$ (1.1)	$ —	$35.6
Components of comprehensive income:					
Net income			27.8		27.8
Change in unrealized gain (loss) on derivative instruments				(0.8)	(0.8)
Change in foreign currency translation				(0.1)	(0.1)
Total comprehensive income					$26.9
Exercise of stock options	—	2.6			2.6
Stock-based compensation		1.6			1.6
Debt conversion	—	8.1			8.1
Balance as of September 30, 2008	$ 0.1	$ 48.9	$ 26.7	$ (0.9)	$74.8

See accompanying notes.

INTERNATIONAL ASSETS HOLDING CORPORATION

Notes to Consolidated Financial Statements

Note 1 — Accounting Policies

Accounting Principles

The consolidated financial statements and accompanying notes are prepared in accordance with accounting principles generally accepted in the United States of America.

Principles of Consolidation

The consolidated financial statements include the accounts of International Assets Holding Corporation and its subsidiaries. Intercompany transactions and balances have been eliminated. Equity investments in which International Assets exercises control or variable interest entities in which International Assets is the primary beneficiary have been consolidated. Unless otherwise stated herein, all references to 2008, 2007 and 2006 refer to International Assets' fiscal years ended September 30.

Estimates and Assumptions

Preparing financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, and expenses. The most significant of these estimates and assumptions relate to fair value measurements for financial instruments and investments and the provision for potential losses from bad debts. Provisions for estimated bad debts are recorded on a specific identification basis. Although these and other estimates and assumptions are based on the best available information, actual results may differ materially from management's estimates and assumptions.

Foreign Currencies

Assets and liabilities recorded in foreign currencies are translated at the exchange rate on the balance sheet date. Revenue and expenses are translated at average rates of exchange prevailing during the year. Translation adjustments resulting from this process are charged or credited to Other Comprehensive Income ("OCI").

Revenue Recognition

Sales of physical commodities revenue are recognized when persuasive evidence of an arrangement exists, delivery has occurred, the fee is fixed or determinable, and collectibility is probable. International Assets reports its physical commodities revenues on a gross basis, with the corresponding cost of sales shown separately, in accordance with the guidelines provided in Emerging Issues Task Force ('EITF') Issue No. 99-19.

Net dealer inventory and investment gains are recognized on a trade-date basis and include changes in unrealized gains or losses on investments at market value.

Asset management fees are recognized as they are earned based on estimates of fees due at each period-end date. These include estimated performance fees based on the amount that would be due under the formula for exceeding performance targets as of the period-end date. Estimated performance fees may be at risk due to future performance contingencies until such time as they are fixed.

Revenue generally is recognized net of any taxes collected from customers and subsequently remitted to governmental authorities.

Cost of Revenue

Cost of sales of physical commodities include finished commodity or raw material and processing costs along with operating costs relating to the receipt, storage and delivery of the physical commodities.

INTERNATIONAL ASSETS HOLDING CORPORATION

Notes to Consolidated Financial Statements

Stock-Based Compensation

On October 1, 2006 International Assets adopted SFAS No. 123(R), *Share-Based Payment*, using the modified prospective method. Under the fair value recognition provisions of this statement, share-based compensation cost is measured at the grant date based on the fair value of the award and is recognized as expense over the applicable vesting period of the stock award using the straight-line method.

For option awards granted subsequent to the adoption of SFAS No. 123(R), compensation cost is recognized on a straight-line basis over the vesting period for the entire award. This is consistent with the method used prior to the adoption of SFAS No. 123(R) in the calculation of pro-forma compensation expense. The expense of unvested option awards granted prior to the adoption of SFAS No. 123(R) will continue to be recognized on a straight-line basis, over the balance of the vesting period.

If International Assets had determined compensation expense for International Assets' options based on the grant-date fair values in accordance with SFAS No. 123 in fiscal year 2006 International Assets' net income and earnings per share amounts would have been as follows:

Year Ended September 30, (In millions, except per share amounts)	2006
Net income, as reported	$ 3.5
Pro forma option compensation expense	(0.5)
Pro forma net income	$ 3.0
Basic earnings per share, as reported	$0.45
Basic earnings per share, pro forma	$0.38
Diluted earnings per share, as reported	$0.41
Diluted earnings per share, pro forma	$0.35

Income Taxes

Income tax expense includes U.S. and foreign income taxes. Certain items of income and expense are not reported in tax returns and financial statements in the same year. The tax effect of such temporary differences is reported as deferred income taxes.

Financial Instruments

Cash and cash equivalents consist of cash and cash deposits with brokers, dealers and International Assets' clearing organization. International Assets considers all highly liquid debt instruments with a maturity of three months or less at the date of purchase to be cash equivalents. All cash and cash equivalents deposited with brokers, dealers and clearing organization support International Assets' trading activities, and are subject to contractual restrictions. Cash deposits with clearing organization consist of cash, foreign currency and money market funds stated at cost. The fair value of these investments approximates their carrying value. Cash in the consolidated VIE, INTL Consilium Convertible Arbitrage Fund, is not available for International Assets' operations. The amount of this cash is disclosed in Note 3.

Financial instruments owned, at fair value and financial instruments sold, not yet purchased, at fair value consist of financial instruments carried at fair value or amounts that approximate fair value, with related unrealized changes in gains or losses recognized in International Assets' results of operations. The fair value of a financial instrument is the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

INTERNATIONAL ASSETS HOLDING CORPORATION

Notes to Consolidated Financial Statements

Investment in managed funds, at fair value represents investments in funds managed by International Assets' fund managers. The investments are valued at period-end at the net asset value provided by the fund's administrator.

We utilize derivative instruments to manage exposures to foreign currency, commodity price and interest rate risks for International Assets and its customers. International Assets' objectives for holding derivatives include reducing, eliminating, and efficiently managing the economic impact of these exposures as effectively as possible. Derivative instruments are recognized as either assets or liabilities and are measured at fair value. The accounting for changes in the fair value of a derivative depends on the intended use of the derivative and the resulting designation. For a derivative instrument designated as a cash-flow hedge, the effective portion of the derivative's gain or loss is initially reported as a component of OCI and is subsequently recognized in earnings when the hedged exposure affects earnings. The ineffective portion of the gain or loss is recognized in earnings. Gains and losses from changes in fair values of derivatives that are not designated as hedges for accounting purposes are recognized in earnings.

International Assets' derivative contracts consist of exchange-traded and over-the-counter ('OTC') derivatives. Fair values of exchange-traded derivatives are generally determined from quoted market prices. OTC derivatives are valued using valuation models. The valuation models used to derive the fair values of OTC derivatives require inputs including contractual terms, market prices, yield curves and measurements of volatility. International Assets uses similar models to value similar instruments. Where possible, International Assets verifies the values produced by pricing models by comparing them to market transactions. Inputs may involve judgment where market prices are not readily available. Derivatives used as economic hedges in our commodities business generally do not qualify for hedge accounting under Statement of Financial Standards ('SFAS') No. 133, *Accounting for Derivative Instruments and Hedging Activities*.

International Assets may lease commodities to or from customers or counterparties, or advance commodities to customers on an unpriced basis, receiving payment as and when they become priced. These are valued at fair value and classified under financial instruments as hybrid contracts with embedded derivative features that cannot be reliably measured and separated from the host contract. As permitted by SFAS 133, the entire instrument is recorded at fair value, with the corresponding change in fair value recognized in revenue within net dealer and investment gains.

Inventories

Inventories are stated at the lower of cost or market, using the specific identification weighted average price method. Cost includes finished commodity or raw material and processing costs related to the purchase and processing of inventories.

Reclassifications

Effective for the quarter ended December 31, 2007 International Assets reclassified certain balances on its consolidated balance sheet and consolidated cash flow statement as of September 30, 2007 to reflect the netting of $60.8 million in balances payable to customers representing cash collateral offset against financial instruments executed with the same counterparty under master netting agreements, as discussed within recently adopted accounting standards below.

Effective for the quarter ended June 30, 2008, International Assets reclassified certain prior period balances from professional fees to clearing and related expenses. The reclassified fees were fund service accounting

charges which are based on the value of the respective funds. The net result of this change for the year ended September 30, 2007 was an increase in clearing and related expenses of $0.4 million and a corresponding decrease of $0.4 million in professional fees. There was no change to the 2006 numbers as presented.

Property and Equipment

Property and equipment is stated at cost and depreciated using the straight-line method over the shorter of the estimated life of the asset or the lease term, which range from three to seven years. Computer software developed or obtained for internal use is depreciated using the straight-line method over the estimated useful life of the software, generally three years or less.

Goodwill

Goodwill is tested for impairment on an annual basis for the fiscal year-end, and between annual tests if indicators of potential impairment exist, using a fair-value-based approach. No impairment of goodwill has been identified during any of the periods presented.

Intangible Assets

Intangible assets are amortized using the straight-line method over their estimated period of benefit, ranging from one to five years. International Assets evaluates the recoverability of intangible assets periodically and takes into account events or circumstances that warrant revised estimates of useful lives or that indicate that impairment exists. Residual value is presumed to be zero, subject to certain exceptions. All of International Assets' intangible assets are subject to amortization. No material impairments of intangible assets have been identified during any of the periods presented.

Recently Issued Accounting Standards

Recently Adopted Accounting Pronouncements

In December, 2007, the U.S. Securities and Exchange Commission (SEC) issued Staff Accounting Bulletin No. 110 (SAB 110). SAB 110 amends the SEC's views discussed in Staff Accounting Bulletin No. 107 (SAB 107) regarding the use of the simplified method in developing estimates of the expected lives of share options in accordance with SFAS No. 123 (revised 2004), *Share-Based Payment* (SFAS No. 123(R)). During 2007 International Assets calculated the expected term of options granted using the simplified method in accordance with SAB 107. The simplified method was intended to be a temporary estimation technique and was to be phased out as more detailed information about exercise behavior became readily available. SAB 110 was effective for us beginning in the first quarter of 2008, and from the second quarter of 2008, International Assets estimates the expected term of options granted based on its historical experience with its employees' exercise of stock options and other factors. International Assets' implementation of SAB 110 in the second quarter of 2008 did not have a material effect on its consolidated financial position, results of operations or cash flows.

In April 2007, the FASB issued FASB Staff Position (FSP) No. FIN 39-1, *Amendment of FASB Interpretation No. 39*. FSP FIN 39-1 modifies FIN 39, *Offsetting of Amounts Related to Certain Contracts*, and permits companies to offset cash collateral receivables or payables with net derivative positions under certain circumstances. FSP FIN 39-1 is effective for fiscal years beginning after November 15, 2007, with early adoption permitted. Effective for the quarter ended December 31, 2007, International Assets elected to adopt FIN FSP 39-1, which changed its accounting policy related to netting of customer cash collateral balances against financial instruments where a right of setoff exists with the same counterparty under master netting agreements.

INTERNATIONAL ASSETS HOLDING CORPORATION

Notes to Consolidated Financial Statements

International Assets believes that it is preferable to net these balances against each other in order to better present International Assets' exposure related to financial instruments and customer balances. The consolidated balance sheet and consolidated cash flow statement as of September 30, 2007 have been adjusted to reflect the netting of $60.8 million in balances payable to customers representing cash collateral offset against financial instruments executed with the same counterparty under master netting agreements.

In December 2006, the FASB issued EITF 00-19-2, *Accounting for Registration Payment Arrangements.* EITF 00-19-2 specifies that the contingent obligation to make future payments or otherwise transfer consideration under a registration payment arrangement, whether issued as a separate agreement or included as a provision of a financial instrument or other agreement, should be separately recognized and measured in accordance with SFAS No. 5, *Accounting for Contingencies*. EITF 00-19-2 was effective for fiscal years beginning after December 15, 2006. International Assets adopted EITF 00-19-2 with effect from October 1, 2007. The adoption has not had a material impact on International Assets' consolidated financial position, results of operations or cash flows.

Recent Accounting Pronouncements Not Yet Adopted

In October 2008, the FASB issued FSP FAS 157-3, *Determining the Fair Value of a Financial Asset When the Market for that Asset is not Active*. FSP FAS 157-3 is consistent with the joint press release the FASB issued with the Securities and Exchange Commission on September 30, 2008, which provides general clarification guidance on determining fair value under FASB 157 when markets are inactive. FSP FAS 157-3 specifically addresses the use of judgment in determining whether a transaction in a dislocated market represents fair value, the inclusion of market participant risk adjustments when an entity significantly adjusts observable market data based on unobservable inputs, and the degree of reliance to be placed on broker quotes or pricing services. FSP FAS 157-3 is effective October 10, 2008 and should be applied prospectively. International Assets does not believe that FSP FAS 157-3 will have a significant effect on its current fair value measurements.

In September 2008, the FASB issued FSP FAS 133-1 and FIN 45-4, *Disclosures about Credit Derivatives and Certain Guarantees: An Amendment of FASB Statement No. 133 and FASB Interpretation No. 45*; and *Clarification of the Effective Date of FASB Statement No. 161*. FSP FAS 133-1 and FIN 45-4 require enhanced disclosures by sellers of credit derivatives, including credit derivatives embedded in a hybrid instrument, and require additional disclosure about the current status of the payment/performance risk of a guarantee. FSP FAS 133-1 and FIN 45-4 are effective for International Assets'2009 fiscal first quarter financial statements as of December 31, 2008. International Assets is currently evaluating the potential impact of the adoption of FSP FAS 133-1 and FIN 45-4 on disclosures in its financial statements.

In June 2008, the Financial Accounting Standards Board ("FASB") issued FASB Staff Position ("FSP") EITF 03-6-1, *Determining Whether Instruments Granted in Share-Based Payment Transactions Are Participating Securities*. This FSP states that unvested share-based payment awards that contain nonforfeitable rights to dividends or dividend equivalents (whether paid or unpaid) are participating securities and shall be included in the computation of earnings per share pursuant to the two-class method. The FSP is effective for financial statements issued for fiscal years beginning after December 15, 2008, and interim periods within those years. International Assets will adopt FSP EITF 03-6-1 for International Assets' 2010 fiscal year. Upon adoption, a company is required to retrospectively adjust its earnings per share data (including any amounts related to interim periods, summaries of earnings and selected financial data) to conform with the provisions in this FSP. However, early application of the provisions in this FSP is prohibited. International Assets is currently evaluating the potential impact of the adoption of FSP 03-6-1 on its results of operations.

In April 2008, the Financial Accounting Standards Board ("FASB") issued FSP FAS 142-3, *Determination of the Useful Life of Intangible Assets*. This FSP amends the factors that should be considered in developing

INTERNATIONAL ASSETS HOLDING CORPORATION

Notes to Consolidated Financial Statements

renewal or extension assumptions used to determine the useful life of a recognized intangible asset under SFAS No. 142, *Goodwill and Other Intangible Assets*. The intent of this FSP is to improve the consistency between the useful life of a recognized intangible asset under SFAS No. 142 and the period of expected cash flows used to measure the fair value of the asset under SFAS No. 141 (Revised 2007), *Business Combinations*, and other U.S. generally accepted accounting principles (GAAP). This FSP is effective for financial statements issued for fiscal years beginning after December 15, 2008, and interim periods within those fiscal years. Early adoption is prohibited. International Assets will adopt FSP FAS 142-3 for its 2010 fiscal year. International Assets is currently evaluating the potential impact that the adoption of FSP 142-3 will have on its consolidated financial position, results of operations and cash flows.

In March 2008, the FASB issued SFAS No. 161, *Disclosures about Derivative Instruments and Hedging Activities — an amendment of FASB Statement No. 133*. SFAS No. 161 expands quarterly disclosure requirements in SFAS No. 133 about an entity's derivative instruments and hedging activities. SFAS No. 161 is effective for fiscal periods beginning after November 15, 2008. International Assets will adopt SFAS No. 161 effective January 1, 2009. International Assets is currently evaluating the potential impact of the adoption of SFAS No. 161 on disclosures in our financial statements.

In February 2008, the FASB issued FASB Staff Position No. FAS 157-2 (FSP 157-2), *Effective Date of FASB Statement No. 157*. FSP 157-2 deferred the effective date of SFAS No. 157 for nonfinancial assets and nonfinancial liabilities, except for items that are recognized or disclosed at fair value in the financial statements on a recurring basis, until fiscal years beginning after November 15, 2008. As a result of FSP 157-2, International Assets will adopt SFAS No. 157 for its nonfinancial assets and nonfinancial liabilities beginning with the first quarter of its fiscal year 2010. International Assets is currently evaluating the potential impact that the adoption of SFAS No. 157 will have on its consolidated financial position, results of operations and cash flows.

In December 2007, the FASB issued SFAS No. 160, *Noncontrolling Interests in Consolidated Financial Statements, an amendment of ARB No. 51*. SFAS No. 160 changes the accounting and reporting for minority interests, which will be recharacterized as noncontrolling interests and classified as a component of equity. This new consolidation method significantly changes the accounting for transactions with minority interest holders. SFAS No. 160 is effective for fiscal years beginning after December 15, 2008, and earlier adoption is prohibited. SFAS No. 160 will be effective for International Assets for its 2010 fiscal year and will be applied prospectively, except for the presentation and disclosure requirements, which will be applied retrospectively. International Assets is currently evaluating the potential impact that the adoption of SFAS No. 160 will have on its consolidated financial position, results of operations and cash flows.

In December 2007, the FASB issued SFAS No. 141(R) (revised 2007), *Business Combinations*. SFAS No. 141(R) significantly changes the accounting for business combinations in a number of areas including the treatment of contingent consideration, preacquisition contingencies, transaction costs, in-process research and development and restructuring costs. In addition, under SFAS No. 141(R), changes in an acquired entity's deferred tax assets and uncertain tax positions after the measurement period will impact income tax expense. SFAS No. 141(R) is effective for fiscal years beginning after December 15, 2008, and earlier adoption is prohibited. International Assets will adopt SFAS No. 141(R) beginning October 1, 2009 and will change its accounting treatment for business combinations on a prospective basis for business combinations completed on or after that date.

Note 2 — Earnings (Loss) per Share

Basic earnings per share is computed on the basis of the weighted average number of shares of common stock outstanding during the period. Diluted earnings per share is computed on the basis of the weighted average number of shares of common stock plus the effect of dilutive potential common shares outstanding during the

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period using the treasury stock method for options and restricted stock, and the if-converted method for convertible debt. Dilutive potential common shares include outstanding stock options, restricted stock, and convertible debt. The components of basic and diluted earnings per share are as follows:

Year Ended September 30, (In millions, except share amounts)	2008	2007	2006
Numerator:			
Income from continuing operations	$ 29.2	$ (4.3)	$ 3.5
Add: Interest on convertible debt, net of tax	1.4	—	—
Diluted income (loss) from continuing operations	30.6	(4.3)	3.5
Less: loss from discontinued operations	(1.4)	(0.2)	—
Diluted net income (loss)	$ 29.2	$ (4.5)	$ 3.5
Denominator:			
Weighted average number of:			
Common shares outstanding	8,434,976	8,086,837	7,636,808
Dilutive potential common shares outstanding:			
Share-based awards	492,663	—	750,953
Convertible debt	974,067	—	—
Diluted weighted-average shares	9,901,706	8,086,837	8,387,761

For fiscal years 2008 and 2006, options to purchase 121,341 shares and 10,000 shares of common stock, respectively, were excluded from the calculation of diluted earnings per share because the exercise prices of the stock options were greater than or equal to the average price of the common shares, and therefore their inclusion would have been anti-dilutive. No options to purchase shares of common stock were considered in the calculation of diluted loss per share for the year ended September 30, 2007 because there was a net loss for the period and therefore their inclusion would have been anti-dilutive. For fiscal years 2007 and 2006, 981,547 and 1,058,824 shares, respectively, were excluded from the calculation of diluted earnings per share for convertible subordinated notes payable as they would have been anti-dilutive under the if-converted method.

Note 3 — Consolidation of the ICCAF Fund

International Assets has an investment in the INTL Consilium Convertible Arbitrage Fund (‘the ICCAF fund’). On June 1 and September 1, 2008, International Assets made additional investments in the ICCAF fund, increasing its interest to 73%. Under the provisions of FIN 46 (R) International Assets was required to consolidate the ICCAF fund as a variable interest entity effective June 1, 2008. Accordingly, the minority interest shown in the balance sheet and income statement for 2008 also includes the minority interests of the ICCAF fund with effect from June 1, 2008. The creditors of the ICCAF fund have no recourse to the general assets of International Assets.

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The following table presents a condensed balance sheet of ICCAF at June 1, 2008, the date of consolidation for the ICCAF fund, and at September 30, 2008:

(In millions)	ICCAF as of June 1, 2008 (unaudited)	ICCAF as of September 30, 2008
Cash and cash equivalents	$ 16.4	$ —
Financial instruments owned	44.9	77.1
Other assets	0.4	0.3
Total assets	61.7	77.4
Accounts payable	1.0	0.5
Financial instruments sold, not yet purchased	42.6	49.0
Other liabilities	—	7.8
Total liabilities	43.6	57.3
Equity	18.1	20.1
Total liabilities and equity	$ 61.7	$ 77.4

Note 4 — Other Revenues, net

Other revenue is comprised of the following:

(In millions) Year Ended September 30,	2008	2007	2006
Fees and commissions	$ 6.2	$ 3.7	$ 0.6
Dividend expense, net	(0.2)	(0.2)	(0.1)
Interest income	3.1	0.9	0.4
Other	0.6	0.7	0.7
Total other revenues, net	$ 9.7	$ 5.1	$ 1.6

Note 5 — Receivable from Customers, net

Receivable from customers, net includes a provision for bad debts, which reflects International Assets' best estimate of probable losses inherent in the receivable from customers, net. International Assets determines the balance based on a specific identification basis. International Assets established a bad debt provision of $1.2 million during the fiscal quarter ended March 31, 2008, arising from the failure of a customer to meet its obligations under a contract with International Assets. The total amount payable by the customer was $2.4 million. In the fiscal quarter ended September 30, 2008, based upon specific circumstances for this particular customer, International Assets increased its bad debt provision by a further $1.2 million, bringing the provision for bad debts to $2.4 million at September 30, 2008 in order to fully provide for the balance due from this customer. Bad debt expense of $2.4 million for fiscal 2008 is included in 'other' under the non-interest expenses section of the income statement.

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Note 6 — Financial Instruments Owned and Financial Instruments Sold, Not yet Purchased, at Market Value

Financial instruments owned and financial instruments sold, not yet purchased consisted of trading and investment financial instruments at market values, as follows:

September 30, (In millions)	2008		2007	
	Owned	Sold, not yet purchased	Owned	Sold, not yet purchased
Common stock and ADR's	$ 18.3	$ 5.8	$ 20.3	$ 10.3
Exchangeable foreign ordinary equities and ADR's	35.0	35.1	30.0	30.1
Corporate and municipal bonds	80.2	44.6	9.5	—
Foreign government obligations	0.8	—	0.2	—
U.S. Treasury Bonds under total return swap transactions	—	—	—	21.9
Derivatives	31.5	13.3	66.8	72.6
Commodities	49.9	52.7	18.8	28.9
U.S. Government obligations	0.5	—	0.1	—
Mutual funds, proprietary securitized trusts and other	1.8	—	1.3	—
	$218.0	$ 151.5	$147.0	$ 163.8

The significant increase in corporate and municipal bond balances between September 30, 2007 and September 30, 2008 relates to the consolidation of the assets and liabilities of the INTL Consilium Convertible Arbitrage Fund with effect from the quarter ended June 30, 2008 (see Note 3).

Note 7 — Financial Instruments with Off-Balance Sheet Risk and Concentrations of Credit Risk

International Assets is party to certain financial instruments with off-balance sheet risk in the normal course of its business. International Assets has sold financial instruments that it does not currently own and will therefore be obliged to purchase such financial instruments at a future date. International Assets has recorded these obligations in the consolidated financial statements at September 30, 2008 at the fair values of the related financial instruments. International Assets will incur losses if the market value of the financial instruments increases subsequent to September 30, 2008. The total of $159.0 million at September 30, 2008 includes $20.0 million for derivative contracts, which represent a liability to International Assets based on their fair values as of September 30, 2008.

Listed below are the fair values of trading-related derivatives. Assets represent net unrealized gains and liabilities represent net unrealized losses.

September 30, (In millions)	2008		2007	
	Assets	Liabilities	Assets	Liabilities
Equity index derivatives	$ 1.8	$ 0.2	$ 0.1	$ —
Interest rate derivatives	—	0.5	—	—
Commodity price derivatives	29.7	12.6	66.7	72.6
	$31.5	$ 13.3	$66.8	$ 72.6

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The derivatives as of September 30, 2008 mature as follows:

	Assets				Liabilities			
(In millions)	Total	Maturing in Fiscal 2009	Maturing in Fiscal 2010	Maturing 2011 & Later	Total	Maturing in Fiscal 2009	Maturing in Fiscal 2010	Maturing 2011 & Later
Equity index derivatives	$ 1.8	$ 0.9	$ 0.1	$ 0.8	$ 0.2	$ —	$ —	$ 0.2
Interest rate derivatives	—	—	—	—	0.5	—	—	0.5
Commodity price derivatives	29.7	29.7	—	—	12.6	12.6	—	—
	$31.5	$ 30.6	$ 0.1	$ 0.8	$13.3	$ 12.6	$ —	$ 0.7
Commodity price derivatives:								
Base metals	$14.5	$ 14.5	$ —	$ —	$ 3.4	$ 3.4	$ —	$ —
Precious metals	$15.2	$ 15.2	$ —	$ —	$ 9.2	$ 9.2	$ —	$ —

International Asset's derivative contracts are principally held in its commodities business segment. International Assets assists its commodities customers in protecting the value of their future production by entering into option or forward agreements with them on an OTC basis. International Assets also provides its commodities customers with sophisticated option products, including combinations of buying and selling puts and calls. International Assets mitigates its risk by effecting offsetting trades with market counterparties. The risk mitigation of these offsetting trades is not within the documented hedging designation requirements of SFAS No. 133.

These derivative contracts are traded along with cash transactions because of the integrated nature of the markets for such products. International Assets manages the risks associated with derivatives on an aggregate basis along with the risks associated with its proprietary trading and market-making activities in cash instruments as part of its firm-wide risk management policies. In particular, the risks related to derivative positions may be partially offset by inventory, unrealized gains in inventory or cash collateral paid or received.

In the normal course of business, International Assets purchases and sells financial instruments and foreign currencies as a principal. If either the customer or counterparty fails to perform, International Assets may be required to discharge the obligations of the nonperforming party. In such circumstances, International Assets may sustain a loss if the market value of the financial instrument or foreign currency is different from the contract value of the transaction.

The majority of International Assets' transactions and, consequently, the concentration of its credit exposure is with customers, broker-dealers and other financial institutions. These activities primarily involve collateralized and uncollateralized arrangements and may result in credit exposure in the event that a customer or counterparty fails to meet its contractual obligations. International Assets' exposure to credit risk can be directly impacted by volatile financial markets, which may impair the ability of customers or counterparties to satisfy their contractual obligations. International Assets seeks to control its credit risk through a variety of reporting and control procedures, including establishing credit limits based upon a review of the customers' and counterparties' financial condition and credit ratings. International Assets monitors collateral levels on a daily basis for compliance with regulatory and internal guidelines and requests changes in collateral levels as appropriate.

Note 8 — Physical Commodities Inventory

September 30, (In millions)	2008	2007
Commodities in process	$ 5.5	$ 10.8
Finished commodities	51.9	28.6
	$57.4	$ 39.4

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Physical commodities inventory is stated at the lower of cost or market value, determined using the specific identification weighted average price method. Commodities in process include commodities in the process of being recycled. At September 30, 2008, $54.9 million of physical commodities inventory served as collateral under one of International Assets' credit facilities, as detailed further in Note 14.

Note 9 — Trust Certificates and Total Return Swap

During the quarter ended December 31, 2004, International Assets entered into a series of financial transactions (the 'Transactions') with an unaffiliated financial institution for a transaction fee. These Transactions involved three distinct and simultaneous steps:

the acquisition by International Assets of beneficial interests ('Trust Interests') in certain trusts (the 'Trusts') in exchange for the assumption of a liability to deliver securities, at a transaction value of $29.7 million. This step did not require any prior purchase or delivery of securities by International Assets. The Trusts were previously established by the financial institution to hold a variety of real estate assets;

the entry into a repurchase agreement under the terms of which International Assets notionally repurchased these undelivered securities for cash, at a price of $29.7 million;

the entry into a total return swap ('TRS') agreement.

Under the TRS agreement International Assets received, on a notional basis, the cash amount of $29.7 million as collateral for the potential liability of the financial institution to International Assets.

The net result is that International Assets initially reported the effects of a) above as an increase in assets represented by the Trust Interests, and the assumption of a liability to deliver securities, at the initial transaction value of $29.7 million. Over time, as the values of the Trust Interests and securities deliverable changed as a result of changes in value or the sale of the Trust Interests, International Assets recorded equal and offsetting changes in the values of the TRS receivables or payables.

During the quarter ended December 31, 2007, the remaining Trust Interests were sold by International Assets in exchange for the release of its obligation to deliver to the buyer United States Government strip bonds maturing February 15, 2008, at fair value of $22.1 million. As anticipated, the only impact of the transactions on International Assets' net income and cash flow was the receipt of fee revenue.

Note 10 — Property and Equipment, net

September 30, (In millions)	2008	2007
Property and equipment		
Furniture, fixtures and equipment	$ 3.2	$ 2.6
Building	0.6	0.6
Leasehold improvements	1.1	0.7
Total property and equipment	4.9	3.9
Less: Accumulated depreciation and amortization	(2.4)	(1.5)
Property and equipment, net	$ 2.5	$ 2.4

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Property and equipment, net are stated at cost and are net of accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. During fiscal years 2008, 2007, and 2006, depreciation expense was $0.8 million, $0.5 million, and $0.3 million, respectively.

Note 11 — Goodwill

International Assets acquired the Gainvest group of companies ("INTL Gainvest"), specialists in local markets securitization and asset management in Argentina, Brazil and Uruguay, in May 2007. Pursuant to this acquisition, International Assets made a payment of $1.4 million to the sellers on June 1, 2008 equal to 25% of the aggregate revenues of INTL Gainvest earned for the year ended April 30, 2008, which has been recorded as additional goodwill. International Assets is obligated to make a further payment on June 1, 2009 equal to 25% of the aggregate revenues that INTL Gainvest will earn during the year ending April 30, 2009. The revenues on which the 25% is calculated are subject to a minimum threshold of $5.5 million and a maximum ceiling of $11 million for the year ending April 30, 2009. As of September 30, 2008, the aggregate revenues of INTL Gainvest since May 1, 2008 had not exceeded the minimum threshold of $5.5 million for the year ending April 30, 2009. An amount equal to 25% of INTL Gainvest's revenues for the year ending April 30, 2009 will be recorded as additional goodwill if and when the minimum revenue threshold is achieved.

Goodwill allocated to International Assets' operating segments is as follows:

September 30, (In millions)	2008	2007
International debt capital markets	$2.5	$1.0
Foreign exchange trading	6.3	6.3
Goodwill	$8.8	$7.3

Note 12 — Intangible Assets

September 30, (In millions)	2008	2007
Intangible assets		
Noncompete agreement	$ 0.4	$ 0.4
Trade name	0.6	0.6
Customer base	0.2	0.2
Other	—	0.1
Total intangible assets	1.2	1.3
Less: Accumulated amortization	(0.6)	(0.5)
Intangible assets, net	$ 0.6	$ 0.8

Amortization expense amounted to $0.2 million, $0.3 million, and $0.1 million for the years ended September 30, 2008, 2007 and 2006, respectively. Estimated future amortization expense based on existing intangible assets is $0.2 million, $0.2 million, $0.1 million, and $0.1 million for the years ended September 30, 2009, 2010, 2011 and 2012, respectively. For fiscal 2008 and 2007, all of the unamortized intangible assets were allocated to its international debt and capital markets segment.

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Note 13 — Related Party Transactions

As of September 30, 2008, International Assets had investments valued at $14.6 million in two hedge funds managed by INTL Consilium, LLC ('INTL Consilium'), including $13.9 million in the ICCAF fund. The ICCAF fund has been consolidated and included within the results of International Assets effective June 1, 2008 (see Note 3). International Assets owns a 50.1% interest in INTL Consilium. International Assets also has an investment valued at $11.2 million in the INTL Trade Finance Fund Limited, a fund managed by International Assets' wholly-owned subsidiary, INTL Capital Limited. This fund invests primarily in global trade finance-related assets. International Assets' investments in unconsolidated funds are included in 'Investment in managed funds, at fair value' on the balance sheet.

One of International Assets' principal stockholders made an investment, valued at approximately $60 million as of September 30, 2007, in a hedge fund managed by INTL Consilium. An executive of this stockholder is a director of International Assets. This stockholder redeemed its remaining investment during fiscal 2008.

Note 14 — Payable to Lenders under Loans and Overdrafts

As of September 30, 2008 International Assets had four credit facilities under which International Assets may borrow up to $200 million, subject to certain conditions. Interest expense related to International Assets' credit facilities was approximately $5.5 million, $5.1 million and $1.4 million for the years ended September 30, 2008, 2007 and 2006, respectively.

International Assets' four credit facilities at September 30, 2008 consisted of the following:

A one-year, renewable, revolving syndicated committed loan facility established on June 27, 2008 under which International Assets' wholly-owned subsidiary, INTL Commodities, Inc. ('INTL Commodities') is entitled to borrow up to $125 million, subject to certain conditions. There are six commercial banks that are the underlying lenders within the syndicate group. The loan proceeds are used to finance the activities of INTL Commodities and are secured by its assets. The interest rate for the facility depends on the ratio of borrowings to equity and ranges between 2.00% and 2.25% over the federal funds rate (2.03% at September 30, 2008) or over the LIBOR rate for the applicable term, at International Assets' election.

A demand facility established on March 5, 2008, under which International Assets' Dubai joint venture, INTL Commodities DMCC, may borrow up to $15 million, subject to certain conditions. The facility is secured by inventory and receivables.

Two additional lines of credit with a commercial bank under which International Assets may borrow up to $60 million, subject to certain conditions. One of these lines of credit totaling $25 million is secured by certain of International Assets's assets and carries a rate of 2.25% over the one-month London Interbank Offered Rates ('LIBOR') (approximately 3.93% at September 30, 2008). The other line of credit totaling $35 million is secured by a pledge of shares held in certain of International Assets' foreign subsidiaries and carries an interest rate of 2.40% over one-month LIBOR.

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At September 30, 2008, International Assets had the following credit facilities and outstanding borrowings:

Security	Maturity Date	Maximum Amount	Amount Outstanding
Certain foreign exchange assets	December 31, 2009	$ 25.0	$ 9.0
Certain pledged shares	December 31, 2009	35.0	31.0
Certain commodities assets	On demand	15.0	9.8
Certain commodities assets	June 27, 2009	125.0	70.0
		$ 200.0	$ 119.8

International Assets has entered into two interest rate swap transactions totaling $100 million, in order to hedge potential changes in cash flows resulting from International Assets' variable rate LIBOR based borrowings. Effective from the fourth quarter, these interest rate swaps have been classified under SFAS N0. 133 as cash flow hedges. The effective portion of the swap's gain or loss was $0.8 million for fiscal 2008 and has been reported as a component of OCI. This balance will subsequently be recognized in earnings when the hedged exposure affects earnings. The ineffective portion of the swap gain or loss was less than $0.1 million for fiscal 2008.

Note 15 — Convertible Subordinated Notes and Debt Issuance Costs

International Assets had $16.8 million and $25.0 million in aggregate principal amount of International Assets' senior subordinated convertible notes due 2011 ('Notes') outstanding as of September 30, 2008 and 2007, respectively. The Notes are general unsecured obligations of International Assets and bear interest at the rate of 7.625% per annum, payable quarterly in arrears. Debt issuance costs are net of accumulated amortization of $0.6 million and $0.3 million at September 30, 2008 and 2007, respectively. Amortization charged to interest expense in the condensed consolidated statements of operations was $0.3 million for fiscal years 2008 and 2007, respectively.

During September 2008, Notes with a principal balance of $8.2 million and accrued interest of $0.1 million were converted into 325,755 common shares at the election of the Note holders. As of September 30, 2008, the Notes are convertible by the holders into 661,294 shares of common stock of International Assets, at a conversion price of $25.47 per share. If the dollar-volume weighted average price of the common stock exceeds $38.25, subject to certain adjustments, for any twenty out of thirty consecutive trading days, International Assets has the right to require the holders of the Notes to convert all or any portion of the Notes into shares of Common Stock at the then-applicable conversion price.

In the event that the Consolidated Interest Coverage Ratio for the 12 months preceding the end of any fiscal quarter is less than 2.0, the interest rate on the Notes will be increased by 2.0% to 9.625% per annum, effective as of the first day of the following fiscal quarter. Through the quarter ended September 30, 2008, no such increase has been necessary. Holders may redeem their Notes at par if the interest coverage ratio set forth in the Notes is less than 2.75 for the twelve-month period ending December 31, 2009.

International Assets entered into a separate Registration Rights Agreement with the holders of the Notes, under which International Assets was required to file with the U.S. Securities and Exchange Commission ('the SEC') a Registration Statement on Form S-3 within a specified period of time. The Registration Statement was declared effective by the SEC on October 24, 2006. International Assets is required, under the Registration Rights Agreement, to maintain the effectiveness of the Registration Statement, failing which it could become liable to pay holders of the Notes liquidated damages of 1% of the value of the Notes upon a failure to maintain

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effectiveness of the Registration Statement, plus a further 1% for every 30 days that it remains ineffective thereafter, up to an aggregate maximum of 10% of the value of the Notes. At September 30, 2008 International Assets was in compliance with its requirements under the Registration Rights Agreement.

Note 16 — Commitments and Contingencies

International Assets is obligated under various noncancelable operating leases for the rental of office facilities, service obligations and certain office equipment, and accounts for these lease obligations on a straight line basis. The expense associated with operating leases amounted to $2.4 million, $2.1 million and $1.1 million for fiscal years 2008, 2007 and 2006, respectively. The expenses associated with the operating leases and service obligations are reported in the income statement within occupancy and equipment rental, clearing and related and other expenses.

Future aggregate minimum lease payments under noncancelable operating leases as of September 30, 2008 are as follows:

Year ending September 30, (In millions)	
2009	$ 1.9
2010	0.9
2011	0.6
2012	0.5
2013	0.2
Thereafter	—
	$ 4.1

International Assets earns performance fees in its investment management segment which are recorded based on estimates of fees due at each period-end date. These include estimated performance fees based on the amount that would be due under the formula for exceeding performance targets as of the period-end date. This revenue may be at risk due to future performance contingencies. At September 30, 2008 there were no accrued performance fees which would be considered to be at risk.

As discussed in Note 11 — Goodwill, International Assets has a contingent liability relating to the acquisition of INTL Gainvest which may result in the payment of additional consideration in June 2009.

As discussed in Note 15 — Convertible Subordinated Notes and Debt Issuance Costs, the Notes may be converted into shares of common stock of International Assets at any time by the holders. The Notes also contain a provision to increase the interest rate by 2%, subject to certain conditions measured on a quarterly basis.

Note 17 — Capital and Other Regulatory Requirements

International Assets' wholly-owned subsidiary INTL Trading, Inc. ('INTL Trading') is a registered broker dealer and member of the Financial Industry Regulatory Authority ("FINRA") and is subject to the SEC Uniform Net Capital Rule 15c3-1. This rule requires the maintenance of minimum net capital, and requires that the ratio of aggregate indebtedness to net capital not exceed 15 to 1. Equity capital may not be withdrawn if the resulting net capital ratio would exceed 10 to 1. At September 30, 2008, INTL Trading's net capital was $1.5 million, which was $0.5 million in excess of its minimum requirement.

Another subsidiary, INTL Capital Limited ('INTL Capital'), is regulated by the Dubai Financial Services Authority, in the United Arab Emirates, and was subject to a minimum capital requirement of approximately $0.5 million as of September 30, 2008.

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Note 18 — Employee Stock-Based Compensation and Savings Plans

Stock-based compensation expense is included within Compensation and benefits in the income statements and totaled $0.8 million and $0.7 million for 2008 and 2007, respectively. The pro forma effect of expensing stock options for 2006 was $0.5 million.

Stock Option Plans

The Company sponsors a stock option plan for its directors, officers, employees and consultants. At September 30, 2008, 464,559 shares were authorized for future grant under International Assets' stock plan. Awards that expire or are canceled generally become available for issuance again under the plan. International Assets settles stock option exercises with newly issued shares of common stock.

Fair value is estimated at the grant date based on a Black-Scholes-Merton option-pricing model using the following weighted average assumptions:

Year Ended September 30,	2008	2007	2006
Expected stock price volatility	61%	66%	84%
Expected dividend yield	0%	0%	0%
Risk free interest rate	3.17%	4.54%	4.36%
Average expected life (in years)	2.96	3.50	2.49

Expected stock price volatility rates are based on the historical volatility of International Assets' common stock. International Assets has not paid dividends in the past and does not currently expect to do so in the future. Risk free interest rates are based on the U.S. Treasury yield curve in effect at the time of grant for periods corresponding with the expected life of the option or award. The average expected life represents the estimated period of time that options or awards granted are expected to be outstanding, based on International Assets' historical share option exercise experience for similar option grants.

The following is a summary of stock option activity through September 30, 2008:

	Shares Available for Grant	Number of Options Outstanding	Weighted Average Price	Weighted Average Remaining Term (in years)	Aggregate Intrinsic Value ($ millions)
Balances at September 30, 2007	493,392	812,006	$ 6.70	3.78	$ 13.3
Granted	(59,382)	59,382	$ 27.49		
Exercised		(256,632)	$ 5.46		
Forfeited	7,149	(7,149)	$ 16.90		
Expired	23,400	(23,400)	$ 4.75		
Balances at September 30, 2008	464,559	584,207	$ 9.31	3.27	$ 8.6
Exercisable at September 30, 2008		438,794	$ 4.99	3.58	$ 8.4

Total compensation cost not yet recognized for non-vested stock option awards is $0.8 million at September 30, 2008 and has a weighted average period of 1.33 years over which the compensation expense is expected to be recognized. The total intrinsic value of options exercised during fiscal years 2008, 2007 and 2006 was $5.3 million, $3.8 million, and $1.4 million, respectively.

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The options outstanding as of September 30, 2008 are as follows:

Exercise Price	Number of Options Outstanding	Weighted Average Exercise Price	Weighted Average Remaining Term (in years)
$ — – $ 5.00	342,799	$ 2.41	4.22
5.00 – 10.00	45,187	$ 7.90	0.82
10.00 – 15.00	61,833	$ 10.14	1.18
15.00 – 20.00	—	$ —	—
20.00 – 25.00	35,818	$ 23.21	2.52
25.00 – 30.00	97,094	$ 28.26	2.67
30.00 – 35.00	1,476	$ 34.25	3.84
Outstanding, September 30, 2008	584,207		

Restricted Stock Plan

International Assets sponsors a stock plan for its directors, officers and employees. At September 30, 2008, 657,184 shares were authorized for future grant under our restricted stock plan. Awards that expire or are canceled generally become available for issuance again under the plan. International Assets settles restricted stock with newly issued shares of common stock.

The following is a summary of all restricted stock activity through September 30, 2008:

	Shares Available for Grant	Number of Shares Outstanding	Weighted Average Grant Date Fair Value	Weighted Average Remaining Term (in years)	Aggregate Intrinsic Value ($ millions)
Balances at September 30, 2007	733,516	16,484	$ 21.97	2.70	$ 0.4
Granted	(85,738)	85,738	$ 26.56		
Vested		(8,419)	$ 23.31		
Forfeited	9,406	(9,406)	$ 26.38		
Balances at September 30, 2008	657,184	84,397	$ 26.01	2.25	$ 2.0

Total compensation cost not yet recognized for non-vested stock awards is $1.7 million at September 30, 2008 and has a weighted average period of 2.25 years over which the compensation expense is expected to be recognized. Compensation expense is amortized on a straight-line basis over the vesting period. Restricted stock grants are included in International Assets' total issued and outstanding common shares.

Savings Plans

International Assets has a Savings Incentive Match Plan for Employees IRA ('SIMPLE IRA'). Participating U.S. employees may contribute up to 100% of their salary, but not more than statutory limits. International Assets contributes a dollar for each dollar a participant contributes in this plan, with a maximum contribution of 3% of a participant's earnings. International Assets' U.K. based employees are eligible to participate in a defined contribution pension plan ('pension plan'). International Assets contributes double the employees contribution up to 10% of total base salary for this plan. For both plans, employees are 100% vested in both the employee and employer contributions at all times. For fiscal years 2008, 2007 and 2006, the employer contribution to savings plans was $0.5 million, $0.4 million and $0.3 million, respectively.

INTERNATIONAL ASSETS HOLDING CORPORATION

Notes to Consolidated Financial Statements

Note 19 — Preferred Stock

International Assets is authorized to issue one million shares of its preferred stock at a par value of $.01 per share. As of September 30, 2008 and 2007, no preferred shares were outstanding and the Board of Directors had not yet determined the specific rights and privileges of these shares.

Note 20 — Taxes

The components of the provision for income taxes were as follows:

(In millions) Year Ended September 30,	2008	2007	2006
Current Taxes:			
U.S. Federal	$ 7.3	$ 0.9	$(1.1)
U.S. State and Local	0.8	0.3	(0.3)
International	2.1	3.2	1.5
Current taxes	10.2	4.4	0.1
Deferred taxes	7.8	(6.4)	1.6
Income tax expense (benefit)	$18.0	$(2.0)	$ 1.7

U.S. and international components of income before income taxes was as follows:

(In millions) Year Ended September 30,	2008	2007	2006
U.S.	$42.4	$(14.6)	$0.2
International	5.2	8.9	5.1
Income before income tax and minority interest	$47.6	$ (5.7)	$5.3

Items accounting for the difference between income taxes computed at the federal statutory rate and the provision for income taxes were as follows:

Year Ended September 30,	2008	2007	2006
Federal statutory rate	34.0%	34.0%	34.0%
Effect of:			
U.S. State income taxes	3.1%	9.6%	0.6%
Foreign earnings taxed at higher (lower) rates	0.6%	(2.3)%	(2.4)%
Stock-based compensation expense	0.3%	(3.6)%	0.0%
Non-deductible meals and entertainment	0.1%	(0.8)%	0.7%
Other reconciling items	(0.3)%	(2.1)%	0.0%
Effective rate	37.8%	34.8%	32.9%

INTERNATIONAL ASSETS HOLDING CORPORATION

Notes to Consolidated Financial Statements

The components of deferred income tax assets and liabilities were as follows:

(In millions) September 30,	2008	2007
Deferred income tax assets:		
Stock-based compensation expense	$ 0.3	$ 0.1
Federal and State net operating loss carryforwards	—	6.4
Worthless security deduction	1.0	—
Unrealized loss on inventory	0.4	—
AMT credit carryforward	0.1	0.1
Foreign tax credit carryforward	0.1	0.1
Deferred income tax assets	$ 1.9	$ 6.7
Deferred income tax liabilities:		
Partnership tax basis timing difference	$(0.1)	$(0.4)
Unrealized gain on OTC derivatives	(3.8)	(0.7)
Deferred income tax liabilities	(3.9)	(1.1)
Net deferred income tax (liabilities) assets	$(2.0)	$ 5.6

Deferred income tax balances reflect the effects of temporary differences between the carrying amounts of assets and liabilities and their tax bases and are stated at enacted tax rates expected to be in effect when taxes are actually paid or recovered.

The total amount of undistributed earnings in International Assets' foreign subsidiaries, for income tax purposes, was approximately $14.6 million at September 30, 2008. It is International Assets' current intention to reinvest undistributed earnings of its foreign subsidiaries in the foreign jurisdictions, resulting in the indefinite postponement of the remittance of those earnings. Accordingly, no provision has been made for foreign withholding taxes or United States income taxes which may become payable if undistributed earnings of foreign subsidiaries were paid as dividends to International Assets. For the same reason, it is not practicable to calculate the unrecognized deferred tax liability on those earnings.

Income taxes paid were $9.4 million in fiscal year 2008, $1.7 million in fiscal year 2007, and $3.2 million in fiscal year 2006.

In June 2006, the FASB issued FIN 48, *Accounting for Uncertainty in Income Taxes*. FIN 48 clarifies the accounting for uncertainty in income taxes recognized in an enterprise's financial statements in accordance with FASB Statement No. 109, Accounting for Income Taxes. This interpretation prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. This interpretation also provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition. International Assets adopted the provisions of FIN 48 on October 1, 2007 and was not required to record any cumulative effect adjustment to retained earnings as a result of this adoption. International Assets recognizes potential interest and penalties as a component of income tax expense.

International Assets filed income tax returns with the U.S. federal jurisdiction, various states, and various foreign jurisdictions. During the fourth quarter, International Assets completed a review by the Internal Revenue Service ('IRS') for fiscal year 2006 which resulted in offsetting changes to International Assets' current taxes payable and its provision for deferred taxes but had no effect on International Assets' recorded tax expense.

INTERNATIONAL ASSETS HOLDING CORPORATION

Notes to Consolidated Financial Statements

Note 21 — Discontinued Operations

On August 1, 2008, International Assets notified the employees of its Hong Kong subsidiary, INTL Global Currencies (Asia) Ltd., of its intention to discontinue its foreign exchange margin trading operations. As of September 30, 2008, International Assets was in the process of effecting the orderly liquidation of this subsidiary, which is expected to be completed before the end of the first quarter of fiscal 2009. International Assets incurred losses before taxes of $2.4 million and $0.2 million in this subsidiary during fiscal years 2008 and 2007, respectively. International Assets expects to realize a tax benefit of $1.0 million for the 2008 fiscal year. The results of operations for INTL Global Currencies (Asia) Ltd., which were previously included in the foreign exchange trading segment, are included within discontinued operations on the income statement for all periods presented.

Note 22 — Quarterly Financial Information (Unaudited)

International Assets has set forth certain unaudited financial data for the twelve quarters in fiscal years 2008, 2007 and 2006 in the table below:

(In millions, except per share amounts) Quarter Ended	December 31	January 31	March 31	September 30
Fiscal Year 2008				
Operating revenues	$ 42.0	$ 32.7	$ 30.9	$ 21.8
Interest expense	3.0	2.8	2.4	3.0
Net revenues	39.0	29.9	28.5	18.8
Total non-interest expenses	16.9	18.4	16.5	16.8
Income tax expense	8.2	4.3	4.6	0.9
Minority interest	0.8	0.5	0.2	(1.1)
Income from continuing operations	13.1	6.7	7.2	2.2
Loss from discontinued operations	0.2	0.7	0.4	0.1
Net income	$ 12.9	$ 6.0	$ 6.8	$ 2.1
Net basic earnings (loss) per share	$ 1.56	$ 0.71	$ 0.80	$ 0.24
Net diluted earnings (loss) per share	$ 1.35	$ 0.64	$ 0.72	$ 0.23
Fiscal Year 2007				
Operating revenues	$ 9.2	$ 14.8	$ 9.5	$ 20.1
Interest expense	1.5	1.8	2.5	3.6
Net revenues	7.7	13.0	7.0	16.5
Total non-interest expenses	9.7	11.8	12.6	15.8
Income tax expense	(0.8)	0.5	(2.0)	0.3
Minority interest	0.2	0.1	0.1	0.2
Income from continuing operations	(1.4)	0.6	(3.7)	0.2
Loss from discontinued operations	—	—	0.1	0.1
Net income	$ (1.4)	$ 0.6	$ (3.8)	$ 0.1
Net basic earnings (loss) per share	$ (0.19)	$ 0.08	$ (0.46)	$ 0.01
Net diluted earnings (loss) per share	$ (0.19)	$ 0.08	$ (0.46)	$ 0.01

INTERNATIONAL ASSETS HOLDING CORPORATION

Notes to Consolidated Financial Statements

(In millions, except per share amounts) Quarter Ended	December 31	January 31	March 31	September 30
Fiscal Year 2006				
Operating revenues	$ 8.4	$ 9.0	$ 14.1	$ 4.4
Interest expense	0.5	0.5	0.6	0.5
Net revenues	7.9	8.5	13.5	3.9
Total non-interest expenses	6.2	6.8	8.2	7.3
Income tax expense	0.6	0.6	2.0	(1.5)
Minority interest	—	—	—	0.1
Income from continuing operations	1.1	1.1	3.3	(2.0)
Loss from discontinued operations	—	—	—	—
Net income	$ 1.1	$ 1.1	$ 3.3	$ (2.0)
Net basic earnings (loss) per share	$ 0.14	$ 0.14	$ 0.43	$ (0.25)
Net diluted earnings (loss) per share	$ 0.13	$ 0.13	$ 0.39	$ (0.25)

Note 23 — Segment Information

International Assets' activities are currently divided into five functional areas: international equities market-making, international debt capital markets, foreign exchange trading, commodities trading and asset management.

International Equities Market-Making

Through INTL Trading, International Assets acts as a wholesale market maker in select foreign securities including unlisted ADRs and foreign ordinary shares. INTL Trading provides execution and liquidity to national broker-dealers, regional broker-dealers and institutional investors.

Foreign Exchange Trading

International Assets trades currencies, with a focus on illiquid currencies of developing countries. International Assets' customers are financial institutions, multi-national corporations, governmental organizations and charitable organizations operating in these developing countries. In addition, International Assets executes trades based on the foreign currency flows inherent in International Assets' existing business activities. International Assets primarily acts as a principal in buying and selling foreign currencies on a spot basis. International Assets derives revenue from the difference between the purchase and sale prices.

Commodities Trading

International Assets provides a full range of trading and hedging capabilities to select producers, consumers, recyclers and investors in precious metals and certain base metals. Acting as a principal, International Assets commits its own capital to buy and sell the metals on a spot and forward basis.

International Assets records all of its physical commodities revenues on a gross basis. Operating revenues and losses from International Assets' commodities derivatives activities are recorded in 'Net dealer inventory and investment gains'. All of International Assets' other businesses report their revenues on a net basis. Inventory for the commodities business is stated at the lower of cost or market value, under the provisions of ARB No. 43. International Assets generally mitigates the price risk associated with commodities held in inventory through the

use of derivatives. This price risk mitigation does not generally qualify for hedge accounting under GAAP. In such situations, unrealized gains in inventory are not recognized under GAAP, but unrealized gains and losses in related derivative positions are recognized under GAAP. Additionally, GAAP does not require International Assets to reflect changes in the estimated values of forward commitments to purchase or sell commodities. As a result, International Assets' reported earnings from commodities trading are subject to significant volatility.

International Debt Capital Markets

International Assets arranges international debt transactions and asset backed securitizations for issuers located primarily in emerging markets. These transactions include bond issues, syndicated loans, and asset backed securitizations, as well as forms of other negotiable debt instruments. The revenues, expenses, assets and liabilities relating to the Trust Certificate and Total Return Swap discussed in Note 9 are included in this segment.

Asset Management

The asset management segment revenues include fees, commissions and other revenues received by International Assets for management of third party assets and investment gains or losses on International Assets' investments in managed funds and proprietary accounts managed either by International Assets' investment managers or by independent investment managers.

Other

All other transactions that do not relate to the operating segments above are classified as 'Other'. Certain cash accounts and balances were maintained to support the administration of all of the operating segments. These multi-segment assets were allocated to 'Other'. Revenue reported for 'Other' includes interest income but not interest expense.

The total revenues reported combine gross revenues for the commodities business and net revenues for all other businesses. In order to reflect the way that International Assets' management views the results, the tables below also reflect the segmental contribution to 'Operating revenues', which is shown on the face of the Condensed Consolidated Statements of Operations and which is calculated by deducting physical commodities cost of sales from total revenues.

Segment data includes the profitability measure of net contribution by segment. Net contribution is one of the key measures used by management to assess the performance of each segment and for decisions regarding the allocation of International Assets' resources. Net contribution is calculated as revenue less direct cost of sales, clearing and clearing related charges and variable trader bonus compensation. Variable trader bonus compensation represents a fixed percentage of an amount equal to revenues produced less clearing and related charges, base salaries and an overhead allocation.

Inter-segment revenues, charges, receivables and payables are eliminated between segments, except revenues and costs related to foreign currency transactions undertaken on an arm's length basis by the foreign exchange trading business for the equity, commodities trading and debt trading businesses. The foreign exchange trading business competes for this business as it does for any other business. If its rates are not competitive the equity, commodities trading and debt trading businesses buy or sell their foreign currency through other market counter-parties. The profit or loss made by the foreign exchange trading business on these transactions is not quantifiable.

INTERNATIONAL ASSETS HOLDING CORPORATION

Notes to Consolidated Financial Statements

Information concerning operations in these segments of business is as follows:

(In millions) Year Ended September 30,	2008	2007	2006
Total revenues:			
International equities market-making	$ 33.9	$ 27.5	$ 18.0
Foreign exchange trading	23.8	14.2	12.9
Commodities trading	18,281.2	4,397.5	441.5
International debt capital markets	4.3	6.4	2.4
Asset management	12.2	14.0	1.3
Other	3.5	0.7	0.4
Total	$18,358.9	$4,460.3	$476.5
Operating revenues:			
International equities market-making	33.9	27.5	18.0
Foreign exchange trading	23.8	14.2	12.9
Commodities trading	49.7	(9.2)	0.9
International debt capital markets	4.3	6.4	2.4
Asset management	12.2	14.0	1.3
Other	3.5	0.7	0.4
Total	$ 127.4	$ 53.6	$ 35.9
Net contribution (loss):			
(Revenues less cost of sales, clearing and related expenses, variable bonus compensation and bad debt expense):			
International equities market-making	$ 17.6	$ 13.8	$ 9.3
Foreign exchange trading	17.7	11.1	9.9
Commodities trading	45.2	(12.0)	(0.5)
International debt capital markets	3.8	4.6	2.0
Asset management	9.4	12.3	0.8
Other	3.3	0.6	0.4
Total	$ 97.0	$ 30.4	$ 21.9
Reconciliation of net contribution (loss) to income (loss) before income tax and minority interest:			
Net contribution allocated to segments	$ 97.0	$ 30.4	$ 21.9
Costs not allocated to operating segments	49.4	36.1	16.6
Income (loss) before income tax and minority interest	$ 47.6	$ (5.7)	$ 5.3

As of September 30,	2008	2007
Total assets:		
International equities market-making	$ 48.9	$ 49.6
Foreign exchange trading	52.9	61.3
Commodities trading	205.3	166.7
International debt capital markets	11.2	27.2
Asset management	114.4	49.8
Other	5.3	6.6
Total	$ 438.0	$ 361.2

INTERNATIONAL ASSETS HOLDING CORPORATION

Condensed Consolidated Balance Sheet
(Unaudited)

(In millions, except par value and share amounts)	March 31, 2009 (Unaudited)	September 30, 2008
ASSETS		
Cash	$ 32.8	$ 48.2
Cash and cash equivalents deposited with brokers, dealers and clearing organization	16.4	14.6
Receivable from brokers, dealers and clearing organization	16.3	20.2
Receivable from customers, net	37.6	49.2
Financial instruments owned, at fair value	153.6	218.0
Physical commodities inventory, at cost	75.2	57.4
Investments in managed funds, at fair value	12.1	11.9
Deferred income taxes	1.9	—
Property and equipment, net	3.1	2.5
Intangible assets, net	0.5	0.6
Goodwill	11.1	8.8
Debt issuance costs, net	0.5	0.6
Other assets	4.4	6.0
Total assets	$ 365.5	$ 438.0
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities:		
Accounts payable and accrued expenses	$ 2.9	$ 4.3
Financial instruments sold, not yet purchased, at fair value	132.5	151.5
Payable to lenders under loans and overdrafts	80.7	119.8
Payable to brokers, dealers and clearing organization	11.6	25.0
Payable to customers	26.6	26.3
Accrued compensation and benefits	6.5	8.0
Income taxes payable	1.2	1.0
Deferred income taxes	—	2.0
Other long-term liabilities	0.5	0.4
	262.5	338.3
Convertible subordinated notes payable, net	16.7	16.8
Total liabilities	279.2	355.1
Commitments and contingencies (see Note 12)		
Minority interest	7.0	8.1
Stockholders' equity:		
Preferred stock, $.01 par value. Authorized 1,000,000 shares; no shares issued or outstanding	—	—
Common stock, $.01 par value. Authorized 17,000,000 shares; 9,047,545 issued and 9,036,288 outstanding at March 31, 2009 and 8,928,711 issued and outstanding at September 30, 2008	0.1	0.1
Common stock in treasury, at cost - 11,257 shares at March 31, 2009	(0.1)	—
Additional paid-in capital	50.0	48.9
Retained earnings	34.0	26.7
Accumulated other comprehensive loss	(4.7)	(0.9)
Total stockholders' equity	79.3	74.8
Total liabilities and stockholders' equity	$ 365.5	$ 438.0

See accompanying notes.

INTERNATIONAL ASSETS HOLDING CORPORATION

Condensed Consolidated Income Statements
(Unaudited)

(In millions, except share and per share amounts)	Three Months Ended March 31, 2009	Three Months Ended March 31, 2008	Six Months Ended March 31, 2009	Six Months Ended March 31, 2008
Revenues:				
Sales of physical commodities	$ 15,417.7	$ 3,481.4	$ 25,924.0	$ 5,605.2
Net dealer inventory and investment gains	10.1	(0.6)	35.4	29.6
Asset management fees	1.2	3.9	2.7	8.6
Other	2.7	2.1	5.8	4.0
Total revenues	15,431.7	3,486.8	25,967.9	5,647.4
Cost of sales of physical commodities	15,404.6	3,454.1	25,911.2	5,572.7
Operating revenues	27.1	32.7	56.7	74.7
Interest expense	2.3	2.8	4.6	5.8
Net revenues	24.8	29.9	52.1	68.9
Non-interest expenses:				
Compensation and benefits	10.4	11.0	24.0	21.6
Clearing and related expenses	5.0	3.9	9.9	7.7
Occupancy and equipment rental	0.3	0.3	0.7	0.7
Professional fees	0.3	0.5	1.1	1.0
Depreciation and amortization	0.3	0.3	0.5	0.5
Business development	0.5	0.6	1.0	1.3
Insurance	0.1	0.1	0.2	0.2
Other	2.8	1.7	3.6	2.3
Total non-interest expenses	19.7	18.4	41.0	35.3
Income before income tax and minority interest	5.1	11.5	11.1	33.6
Income tax expense	0.8	4.3	3.3	12.5
Income before minority interest	4.3	7.2	7.8	21.1
Minority interest in income of consolidated entities	0.3	0.5	0.5	1.3
Income from continuing operations	4.0	6.7	7.3	19.8
Loss from discontinued operations, net of taxes	—	0.7	—	0.9
Net income	$ 4.0	$ 6.0	$ 7.3	$ 18.9
Basic earnings per share:				
Income from continuing operations	$ 0.46	$ 0.80	$ 0.82	$ 2.37
Discontinued operations	—	(0.09)	—	(0.11)
Net basic earnings per share	$ 0.46	$ 0.71	$ 0.82	$ 2.26
Diluted earnings per share:				
Income from continuing operations	$ 0.44	$ 0.71	$ 0.78	$ 2.06
Discontinued operations	—	(0.07)	—	(0.09)
Net diluted earnings per share	$ 0.44	$ 0.64	$ 0.78	$ 1.97
Weighted average number of common shares outstanding:				
Basic	8,873,440	8,437,124	8,864,298	8,362,265
Diluted	9,898,873	9,940,890	9,972,697	9,945,082
Net income	$ 4.0	$ 6.0	$ 7.3	$ 18.9
Other comprehensive income:				
Interest rate swap	0.4	—	(3.4)	—
Currency translation adjustments	(0.2)	—	(0.4)	—
Total comprehensive income	$ 4.2	$ 6.0	$ 3.5	$ 18.9

See accompanying notes.

INTERNATIONAL ASSETS HOLDING CORPORATION

Condensed Consolidated Cash Flow Statements
(Unaudited)

(In millions)	Six Months Ended March 31, 2009	2008
Cash flows from operating activities:		
Net cash provided by (used in) operating activities	$ 31.0	$(24.3)
Cash flows from investing activities:		
Capital contribution of consolidated joint venture partner	0.2	—
Capital distribution to consolidated joint venture partner	(1.7)	(2.4)
Payments related to acquisition of joint venture interests	(3.0)	—
Purchase of property and equipment	(1.2)	(0.7)
Net cash used in investing activities	(5.7)	(3.1)
Cash flows from financing activities:		
Change in payable to lenders under loans and overdrafts	(39.1)	24.1
Share repurchase	(0.1)	—
Exercise of stock options	0.1	1.1
Income tax benefit on stock awards exercised	—	0.8
Net cash (used in) provided by financing activities	(39.1)	26.0
Effect of exchange rates on cash and cash equivalents	0.2	—
Net decrease in cash and cash equivalents	(13.6)	(1.4)
Cash and cash equivalents at beginning of period	62.8	53.7
Cash and cash equivalents at end of period	$ 49.2	$ 52.3
Supplemental disclosure of non-cash investing and financing activities:		
Additional goodwill in connection with acquisition	$ —	$ 1.3
Conversion of subordinated notes to common stock, net	$ 0.1	$ —
Release of trust certificates	$ —	$ 11.2

See accompanying notes.

INTERNATIONAL ASSETS HOLDING CORPORATION

Notes to Condensed Consolidated Financial Statement
(Unaudited)

Note 1 — Basis of Presentation and Consolidation and Recent Accounting Pronouncements

International Assets Holding Corporation and its subsidiaries (collectively "International Assets") form a financial services group focused on select international markets. International Assets commits its capital and expertise to market-making and dealing in financial instruments, currencies and commodities, and to asset management. International Assets' activities are divided into five functional areas; international equities market-making, international debt capital markets, foreign exchange trading, commodities trading and asset management.

Basis of Presentation and Consolidation

The accompanying condensed consolidated balance sheet as of September 30, 2008, which has been derived from audited financial statements, and the unaudited interim condensed consolidated financial statements have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and note disclosures normally included in annual financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to those rules and regulations. International Assets believes that the disclosures made are adequate to make the information not misleading. All adjustments that, in the opinion of management and consisting only of a normal and recurring nature, are necessary for a fair presentation for the interim periods presented have been reflected as required by Regulation S-X, Rule 10-01.

Operating results for interim periods are not necessarily indicative of the results that may be expected for the full year. It is suggested that these financial statements should be read in conjunction with International Assets' consolidated financial statements and related notes contained in International Assets' latest stockholders' annual report and the Company's Form 10-K for the fiscal year ended September 30, 2008 as filed with the Securities and Exchange Commission.

These condensed consolidated financial statements include the accounts of International Assets Holding Corporation and its subsidiaries. Intercompany transactions and balances have been eliminated in consolidation. Equity investments in which International Assets exercises control or variable interest entities in which we are the primary beneficiary have been consolidated. International Assets' fiscal year end is September 30, and its fiscal quarters end on December 31, March 31 and June 30. Unless otherwise stated, all dates refer to International Assets' fiscal years and fiscal periods.

Recent Accounting Pronouncements

Recently Adopted Accounting Pronouncements

International Assets adopted Statement of Financial Accounting Standards ("SFAS") No. 161, *Disclosures about Derivative Instruments and Hedging Activities — an amendment of FASB Statement No. 133*. SFAS No. 161 requires enhanced disclosures about an entity's derivative and hedging activities. SFAS No. 161 is effective for the fiscal years and interim periods beginning after November 15, 2008. Accordingly, International Assets adopted SFAS No. 161 effective January 1, 2009. Since SFAS No. 161 requires only additional disclosures concerning derivatives and hedging activities, adoption of SFAS No. 161 did not affect International Assets' financial condition, results of operations or cash flows.

International Assets adopted SFAS No. 159, *The Fair Value Option for Financial Assets and Financial Liabilities — Including an amendment of FASB Statement No. 115* with effect from October 1, 2008, the

INTERNATIONAL ASSETS HOLDING CORPORATION

Notes to Condensed Consolidated Financial Statement
(Unaudited)

beginning of the 2009 fiscal year. International Assets has not applied the fair value option to any additional categories of financial assets or liabilities as a result of the adoption of SFAS No. 159. The categories of financial assets and financial liabilities reported at fair value in International Assets' condensed consolidated balance sheets under "Financial instruments owned, at fair value", "Financial instruments sold, not yet purchased, at fair value" and "Investments in managed funds, at fair value" at March 31, 2009 remain consistent with those reported under the same headings at September 30, 2008.

International Assets adopted SFAS No. 157, *Fair Value Measurements*, with effect from October 1, 2008, the beginning of the 2009 fiscal year. The provisions of SFAS No. 157 are to be applied prospectively, with certain exceptions that do not apply to financial instruments held by International Assets at September 30, 2008. Accordingly, there are no cumulative effect adjustments to be made to opening balances of retained earnings. SFAS No. 157 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). Note 5 below gives the information required by SFAS No. 157 relating to International Assets' financial assets and liabilities that are carried at fair value.

Effective October 10, 2008, International Assets adopted Financial Accounting Standards Board ("FASB") FASB Staff Position ("FSP") FAS 157-3, *Determining the Fair Value of a Financial Asset When the Market for that Asset is not Active*. FSP FAS 157-3 is consistent with the joint press release the FASB issued with the Securities and Exchange Commission on September 30, 2008, which provides general clarification guidance on determining fair value under SFAS No. 157 when markets are inactive. FSP FAS 157-3 specifically addresses the use of judgment in determining whether a transaction in a dislocated market represents fair value, the inclusion of market participant risk adjustments when an entity significantly adjusts observable market data based on unobservable inputs, and the degree of reliance to be placed on broker quotes or pricing services. The adoption of FSP FAS 157-3 has not had a significant effect on International Assets' current fair value measurements.

In September 2008, the FASB issued FSP FAS 133-1 and FASB Interpretation No. ("FIN") 45-4, Disclosures about Credit Derivatives and Certain Guarantees: An Amendment of FASB Statement No. 133 and FASB Interpretation No. 45; and Clarification of the Effective Date of FASB Statement No. 161 ("FSP FAS 133-1 and FIN 45-4"). FSP FAS 133-1 and FIN 45-4 require enhanced disclosures by sellers of credit derivatives, including credit derivatives embedded in a hybrid instrument, and require additional disclosure about the current status of the payment/performance risk of a guarantee. FSP FAS 133-1 and FIN 45-4 were effective for International Assets' financial statements for the fiscal quarter ended December 31, 2008. The adoption of FSP FAS 133-1 and FIN 45-4 has had no effect on disclosures in International Assets' financial statements.

In December 2008, the FASB issued FSP No. FAS 140-4 and FIN 46(R)-8, which amends SFAS No. 140, *Accounting for Transfer and Servicing of Financial Assets and Extinguishment of Liabilities*, to require public entities to provide additional disclosures about transfers of financial assets. It also amends FIN 46(R), *Consolidation of Variable Interest Entities*, to require public enterprises to provide additional disclosures about their involvement with variable interest entities. This FSP is effective for the first reporting period, interim or annual, ending after December 15, 2008, which for International Assets was the quarter ended December 31, 2008. The adoption of this FSP has had no effect on disclosures in International Assets' financial statements.

FASB's Emerging Issues Task Force ("EITF") has reached consensus on EITF Issue No. 08-5, *Issuer's Accounting for Liabilities Measured at Fair Value with a Third-Party Credit Enhancement.* The objective of this EITF is to determine an issuer's unit of accounting for a liability issued with an inseparable third-party credit

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enhancement when it is measured or disclosed at fair value on a recurring basis. This EITF is effective on a prospective basis in the first reporting period beginning on or after December 15, 2008 which for International Assets was the fiscal quarter ended December 31, 2008. The adoption of this pronouncement did not have any effect on disclosures in International Assets' financial statements.

In January 2009, the FASB issued FSP No. EITF 99-20-1, Amendments to the Impairment Guidance of EITF Issue No. 99-20. This FSP amends the impairment guidance in EITF 99-20, Recognition of Interest Income and Impairment on Purchased Beneficial Interests and Beneficial Interests that Continue to be Held by a Transferor in Securitized Financial Assets, to achieve more consistent determination of whether an other-than-temporary impairment has occurred. The FSP also retains and emphasizes the objective of an other-than-temporary impairment assessment and the related disclosure requirements in SFAS No. 115, Accounting for Certain Investments in Debt and Equity Securities, and other related guidance. This FSP is effective for the first reporting period, interim or annual, ending after December 15, 2008, which for International Assets was the quarter ended December 31, 2008. The adoption of this FSP has had no effect on disclosures in International Assets' financial statements.

Recent Accounting Pronouncements Not Yet Adopted

In April 2009, the FASB issued FSP FAS 157-4, Determining Fair Value When the Volume and Level of Activity for the Asset or Liability Have Significantly Decreased and Identifying Transactions That Are Not Orderly ("FSP FAS 157-4"). FSP FAS 157-4 provides guidance for determining when a transaction is not orderly and for estimating fair value in accordance with FASB Statement No. 157, Fair Value Measurements ("FAS 157"), when there has been a significant decrease in the volume and level of activity for an asset or liability. FSP FAS 157-4 does not change the measurement objective of FAS 157 which is "the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date." FSP FAS 157-4 shall be effective for interim and annual reporting periods ending after June 15, 2009, and shall be applied prospectively. Early adoption is permitted for periods ending after March 15, 2009. International Assets will adopt FSP FAS 157-4 effective for International Assets' quarter ending June 30, 2009 and is currently evaluating the effect that the adoption will have on International Assets' financial position and results of operations.

In April 2009, the FASB issued FSP FAS 115-2 and FAS 124-2, *Recognition and Presentation of Other-Than-Temporary Impairments* ("FSP FAS 115-2"). FSP FAS 115-2 modifies the existing other-than-temporary impairment guidance to require the recognition of an other-than-temporary impairment when an entity has the intent to sell a debt security or when it is more likely than not an entity will be required to sell the debt security before its anticipated recovery. FSP FAS 115-2 shall be effective for interim and annual reporting periods ending after June 15, 2009, with early adoption permitted for periods ending after March 15, 2009. International Assets will adopt FSP FAS 115-2 effective for International Assets' quarter ending June 30, 2009 and is currently evaluating the effect that the adoption will have on International Assets' financial position and results of operations.

In April 2009, the FASB issued FSP FAS 107-1 and APB 28-1, *Interim Disclosures about Fair Value of Financial Instruments* ("FSP FAS 107-1"). FSP FAS 107-1 amends FASB Statement No. 107, *Disclosures about Fair Value of Financial Instruments*, to require fair value of financial instrument disclosures whenever a publicly traded company issues financial information in interim reporting periods in addition to the annual disclosures at year-end. The provisions of FSP FAS 107-1 are effective for interim periods ending after June 15, 2009, with early adoption permitted for periods ending after March 15, 2009. International Assets will adopt FSP FAS 107-1 effective for International Assets' quarter ending June 30, 2009 and is currently evaluating the effect that the adoption will have on disclosures in International Assets' financial statements.

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The EITF has reached consensus on EITF Issue No. 07-5, *Determining Whether an Instrument (or Embedded Feature) is Indexed to an Entity's Own Stock.* The objective of EITF 07-5 is to provide guidance for determining whether an equity-linked financial instrument (or embedded feature) is indexed to an entity's own stock. EITF 07-5 is effective for financial statements issued for fiscal years beginning after December 15, 2008, and interim periods within those fiscal years, which for International Assets means the 2010 fiscal year, beginning on October 1, 2009. International Assets is currently evaluating the effect that the adoption of EITF 07-5 will have on disclosures in its financial statements.

Note 2 — Reclassifications

Effective for the fiscal quarter ended June 30, 2008, International Assets reclassified certain prior period balances from professional fees to clearing and related expenses. The reclassified fees were fund service accounting charges which are based on the value of the respective fund. The net result of this change for the three months and six months ended March 31, 2008 was an increase in clearing and related expenses of $0.1 million and $0.2 million, respectively, with a corresponding decrease in professional fees.

Note 3 — Earnings per Share

Basic earnings per share has been computed by dividing net income by the weighted average number of common shares outstanding. The following is a reconciliation of the numerator and denominator of the diluted net income per share computations for the periods presented below.

	Three Months Ended March 31,		Six Months Ended March 31,	
(In millions, except share amounts)	2009	2008	2009	2008
Numerator:				
Income from continuing operations	$ 4.0	$ 6.7	$ 7.3	$ 19.8
Add: Interest on convertible debt, net of tax	0.3	0.4	0.5	0.7
Diluted income from continuing operations	4.3	7.1	7.8	20.5
Less: Loss from discontinued operations	—	(0.7)	—	(0.9)
Diluted net income	$ 4.3	$ 6.4	$ 7.8	$ 19.6
Denominator:				
Weighted average number of:				
Common shares outstanding	8,873,440	8,437,124	8,864,298	8,362,265
Dilutive potential common shares outstanding:				
Share-based awards	368,498	522,219	451,391	601,270
Convertible debt	656,935	981,547	657,008	981,547
Diluted weighted-average shares	9,898,873	9,940,890	9,972,697	9,945,082

The dilutive effect of share-based awards is reflected in diluted net income per share by application of the treasury stock method, which includes consideration of unamortized share-based compensation expense required by SFAS No. 123 (R). The dilutive effect of convertible debt has been reflected in diluted net income per share by application of the if-converted method.

Options to purchase 648,673 and 117,028 shares of common stock for the three months ended March 31, 2009 and 2008, respectively, and 567,603 and 117,028 shares of common stock for the six months ended March 31, 2009 and 2008, respectively, were excluded from the calculation of diluted earnings per share because they would have been anti-dilutive.

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Note 4 — Other Revenues, net

Other revenue is comprised of the following:

(In millions)	Three Months Ended March 31, 2009	Three Months Ended March 31, 2008	Six Months Ended March 31, 2009	Six Months Ended March 31, 2008
Fees and commissions	$ 1.9	$ 1.2	$ 3.9	$ 2.5
Dividend income (expense), net	0.2	—	0.3	(0.1)
Interest income	0.6	0.6	1.4	1.1
Other	—	0.3	0.2	0.5
Total other revenues, net	$ 2.7	$ 2.1	$ 5.8	$ 4.0

Note 5 — Financial Assets and Financial Liabilities, at Fair Value

International Assets adopted SFAS No. 159 and SFAS No. 157 with effect from October 1, 2008. International Assets' financial assets and liabilities that are carried at fair value are:

Financial instruments owned

Financial instruments sold, not yet purchased

Investments in managed funds

The table below sets forth an analysis of financial instruments owned and financial instruments sold, not yet purchased. This is followed by tables that provide the information required by SFAS No. 157 on all financial assets and liabilities that are carried at fair value.

(In millions)	March 31, 2009 Owned	March 31, 2009 Sold, not yet purchased	September 30, 2008 Owned	September 30, 2008 Sold, not yet purchased
Common stock and ADR's	$ 8.8	$ 1.9	$ 18.3	$ 5.8
Exchangeable foreign ordinary equities and ADR's	21.3	21.3	35.0	35.1
Corporate and municipal bonds	41.9	—	80.2	—
U.S. and foreign government obligations	0.3	21.6	1.3	44.6
Derivatives	14.2	20.6	31.5	13.3
Commodities	67.0	67.1	49.9	52.7
Mutual funds and other	0.1	—	1.8	—
	$153.6	$ 132.5	$218.0	$ 151.5

Fair Value Hierarchy

The following table sets forth International Assets' financial assets and liabilities that were accounted for at fair value as of March 31, 2009 by level within the fair value hierarchy. As required by SFAS No. 157, financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The three levels of the fair value hierarchy under SFAS No. 157 are:

Level 1: unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities;

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Level 2: quoted prices in markets that are not active, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability; and

Level 3: prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (i.e., supported by little or no market activity).

	March 31, 2009				
(In millions)	Level 1	Level 2	Level 3	Netting and Collateral	Total
Assets:					
Common stock and ADR's	$27.4	$ 1.5	$ 1.2	$ —	$ 30.1
Corporate and municipal bonds	12.9	23.8	5.2	—	41.9
U.S. and foreign government obligations	0.2	0.1	—	—	0.3
Derivatives	0.2	14.0	—	—	14.2
Commodities	—	129.6	—	(62.6)	67.0
Mutual funds and other	0.1	—	—	—	0.1
Investment in managed funds	—	—	12.1	—	12.1
Total assets at fair value	$40.8	$169.0	$18.5	$ (62.6)	$165.7
Liabilities:					
Common stock and ADR's	$22.0	$ 1.2	$ —	$ —	$ 23.2
Corporate and municipal bonds		—	—	—	—
U.S. and foreign government obligations	21.6	—	—	—	21.6
Derivatives	6.9	14.3	—	(0.6)	20.6
Commodities	—	73.5	—	(6.4)	67.1
Total liabilities at fair value	$50.5	$ 89.0	$ —	$ (7.0)	$132.5

Information on Level 3 Financial Assets and Liabilities

The International Assets' financial assets at fair value classified within level 3 of the fair value hierarchy are as follows:

(In millions)	As of March 31, 2009
Total level 3 assets	$ 18.5
Level 3 assets for which the Company bears economic exposure	$ 18.5
Total assets	$ 365.5
Total financial assets at fair value	$ 165.7
Total level 3 assets as a percentage of total assets	5.1%
Total level 3 assets as a percentage of total financial assets at fair value	11.2%

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The following tables sets forth a summary of changes in the fair value of International Assets' level 3 financial assets and liabilities during the three months and six months ended March 31, 2009 including a summary of unrealized gains (losses) during the three and six months on International Assets' level 3 financial assets and liabilities still held at March 31, 2009.

	Level 3 Financial Assets and Financial Liabilities For the Three Months Ended March 31, 2009					
(In millions)	Balances at prior reporting date	Realized gains (losses) during period	Unrealized gains (losses) at reporting date	Purchases, issuances, settlements	Transfers in or out of Level 3	Balances at current reporting date
Assets:						
Common stock and ADR's	$ 1.8	$ 0.2	$ 0.2	$ (1.1)	$ —	$ 1.1
Corporate and municipal bonds	5.5	—	(0.3)	—	—	5.2
Investment in managed funds	12.5	0.1	0.2	(0.6)	—	12.2
	$ 19.8	$ 0.3	$ 0.1	$ (1.7)	$ —	$ 18.5

	Level 3 Financial Assets and Financial Liabilities For the Six Months Ended March 31, 2009					
(In millions)	Balances at prior reporting date	Realized gains (losses) during period	Unrealized gains (losses) at reporting date	Purchases, issuances, settlements	Transfers in or out of Level 3	Balances at current reporting date
Assets:						
Common stock and ADR's	$ 2.9	$ 0.2	$ 0.2	$ (2.2)	$ —	$ 1.1
Corporate and municipal bonds	4.1	0.1	1.5	(0.5)	—	5.2
Mutual funds and other	—	—	—	—	—	—
Investment in managed funds	11.9	0.1	0.3	(0.1)	—	12.2
	$ 18.9	$ 0.4	$ 2.0	$ (2.8)	$ —	$ 18.5

Note 6 — Financial Instruments with Off-Balance Sheet Risk and Concentrations of Credit Risk

International Assets is party to certain financial instruments with off-balance sheet risk in the normal course of its business. International Assets has sold financial instruments that it does not currently own and will therefore be obliged to purchase such financial instruments at a future date. International Assets has recorded these obligations in the condensed consolidated financial statements at March 31, 2009 at the fair values of the related financial instruments. International Assets will incur losses if the market value of the financial instruments increases subsequent to March 31, 2009. The total of $132.5 million at March 31, 2009 includes $20.6 million for derivative contracts, which represent a liability to International Assets based on their fair values as of March 31, 2009.

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Derivatives

International Assets utilizes derivative products in a trading capacity as a dealer to satisfy client needs and mitigate risk. International Assets manages risks from both derivatives and non-derivative cash instruments on a consolidated basis. The risks of derivatives should not be viewed in isolation, but in aggregate with International Assets' other trading activities. International Assets' derivative positions are included within the balance sheets under the caption 'financial instruments owned, at fair value' and 'financial instruments sold, not yet purchased, at fair value'.

Listed below are the fair values of trading-related derivatives as of March 31, 2009 and September 30, 2008. Assets represent net unrealized gains and liabilities represent net unrealized losses.

	March 31, 2009		September 30, 2008	
(In millions)	Assets	Liabilities	Assets	Liabilities
Derivative contracts for trading activities:				
Equity index derivatives	$ 0.6	$ 1.2	$ 1.8	$ 0.2
Commodity price derivatives	13.6	14.3	29.7	12.6
Derivative contracts accounted for as hedges under SFAS No. 133:				
Interest rate derivatives	—	5.7	—	0.5
Gross fair value of derivative contracts	14.2	21.2	31.5	13.3
Cash collateral netting	—	(0.6)	—	—
Fair value included in 'Financial instruments owned, at fair value'	$14.2		$31.5	
Fair value included in 'Financial instruments sold, not yet purchased, at fair value'		$ 20.6		$ 13.3

The derivatives as of March 31, 2009 mature as follows:

	Assets				Liabilities			
(In millions)	Total	Maturing in Fiscal 2009	Maturing in Fiscal 2010	Maturing 2011 & Later	Total	Maturing in Fiscal 2009	Maturing in Fiscal 2010	Maturing 2011 & Later
Equity index derivatives	$ 0.6	$ 0.2	$ 0.2	$ 0.2	$ 1.2	$ 1.2	$ —	$ —
Interest rate derivatives	—	—	—	—	5.7	—	—	5.7
Commodity price derivatives	13.6	12.3	1.3	—	13.7	12.6	1.1	—
	$14.2	$ 12.5	$ 1.5	$ 0.2	$20.6	$ 13.8	$ 1.1	$ 5.7
Commodity price derivatives:								
Base metals	$ 4.2	$ 4.1	$ 0.1	$ —	$ 6.3	$ 6.2	$ 0.1	$ —
Precious metals	$ 9.4	$ 8.2	$ 1.2	$ —	$ 7.4	$ 6.4	$ 1.0	$ —

International Assets' derivative contracts are principally held in its commodities trading business segment. International Assets assists its commodities customers in protecting the value of their future production by entering into option or forward agreements with them on an over-the-counter ("OTC") basis. International Assets also provides its commodities customers with sophisticated option products, including combinations of buying and selling puts and calls. International Assets mitigates its risk by effecting offsetting OTC options with market counterparties or through the purchase or sale of exchange-traded commodities futures. The risk mitigation of offsetting options is not within the documented hedging designation requirements of SFAS No. 133.

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These derivative contracts are traded along with cash transactions because of the integrated nature of the markets for such products. International Assets manages the risks associated with derivatives on an aggregate basis along with the risks associated with its proprietary trading and market-making activities in cash instruments as part of its firm-wide risk management policies. In particular, the risks related to derivative positions may be partially offset by inventory, unrealized gains in inventory or cash collateral paid or received.

The following table sets forth by major risk type the firm's gains/ (losses) related to trading activities, including both derivative and nonderivative financial instruments, for the three months ended March 2009 in accordance with SFAS No. 161. The gains/ (losses) set forth below are included in 'Net dealer inventory and investment gains' in the condensed consolidated income statements.

	Three Months Ended March 31,	
(In millions)	2009	2008
Asset management	$ 1.6	$ 1.1
Commodities	(5.6)	(15.7)
Total	$ (4.0)	$ (14.6)

International Assets invests in equity derivatives as part of its asset management business, whose total revenues, including trading revenues are shown in the table above.

International Assets has two interest rate swap contracts totaling $100 million in nominal amount at March 31, 2009, which were entered into in order to hedge potential changes in cash flows resulting from International Assets' variable rate LIBOR based borrowings, that are classified under SFAS No. 133 as cash flow hedges. The effective portion of the swap's gain or loss for the three months and six months ended March 31, 2009, as calculated using the long-haul method, was a gain of $0.4 million and a loss of $3.4 million, respectively, which has been reported in the balance sheets as a component of accumulated other comprehensive income (loss). This balance will be recognized in earnings over the remaining term of the swaps, as the hedged exposure affects interest expense. The ineffective portion of the swap gain or loss was a loss of $0.3 million and $1.4 million for the three months and six months ended March 31, 2009, respectively, which is included in 'Net dealer inventory and investment gains' on the income statements.

Credit Risk

In the normal course of business, International Assets purchases and sells financial instruments and foreign currencies as either principal or agent on behalf of its customers. If either the customer or counterparty fails to perform, International Assets may be required to discharge the obligations of the nonperforming party. In such circumstances, International Assets may sustain a loss if the market value of the financial instrument or foreign currency is different from the contract value of the transaction.

The majority of International Assets' transactions and, consequently, the concentration of its credit exposure is with customers, broker-dealers and other financial institutions. These activities primarily involve collateralized and uncollateralized arrangements and may result in credit exposure in the event that a counterparty fails to meet its contractual obligations. International Assets' exposure to credit risk can be directly impacted by volatile financial markets, which may impair the ability of counterparties to satisfy their contractual obligations. International Assets seeks to control its credit risk through a variety of reporting and control procedures, including establishing credit limits based upon a review of the counterparties' financial condition and credit ratings. International Assets monitors collateral levels on a daily basis for compliance with regulatory and internal guidelines and requests changes in collateral levels as appropriate.

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Note 7 — Physical Commodities Inventory

Physical commodities inventory is valued at the lower of cost or market value, determined using the specific identification weighted average price method. Commodities in process include commodities in the process of being recycled. The carrying values of International Assets' inventory at March 31, 2009 and September 30, 2008 are shown below.

(In millions)	March 31, 2009	September 30, 2008
Commodities in process	$ 0.7	$ 5.5
Finished commodities	74.5	51.9
	$ 75.2	$ 57.4

Note 8 — Goodwill

International Assets acquired the Gainvest group of companies ("INTL Gainvest"), specialists in local markets securitization and asset management in Argentina, Brazil and Uruguay, in May 2007. Pursuant to this acquisition, International Assets is obligated to make a further payment on June 1, 2009 equal to 25% of the aggregate revenues that INTL Gainvest earns during the 12 months ending April 30, 2009. The revenues on which the 25% is calculated are subject to a minimum threshold of $5.5 million and a maximum ceiling of $11 million for this period. As of March 31, 2009, the aggregate revenues of INTL Gainvest since May 1, 2008 had not exceeded the minimum threshold of $5.5 million for the 12 months ending April 30, 2009. An amount equal to 25% of INTL Gainvest's revenues for the 12 months ending April 30, 2009 will be recorded as additional goodwill if and when the minimum revenue threshold is achieved.

International Assets acquired the 50% interest held by Nilesh Ved in INTL Commodities DMCC, International Assets ' Dubai commodities joint venture, in February of 2009. The completion of the purchase accounting for this transaction resulted in goodwill of $2.3 million being recorded during the quarter ended March 31, 2009.

Note 9 — Related Party Transactions

As of March 31, 2009, International Assets had investments valued at $12.4 million in two hedge funds managed by INTL Consilium, LLC ("INTL Consilium"), including $11.6 million in the INTL Consilium Convertible Arbitrage Fund ("the ICCAF fund"). As of March 31, 2009 International Assets owned a 50.1% interest in INTL Consilium. Under the provisions of FIN 46(R), International Assets is required to consolidate the ICCAF fund as a variable interest entity. Accordingly, the minority interest shown in the condensed consolidated income statements for the three and six months ended March 31, 2009 also includes the minority interests in the ICCAF fund. The creditors of the ICCAF fund have no recourse to the general assets of International Assets. International Assets also has an investment valued at $11.3 million in the INTL Trade Finance Fund Limited, a fund managed by International Assets' wholly-owned subsidiary, INTL Capital Limited. This fund invests primarily in global trade finance-related assets. International Assets' investments in unconsolidated hedge funds are included in 'Investment in managed funds, at fair value' on the condensed consolidated balance sheets.

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Note 10 — Payable to Lenders under Loans and Overdrafts

As of March 31, 2009, International Assets had four credit facilities under which International Assets may borrow up to $200 million, subject to certain conditions. Interest expense related to International Assets' credit facilities was approximately $1.9 million and $1.8 million for the three months ended March 31, 2009 and 2008, respectively, and approximately $3.7 million and $3.5 million for the six months ended March 31, 2009 and 2008.

International Assets' four credit facilities at March 31, 2009 consisted of the following:

A one-year, renewable, revolving syndicated committed loan facility established on June 27, 2008 under which International Assets' wholly-owned subsidiary, INTL Commodities, Inc. ('INTL Commodities') is entitled to borrow up to $125 million, subject to certain conditions. There are six commercial banks that are the underlying lenders within the syndicate group. The loan proceeds are used to finance the activities of INTL Commodities and are secured by its assets. The interest rate for the facility depends on the ratio of borrowings to equity and ranges between 2.00% and 2.25% over the federal funds rate (0.18% at March 31, 2009) or over the LIBOR rate for the applicable term, at International Assets' election.

A demand facility established on March 5, 2008, under which International Assets' Dubai joint venture, INTL Commodities DMCC, may borrow up to $15 million, subject to certain conditions. The facility is secured by inventory and receivables and is guaranteed by International Assets.

Two additional lines of credit with a commercial bank under which International Assets may borrow up to $60 million, subject to certain conditions. One of these lines of credit is secured by certain of International Assets' assets. The other is secured by a pledge of shares held in certain of International Assets' foreign subsidiaries. The interest rate on these facilities was 2.40% over one-month LIBOR (approximately 0.98% at March 31, 2009).

At March 31, 2009, International Assets had the following credit facilities and outstanding borrowings:

Security	Maturity Date	Maximum Amount	Amount Outstanding
Certain foreign exchange assets	December 31, 2009	$ 25.0	$ 8.8
Certain pledged shares	December 31, 2009	35.0	21.9
Certain commodities assets	On demand	15.0	—
Certain commodities assets	June 27, 2009	125.0	50.0
		$ 200.0	$ 80.7

Note 11 — Convertible Subordinated Notes and Debt Issuance Costs

International Assets had $16.7 million and $16.8 million in aggregate principal amount of International Assets' senior subordinated convertible notes due 2011 ('Notes') outstanding as of March 31, 2009 and September 30, 2008, respectively. The Notes are general unsecured obligations of International Assets and bear interest at the rate of 7.625% per annum, payable quarterly in arrears.

During October 2008, Notes with a principal balance of $0.1 million were converted into 4,359 common shares at the election of the holders of those Notes. As of March 31, 2009, the remaining Notes are convertible by the holders into 656,936 shares of common stock of International Assets, at a conversion price of $25.47 per

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share. If the dollar-volume weighted average price of the common stock exceeds $38.25, subject to certain adjustments, for any twenty out of thirty consecutive trading days, International Assets will have the right to require the holders of the Notes to convert all or any portion of the Notes into shares of common stock at the then-applicable conversion price.

In the event that the consolidated interest coverage ratio for the 12 months preceding the end of any fiscal quarter is less than 2.0, the interest rate on the Notes will be increased by 2.0% to 9.625% per annum, effective as of the first day of the following fiscal quarter. Through the quarter ended March 31, 2009, no such increase has been necessary. Holders may redeem their Notes at par if the interest coverage ratio set forth in the Notes is less than 2.75 for the twelve-month period ending December 31, 2009.

International Assets entered into a separate Registration Rights Agreement with the holders of the Notes, under which International Assets was required to file with the U.S. Securities and Exchange Commission (‘SEC’) a Registration Statement on Form S-3 within a specified period of time. The Registration Statement was declared effective by the SEC on October 24, 2006. International Assets is required, under the Registration Rights Agreement, to maintain the effectiveness of the Registration Statement, failing which it could become liable to pay holders of the Notes liquidated damages of 1% of the value of the Notes upon a failure to maintain effectiveness of the Registration Statement, plus a further 1% for every 30 days that it remains ineffective thereafter, up to an aggregate maximum of 10% of the value of the Notes. At March 31, 2009, International Assets was in compliance with its requirements under the Registration Rights Agreement.

Note 12 — Commitments and Contingencies

As discussed in Note 8 — Goodwill, International Assets has a contingent liability relating to the acquisition of INTL Gainvest which may result in the payment of additional consideration in June 2009.

As discussed in Note 11 — Convertible Subordinated Notes and Debt Issuance Costs, the Notes may be converted into shares of common stock of International Assets at any time by the holders. The Notes also contain a provision to increase the interest rate by 2%, subject to certain conditions measured on a quarterly basis.

Note 13 — Capital and Other Regulatory Requirements

International Assets’ wholly-owned subsidiary INTL Trading, Inc. (‘INTL Trading’) is a registered broker dealer and member of the Financial Industry Regulatory Authority (“FINRA”) and is subject to the SEC Uniform Net Capital Rule 15c3-1. This rule requires the maintenance of minimum net capital, and requires that the ratio of aggregate indebtedness to net capital not exceed 15 to 1. A further requirement is that equity capital may not be withdrawn if this ratio would exceed 10 to 1 after such withdrawal. At March 31, 2009, INTL Trading’s net capital was $1.5 million, which was $0.5 million in excess of its minimum requirement.

INTL Capital Limited (‘INTL Capital’) is regulated by the Dubai Financial Services Authority in the United Arab Emirates, and is subject to a minimum capital requirement of approximately $0.5 million as of March 31, 2009.

Note 14 — Stock-Based Compensation

Stock-based compensation expense is included within ‘Compensation and benefits’ in the condensed consolidated income statements and totaled $0.5 million and $0.4 million for the three months, and $0.9 million and $0.7 million for the six months ended March 31, 2009 and 2008, respectively.

INTERNATIONAL ASSETS HOLDING CORPORATION

Notes to Condensed Consolidated Financial Statement
(Unaudited)

Stock Option Plans

International Assets sponsors a stock option plan for its directors, officers, employees and consultants. At March 31, 2009, 782,344 shares were authorized for future grant under our stock plan. Awards that expire or are canceled generally become available for issuance again under the plan.

Fair value is estimated at the grant date based on a Black-Scholes-Merton option-pricing model using the following weighted average assumptions:

	Six Months Ended March 31,	
	2009	2008
Expected stock price volatility	71%	60%
Expected dividend yield	0%	0%
Risk free interest rate	1.67%	3.25%
Average expected life (in years)	2.80	2.99

Expected stock price volatility rates are based on the historical volatility of International Assets' common stock. International Assets has not paid dividends in the past and does not currently expect to do so in the future. Risk free interest rates are based on the U.S. Treasury yield curve in effect at the time of grant for periods corresponding with the expected life of the option or award. The average expected life represents the estimated period of time that options or awards granted are expected to be outstanding, based on International Assets' historical share option exercise experience for similar option grants.

The following is a summary of stock option activity through March 31, 2009:

	Shares Available for Grant	Number of Options Outstanding	Weighted Average Price	Weighted Average Remaining Term (in years)	Aggregate Intrinsic Value ($ millions)
Balances at September 30, 2008	464,559	584,207	$ 9.31	3.27	$ 8.6
Additional shares authorized	750,000				
Granted	(432,215)	432,215	7.06		
Exercised		(23,450)	4.35		
Balances at March 31, 2009	782,344	992,972	$ 8.45	4.01	$ 1.7
Exercisable at March 31, 2009		489,337	$ 6.99	2.89	$ 1.6

International Assets settles stock option exercises with newly issued shares of common stock. The total compensation cost not yet recognized for non-vested awards of $1.6 million has a weighted average period of 2.89 years over which the compensation expense is expected to be recognized.

Restricted Stock Plan

The Company sponsors a restricted stock plan for its directors, officers and employees. At March 31, 2009, 543,645 shares were authorized for future grant under our restricted stock plan. Awards that expire or are canceled generally become available for issuance again under the plan. The Company settles restricted stock with newly issued shares of common stock.

INTERNATIONAL ASSETS HOLDING CORPORATION

Notes to Condensed Consolidated Financial Statement
(Unaudited)

The following is a summary of restricted stock activity through March 31, 2009:

	Shares Available for Grant	Number of Unvested Shares Outstanding	Weighted Average Grant Date Fair Value	Weighted Average Remaining Term (in years)	Aggregate Intrinsic Value ($ millions)
Balances at September 30, 2008	657,184	84,397	$ 26.01	2.25	$ 2.0
Granted	(113,539)	113,539	8.02		
Vested		(18,197)	26.47		
Balances at March 31, 2009	543,645	179,739	$ 14.60	2.99	$ 1.8

The total compensation cost not yet recognized of $2.2 million has a weighted average period of 2.99 years over which the compensation expense is expected to be recognized. Compensation expense is amortized on a straight-line basis over the vesting period. Restricted stock grants are included in International Assets' total issued and outstanding common shares.

Note 15 — Taxes

Deferred income tax balances reflect the effects of temporary differences between the carrying amounts of assets and liabilities and their tax bases and are stated at enacted tax rates expected to be in effect when taxes are actually paid or recovered.

In June 2006, the FASB issued FIN 48, *Accounting for Uncertainty in Income Taxes*. FIN 48 clarifies the accounting for uncertainty in income taxes recognized in an enterprise's financial statements in accordance with FASB Statement No. 109, *Accounting for Income Taxes*. This interpretation prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. This interpretation also provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition. International Assets adopted the provisions of FIN 48 on October 1, 2007 and was not required to record any cumulative effect adjustment to retained earnings as a result of this adoption. International Assets recognizes potential interest and penalties as a component of income tax expense.

International Assets and its subsidiaries file income tax returns with the U.S. federal jurisdiction and various state and foreign jurisdictions.

Note 16 — Discontinued Operations

On August 1, 2008, International Assets notified the employees of its Hong Kong subsidiary, INTL Global Currencies (Asia) Ltd., of its intention to discontinue its foreign exchange margin trading operations. International Assets has effected an orderly liquidation of this subsidiary. The results of operations for INTL Global Currencies (Asia) Ltd., which were previously included within the foreign exchange trading segment, are included within discontinued operations on the income statement for all periods presented.

Note 17 — Subsequent Events

On April 7, 2009, International Assets acquired Compania Inversora Bursatil Sociedad de Bolsa ("CIBSA"), a leading securities broker-dealer based in Argentina. International Assets paid approximately $1.7 million on the date of purchase and is obligated to make additional payments over the next two years, depending on the level of

INTERNATIONAL ASSETS HOLDING CORPORATION

Notes to Condensed Consolidated Financial Statement
(Unaudited)

revenues achieved. International Assets anticipates recording goodwill once the initial purchase allocation has been finalized, and for any subsequent payments. The acquisition of CIBSA is not expected to have an immediate material impact on International Assets.

On May 8, 2009, International Assets agreed to redeem its partnership interest in INTL Consilium, LLC ("INTL Consilium"), effective April 30, 2009. International Assets has recorded an impairment charge in connection with this transaction of approximately $0.5 million for the three months and six months ended March 31, 2009, which is recorded as 'Other' within 'Non-interest expenses' on the income statements. The results of INTL Consilium, previously consolidated, will qualify to be treated by International Assets for accounting purposes as discontinued operations with effect from the fiscal quarter ending on June 30, 2009. Operating revenues for INTL Consilium were $0.8 million and $1.9 million for the three months and $1.9 million and $7.7 million for the six months ended March 31, 2009 and 2008, respectively.

Note 18 — Segment Analysis

International Assets' activities are currently divided into five functional areas: international equities market-making, foreign exchange trading, commodities trading, international debt capital markets and asset management.

International Equities Market-Making

Through INTL Trading, International Assets acts as a wholesale market maker in select foreign securities including unlisted ADR's and foreign ordinary shares. INTL Trading provides execution and liquidity to national broker-dealers, regional broker-dealers and institutional investors.

Foreign Exchange Trading

International Assets trades currencies, with a focus on illiquid currencies of developing countries. International Assets' customers are financial institutions, multi-national corporations, government organizations and charitable organizations operating in these developing countries. In addition, International Assets executes trades based on the foreign currency flows inherent in International Assets' existing business activities. International Assets primarily acts as a principal in buying and selling foreign currencies on a spot basis. International Assets derives revenue from the difference between the purchase and sale prices.

Commodities Trading

International Assets provides a full range of trading and hedging capabilities to select producers, consumers, recyclers and investors in precious metals and certain base metals. Acting as a principal, International Assets commits its own capital to buy and sell the metals on a spot and forward basis.

International Assets records all of its physical commodities revenues on a gross basis. Operating revenues and losses from International Assets' commodities derivatives activities are recorded in 'Net dealer inventory and investment gains'. All of International Assets' other businesses report their revenues on a net basis. Inventory for the commodities business is valued at the lower of cost or market value, under the provisions of ARB No. 43. International Assets generally mitigates the price risk associated with commodities held in inventory through the use of derivatives. This price risk mitigation does not generally qualify for hedge accounting under GAAP. In such situations, unrealized gains in inventory are not recognized under GAAP, but unrealized gains and losses in related derivative positions are recognized under GAAP. As a result, International Assets' reported earnings from commodities trading are subject to significant volatility.

INTERNATIONAL ASSETS HOLDING CORPORATION

Notes to Condensed Consolidated Financial Statement
(Unaudited)

International Debt Capital Markets

International Assets arranges international debt transactions and asset backed securitizations for issuers located primarily in emerging markets. These transactions include bond issues, syndicated loans, and asset backed securitizations, as well as forms of other negotiable debt instruments.

Asset Management

The asset management segment revenues include fees, commissions and other revenues received by International Assets for management of third party assets and investment gains or losses on International Assets' investments in managed funds and proprietary accounts managed either by International Assets' investment managers or by independent investment managers.

Other

All other transactions that do not relate to the operating segments above are classified as 'Other'. Certain cash accounts and balances were maintained to support the administration of all of the operating segments. These multi-segment assets were allocated to 'Other'. Revenue reported for 'Other' includes interest income but not interest expense.

The total revenues reported combine gross revenues for the commodities business and net revenues for all other businesses. In order to reflect the way that International Assets' management views the results, the tables below also reflect the segmental contribution to 'Operating revenues', which is shown on the face of the condensed consolidated income statements and which is calculated by deducting physical commodities cost of sales from total revenues.

Segment data includes the profitability measure of net contribution by segment. Net contribution is one of the key measures used by management to assess the performance of each segment and for decisions regarding the allocation of International Assets' resources. Net contribution is calculated as revenue less direct cost of sales, clearing and clearing related charges and variable trader bonus compensation. Variable trader bonus compensation represents a fixed percentage of an amount equal to revenues produced less clearing and related charges, base salaries and an overhead allocation.

Inter-segment revenues, charges, receivables and payables are eliminated between segments, except revenues and costs related to foreign currency transactions undertaken on an arm's length basis by the foreign exchange trading business for the equity and debt trading business. The foreign exchange trading business competes for this business as it does for any other business. If its rates are not competitive, the equity and debt trading businesses buy or sell their foreign currency through other market counter-parties.

INTERNATIONAL ASSETS HOLDING CORPORATION

Notes to Condensed Consolidated Financial Statement
(Unaudited)

Information concerning operations in these segments of business is shown in accordance with SFAS No. 131 as follows:

(In millions)	Three Months Ended March 31, 2009	Three Months Ended March 31, 2008	Six Months Ended March 31, 2009	Six Months Ended March 31, 2008
Total revenues:				
International equities market-making	$ 6.9	$ 8.5	$ 25.4	$ 17.4
Foreign exchange trading	8.0	5.3	13.3	11.6
Commodities trading	15,413.1	3,466.0	25,925.9	5,603.1
International debt capital markets	0.5	1.0	1.2	2.1
Asset management	3.2	5.3	2.4	12.0
Other	—	0.7	(0.3)	1.2
Total	$15,431.7	$ 3,486.8	$25,967.9	$5,647.4
Operating revenues:				
International equities market-making	$ 6.9	$ 8.5	$ 25.4	$ 17.4
Foreign exchange trading	8.0	5.3	13.3	11.6
Commodities trading	8.5	11.9	14.7	30.4
International debt capital markets	0.5	1.0	1.2	2.1
Asset management	3.2	5.3	2.4	12.0
Other	—	0.7	(0.3)	1.2
Total	$ 27.1	$ 32.7	$ 56.7	$ 74.7
Net contribution: (Revenues less cost of sales, clearing and related expenses, variable bonus compensation and bad debt expense):				
International equities market-making	$ 3.5	$ 4.4	$ 14.5	$ 8.8
Foreign exchange trading	5.7	4.0	9.6	8.9
Commodities trading	6.2	10.3	10.1	27.6
International debt capital markets	0.5	0.9	1.2	1.9
Asset management	3.0	4.4	1.9	9.9
Other	(0.1)	0.7	(0.4)	1.2
Total	$ 18.8	$ 24.7	$ 36.9	$ 58.3
Reconciliation of net contribution to income before income tax and minority interest:				
Net contribution allocated to segments	$ 18.8	$ 24.7	$ 36.9	$ 58.3
Costs not allocated to operating segments	13.7	13.2	25.8	24.7
Income before income tax and minority interest	$ 5.1	$ 11.5	$ 11.1	$ 33.6

	Balances as of March 31, 2009	Balances as of September 30, 2008
Total assets:		
International equities market-making	$ 33.8	$ 48.9
Foreign exchange trading	34.8	52.9
Commodities trading	208.5	205.3
International debt capital markets	10.7	11.2
Asset management	66.0	114.4
Other	11.7	5.3
Total	$ 365.5	$ 438.0

See accompanying notes.

ANNEX A

MERGER AGREEMENT

Annex A

AGREEMENT AND PLAN OF MERGER

BY AND AMONG

INTERNATIONAL ASSETS HOLDING CORPORATION,

INTERNATIONAL ASSETS ACQUISITION CORP.

AND

FCSTONE GROUP, INC.

DATED AS OF JULY 1, 2009

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B. Option Agreement
C. Governance Matters
D. Amended and Restated Certificate of Incorporation of Parent
E. Knowledge of the Company
F. Knowledge of Parent

AGREEMENT AND PLAN OF MERGER

AGREEMENT AND PLAN OF MERGER, dated as of July 1, 2009 (this "Agreement"), by and among INTERNATIONAL ASSETS HOLDING CORPORATION, a Delaware corporation ("Parent"), INTERNATIONAL ASSETS ACQUISITION CORP., a Delaware corporation and a wholly owned subsidiary of Parent ("Merger Sub"), and FCSTONE GROUP, INC., a Delaware corporation (the "Company").

W I T N E S S E T H:

WHEREAS, the Board of Directors of Parent, the Board of Directors of Merger Sub and the Board of Directors of the Company (the "Company Board") have deemed it in the best interests of Parent, Merger Sub and the Company, respectively, and their respective members and stockholders that Parent, Merger Sub and the Company consummate the business combination and other transactions provided for herein; and

WHEREAS, the Board of Directors of Merger Sub and the Company Board have approved, in accordance with the Delaware General Corporation Law (the "DGCL"), this Agreement and the transactions contemplated hereby, including the merger of Merger Sub with and into the Company with the Company continuing as the surviving corporation and as a wholly owned subsidiary of Parent (the "Merger"), all in accordance with the DGCL and upon the terms and subject to the conditions set forth herein; and

WHEREAS, the Company Board has resolved to recommend to the Company's stockholders the approval and adoption of this Agreement and the approval of the transactions contemplated hereby, including the Merger; and

WHEREAS, the Parent Board has resolved to recommend to the Parent's stockholders the approval and adoption of this Agreement and the approval of the transactions contemplated hereby, including the Merger, and the issuance of shares of Parent Common Stock as provided herein; and

WHEREAS, Parent, as the sole stockholder of Merger Sub, has approved and adopted this Agreement and approved the transactions contemplated hereby, including the Merger; and

WHEREAS, Parent, Merger Sub and the Company desire to make certain representations, warranties, covenants and agreements in connection with the Merger and also to prescribe various conditions to the Merger; and

WHEREAS, as an inducement and condition to the entrance of the Company into this Agreement, the Parent agreed to deliver to the Company a support agreement in the form set forth in Exhibit A (the "Support Agreement"); executed by certain shareholders of Parent as designated therein;

WHEREAS, as an inducement and condition to the entrance of Parent into this Agreement, the Company agreed to deliver to the Parent an option agreement in the form set forth in Exhibit B (the "Option Agreement"), executed by Parent and the Company;

WHEREAS, terms used but not defined herein shall have the meanings set forth in Section 8.4, unless otherwise noted.

NOW, THEREFORE, in consideration of the foregoing premises and the mutual covenants and agreements herein contained, and intending to be legally bound hereby, the parties agree as follows:

ARTICLE I

THE MERGER

SECTION 1.1 The Merger. At the Effective Time and subject to and upon the terms and conditions of this Agreement and the DGCL, Merger Sub shall be merged with and into the Company, the separate corporate existence of Merger Sub shall cease, and the Company shall continue as the surviving corporation. The Company, as the surviving corporation after the Merger, is hereinafter sometimes referred to as the "Surviving Corporation."

SECTION 1.2 Effective Time. Subject to the provisions of this Agreement, a certificate of merger satisfying the applicable requirements of the DGCL (the "Certificate of Merger") shall be duly executed by the Company and, concurrently with or as soon as practicable following the Closing, filed with the Secretary of State of the State of Delaware. The Merger shall become effective upon the date and time of the filing of the Certificate of Merger with the Secretary of State of the State of Delaware or at such other date and time as Parent and the Company may mutually agree and include in the Certificate of Merger (the "Effective Time").

SECTION 1.3 Effects of the Merger. At the Effective Time, the effects of the Merger shall be as provided in the applicable provisions of the DGCL. Without limiting the generality of the foregoing, and subject thereto, at the Effective Time all of the rights, privileges, powers and franchises of each of the Company and Merger Sub, and all property, real, personal and mixed, and all debts due to each of the Company and Merger Sub on whatever account (including stock subscriptions and all other things in action) or belonging to each of such corporations shall be vested in the Surviving Corporation, and all debts, liabilities and duties of the Company and Merger Sub shall become the debts, liabilities and duties of the Surviving Corporation.

SECTION 1.4 Subsequent Actions. If, at any time after the Effective Time, the Surviving Corporation shall consider or be advised that any deeds, bills of sale, assignments, assurances or any other actions or things are necessary or desirable to vest, perfect or confirm of record or otherwise in the Surviving Corporation its right, title or interest in, to or under any of the rights, properties or assets of either of the Company or Merger Sub acquired or to be acquired by the Surviving Corporation as a result of, or in connection with, the Merger or otherwise to carry out the purposes of this Agreement, the officers and directors of the Surviving Corporation shall be authorized to execute and deliver, in the name and on behalf of either the Company or Merger Sub, all such deeds, bills of sale, assignments and assurances and to take and do, in the name and on behalf of each of such corporations or otherwise, all such other actions and things as may be necessary or desirable to vest, perfect or confirm any and all right, title and interest in, to and under such rights, properties or assets in the Surviving Corporation or otherwise to carry out the purposes of this Agreement.

SECTION 1.5 Certificate of Incorporation; Bylaws; Directors and Officers.

(a) At the Effective Time, the Certificate of Incorporation of the Company shall be the Certificate of Incorporation of the Surviving Corporation until thereafter amended in accordance with the DGCL and as provided in such Certificate of Incorporation.

(b) At the Effective Time, the Bylaws of the Company shall be the Bylaws of the Surviving Corporation until thereafter amended in accordance with the DGCL and as provided in such Bylaws.

(c) Unless otherwise determined by Parent prior to the Effective Time, the directors of Merger Sub immediately prior to the Effective Time shall be the initial directors of the Surviving Corporation, and the officers of the Company immediately prior to the Effective Time shall be the initial officers of the Surviving Corporation, in each case, until their successors are duly elected or appointed and qualified in the manner provided in the Surviving Corporation's Certificate of Incorporation and Bylaws, or as otherwise provided by applicable law.

(d) Immediately following the Effective Time, the members of the Board of Directors of Parent will be determined as set forth on Exhibit C and will serve until the earlier of their resignation or removal and until their respective successors are duly elected and qualified, as the case may be. Immediately following the Effective Time, the individuals set forth on Exhibit C will have the offices at Parent as set forth therein, until the earlier of their resignation or removal and until their respective successors are duly elected and qualified, as the case may be. In addition, certain other matters with respect to the Parent at the Effective Time are set forth on Exhibit C.

SECTION 1.6 Effect of the Merger on Capital Stock. At the Effective Time, as a result of the Merger and without any action on the part of Parent, Merger Sub or the Company or the holder of any capital stock of Merger Sub or the Company:

(a) Conversion of Company Common Stock. Each share of Company Common Stock (each, a "Share" and collectively, the "Shares") issued and outstanding immediately prior to the Effective Time (other than shares to be cancelled in accordance with Section 1.6(c)) will be converted into the right to receive 0.2950 (the "Exchange Ratio") shares of fully paid and nonassessable Parent Common Stock (the "Merger Consideration"). As of the Effective Time, all shares of Company Common Stock converted into the right to receive the Merger Consideration pursuant to this Section 1.6(a) shall no longer be outstanding and shall automatically be cancelled and retired and shall cease to exist, and each holder of any such shares of Company Common Stock shall cease to have any rights with respect thereto, except the right to receive the Merger Consideration.

(b) Merger Sub Common Stock. Each share of Merger Sub's common stock that is issued and outstanding immediately prior to the Effective Time (the "Merger Sub Common Stock") shall be converted into one share of common stock, par value $0.0001 per share, of the Surviving Corporation.

(c) Cancellation of Treasury Stock and Parent and Merger Sub-Owned Company Common Stock. All shares of Company Common Stock that are owned by the Company or any direct or indirect Subsidiary of the Company and any shares of Company Common Stock owned by Parent, Merger Sub or any Subsidiary of Parent or Merger Sub or held in the treasury of the Company (other than shares held on behalf of third parties) shall, by virtue of the Merger and without any action on the part of the holder thereof, be cancelled and retired and shall cease to exist, and no cash or other consideration shall be delivered or deliverable in exchange therefor.

(d) Adjustments to Prevent Dilution. In the event that either the Company or the Parent changes the number of shares of Company Common Stock or Parent Common Stock, or securities convertible or exchangeable into or exercisable for such shares, issued and outstanding prior to the Effective Time as a result of a reclassification, stock split (including a reverse stock split), stock dividend or distribution, recapitalization, merger, subdivision, issuer tender or exchange offer, or other similar transaction, the Merger Consideration will be equitably adjusted to reflect such change; provided that nothing herein shall be construed to permit the Company or the Parent to take any action with respect to its securities that is prohibited by the terms of this Agreement.

SECTION 1.7 Share Exchange.

(a) Prior to the Effective Time, Parent shall appoint a commercial bank or trust company reasonably satisfactory to the Company to act as exchange agent in the Merger (the "Exchange Agent"). At or prior to the Effective Time, Parent shall deposit with the Exchange Agent, in trust for the benefit of holders of Shares, the Merger Consideration issuable pursuant to Section 1.6(a) in exchange for issued and outstanding Shares in the Merger pursuant to Section 1.6(a). Parent agrees to make available to the Exchange Agent from time to time, as needed, cash sufficient to pay cash in lieu of fractional shares pursuant to Section 1.10 and any dividends and other distributions pursuant to Section 1.9. The Exchange Agent shall invest any cash it so receives, as directed by Parent, on a daily basis. Any interest and other income resulting from such investments shall be paid to Parent.

(b) At the Effective Time, the share transfer books of the Company shall be closed and thereafter there shall be no further registration of transfers of the Shares on the records of the Company. From and after the Effective Time, the holders of certificates representing ownership of the Shares outstanding immediately prior to the Effective Time ("Certificates") shall cease to have rights with respect to such Shares, except as otherwise provided for herein or by applicable law. Merger Consideration issuable in the Merger shall be deemed to have been issued at the Effective Time. On or after the Effective Time, any Certificates presented to the Exchange Agent or Parent for any reason shall be converted into the applicable Merger Consideration with respect to the Shares formerly represented thereby, any cash in lieu of fractional Parent Common Stock to which the holders thereof are entitled pursuant to Section 1.10 and any dividends or other distributions to which the holders thereof are entitled pursuant to Section 1.9 without interest.

(c) As soon as reasonably practicable after the Effective Time, Parent and the Surviving Corporation shall cause the Exchange Agent to mail to each holder of record of Certificate(s), which immediately prior to the Effective Time represented outstanding Shares, whose Shares were converted into the right to receive Merger Consideration pursuant to Section 1.6(a) and any cash in lieu of fractional shares of Parent Common Stock to be issued or paid in consideration therefor (i) a letter of transmittal which shall specify that delivery shall be effected, and risk of loss and title to the Certificates shall pass, only upon delivery of the Certificate(s) to the Exchange Agent (or affidavits of loss in lieu of such Certificate(s) as required by Section 1.7(d)), and which letter shall be in such form and have such other provisions as the Exchange Agent may reasonably specify, and (ii) instructions for effecting the surrender of such Certificates in exchange for the Merger Consideration and any cash in lieu of fractional shares of Parent Common Stock and any dividends or distributions to which such holder is entitled pursuant to Section 1.9. Upon (x) in the case of shares of Company Common Stock represented by a Certificate, surrender of a Certificate to the Exchange Agent, or (y) in the case of shares of Company Common Stock held in book-entry form, the receipt of an "agent's message" by the Exchange Agent, in each case together with such letter of transmittal, duly executed and completed in accordance with the instructions thereto, and such other documents as may reasonably be required by the Exchange Agent, the holder of such Shares shall be entitled to receive in exchange therefor (A) the whole number of shares of Merger Consideration that such holder has the right to receive pursuant to Section 1.6(a), and (B) a check in the amount equal to the cash that such holder has the right to receive pursuant to Sections 1.9 and 1.10 (after giving effect to any required tax withholdings from cash payments), and in each case the Shares so surrendered shall forthwith be cancelled. No interest will be paid or will accrue on any cash payable pursuant to Sections 1.9 or 1.10.

(d) If any Certificate shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the Person claiming such Certificate to be lost, stolen or destroyed and, if required by the Surviving Corporation, the posting by such Person of a bond in such reasonable amount as the Surviving Corporation may direct as to indemnify against any claim that may be made against it, the Surviving Corporation or the Exchange Agent with respect to such Certificate, the Exchange Agent will deliver in exchange for such lost, stolen or destroyed Certificate the applicable Merger Consideration with respect to the Shares formerly represented thereby, and any cash that such holder has the right to receive pursuant to Sections 1.9 or 1.10.

(e) If any share of Parent Common Stock is to be issued in a name other than the name of the holder registered in the transfer records of the Company for the corresponding Shares to be surrendered, it shall be a condition of the issuance thereof that the Certificate so surrendered shall be properly endorsed or accompanied by an executed form of assignment separate from the Certificate and otherwise in proper form for transfer (or, if the Shares are held in book-entry form, there shall be proper evidence of such transfer or exchange), and that the Person requesting such exchange pay to the Exchange Agent any transfer or other tax required by reason of the issuance of a certificate for Merger Consideration in any name other than that of the registered holder of the Shares surrendered, or otherwise establish to the satisfaction of the Exchange Agent that such tax has been paid or is not payable.

SECTION 1.8 Tax-Free Reorganization. The Merger is intended to be a reorganization within the meaning of Section 368(a) of the Code, and this Agreement is intended to be a "plan of reorganization" within the meaning of the regulations promulgated under Section 368(a)(1) of the Code and for the purpose of qualifying as

a tax-free transaction for federal income tax purposes. The parties hereto agree to report the Merger as a tax-free reorganization under the provisions of Section 368(a) of the Code. None of the parties hereto will take or cause to be taken any action, or omit to take any action, that would prevent the transactions contemplated by this Agreement from qualifying as a reorganization under Section 368(a) of the Code.

SECTION 1.9 Distributions With Respect to Unexchanged Shares. No dividends or other distributions declared or made with respect to shares of Parent Common Stock with a record date after the Effective Time shall be paid to the holder of any unsurrendered Certificate with respect to shares of Parent Common Stock that such holder would be entitled to receive upon surrender of such Certificate, and no cash payment that such holder has the right to receive pursuant to this Agreement, including cash in lieu of fractional shares of Parent Common Stock, shall be paid to any such holder pursuant to Section 1.10, until such holder shall surrender such Certificate in accordance with Section 1.7. Subject to the effect of applicable Laws, following surrender of any such Certificate, there shall be paid to such holder of Parent Common Stock issuable in exchange therefor, without interest, (a) promptly after the time of such surrender, the amount of any cash that such holder has the right to receive pursuant to the provisions of this Agreement, including cash payable in lieu of fractional shares of Parent Common Stock to which such holder is entitled pursuant to Section 1.10 and the amount of dividends or other distributions with a record date after the Effective Time theretofore paid with respect to such whole shares of Parent Common Stock, and (b) at the appropriate payment date, the amount of dividends or other distributions with a record date after the Effective Time but prior to such surrender and a payment date subsequent to such surrender payable with respect to such shares of Parent Common Stock.

SECTION 1.10 No Fractional Shares of Parent Common Stock.

(a) No certificates representing fractional shares of Parent Common Stock shall be issued upon the surrender for exchange of Shares and such fractional share interests will not entitle the owner thereof to vote or to have any rights of a shareholder of Parent or a holder of Parent Common Stock.

(b) Notwithstanding any other provision of this Agreement, each holder of Shares exchanged pursuant to the Merger who would otherwise have been entitled to receive a fraction of a share of Parent Common Stock shall receive from Parent, in lieu thereof, cash (without interest) in an amount equal to the product of (x) such fractional part of a share of Parent Common Stock multiplied by (y) the Parent Common Stock Market Value.

SECTION 1.11 No Liability. None of Parent, Merger Sub, the Company, the Surviving Corporation or the Exchange Agent shall be liable to any Person in respect of any Merger Consideration, any dividends or distributions with respect thereto or any cash in lieu of fractional shares of Parent Common Stock, in each case delivered to a public official pursuant to any applicable abandoned property, escheat or similar Law. If any Certificate shall not have been surrendered prior to two (2) years after the Effective Time (or immediately prior to such earlier date on which any Merger Consideration, any dividends or distributions payable to the holder of such Certificate or any cash payable in lieu of fractional shares of Parent Common Stock pursuant to this Agreement, would otherwise escheat to or become the property of any Governmental Entity, any such Merger Consideration, dividends or distributions in respect thereof or such cash shall, to the extent permitted by applicable Law, be delivered to Parent, upon demand, and any holders of Shares who have not theretofore complied with the provisions of this Agreement shall thereafter look only to Parent only as general creditors thereof for satisfaction of their claims for the payment of such Merger Consideration, dividends or distributions in respect thereof or such cash (without any interest thereon).

SECTION 1.12 Withholding Rights. The Surviving Corporation, the Parent, and the Exchange Agent shall be entitled to deduct and withhold from the consideration otherwise payable pursuant to this Agreement to any holder of shares of Company Common Stock such amounts as the Surviving Corporation and/or the Parent is required to deduct and withhold with respect to the making of such payment under the Internal Revenue Code of 1986, as amended (the "Code"), or any provision of state, local or foreign Tax Law. To the extent that amounts are so deducted and withheld by the Surviving Corporation or the Parent, such withheld amounts shall be treated

for all purposes of this Agreement as having been paid to the holder of the Shares in respect of which such deduction and withholding was made by the Surviving Corporation or the Parent.

SECTION 1.13 Stock Options.

(a) At the Effective Time, all outstanding and unexercised employee and director options to purchase shares of Company Common Stock (each a "Company Option") will cease to represent an option to purchase Company Common Stock and will be converted automatically into options to purchase Parent Common Stock ("Parent Options"), and Parent will assume each Company Option subject to its terms; provided, however, that after the Effective Time:

(i) The number of shares of Parent Common Stock that may be acquired upon exercise of each Company Option will equal the product of (x) the number of shares of Company Common Stock that could have been acquired under the Company Option immediately before the Effective Time and (y) the Exchange Ratio, rounded down to the nearest whole share; and

(ii) The per share exercise price for each Company Option will equal the quotient of (x) the per share exercise price of the Company Option immediately before the Effective Time and (y) the Exchange Ratio, rounded down to the nearest cent.

(b) Notwithstanding the foregoing, (i) the exercise price and the number of shares of Parent Common Stock purchasable pursuant to the Company Options shall be determined in a manner consistent with any applicable requirements of Section 409A of the Code and (ii) in the case of any Company Option to which Section 422 of the Code applies, the exercise price and the number of shares of Parent Common Stock purchasable pursuant to such option shall be determined in accordance with the foregoing, subject to such adjustments as are necessary in order to satisfy the requirements of Section 424(a) of the Code. Except as specifically provided above, following the Effective Time, each Company Option shall continue to be governed by the same terms and conditions (including applicable vesting requirements and any accelerated vesting thereof) as were applicable under such Company Option immediately prior to the Effective Time (after giving effect to any rights resulting from the transactions contemplated under this Agreement pursuant to the Company Option Plan and the award agreements thereunder).

SECTION 1.14 Time and Place of Closing. Unless otherwise mutually agreed upon in writing by Parent and the Company, the closing of the Merger (the "Closing") will be held at the offices of Stinson Morrison Hecker LLP, Kansas City, Missouri, at 10:00 a.m., local time, no later than five business days after the satisfaction or waiver (subject to applicable law) of the latest to occur of the conditions set forth in Article VI (other than those conditions that by their nature are to be satisfied or waived at the Closing), unless extended by mutual agreement of the parties (the "Closing Date"). If the conditions set forth in Article VI are satisfied or waived during the two weeks immediately prior to the end of a fiscal quarter of Parent, then Parent may postpone the Closing until the first full week after the end of that fiscal quarter.

ARTICLE II

REPRESENTATIONS AND WARRANTIES OF PARENT

Except as set forth in (x) the Disclosure Schedule delivered by Parent to the Company prior to the execution and delivery of this Agreement (the "Parent Disclosure Schedule"), subject to Section 8.15, or in (y) any Parent SEC Reports (as defined in Section 2.6(a)) filed or furnished after September 30, 2006 and publicly available prior to the date of this Agreement to the extent any disclosure included therein would be readily apparent as an exception to any representation or warranty contained herein, but excluding any forward-looking statements contained in such Parent SEC Reports, Parent hereby represents and warrants on behalf of itself and its Subsidiaries to the Company as follows:

SECTION 2.1 Organization and Qualification. Parent and each of its Subsidiaries is a corporation or limited liability company duly organized, validly existing and in good standing under the laws of the jurisdiction in

which it is organized and has the requisite corporate or limited liability company power and authority necessary to own, possess, license, operate or lease the properties that it purports to own, possess, license, operate or lease and to carry on its business as it is now being conducted. Parent and each of its Subsidiaries is duly qualified or licensed as a foreign corporation to do business, and is in good standing, in each jurisdiction where its business or the character of its properties owned, possessed, licensed, operated or leased, or the nature of its activities, makes such qualification necessary, except for any such failure which, when taken together with all other such failures, would not result in a Parent Material Adverse Effect. Parent has made available to the Company complete and correct copies of the Parent's and its Subsidiaries' certificates of incorporation and bylaws or comparable governing documents, each as amended to the date of this Agreement, and each as so delivered is in full force and effect. Section 2.1 of the Parent Disclosure Schedule contains a correct and complete list of each Subsidiary of Parent and of each jurisdiction where Parent and its Subsidiaries are organized and qualified to do business.

SECTION 2.2 Capitalization. The authorized capital stock of Parent consists of (i) 17,000,000 shares of Common Stock, par value $0.01, and (ii) 1,000,000 shares of preferred stock, par value $0.01 per share ("Parent Preferred Stock"). As of the date of this Agreement: (A) 9,106,009 shares of Parent Common Stock were issued and outstanding; (B) 11,257 shares of Parent Common Stock were held by Parent as treasury stock; (C) no shares of Parent Preferred Stock were issued and outstanding; (D) 938,695 shares of Parent Common Stock were reserved for grants of Parent Options under the Parent Option Plan; and (E) all Parent Options were granted under the Parent Option Plan and not under any other plan, program or agreement (other than any individual award agreements made pursuant to the Parent Option Plan, forms of which have been made available to the Company). The shares of Parent Common Stock issuable pursuant to the Parent Option Plan have been duly reserved for issuance by Parent, and upon any issuance of such shares in accordance with the terms of the Parent Option Plan, such shares will be duly authorized, validly issued, fully paid and nonassessable and free and clear from any preemptive or other similar rights. All outstanding shares of Parent Common Stock are, and all shares which may be issued prior to the Effective Time will be when issued, duly authorized, validly issued, fully paid and nonassessable and free and clear from any preemptive or other similar rights. Except as disclosed in Section 2.2 of the Parent Disclosure Schedule, there are (i) no other options, puts, calls, warrants or other rights, agreements, arrangements, restrictions, or commitments of any character obligating Parent or any of its Subsidiaries to issue, sell, redeem, repurchase or exchange any shares of capital stock of or other equity interests in Parent or any securities convertible into or exchangeable for any capital stock or other equity interests, including restricted stock, restricted stock units and similar securities, or any debt securities of Parent or to provide funds to or make any investment (in the form of a loan, capital contribution or otherwise) and (ii) no bonds, debentures, notes or other indebtedness having the right to vote on any matters on which stockholders of Parent may vote (whether or not dependent on conversion or other trigger event). Except as disclosed in Section 2.2 of the Parent Disclosure Schedule, there are no existing registration covenants with respect to Parent Common Stock or any other securities of Parent and its Subsidiaries. Section 2.2 of the Parent Disclosure Schedule sets forth a correct and complete list of each Parent Option outstanding as of the date of this Agreement, including the holder, date of grant, exercise price, if applicable, vesting schedule and number of shares of Parent Common Stock subject thereto. No stockholder is a party to or holds shares of Parent Common Stock bound by or subject to any voting agreement, voting trust, proxy or similar arrangement to which Parent is also a party. Each Parent Option was (A) granted in compliance with all applicable Laws and all of the terms and conditions of the Parent Option Plan pursuant to which it was issued, (B) has an exercise price per share of Parent Common Stock equal to or greater than the fair market value of a share of Parent Common Stock on the date of such grant, (C) has a grant date identical to the date on which the Parent Board or compensation committee actually awarded such Parent Option, and (D) qualifies for the tax and accounting treatment afforded to such Parent Option in the Parent's Tax Returns and the Parent's financial statements, respectively.

SECTION 2.3 Subsidiaries. Each Subsidiary of Parent is identified in Section 2.3 of the Parent Disclosure Schedule. All the outstanding equity interests of each Subsidiary of Parent are owned by Parent, by another wholly-owned Subsidiary of Parent or by Parent and another wholly-owned Subsidiary of Parent, free and clear of all Liens except as set forth in Section 2.3 of the Parent Disclosure Schedule. All of the capital stock or other equity interests of each Subsidiary of Parent has been duly authorized and is validly issued, fully paid and

nonassessable and free and clear from any preemptive or other similar rights. There are no proxies or voting agreements with respect to any shares of capital stock or other equity interests of any such Subsidiary. Except as set forth in Section 2.3 of Parent Disclosure Schedule and except for the ownership of the Subsidiaries of Parent, neither Parent nor any Subsidiary of Parent, directly or indirectly, owns, or has agreed to purchase or otherwise acquire, the capital stock or other equity interests of, or any interest convertible into or exchangeable or exercisable for such capital stock or such equity interests of, any corporation, partnership, joint venture or other entity.

SECTION 2.4 Authority. Parent has the requisite corporate power and authority to enter into this Agreement and, subject to obtaining the Parent Stockholder Approval, to carry out its obligations hereunder. The execution and delivery of this Agreement by Parent and the consummation by Parent of the transactions contemplated hereby have been authorized by all necessary corporate action on the part of Parent, and, subject to obtaining the Parent Stockholder Approval, no other corporate action is necessary for the execution and delivery of this Agreement by Parent, the performance by Parent of its obligations hereunder or the consummation by Parent of the transactions contemplated hereby. This Agreement has been duly executed and delivered by Parent and constitutes a legal, valid and binding obligation of Parent, enforceable against it in accordance with its terms, except as (i) such enforcement may be subject to applicable bankruptcy, insolvency, reorganization, moratorium or other similar Laws, now or hereafter in effect, relating to creditors' rights generally and (ii) equitable remedies of specific performance and injunctive and other forms of equitable relief may be subject to equitable defenses and to the discretion of the court before which any proceeding therefor may be brought.

SECTION 2.5 No Conflict; Required Filings and Consents.

(a) Except as set forth in Section 2.5(a) of the Parent Disclosure Schedule, the execution and delivery of this Agreement by Parent does not, and the performance of this Agreement by Parent and the consummation of the transactions contemplated hereby will not, (i) violate or conflict with the certificate or articles of incorporation or bylaws of Parent or the comparable organizational documents of any of its Subsidiaries, (ii) subject to the requirements, filings, consents and approvals referred to in Section 2.5(b), result in any material breach of or constitute a material default (or an event which with notice or lapse of time or both would become a material default) under, or terminate or cancel or give to others any rights of termination, acceleration or cancellation of (with or without notice or lapse of time or both), or result in the creation of a Lien, except for Parent Permitted Liens, on any of the properties or assets of Parent or any of its Subsidiaries pursuant to, any of the terms, conditions or provisions of any Parent Material Contract, or (iii) subject to the requirements, filings, consents and approvals referred to in Section 2.5(b), violate any valid and enforceable judgment, ruling, order, writ, injunction, decree, Permit or Laws applicable to Parent or any of its Subsidiaries or by which any of their respective properties are bound or subject except in the case of clause (ii), as individually or in the aggregate, would not have a Parent Material Adverse Effect.

(b) Except for applicable requirements of the Exchange Act and the Securities Act, including the filing of the Joint Proxy Statement/Prospectus, the pre-merger notification requirements of the HSR Act and the expiration or termination of any applicable waiting period thereunder, and filing of the Certificate of Merger under the DGCL, and except the filing of amended registration forms with the applicable Governmental Entities, approval by each Self Regulatory Organization of which Parent and each Subsidiary of Parent is a member, and such other actions, as in each case set forth in Section 2.5(b) of the Parent Disclosure Schedule, Parent and its Subsidiaries are not required to prepare or submit any application, notice, report or other filing material to the business of Parent and its Subsidiaries, taken as a whole, or obtain any consent, authorization, approval, registration or confirmation from any Governmental Entity or from any third party, in connection with the execution, delivery or performance of this Agreement by Parent and the consummation of the transactions contemplated hereby.

SECTION 2.6 SEC Filings; Financial Statements.

(a) Except as set forth in Section 2.6(a) of the Parent Disclosure Schedule, Parent has timely filed or furnished, as applicable, all forms, statements, certifications, reports, documents, proxy statements and exhibits and any amendments thereto required to be filed by Parent with the SEC since October 1, 2006

(collectively with all forms, reports, statements, documents, proxy statements and exhibits filed or furnished subsequent to the date of this Agreement, and any amendments thereto, the "Parent SEC Reports"). The Parent SEC Reports (i) complied in all material respects, or, if not yet filed or furnished, will comply, as of their respective dates of filing with the SEC, with the applicable requirements of the Securities Act, the Exchange Act, and the Sarbanes-Oxley Act, as the case may be, and (ii) did not at the time they were filed and do not, as amended and supplemented, if applicable, or, if not yet filed or furnished, will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. Except as set forth in Schedule 2.6(a) of the Parent Disclosure Schedule, none of Parent's Subsidiaries is required to file any form, report, proxy statement or other document with the SEC.

(b) Except as set forth in Section 2.6(b) of the Parent Disclosure Schedule, the consolidated financial statements contained in the Parent SEC Reports complied, as of their respective dates of filing with the SEC, and the consolidated financial statements contained in the Parent SEC Reports filed with the SEC after the date of this Agreement will comply as of their respective dates of filing with the SEC, in all material respects with applicable accounting requirements and the published rules and regulations of the SEC with respect thereto, and have been, and the consolidated financial statements contained in the Parent SEC Reports filed after the date of this Agreement will be, prepared in accordance with GAAP (except, in the case of unaudited consolidated quarterly statements, as permitted by Form 10-Q under the Exchange Act and except as may be indicated in the notes thereto) consistently applied during the periods involved, and fairly present, and the financial statements contained in the Parent SEC Reports filed after the date of this Agreement will fairly present, in all material respects, the consolidated financial position of Parent and its consolidated Subsidiaries as of the respective dates thereof and the consolidated results of operations and cash flows of Parent for the periods indicated, except in the case of unaudited quarterly financial statements that were or are subject to normal and recurring non-material year-end adjustments. Except as set forth on Section 2.6(b) of the Parent Disclosure Schedule, there are no material off balance sheet arrangements, within the meaning of Item 303 of Regulation S-K of the SEC, to which Parent or any of its Subsidiaries is a party or by which any of its assets is bound which is not disclosed in the consolidated financial statements contained in the Parent SEC Reports.

(c) Except as set forth in Section 2.6(c) of the Parent Disclosure Schedule and except for those liabilities and obligations that are reflected or reserved against on the statement of financial condition dated September 30, 2008, contained in Parent's Annual Report on Form 10-K for the year ended September 30, 2008, or in the footnotes to such statement of financial condition, neither Parent nor any of its Subsidiaries has any material liabilities or obligations of any nature whatsoever (whether accrued, absolute, contingent, known, unknown or otherwise), except for (i) liabilities or obligations incurred since September 30, 2008, in the Parent's Ordinary Course of Business, none of which has had or is likely to have a Parent Material Adverse Effect, (ii) liabilities for fees and expenses incurred in connection with the transactions contemplated by this Agreement, (iii) obligations specifically set forth in this Agreement and (iv) liabilities that, individually or in the aggregate, are immaterial to the financial condition or operating results of Parent and its Subsidiaries, taken as a whole.

(d) The Company maintains disclosure controls and procedures required by Rule 13a-15 or 15d-15 under the Exchange Act. Such disclosure controls and procedures are effective to ensure that information required to be disclosed by Parent is recorded and reported on a timely basis to the individuals responsible for the preparation of the Company's filings with the SEC and other public disclosure documents. Parent maintains internal control over financial reporting (as defined in Rule 13a-15 or 15d-15, as applicable, under the Exchange Act). Such internal control over financial reporting is effective in providing reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP and includes policies and procedures that (i) pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of Parent, (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with GAAP, and that receipts and

expenditures of Parent are being made only in accordance with authorizations of management and directors of Parent, and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of Parent's assets that could have a material effect on its financial statements. Parent has disclosed, based on the most recent evaluation of its chief executive officer and its chief financial officer prior to the date of this Agreement, to Parent's auditors and the audit committee of the Parent Board (A) any significant deficiencies in the design or operation of its internal controls over financial reporting that are reasonably likely to adversely affect Parent's ability to record, process, summarize and report financial information and has identified for Parent's auditors and audit committee of the Parent Board any material weaknesses in internal control over financial reporting and (B) any fraud, whether or not material, that involves management or other employees who have a significant role in Parent's internal control over financial reporting. Parent has made available to the Company (i) a summary of any such disclosure made by management to Parent's auditors and audit committee since October 1, 2006, and (ii) any communication since October 1, 2006, made by management or Parent's auditors to the audit committee required or contemplated by the audit committee's charter or the professional standards of the Public Company Accounting Oversight Board. Since October 1, 2006, no material complaints from any source regarding accounting, internal accounting controls or auditing matters, and no concerns from Parent employees regarding questionable accounting or auditing matters, have been received by Parent. Parent has made available to the Company a summary of all complaints or concerns relating to other matters made since October 1, 2006, through Parent's whistleblower hot-line or equivalent system for receipt of employee concerns regarding possible violations of Law. No attorney representing Parent or any of its Subsidiaries, whether or not employed by Parent or any of its Subsidiaries, has reported evidence of a violation of securities Laws, breach of fiduciary duty or similar violation by Parent or any of its officers, directors, employees or agents to Parent's chief legal officer, audit committee (or other committee designated for the purpose) of the Parent Board or the Parent Board pursuant to the rules adopted pursuant to Section 307 of the Sarbanes-Oxley Act or any Parent policy contemplating such reporting, including in instances not required by those rules.

(e) Parent has devised and maintained systems of internal accounting controls that are sufficient to be in compliance, in all material respects, with applicable Laws.

(f) Parent has heretofore furnished the Company with its Regulatory Accounting Reports and Regulatory Accounting Reports filed by any Subsidiary after October 1, 2006 and prior to the date hereof.

SECTION 2.7 Absence of Certain Changes or Events. Since September 30, 2008, except as expressly contemplated by this Agreement or as set forth in Section 2.7 of the Parent Disclosure Schedule, there has not been:

(a) any effect, change, fact, event, occurrence or circumstance that, individually or in the aggregate, would have a Parent Material Adverse Effect; or

(b) any event, action or occurrence taken on or prior to the date hereof, that, if taken after the date hereof without the consent of the Company, would violate any of the provisions of Section 4.2.

SECTION 2.8 Litigation. Except as disclosed in Section 2.8 of the Parent Disclosure Schedule, there are no material claims, actions, suits, arbitrations, grievances, proceedings or investigations (collectively "Proceedings") pending or, to the knowledge of Parent, threatened against Parent or any of its Subsidiaries or any of their respective properties or rights, or any of their respective officers or directors in their capacity as such, before any Governmental Entity, nor any internal investigations (other than investigations in the ordinary course of Parent's or any of its Subsidiaries' compliance programs) being conducted by Parent or any of its Subsidiaries nor have any acts of alleged misconduct by Parent or any of its Subsidiaries been reported to Parent. Except as disclosed in Section 2.8 of the Parent Disclosure Schedule, neither Parent nor any of its Subsidiaries nor any of their respective properties is subject to any order, judgment, injunction or decree of any Governmental Entity material to the conduct of the businesses of Parent or its Subsidiaries.

SECTION 2.9 Employee Benefit Plans.

(a) Section 2.9(a) of the Parent Disclosure Schedule sets forth a list of all employee welfare benefit plans (as defined in Section 3(1) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA")), employee pension benefit plans (as defined in Section 3(2) of ERISA) and all other employment, compensation, consulting, bonus, stock option, restricted stock grant, stock purchase, other cash or stock-based incentive, profit sharing, savings, retirement, disability, insurance, severance, termination, retention, vacation, deferred compensation and other similar fringe or employee benefit plans, programs, policies, agreements or arrangements sponsored, maintained, contributed to or required to be contributed to, or entered into by Parent or any other entity, whether or not incorporated, that together with Parent would be deemed a "single employer" for purposes of Section 414 of the Code or Section 4001 of ERISA (an "ERISA Affiliate") for the benefit of, or relating to, any current or former employee, director or other independent contractor of, or consultant to, Parent or any of its Subsidiaries to which Parent or any Subsidiary has any liability (together, the "Parent Employee Plans"). Section 2.9(a) of the Parent Disclosure Schedule separately lists each Parent Employee Plan that is maintained outside of the United States primarily for the benefit of employees working outside of the United States (each, a "Non-U.S. Parent Employee Plan").

(b) Parent has made available to the Company true and complete copies of (i) all Parent Employee Plans, together with all amendments thereto, (ii) the latest Internal Revenue Service determination letters obtained with respect to any Parent Employee Plan intended to be qualified under Section 401(a) or 501(a) of the Code, (iii) the two most recent annual actuarial valuation reports, if any, (iv) the two most recently filed Forms 5500 together with all related schedules, if any, (v) the "summary plan description" (as defined in ERISA), if any, and all modifications thereto communicated to employees, (vi) any trust documents or other funding vehicles, and (vii) the two most recent annual and periodic accountings of related plan assets.

(c) Neither Parent nor any of its Subsidiaries nor any of their respective directors, officers, employees or agents has, with respect to any Parent Employee Plan, engaged in or been a party to any "prohibited transaction" (as defined in Section 4975 of the Code or Section 406 of ERISA), which could result in the imposition of either a penalty assessed pursuant to Section 502(i) of ERISA or a tax imposed by Section 4975 of the Code, in each case applicable to Parent or any of its Subsidiaries or any Parent Employee Plan except for any penalty or Tax that would not, individually or in the aggregate, have a Parent Material Adverse Effect.

(d) All Parent Employee Plans have been approved and administered in accordance with their terms and are in compliance in all material respects with the currently applicable requirements prescribed by all statutes, orders, or governmental rules or regulations currently in effect with respect to such Parent Employee Plans, including, but not limited to, ERISA and the Code. All Parent Employee Plans providing deferred compensation or benefits subject to Section 409A of the Code were, between January 1, 2005 and December 31, 2008, operated in compliance with the plan's terms, to the extent consistent with Section 409A, and the applicable guidance issued by the Internal Revenue Service and the Department of the Treasury, including Notice 2005-1, and to the extent an issue was not addressed in Notice 2005-1 or other applicable guidance, each applicable Parent Employee Plan was operated between January 1, 2005 and December 31, 2008 by applying reasonable, good faith interpretation of Section 409A of the Code.

(e) There are no pending or, to the knowledge of Parent, threatened material claims, lawsuits or arbitrations (other than routine claims for benefits), relating to any of the Parent Employee Plans, or the assets of any trust for any Parent Employee Plan.

(f) Each Parent Employee Plan intended to qualify under Section 401(a) of the Code, and the trusts created thereunder intended to be exempt from tax under the provisions of Section 501(a) of the Code, either (i) has received either a favorable determination letter or is covered by a favorable opinion letter from the Internal Revenue Service to such effect or (ii) is still within the "remedial amendment period," as described in Section 401(b) of the Code and the regulations thereunder.

(g) All contributions or payments required to be made or accrued before the Effective Time under the terms of any Parent Employee Plan will have been made by the Effective Time and all obligations in respect of each Parent Employee Plan have been properly accrued and reflected in the Parent's financial statements.

(h) Except as set forth in Section 2.9(h) of the Parent Disclosure Schedule, neither Parent nor any of its ERISA Affiliates contributes, nor within the six-year period ending on the date hereof has any of them contributed or been obligated to contribute, to any Pension Plan. No notice of a "reportable event", within the meaning of Section 4043 of ERISA for which the reporting requirement has not been waived or extended, other than pursuant to Pension Benefit Guarantee Corporation ("PBGC") Reg. Section 4043.33 or 4043.66, has been required to be filed by Parent for any Pension Plan or by an ERISA Affiliate of Parent within the 12-month period ending on the date hereof or will be required to be filed by Parent in connection with the transaction contemplated by this Agreement. No notices have been required to be sent by Parent to participants and beneficiaries or the PBGC under Section 302 or 4011 of ERISA or Section 412 of the Code. Neither any Pension Plan nor any single-employer plan of an ERISA Affiliate of Parent has an "accumulated funding deficiency" (whether or not waived) within the meaning of Section 412 of the Code or Section 302 of ERISA and no ERISA Affiliate of Parent has an outstanding funding waiver. Neither any Pension Plan nor any single-employer plan of an ERISA Affiliate of Parent has been required to file information pursuant to Section 4010 of ERISA for the current or most recently completed plan year. Neither Parent nor any of its Subsidiaries has provided, or is required to provide, security to any Pension Plan or to any single-employer plan of an ERISA Affiliate pursuant to Section 401(a)(29) of the Code. Except as set forth in Section 2.9(h) of the Parent Disclosure Schedule, under each Pension Plan of Parent or of its Subsidiaries which is a single-employer plan, as of the last day of the most recent plan year ended prior to the date hereof, the actuarially determined present value of all "benefit liabilities", within the meaning of Section 4001(a)(16) of ERISA (as determined on the basis of the actuarial assumptions contained in such Pension Plan's most recent actuarial valuation), did not exceed the then current value of the assets of such Pension Plan, and there has been no material change in the financial condition, whether or not as a result of a change in the funding method, of such Pension Plan since the last day of the most recent plan year.

(i) Except as set forth in Section 2.9(i) of the Parent Disclosure Schedule, no Parent Employee Plan provides medical, surgical, hospitalization, death or similar benefits (whether or not insured) for employees or former employees of Parent or any of its Subsidiaries for periods extending beyond their retirement or other termination of service, other than coverage mandated by applicable Law.

(j) Except as set forth in Section 2.9(j) of the Parent Disclosure Schedule or as may be prohibited by applicable Law, no condition exists that would prevent Parent or any of its Subsidiaries from amending or terminating any Parent Employee Plan providing health or medical benefits in respect of any active employee of Parent or any of its Subsidiaries in accordance with such Parent Employee Plan's terms.

(k) Except as set forth in Section 2.9(k)(i) through (v) of the Parent Disclosure Schedule, the consummation of the transactions contemplated by this Agreement will not, either alone or in combination with any other event, (i) entitle any current or former employee, director or officer of Parent or any of its Subsidiaries to severance pay or any other payment or benefit, (ii) accelerate the time of payment or vesting, or increase the amount of compensation due any such employee, director or officer, (iii) require Parent to place in trust or otherwise set aside any amounts in respect of severance pay or any other payment or benefit, (iv) limit or restrict the right of Parent, its Subsidiaries or, after the consummation of the transactions contemplated hereby, the Surviving Corporation to merge, amend or terminate any of the Parent Employee Plans, or (v) result in payments under any of the Parent Employee Plans which would not be deductible under Section 280G of the Code.

(l) All Non-U.S. Parent Employee Plans comply in all material respects with applicable local Law. Parent and its Subsidiaries have no material unfunded liabilities with respect to any Non-U.S. Parent Employee Plan.

SECTION 2.10 Information Supplied. None of the information to be supplied by Parent or any of its Subsidiaries specifically for inclusion or incorporation by reference in the Joint Proxy Statement/Prospectus contemplated by Section 5.1 will, on the date such document is filed and on the date it is first published, sent or given to the holders of Company Common Stock, and at the time of the meeting of the Company's stockholders to consider and vote upon the Merger Agreement (the "Company Stockholders' Meeting"), contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they are made, not misleading. If, at any time prior to the Company Stockholders' Meeting, any event with respect to Parent or any of its Subsidiaries, or with respect to information supplied by Parent or any of its Subsidiaries specifically for inclusion or incorporation by reference in the Joint Proxy Statement/Prospectus, shall occur which is required to be described in an amendment of, or supplement to, such Joint Proxy Statement/Prospectus such event shall be so described by Parent and promptly provided to the Company. All documents that Parent or its Subsidiaries are responsible for filing with the SEC in connection with the transactions contemplated hereby, to the extent relating to the Parent or its Subsidiaries or other information supplied by the Parent or its Subsidiaries for inclusion or incorporation by reference therein, will comply as to form, in all material respects, with the provisions of the Exchange Act and the rules and regulations thereunder, and each such document required to be filed with any federal, state, provincial, local and foreign government, governmental, quasi-governmental, supranational, regulatory or administrative authority, agency, commission or any court, tribunal, or judicial or arbitral body including, without limitation, the CFTC, the NFA, the FINRA, the U.S. Department of Agriculture, all U.S. futures exchanges and any Self Regulatory Organization (each, a "Governmental Entity"), will comply in all material respects with the provisions of applicable Law as to the information required to be contained therein. Notwithstanding the foregoing, Parent makes no representation or warranty with respect to the information supplied or to be supplied by or on behalf of the Company or its Subsidiaries for inclusion or incorporation by reference in the Joint Proxy Statement/Prospectus.

SECTION 2.11 Conduct of Business; Compliance with Laws.

(a) Except as disclosed in Section 2.11(a) of the Parent Disclosure Schedule, the business of Parent and each of its Subsidiaries is not being (and, since October 1, 2006, has not been) conducted (i) in default or violation of any term, condition or provision of the certificate or articles of incorporation or bylaws of Parent or the comparable charter documents or Bylaws of any of its Subsidiaries, or (ii) in material default or violation of (X) any Parent Material Contract or (Y) any Laws applicable to Parent or any of its Subsidiaries or their respective businesses and material to the business of Parent and its Subsidiaries, taken as a whole.

(b) Without limiting the generality of the preceding paragraph (a), since October 1, 2006, Parent, its Subsidiaries and each of their employees and, to the knowledge of Parent, third party brokers with which Parent or its Subsidiaries transact business:

(i) has complied in all material respects with all federal, state, local and foreign statutes, laws, regulations, ordinances, rules, judgments, orders and decrees applicable to its business or to the employees thereof and with the applicable rules of all Self Regulatory Organizations including (A) all applicable regulatory net capital requirements, including the "early warning" provisions, (B) the provisions of the Foreign Corrupt Practices Act of 1977, as amended, and the rules and regulations thereunder, and (C) the provisions of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (USA PATRIOT Act) and the rules and regulations thereunder;

(ii) is not the subject of any pending or, to Parent's knowledge, any threatened, investigation, review or disciplinary proceedings of any Government Entity or Self Regulatory Organization that relates to Parent and its Subsidiaries or any of their respective directors, officers or employees, except as disclosed in Section 2.11(b) of the Parent Disclosure Schedule; and

(iii) has all material Memberships and has made all material notifications, registrations, certifications and filings with all Governmental Entities necessary for the operation of Parent's business, as currently conducted.

(c) Section 2.11(c) of the Parent Disclosure Schedule lists each current registration of each Subsidiary of Parent with respect to its business as (i) a broker-dealer with the SEC, the securities commission or similar authority of any state and any Self Regulatory Organization and (ii) as a futures commission merchant, introducing broker or commodity pool operator with the CFTC and any Self Regulatory Organization. Each such registration is in full force and effect. Parent has made available to the Company a true and complete copy of each currently effective Form BD as filed with the SEC, currently effective Form 7-R registration as filed with the CFTC, and Form 1-FRs and annual audits and all other material reports filed with the CFTC or any Self Regulatory Organization within the last two years, and will make available to the Company such material forms and reports as are filed from and after the date hereof and prior to the Closing Date. To Parent's knowledge, the information contained in such forms and reports was true and complete in all material respects as of the time of filing.

(d) Neither Parent nor any Subsidiary of Parent is subject to registration under the Investment Advisers Act or the Investment Company Act. Except as set forth in Section 2.11(d) of the Parent Disclosure Schedule, neither Parent nor any Subsidiary of Parent is, or has been during the past two years, an "investment adviser" or a "commodity trading advisor" within the meaning of the Investment Advisers Act and the Commodity Exchange Act, respectively, required to be registered, licensed or qualified as an investment adviser under the Investment Advisers Act or a commodity trading advisor under the Commodity Exchange Act.

(e) Neither Parent nor any Subsidiary of Parent is subject to regulation by the Federal Energy Regulatory Commission under the Federal Power Act, as amended, the Natural Gas Act, as amended, or the Natural Gas Policy Act, as amended, or to regulation by any state Governmental Entity under any comparable state statute or regulation.

(f) Except as set forth in Section 2.11(f) of the Parent Disclosure Schedule, neither Parent nor any Subsidiary of Parent is subject to regulation by any Governmental Entity with respect to any activities of Parent or any of its Subsidiaries related to the purchase, sale, transportation or storage of grain or any other agricultural commodities.

SECTION 2.12 Customer Accounts; Reports; Registrations.

(a) Except as set forth on Section 2.12(a) of the Parent Disclosure Schedule, no Customer Balances deposited by or held with Parent or any of its Subsidiaries is beneficially owned or controlled by Parent or any of its employees, except in material compliance with and as necessary to meet the requirements of applicable Governmental Entities and except to the extent that such ownership or control would not have a Parent Material Adverse Effect.

(b) Except as set forth on Section 2.12(b) of the Parent Disclosure Schedule and except where such failure to file would not, individually or in the aggregate, have a Parent Material Adverse Effect, Parent has filed all reports and filings, together with any amendments required to be made with respect thereto, concerning Parent or any of its Subsidiaries that were required to be filed with any Governmental Entity (all such reports and filings being collectively referred to herein as the "Parent SRO Reports") since October 1, 2006. Except as set forth on Section 2.12(b) of the Parent Disclosure Schedule, each of the Parent SRO Reports, when filed, if any, complied in all material respects with applicable Laws.

(c) Except as set forth on Section 2.12(c) of the Parent Disclosure Schedule and except where such act or fact, individually or in the aggregate, would not have a Parent Material Adverse Effect:

(i) Parent, its Subsidiaries, and each of their respective employees or principals (as defined under the Commodity Exchange Act), is not reasonably likely to be subject to a "statutory disqualification" as defined in Section 3(a)(39) of the Exchange Act, and is not reasonably likely to be subject to any of the provisions of Section 8a of the Commodity Exchange Act that would permit the CFTC to refuse to register or to suspend or revoke its registration;

(ii) neither Parent nor any of its Subsidiaries has at any time since January 1, 2006, entered into or been subject to any Order or any other material prohibition or, as of the date hereof, received any notice of the institution against it of any civil, criminal or administrative action, suit, proceeding or investigation from any Governmental Entity; and

(iii) neither Parent nor any of its Subsidiaries has at any time since January 1, 2006, received any sanction or extraordinary supervisory letter from, or adopted any board resolutions at the request of, any Governmental Entity (each such item referred to in this Section 2.12(c)(iii), a "Regulatory Order") that restricts in any material respect the conduct of the business of Parent, or in any manner relates to its capital adequacy, credit policies or management relating to the business of Parent, other than any Regulatory Order applicable to all similarly situated Persons subject to such supervision or regulation.

(d) Neither Parent nor any of its Subsidiaries guarantees any introducing broker or local floor trader except as set forth on Section 2.12(d) of the Parent Disclosure Schedule.

SECTION 2.13 Taxes. Except as set forth in Section 2.13 of the Parent Disclosure Schedule:

(a) each of Parent and its Subsidiaries has duly and timely filed all material Tax Returns required to be filed by it (taking into account extensions of time in which to file), and all such Tax Returns are true, correct and complete in all material respects;

(b) each of Parent and its Subsidiaries has timely paid all material Taxes required to be paid by it (whether or not shown due on any Tax Return);

(c) each of Parent and its Subsidiaries has made adequate provision in the consolidated financial statements contained in the Parent SEC Reports discussed in Section 2.6(b) (in accordance with GAAP) for all Taxes of Parent and its Subsidiaries not yet due;

(d) each of Parent and its Subsidiaries has complied with all applicable Laws relating to the payment and withholding of Taxes and has, within the time and manner prescribed by Law, withheld and paid over to the proper tax authorities all amounts required to be withheld and paid over by it, except as would not, individually or in the aggregate, have a Parent Material Adverse Effect;

(e) no pending or threatened audit, proceeding, examination or litigation or similar claim has been commenced or is presently pending with respect to any Taxes or Tax Return of Parent or any of its Subsidiaries;

(f) there are not any unresolved questions or claims concerning Parent's or any of its Subsidiaries' Tax liability that, individually or in the aggregate, would have a Parent Material Adverse Effect and are not disclosed or provided for in the Parent SEC Reports.

(g) no written claim has been made by any tax authority in a jurisdiction where any of Parent or its Subsidiaries does not file a Tax Return that Parent or any of its Subsidiaries is or may be subject to material taxation in that jurisdiction;

(h) no material deficiency with respect to any Taxes has been proposed, asserted or assessed in writing against Parent or any of its Subsidiaries;

(i) no outstanding written agreements, consents or waivers to extend the statutory period of limitations applicable to the assessment of any Taxes or deficiencies against Parent or any of its Subsidiaries, and no power of attorney granted by either Parent or any of its Subsidiaries with respect to any material Taxes, is currently pending or in force; and

(j) neither Parent nor any of its Subsidiaries is a party to any agreement providing for the allocation or sharing of any material amount of Taxes imposed on or with respect to any individual or other person, and neither Parent nor any of its Subsidiaries (A) has been a member of an affiliated group (or similar state, local or foreign filing group) filing a consolidated U.S. federal income Tax Return (other than the group the common parent of which is Parent) or (B) has any liability for the Taxes of any person (other than Parent or

any of its Subsidiaries) under Treasury Regulations Section 1.1502-6 (or any similar provision of state, local or foreign Law), or as a transferee or successor.

(k) The federal income Tax Returns of Parent and its Subsidiaries have been examined by and settled with the Internal Revenue Service (or the applicable statutes of limitation have lapsed) for all years through December 31, 2003. All assessments for Taxes due with respect to such completed and settled examinations or any concluded litigation have been fully paid.

(l) Neither Parent nor any of its Subsidiaries has participated in a "reportable transaction" within the meaning of Treasury Regulations Section 1.6011-4(b) and neither Parent nor any of its Subsidiaries has been a "material advisor" to any such transactions within the meaning of Section 6111 of the Code.

(m) There are no material Liens for Taxes upon the assets or properties of Parent or any of its Subsidiaries, except for Liens which arise by operation of Law with respect to current Taxes not yet due and payable.

(n) Neither Parent nor any of its Subsidiaries will be required to include any item of income in, or exclude any item of deduction from, taxable income for any taxable period (or portion thereof) ending after the tax year of the most recently filed U.S. federal income Tax Return of Parent as a result of any (A) change in method of accounting for a taxable period ending on or prior to the Closing Date, (B) "closing agreement," as described in Section 7121 of the Code (or any corresponding provision of state, local or foreign Law), entered into on or prior to the Closing Date, or (C) ruling received from the Internal Revenue Service.

(o) Parent has previously delivered or made available to the Company complete and accurate copies of (A) all audit reports, letter rulings, technical advice memoranda and similar documents issued by any tax authority relating to the U.S. federal, state, local or foreign Taxes due from or with respect to Parent and its Subsidiaries that have continuing applicability or were issued in the last three years, and (B) any closing agreements entered into by any of Parent and its Subsidiaries with any tax authority in each case existing on the date hereof.

(p) Neither Parent nor any of its Subsidiaries is or has been a United States real property holding corporation (as defined in Section 897(c)(2) of the Code) during the applicable period specified in Section 897(c)(1)(A)(ii) of the Code.

(q) Neither Parent nor any of its Subsidiaries has constituted a "distributing corporation" or a "controlled corporation" (within the meaning of Section 355(a)(1)(A) of the Code) in a distribution of stock to which Section 355 of the Code (or so much of Section 356 of the Code as relates to Section 355 of the Code) applies and which occurred within two years of the date of this Agreement.

SECTION 2.14 Environmental Matters.

(a) Except as disclosed in Section 2.14(a) of the Parent Disclosure Schedule, Parent and each of its Subsidiaries is and has at all times been in compliance with all applicable Environmental Laws (which compliance includes, but is not limited to, the possession by Parent and each of its Subsidiaries of all permits and other governmental authorizations required under applicable Environmental Laws, and compliance with the terms and conditions thereof). Except as disclosed in Section 2.14(a) of the Parent Disclosure Schedule, neither Parent nor any of its Subsidiaries has received any written communication, whether from a Governmental Entity, citizens group, employee or otherwise, alleging that Parent or any of its Subsidiaries is not in such compliance, and, to the knowledge of the Company, there are no past or present actions, activities, circumstances, conditions, events or incidents that are reasonably likely to prevent or interfere with such compliance in the future.

(b) Except as set forth in Section 2.14(b) of the Parent Disclosure Schedule, there is no Environmental Claim pending or threatened against Parent or any of its Subsidiaries or, to the knowledge of Parent, against any Person whose liability for any Environmental Claim Parent or any of its Subsidiaries has or may have

retained or assumed either contractually or by operation of law. Neither Parent nor any of its Subsidiaries is subject to any order, decree, injunction or other arrangement with any Governmental Entity or any indemnity or other agreement with any third party relating to liability under any Environmental Law or relating to Hazardous Materials.

(c) Except as disclosed in Section 2.14(c) of the Parent Disclosure Schedule, neither Parent nor any of its Subsidiaries is subject to any order, decree, injunction or other agreement with any Governmental Entity or any indemnity or other agreement with any third party relating to liability or obligations pursuant to any Environmental Law or otherwise relating to any Hazardous Materials.

(d) Except as disclosed in Section 2.14(d) of the Parent Disclosure Schedule, there are no past or present actions, activities, circumstances, conditions, events or incidents, including, without limitation, the Release or presence of any Hazardous Materials which could form the basis of any Environmental Claim or result in liability against Parent or any of its Subsidiaries, or against any Person whose liability for any Environmental Claim Parent has or may have retained or assumed either contractually or by operation of law.

(e) Parent has made available to the Company true, complete and correct copies and results of any reports, studies, analyses, tests or monitoring possessed by Parent or any of its Subsidiaries which have been prepared pertaining to Hazardous Materials in, on, beneath or adjacent to any property currently or formerly owned, operated, occupied or leased by Parent or any of its Subsidiaries, or regarding Parent's or any of its Subsidiaries' compliance with or potential liability under any applicable Environmental Laws.

SECTION 2.15 Real Property; Title to Assets; Liens.

(a) Leased Real Property.

(i) Set forth in Section 2.15(a) of the Parent Disclosure Schedule is a list of all real property leased by Parent or any of its Subsidiaries. Except as would not, individually or in the aggregate, have a Parent Material Adverse Effect, each of the leases relating to Parent Leased Real Property is a valid and subsisting leasehold interest of Parent or any of its Subsidiaries, is a valid and binding obligation of Parent or one of its Subsidiaries and each other party thereto, enforceable against Parent or one of its Subsidiaries and each other party thereto in accordance with its terms;

(ii) except as would not, individually or in the aggregate, have a Parent Material Adverse Effect, there are no disputes with respect to any Parent Real Property Lease; and neither Parent nor, to the knowledge of Parent, any other party to each Parent Real Property Lease is in breach or default under such Parent Real Property Lease, and no event has occurred or failed to occur or circumstance exists which, with the delivery of notice, the passage of time or both, would constitute such a breach or default, or permit the termination, modification or acceleration of rent under such Parent Real Property Lease;

(iii) except as disclosed on Section 2.15(a)(iii) of the Parent Disclosure Schedule, no consent by the landlord under the Parent Real Property Leases is required in connection with the consummation of the transaction contemplated herein; and

(iv) none of the Parent Leased Real Property has been pledged or assigned by Parent or any of its Subsidiaries or is subject to any Liens (other than pursuant to this Agreement or Parent Permitted Liens).

(b) Owned Real Property. Section 2.15(b) of the Parent Disclosure Schedule sets forth a true, correct and complete list of the real property owned by either Parent or any of its Subsidiaries ("Parent Owned Real Property"). Except as specified on Section 2.15(b) of the Parent Disclosure Schedule, Parent or one of its Subsidiaries has valid and marketable fee simple title to the Parent Owned Real Property free and clear of all Liens, except Parent Permitted Liens.

(c) Personal Property. Except as would not, individually or in the aggregate, have a Parent Material Adverse Effect, each of Parent and its Subsidiaries has good and marketable fee title to, or, in the case of leased assets, has good and valid leasehold interests in, all of its other tangible and intangible assets, used or held for use in, or which are necessary to conduct, the respective business of Parent and its Subsidiaries as currently conducted, free and clear of any Liens, except Parent Permitted Liens.

SECTION 2.16 Intellectual Property. All registrations and applications relating to Intellectual Property Rights owned or used by Parent or any of its Subsidiaries are set forth in Section 2.16 of the Parent Disclosure Schedule, and such Intellectual Property Rights are valid and enforceable. Except as disclosed in Section 2.16 of the Parent Disclosure Schedule: (a) Parent or its Subsidiaries are the sole and exclusive owner of all right, title and interest in or have valid and enforceable rights to use, by license or other agreements, all of the Intellectual Property Rights that are currently used in the conduct of the business of the Company and its Subsidiaries, except where the failure to own or possess such Intellectual Property Rights would not, individually or in the aggregate, have a Parent Material Adverse Effect; (b) no Proceeding has commenced, been brought or heard by or before any Governmental Entity or arbitrator or is pending or is threatened in writing by any third Person with respect to any Intellectual Property Rights owned, licensed or used by Parent or its Subsidiaries or the business of Parent and its Subsidiaries as currently conducted, including any claim or suit that alleges that any such conduct or Intellectual Property Right infringes, impairs, dilutes or otherwise violates the rights of others, and none of Parent or its Subsidiaries is subject to any outstanding injunction, judgment, order, decree, ruling, charge, settlement, or other dispute involving any third party's Intellectual Property Rights, except as would not, individually or in the aggregate, have a Parent Material Adverse Effect; (c) none of Parent or its Subsidiaries is aware of, or has threatened or initiated, any claim or action against any third party with respect to any Intellectual Property Rights, except for those claims or actions that would not, individually or in the aggregate, have a Parent Material Adverse Effect; and (d) Parent and its Subsidiaries have no knowledge of any conflict with or infringements of any Intellectual Property Rights of any third party which would, individually or in the aggregate, have a Parent Material Adverse Effect.

SECTION 2.17 Material Contracts.

(a) Except as set forth in Section 2.17 of the Parent Disclosure Schedule, and except for contracts for the purchase or sale of physical commodities, securities, currencies, option, forward, futures and similar contracts incurred or entered into with or on behalf of customers in Parent's Ordinary Course of Business, contracts for the provision of risk management services incurred or entered into with or on behalf of customers in Parent's Ordinary Course of Business, and contracts entered into in accordance with Section 4.2, neither Parent nor any of its Subsidiaries is a party to or bound by:

(i) any "material contract" (as defined in Item 601(b) (10) of Regulation S-K of the SEC);

(ii) any contract or agreement for the purchase of materials or personal property from any supplier or for the furnishing of services to Parent or any of its Subsidiaries that involves future aggregate annual payments by Parent or any of its Subsidiaries of $250,000 or more;

(iii) any contract or agreement for the sale, license or lease (as lessor) by Parent or any of its Subsidiaries of services, materials, products, supplies or other assets, owned or leased by Parent or any of its Subsidiaries, that involves future aggregate annual payments to Parent or any of its Subsidiaries of $500,000 or more;

(iv) any contract that results, or is expected to result, in annual revenues to Parent in excess of $500,000;

(v) any non-competition agreement or any other agreement or obligation which purports to limit Parent or any of its Affiliates from conducting its business as currently conducted;

(vi) (A) any contract, including any employment, compensation, incentive, retirement, loan or severance arrangements, with any director or executive officer of Parent or any Subsidiary of Parent, or

(B) any contract, including any employment, compensation, incentive, retirement, loan or severance arrangements, with any other officer or employee of Parent or any Subsidiary of Parent that requires future aggregate annual payments by Parent or any of its Subsidiaries of $200,000 or more;

(vii) any contract, including any consulting, compensation, incentive, loan, or other arrangement, with any consultant, sales representative, or introducing broker retained or contracted with by Parent or any Subsidiary of Parent that requires future aggregate annual payments by Parent or any of its Subsidiaries of $200,000 or more;

(viii) any joint venture, product development, research and development and limited partnership agreements or arrangements involving a sharing of profits, losses, costs or liabilities by Parent or any of its Subsidiaries with any other Person;

(ix) mortgages, indentures, loan or credit agreements, security agreements and other agreements and instruments relating to the borrowing or guarantee of money or extension of credit in any case in excess of $1,000,000;

(x) any standby letter of credit, performance or payment bond, guarantee arrangement or surety bond of any nature involving amounts in excess of $1,000,000;

(xi) other contracts involving annual payments made to or by Parent or any of its Subsidiaries in excess of $500,000;

(xii) any contract for the sale of any of the assets of Parent or any of its Subsidiaries (whether by merger, sale of stock, sale of assets or otherwise) or for the grant to any Person of any preferential rights to purchase any of its assets (whether by merger, sale of stock, sale of assets or otherwise), in each case, for consideration in excess of $250,000 individually, or $500,000 in the aggregate;

(xiii) any contract relating to the ownership, management or control of any Person in which Parent or a Subsidiary of Parent owns any equity interest other than direct and indirect wholly owned Subsidiaries of Parent or another Subsidiary of Parent;

(xiv) any contract, agreement or arrangement to allocate, share or otherwise indemnify for Taxes;

(xv) any contract, agreement, license or arrangement (A) granting or obtaining any right to use any material Intellectual Property Rights (other than contracts, agreements, licenses or arrangements granting rights to use readily available commercial Software having an acquisition price of less than $250,000 per contract, agreements, license or arrangement) or (B) restricting Parent's right, or permitting third Persons to use, any material Intellectual Property Rights.

The foregoing contracts and agreements to which Parent or any of its Subsidiaries is a party or is bound are collectively referred to herein as "Parent Material Contracts."

(b) (i) Each Parent Material Contract is valid and binding on Parent or one of its Subsidiaries and each other party thereto, and is in full force and effect, (ii) Parent or one of its Subsidiaries, as applicable, and, to the knowledge of Parent, each other party thereto, has performed all material obligations required to be performed by it to date under each Parent Material Contract; or (iii) neither Parent nor any of its Subsidiaries, as applicable, nor, to the knowledge of Parent, any other party thereto, has violated or defaulted in any material respect or terminated, nor has Parent or any of its Subsidiaries, as applicable, nor, to the knowledge of Parent, any other party thereto, given or received notice of, any material violation or default or any termination under (nor, to the knowledge of Parent, does there exist any condition which with the passage of time or the giving of notice or both would result in such a violation, default or termination under) any Parent Material Contract. Parent has provided, or made available, to the Company true and correct copies of each of the Parent Material Contracts.

SECTION 2.18 Insurance. Section 2.18 of the Parent Disclosure Schedule sets forth a true and complete list of all of the Insurance Policies of Parent and its Subsidiaries as of the date hereof (the "Parent Insurance

Policies"). Each Parent Insurance Policy is in full force and effect and is valid, outstanding and enforceable, except where any failure to be in effect would not, individually or in the aggregate, have a Parent Material Adverse Effect. Except as disclosed in Section 2.18 of the Parent Disclosure Schedule, none of the Parent Insurance Policies will terminate or lapse (or be affected in any other materially adverse manner) by reason of the transactions contemplated by this Agreement, except where any such termination or lapse would not, individually or in the aggregate, have a Parent Material Adverse Effect. Each of Parent and its Subsidiaries has complied with the provisions of each Parent Insurance Policy under which it is the insured party, except where any failure to comply would not, individually or in the aggregate, have a Parent Material Adverse Effect. Since October 1, 2006, no insurer under any Parent Insurance Policy has cancelled or generally disclaimed liability under any such policy or, to Parent's knowledge, indicated any intent to do so or not to renew any such policy.

SECTION 2.19 Collective Bargaining; Labor Disputes; Compliance.

(a) Parent and its Subsidiaries are and have been since October 1, 2006, in compliance in all material respects with all notice and other requirements under the Worker Adjustment and Retraining Notification Act of 1988 (the "WARN Act"). Except as set forth on Section 2.19(a) of the Parent Disclosure Schedule, none of the employees of Parent and any of its Subsidiaries has suffered an "employment loss" (as defined in the WARN Act) within the three-month period prior to the date of this Agreement.

(b) None of Parent or its Subsidiaries has been, or is now, a party to any collective bargaining agreement or other labor contract and (a) there is no unionization or organizational activity relating to the employees of, or affecting, Parent; and (b) there is not threatened any strike, slowdown, picketing, work stoppage, work slowdown or employee grievance process involving Parent or any of its Subsidiaries. No application or petition for an election of or for certification of a collective bargaining agent is pending and no grievance, unfair labor practice charge or arbitration proceeding exists that would have a Parent Material Adverse Effect. There is no lockout of any employees by Parent or its Subsidiaries, and no such action is contemplated by Parent or any of its Subsidiaries. Except as would not, individually or in the aggregate, have a Parent Material Adverse Effect or as otherwise set forth in Section 2.19(b) of the Parent Disclosure Schedule, there has been no charge of discrimination filed or, to Parent's knowledge, threatened against Parent or any of its Subsidiaries with the U.S. Equal Employment Opportunity Commission or similar Governmental Entity. Parent is in compliance with all federal and state Laws respecting employment, including, but not limited to, gender, race, disability, national origin or age discrimination, the Occupational Safety and Health Act of 1970, as amended, the Family and Medical Leave Act of 1993, as amended, and federal and state Laws regarding wages and hours, except where the failure to so comply would not, individually or in the aggregate, have a Parent Material Adverse Effect.

SECTION 2.20 Brokers. Except for Merrill Lynch, Pierce, Fenner & Smith Incorporated ("MLPFS"), no broker, finder or investment banker is entitled to any brokerage, finder's or other fee or commission in connection with the transactions contemplated by this Agreement based upon arrangements made by or on behalf of Parent. Parent has made available to the Company true and complete information concerning the financial and other arrangements between Parent and its Subsidiaries and MLPFS pursuant to which MLPFS would be entitled to any payment as a result of the transactions contemplated hereby.

SECTION 2.21 Vote/Approval Required. The affirmative vote of the holders of a majority of the outstanding shares of Parent Common Stock present in person or by proxy and voting at a meeting thereof duly called and held is the only vote of the Parent's stockholders ("Parent Stockholder Approval") necessary (under applicable law or listing standards) to approve this Agreement and the transactions contemplated hereby, including the Merger, other than the proposed deletion of the provision of the Certificate of Incorporation of Parent that relates to the removal or change of the Chairman of the Board of Parent, which shall require the affirmative vote of the holders of seventy-five percent (75%) of the outstanding shares of Parent Common Stock present in person or by proxy and voting at a meeting thereof duly called and held. The vote or consent of Parent as the sole stockholder of Merger Sub is the only vote or consent of the holders of any class or series of capital stock of Merger Sub necessary to approve this Agreement or the Merger or the transactions contemplated hereby.

SECTION 2.22 Board Action. The Parent Board, at a meeting duly called and held, at which all of the directors were present, duly and unanimously: (i) approved and adopted this Agreement and the transactions contemplated hereby, including the Merger; and (ii) determined that this Agreement and the transactions contemplated hereby, including the Merger, are fair to and in the best interests of Parent and the stockholders of Parent.

SECTION 2.23 Opinion of Financial Advisor. The Parent Board has received, and has provided Company with a true and correct copy of, the written opinion of Houlihan Lokey, the Parent Board's financial advisor, dated July 1, 2009, to the effect that, as of such date, the Exchange Ratio is fair, from a financial point of view, to Parent.

SECTION 2.24 AML Standards. Parent has provided the Company with copies of policies and procedures used by Parent and its Subsidiaries for verification of the identity of new and existing customers and counterparties and compliance with Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (USA Patriot Act) and similar Laws.

SECTION 2.25 No Prior Activities. Except for obligations or liabilities incurred in connection with its incorporation or organization or the negotiation and consummation of this Agreement and the transactions contemplated hereby, Merger Sub has not incurred any obligations or liabilities, other than in connection with its formation, and has not engaged in any business or activities of any type or kind whatsoever.

ARTICLE III

REPRESENTATIONS AND WARRANTIES OF THE COMPANY

Except as set forth in (x) the Disclosure Schedule delivered by the Company to Parent and Merger Sub prior to the execution and delivery of this Agreement (the "Company Disclosure Schedule"), subject to Section 8.15, or in (y) any Company SEC Reports (as defined in Section 3.6(a)) filed or furnished after August 31, 2006 and publicly available prior to the date of this Agreement to the extent any disclosure included therein would be readily apparent as an exception to any representation or warranty contained herein, but excluding any forward-looking statements contained in such Company SEC Reports, the Company hereby represents and warrants on behalf of itself and its Subsidiaries to Parent as follows:

SECTION 3.1 Organization and Qualification. The Company and each of its Subsidiaries is a corporation or limited liability company duly organized, validly existing and in good standing under the laws of the jurisdiction in which it is organized and has the requisite corporate or limited liability company power and authority necessary to own, possess, license, operate or lease the properties that it purports to own, possess, license, operate or lease and to carry on its business as it is now being conducted. The Company and each of its Subsidiaries is duly qualified or licensed as a foreign corporation to do business, and is in good standing, in each jurisdiction where its business or the character of its properties owned, possessed, licensed, operated or leased, or the nature of its activities, makes such qualification necessary, except for any such failure which, when taken together with all other such failures, would not result in a Company Material Adverse Effect. The Company has made available to Parent complete and correct copies of the Company's and its Subsidiaries' certificates of incorporation and Bylaws or comparable governing documents, each as amended to the date of this Agreement, and each as so delivered is in full force and effect. Section 3.1 of the Company Disclosure Schedule contains a correct and complete list of each Subsidiary of the Company and of each jurisdiction where the Company and its Subsidiaries are organized and qualified to do business.

SECTION 3.2 Capitalization. The authorized capital stock of the Company consists of (i) 100,000,000 shares of Common Stock, par value $0.0001 per share, and (ii) 20,000,000 shares of preferred stock, par value $0.0001 per share ("Company Preferred Stock"). As of the date of this Agreement: (A) 27,930,188 shares of

Company Common Stock were issued and outstanding; (B) 106,556 shares of Company Common Stock were held by the Company as treasury stock; (C) no shares of Company Preferred Stock were issued and outstanding; (D) 2,761,055 shares of Company Common Stock were reserved for grants of Company Options under the Company Option Plan; and (E) all Company Options were granted under the Company Option Plan and not under any other plan, program or agreement (other than any individual award agreements made pursuant to the Company Option Plan, forms of which have been made available to Parent). The shares of Company Common Stock issuable pursuant to the Company Option Plan have been duly reserved for issuance by the Company, and upon any issuance of such shares in accordance with the terms of the Company Option Plan, such shares will be duly authorized, validly issued, fully paid and nonassessable and free and clear from any preemptive or other similar rights. All outstanding shares of Company Common Stock are, and all shares which may be issued prior to the Effective Time will be when issued, duly authorized, validly issued, fully paid and nonassessable and free and clear from any preemptive or other similar rights. Except as disclosed in Section 3.2 of the Company Disclosure Schedule, there are (i) no other options, puts, calls, warrants or other rights, agreements, arrangements, restrictions, or commitments of any character obligating the Company or any of its Subsidiaries to issue, sell, redeem, repurchase or exchange any shares of capital stock of or other equity interests in the Company or any securities convertible into or exchangeable for any capital stock or other equity interests, including restricted stock, restricted stock units and similar securities, or any debt securities of the Company or to provide funds to or make any investment (in the form of a loan, capital contribution or otherwise) and (ii) no bonds, debentures, notes or other indebtedness having the right to vote on any matters on which stockholders of the Company may vote (whether or not dependent on conversion or other trigger event). Except as disclosed in Section 3.2 of the Company Disclosure Schedule, there are no existing registration covenants with respect to Company Common Stock or any other securities of the Company and its Subsidiaries. Section 3.2 of the Company Disclosure Schedule sets forth a correct and complete list of each Option outstanding as of the date of this Agreement, including the holder, date of grant, exercise price, if applicable, vesting schedule and number of shares of Company Common Stock subject thereto. No stockholder is a party to or holds shares of Company Common Stock bound by or subject to any voting agreement, voting trust, proxy or similar arrangement to which the Company is also a party. Each Option was (A) granted in compliance with all applicable Laws and all of the terms and conditions of the Option Plan pursuant to which it was issued, (B) has an exercise price per share of Company Common Stock equal to or greater than the fair market value of a share of Company Common Stock on the date of such grant, (C) has a grant date identical to the date on which the Company Board or compensation committee actually awarded such Option, and (D) qualifies for the tax and accounting treatment afforded to such Option in the Company's Tax Returns and the Company's financial statements, respectively.

SECTION 3.3 Subsidiaries. All the outstanding equity interests of each Subsidiary of the Company are owned by the Company, by another wholly-owned Subsidiary of the Company or by the Company and another wholly-owned Subsidiary of the Company, free and clear of all Liens except as set forth on Section 3.3 of the Company Disclosure Schedule. All of the capital stock or other equity interests of each Subsidiary of the Company has been duly authorized and is validly issued, fully paid and nonassessable and free and clear from any preemptive or other similar rights. There are no proxies or voting agreements with respect to any shares of capital stock or other equity interests of any such Subsidiary. Except as set forth in Section 3.3 of the Company Disclosure Schedule, and except for the ownership of the Subsidiaries of the Company, neither the Company nor any Subsidiary of the Company, directly or indirectly, owns, or has agreed to purchase or otherwise acquire, the capital stock or other equity interests of, or any interest convertible into or exchangeable or exercisable for such capital stock or such equity interests of, any corporation, partnership, joint venture or other entity.

SECTION 3.4 Authority. The Company has the requisite corporate power and authority to enter into this Agreement and, subject to obtaining the Company Stockholder Approval of the Merger, to carry out its obligations hereunder. The execution and delivery of this Agreement by the Company and the consummation by the Company of the transactions contemplated hereby have been authorized by all necessary corporate action on the part of the Company, and, subject to obtaining the Company Stockholder Approval, no other corporate action is necessary for the execution and delivery of this Agreement by the Company, the performance by the Company of its obligations hereunder or the consummation by the Company of the transactions contemplated hereby. This

Agreement has been duly executed and delivered by the Company and constitutes a legal, valid and binding obligation of the Company, enforceable against it in accordance with its terms, except as (i) such enforcement may be subject to applicable bankruptcy, insolvency, reorganization, moratorium or other similar Laws, now or hereafter in effect, relating to creditors' rights generally and (ii) equitable remedies of specific performance and injunctive and other forms of equitable relief may be subject to equitable defenses and to the discretion of the court before which any proceeding therefor may be brought.

SECTION 3.5 No Conflict; Required Filings and Consents.

(a) Except as set forth in Section 3.5(a) of the Company Disclosure Schedule, the execution and delivery of this Agreement by the Company does not, and the performance of this Agreement by the Company and the consummation of the transactions contemplated hereby will not, (i) violate or conflict with the Certificate of Incorporation or Bylaws of the Company or the comparable organizational documents of any of its Subsidiaries, (ii) subject to the requirements, filings, consents and approvals referred to in Section 3.5(b), result in any material breach of or constitute a material default (or an event which with notice or lapse of time or both would become a material default) under, or terminate or cancel or give to others any rights of termination, acceleration or cancellation of (with or without notice or lapse of time or both), or result in the creation of a Lien, except for Company Permitted Liens, on any of the properties or assets of the Company or any of its Subsidiaries pursuant to, any of the terms, conditions or provisions of any Company Material Contract, or (iii) subject to the requirements, filings, consents and approvals referred to in Section 3.5(b), violate any valid and enforceable judgment, ruling, order, writ, injunction, decree, Permit or Laws applicable to the Company or any of its Subsidiaries or by which any of their respective properties are bound or subject except in the case of clause (ii), as individually or in the aggregate, would not have a Company Material Adverse Effect.

(b) Except for applicable requirements of the Exchange Act and the Securities Act, including the filing of the Joint Proxy Statement/Prospectus, the pre-merger notification requirements of the HSR Act and the expiration or termination of any applicable waiting period thereunder, and filing of the Certificate of Merger under the DGCL, and except the filing of amended registration forms with the applicable Governmental Entities, approval by each Self Regulatory Organization of which the Company and each Subsidiary of the Company is a member, and such other actions, as in each case set forth in Section 3.5(b) of the Company Disclosure Schedule, the Company and its Subsidiaries are not required to prepare or submit any application, notice, report or other filing material to the business of the Company and its Subsidiaries, taken as a whole, or obtain any consent, authorization, approval, registration or confirmation from any Governmental Entity or from any third party, in connection with the execution, delivery or performance of this Agreement by the Company and the consummation of the transactions contemplated hereby.

SECTION 3.6 SEC Filings; Financial Statements.

(a) Except as set forth in Section 3.6(a) of the Company Disclosure Schedule, the Company has timely filed or furnished, as applicable, all forms, statements, certifications, reports, documents, proxy statements and exhibits and any amendments thereto required to be filed by the Company with the SEC since September 1, 2006 (collectively with all forms, reports, statements, documents, proxy statements and exhibits filed or furnished subsequent to the date of this Agreement, and any amendments thereto, the "Company SEC Reports"). The Company SEC Reports (i) complied in all material respects, or, if not yet filed or furnished, will comply, as of their respective dates of filing with the SEC, with the applicable requirements of the Securities Act, the Exchange Act, and the Sarbanes-Oxley Act, as the case may be, and (ii) did not at the time they were filed and do not, as amended and supplemented, if applicable, or, if not yet filed or furnished, will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. Except as set forth in Schedule 3.6(a) of the Company Disclosure Schedule, none of the Company's Subsidiaries is required to file any form, report, proxy statement or other document with the SEC.

(b) Except as set forth in Section 3.6(b) of the Company Disclosure Schedule, the consolidated financial statements contained in the Company SEC Reports complied, as of their respective dates of filing with the SEC, and the consolidated financial statements contained in the Company SEC Reports filed with the SEC after the date of this Agreement will comply as of their respective dates of filing with the SEC, in all material respects with applicable accounting requirements and the published rules and regulations of the SEC with respect thereto, and have been, and the consolidated financial statements contained in the Company SEC Reports filed after the date of this Agreement will be, prepared in accordance with GAAP (except, in the case of unaudited consolidated quarterly statements, as permitted by Form 10-Q under the Exchange Act and except as may be indicated in the notes thereto) consistently applied during the periods involved, and fairly present, and the financial statements contained in the Company SEC Reports filed after the date of this Agreement will fairly present, in all material respects, the consolidated financial position of the Company and its consolidated Subsidiaries as of the respective dates thereof and the consolidated results of operations and cash flows of the Company for the periods indicated, except in the case of unaudited quarterly financial statements that were or are subject to normal and recurring non-material year-end adjustments. Except as set forth on Section 3.6(b) of the Company Disclosure Schedule, there are no material-off balance sheet arrangements, within the meaning of Item 303 of Regulation S-K of the SEC, to which the Company or any of its Subsidiaries is a party or by which any of its assets is bound which is not disclosed in the consolidated financial statements contained in the Company SEC Reports.

(c) Except as set forth in Section 3.6(c) of the Company Disclosure Schedule and except for those liabilities and obligations that are reflected or reserved against on the statement of financial condition dated February 28, 2009, contained in the Company's Quarterly Report on Form 10-Q for the quarter ended February 28, 2009 or in the footnotes to such statement of financial condition, neither the Company nor any of its Subsidiaries has any material liabilities or obligations of any nature whatsoever (whether accrued, absolute, contingent, known, unknown or otherwise), except for (i) liabilities or obligations incurred since February 28, 2009 in the Company's Ordinary Course of Business, none of which has had or is likely to have a Company Material Adverse Effect, (ii) liabilities for fees and expenses incurred in connection with the transactions contemplated by this Agreement, (iii) obligations specifically set forth in this Agreement and (iv) liabilities that, individually or in the aggregate, are immaterial to the financial condition or operating results of the Company and its Subsidiaries, taken as a whole.

(d) The Company maintains disclosure controls and procedures required by Rule 13a-15 or 15d-15 under the Exchange Act. Such disclosure controls and procedures are effective to ensure that information required to be disclosed by the Company is recorded and reported on a timely basis to the individuals responsible for the preparation of the Company's filings with the SEC and other public disclosure documents. The Company maintains internal control over financial reporting (as defined in Rule 13a-15 or 15d-15, as applicable, under the Exchange Act). Such internal control over financial reporting is effective in providing reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP and includes policies and procedures that (i) pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the Company, (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with GAAP, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company, and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on its financial statements. The Company has disclosed, based on the most recent evaluation of its chief executive officer and its chief financial officer prior to the date of this Agreement, to the Company's auditors and the audit committee of the Company Board (A) any significant deficiencies in the design or operation of its internal controls over financial reporting that are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information and has identified for the Company's auditors and audit committee of the Company Board any material weaknesses in internal control over financial reporting and (B) any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control

over financial reporting. The Company has made available to Parent (i) a summary of any such disclosure made by management to the Company's auditors and audit committee since August 31, 2005 and (ii) any communication since September 1, 2006 made by management or the Company's auditors to the audit committee required or contemplated by the audit committee's charter or the professional standards of the Public Company Accounting Oversight Board. Since September 1, 2006, no material complaints from any source regarding accounting, internal accounting controls or auditing matters, and no concerns from Company employees regarding questionable accounting or auditing matters, have been received by the Company. The Company has made available to Parent a summary of all complaints or concerns relating to other matters made since September 1, 2006 through the Company's whistleblower hot-line or equivalent system for receipt of employee concerns regarding possible violations of Law. No attorney representing the Company or any of its Subsidiaries, whether or not employed by the Company or any of its Subsidiaries, has reported evidence of a violation of securities Laws, breach of fiduciary duty or similar violation by the Company or any of its officers, directors, employees or agents to the Company's chief legal officer, audit committee (or other committee designated for the purpose) of the Company Board or the Company Board pursuant to the rules adopted pursuant to Section 307 of the Sarbanes-Oxley Act or any Company policy contemplating such reporting, including in instances not required by those rules.

(e) The Company has devised and maintained systems of internal accounting controls that are sufficient to be in compliance, in all material respects, with applicable Laws.

(f) The Company has heretofore furnished Parent with its Regulatory Accounting Reports and Regulatory Accounting Reports filed by any Subsidiary after September 1, 2006 and prior to the date hereof.

SECTION 3.7 Absence of Certain Changes or Events. Since February 28, 2009, except as expressly contemplated by this Agreement or as set forth in Section 3.7 of the Company Disclosure Schedule, there has not been:

(a) any effect, change, fact, event, occurrence or circumstance that, individually or in the aggregate, would have a Company Material Adverse Effect; or

(b) any event, action or occurrence taken on or prior to the date hereof, that, if taken after the date hereof without the consent of Parent, would violate any of the provisions of Section 4.1.

SECTION 3.8 Litigation. Except as disclosed in Section 3.8 of the Company Disclosure Schedule, there are no Proceedings pending or, to the knowledge of the Company, threatened against the Company or any of its Subsidiaries or any of their respective properties or rights, or any of their respective officers or directors in their capacity as such, before any Governmental Entity, nor any internal investigations (other than investigations in the ordinary course of the Company's or any of its Subsidiaries' compliance programs) being conducted by the Company or any of its Subsidiaries nor have any acts of alleged misconduct by the Company or any of its Subsidiaries been reported to the Company. Except as disclosed in Section 3.8 of the Company Disclosure Schedule, neither the Company nor any of its Subsidiaries nor any of their respective properties is subject to any order, judgment, injunction or decree of any Governmental Entity material to the conduct of the businesses of the Company or its Subsidiaries.

SECTION 3.9 Employee Benefit Plans.

(a) Section 3.9(a) of the Company Disclosure Schedule sets forth a list of all employee welfare benefit plans (as defined in Section 3(1) of ERISA, employee pension benefit plans (as defined in Section 3(2) of ERISA) and all other employment, compensation, consulting, bonus, stock option, restricted stock grant, stock purchase, other cash or stock-based incentive, profit sharing, savings, retirement, disability, insurance, severance, termination, retention, vacation, deferred compensation and other similar fringe or employee benefit plans, programs, policies, agreements or arrangements sponsored, maintained, contributed to or required to be contributed to, or entered into by the Company or any other entity, whether or not incorporated, that together with the Company would be deemed an ERISA Affiliate for the benefit of, or

relating to, any current or former employee, director or other independent contractor of, or consultant to, the Company or any of its Subsidiaries to which the Company or any subsidiary has any liability (together, the "Company Employee Plans"). Section 3.9(a) of the Company Disclosure Schedule separately lists each Company Employee Plan that is maintained outside of the United States primarily for the benefit of employees working outside of the United States (each, a "Non-U.S. Company Employee Plan").

(b) The Company has made available to Parent true and complete copies of (i) all Company Employee Plans, together with all amendments thereto, (ii) the latest Internal Revenue Service determination letters obtained with respect to any Company Employee Plan intended to be qualified under Section 401(a) or 501(a) of the Code, (iii) the two most recent annual actuarial valuation reports, if any, (iv) the two most recently filed Forms 5500 together with all related schedules, if any, (v) the "summary plan description" (as defined in ERISA), if any, and all modifications thereto communicated to employees, (vi) any trust documents or other funding vehicles, and (vii) the two most recent annual and periodic accountings of related plan assets.

(c) Neither the Company nor any of its Subsidiaries nor any of their respective directors, officers, employees or agents has, with respect to any Company Employee Plan, engaged in or been a party to any "prohibited transaction"(as defined in Section 4975 of the Code or Section 406 of ERISA), which could result in the imposition of either a penalty assessed pursuant to Section 502(i) of ERISA or a tax imposed by Section 4975 of the Code, in each case applicable to the Company or any of its Subsidiaries or any Company Employee Plan except for any penalty or Tax that would not, individually or in the aggregate, have a Company Material Adverse Effect.

(d) All Company Employee Plans have been approved and administered in accordance with their terms and are in compliance in all material respects with the currently applicable requirements prescribed by all statutes, orders, or governmental rules or regulations currently in effect with respect to such Company Employee Plans, including, but not limited to, ERISA and the Code. All Company Employee Plans providing deferred compensation or benefits subject to Section 409A of the Code were, between January 1, 2005 and December 31, 2008, operated in compliance with the plan's terms, to the extent consistent with Section 409A, and the applicable guidance issued by the Internal Revenue Service and the Department of the Treasury, including Notice 2005-1, and to the extent an issue was not addressed in Notice 2005-1 or other applicable guidance, each applicable Company Employee Plan was operated between January 1, 2005 and December 31, 2008 by applying reasonable, good faith interpretation of Section 409A of the Code

(e) There are no pending or, to the knowledge of the Company, threatened material claims, lawsuits or arbitrations (other than routine claims for benefits), relating to any of the Company Employee Plans, or the assets of any trust for any Company Employee Plan.

(f) Each Company Employee Plan intended to qualify under Section 401(a) of the Code, and the trusts created thereunder intended to be exempt from tax under the provisions of Section 501(a) of the Code, either (i) has received either a favorable determination letter or is covered by a favorable opinion letter from the Internal Revenue Service to such effect or (ii) is still within the "remedial amendment period," as described in Section 401(b) of the Code and the regulations thereunder.

(g) All contributions or payments required to be made or accrued before the Effective Time under the terms of any Company Employee Plan will have been made by the Effective Time and all obligations in respect of each Company Employee Plan have been properly accrued and reflected in the Company's financial statements.

(h) Except as set forth in Section 3.9(h) of the Company Disclosure Schedule, neither the Company nor any of its ERISA Affiliates contributes, nor within the six-year period ending on the date hereof has any of them contributed or been obligated to contribute, to any Pension Plan. No notice of a "reportable event", within the meaning of Section 4043 of ERISA for which the reporting requirement has not been waived or extended, other than pursuant to PBGC Reg. Section 4043.33 or 4043.66, has been required to be filed for any Pension Plan or by an ERISA Affiliate of the Company within the 12-month period ending on the date hereof or will be required to be filed by the Company in connection with the transaction contemplated by

this Agreement. No notices have been required to be sent by the Company to participants and beneficiaries or the PBGC under Section 302 or 4011 of ERISA or Section 412 of the Code. Neither any Pension Plan nor any single-employer plan of an ERISA Affiliate of the Company has an "accumulated funding deficiency" (whether or not waived) within the meaning of Section 412 of the Code or Section 302 of ERISA and no ERISA Affiliate of the Company has an outstanding funding waiver. Neither any Pension Plan nor any single-employer plan of an ERISA Affiliate of the Company has been required to file information pursuant to Section 4010 of ERISA for the current or most recently completed plan year. Neither the Company nor any of its Subsidiaries has provided, or is required to provide, security to any Pension Plan or to any single-employer plan of an ERISA Affiliate pursuant to Section 401(a)(29) of the Code. Except as set forth in Section 3.9(h) of the Company Disclosure Schedule, under each Pension Plan of the Company or its Subsidiaries which is a single-employer plan, as of the last day of the most recent plan year ended prior to the date hereof, the actuarially determined present value of all "benefit liabilities", within the meaning of Section 4001(a)(16) of ERISA (as determined on the basis of the actuarial assumptions contained in such Pension Plan's most recent actuarial valuation), did not exceed the then current value of the assets of such Pension Plan, and there has been no material change in the financial condition, whether or not as a result of a change in the funding method, of such Pension Plan since the last day of the most recent plan year.

(i) Except as set forth in Section 3.9(i) of the Company Disclosure Schedule, no Company Employee Plan provides medical, surgical, hospitalization, death or similar benefits (whether or not insured) for employees or former employees of the Company or any of its Subsidiaries for periods extending beyond their retirement or other termination of service, other than coverage mandated by applicable Law.

(j) Except as set forth in Section 3.9(j) of the Company Disclosure Schedule or as may be prohibited by applicable Law, no condition exists that would prevent the Company or any of its Subsidiaries from amending or terminating any Company Employee Plan providing health or medical benefits in respect of any active employee of the Company or any of its Subsidiaries in accordance with such Company Employee Plan's terms.

(k) Except as set forth in Section 3.9(k)(i) through (v) of the Company Disclosure Schedule, the consummation of the transactions contemplated by this Agreement will not, either alone or in combination with any other event, (i) entitle any current or former employee, director or officer of the Company or any of its Subsidiaries to severance pay or any other payment or benefit, (ii) accelerate the time of payment or vesting, or increase the amount of compensation due any such employee, director or officer, (iii) require the Company to place in trust or otherwise set aside any amounts in respect of severance pay or any other payment or benefit, (iv) limit or restrict the right of the Company, its Subsidiaries or, after the consummation of the transactions contemplated hereby, the Surviving Corporation to merge, amend or terminate any of the Company Employee Plans, or (v) result in payments under any of the Company Employee Plans which would not be deductible under Section 280G of the Code.

(l) All Non-U.S. Company Employee Plans comply in all material respects with applicable local Law. The Company and its Subsidiaries have no material unfunded liabilities with respect to any Non-U.S. Company Employee Plan.

SECTION 3.10 Information Supplied. None of the information to be supplied by the Company or any of its Subsidiaries, specifically for inclusion or incorporation by reference in the Joint Proxy Statement/Prospectus contemplated by Section 5.1 will, on the date such document is filed and on the date it is first published, sent or given to the holders of Parent Common Stock, and at the time of the meeting of Parent's stockholders to consider and vote upon the Merger Agreement (the "Parent Stockholders' Meeting"), contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they are made, not misleading. If, at any time prior to the date of the Company Shareholders' Meeting, any event with respect to the Company or any of its Subsidiaries, or with respect to information supplied by or on behalf of the Company or any of its Subsidiaries specifically for inclusion or incorporation by reference in the Joint Proxy Statement/Prospectus, shall occur which is required to be described in an amendment of, or supplement to, the Joint Proxy Statement/Prospectus,

such event shall be so described by the Company and promptly provided in writing to Parent. All documents that the Company or its Subsidiaries are responsible for filing with the SEC in connection with the transactions contemplated hereby, to the extent relating to the Company or its Subsidiaries or other information supplied by the Company or its Subsidiaries for inclusion or incorporation by reference therein, will comply as to form, in all material respects, with the provisions of the Exchange Act and the rules and regulations thereunder, and each such document required to be filed with any Governmental Entity will comply in all material respects with the provisions of applicable Law as to the information required to be contained therein. Notwithstanding the foregoing, the Company makes no representation or warranty with respect to the information supplied or to be supplied by Parent or its Subsidiaries for inclusion or incorporation by reference in the Joint Proxy Statement/Prospectus.

SECTION 3.11 Conduct of Business; Compliance with Laws.

(a) Except as disclosed in Section 3.11(a) of the Company Disclosure Schedule, the business of the Company and each of its Subsidiaries is not being (and, since September 1, 2006, has not been) conducted (i) in default or violation of any term, condition or provision of the Certificate of Incorporation or Bylaws of the Company or the comparable charter documents or Bylaws of any of its Subsidiaries, or (ii) in material default or violation of (X) any Company Material Contract or (Y) any Laws applicable to the Company or any of its Subsidiaries or their respective businesses and material to the business of the Company and its Subsidiaries, taken as a whole.

(b) Without limiting the generality of the preceding paragraph (a), since September 1, 2006, the Company, its Subsidiaries and each of their employees and, to the knowledge of the Company, third party brokers with which the Company or its Subsidiaries transact business:

(i) has complied in all material respects with all federal, state, local and foreign statutes, laws, regulations, ordinances, rules, judgments, orders and decrees applicable to its business or to the employees thereof and with the applicable rules of all Self Regulatory Organizations including (A) all applicable regulatory net capital requirements, including the “early warning” provisions, (B) the provisions of the Foreign Corrupt Practices Act of 1977, as amended, and the rules and regulations thereunder, and (C) the provisions of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (USA PATRIOT Act) and the rules and regulations thereunder;

(ii) is not the subject of any pending or, to the Company’s knowledge, any threatened, material investigation, review or disciplinary proceedings of any Government Entity or Self Regulatory Organization that relates to the Company and its Subsidiaries or any of their respective directors, officers or employees, except as disclosed in Section 3.11(b)(ii) of the Company Disclosure Schedule; and

(iii) has all material Memberships and has made all material notifications, registrations, certifications and filings with all Governmental Entities necessary for the operation of the Company’s business, as currently conducted.

(c) Section 3.11(c) of the Company Disclosure Schedule lists each current registration of each Subsidiary of the Company with respect to its business as (i) a broker-dealer with the SEC, the securities commission or similar authority of any state and any Self Regulatory Organization and (ii) as a futures commission merchant, introducing broker or commodity pool operator with the CFTC and any Self Regulatory Organization. Each such registration is in full force and effect. The Company has made available to Parent a true and complete copy of each currently effective Form BD as filed with the SEC, currently effective Form 7-R registration as filed with the CFTC, and Form 1-FRs and annual audits and all other material reports filed with the CFTC or any Self Regulatory Organization within the last two years, and will make available to Parent such material forms and reports as are filed from and after the date hereof and prior to the Closing Date. To the Company’s knowledge, the information contained in such forms and reports was true and complete in all material respects as of the time of filing.

(d) Neither the Company nor any Subsidiary of the Company is subject to registration under the Investment Advisers Act or the Investment Company Act. Except as set forth in Section 3.11(d) of the Company Disclosure Schedule, neither the Company nor any Subsidiary of the Company is, or has been during the past two years, an "investment adviser" or a "commodity trading advisor" within the meaning of the Investment Advisers Act and the Commodity Exchange Act, respectively, required to be registered, licensed or qualified as an investment adviser under the Investment Advisers Act or a commodity trading advisor under the Commodity Exchange Act.

(e) Neither the Company nor any Subsidiary of the Company is subject to regulation by the Federal Energy Regulatory Commission under the Federal Power Act, as amended, the Natural Gas Act, as amended, or the Natural Gas Policy Act, as amended, or to regulation by any state Governmental Entity under any comparable state statute or regulation.

(f) Except as set forth in Section 3.11(f) of the Company Disclosure Schedule, neither the Company nor any Subsidiary of the Company is subject to regulation by any Governmental Entity with respect to any activities of the Company or any of its Subsidiaries related to the purchase, sale, transportation or storage of grain or any other agricultural commodities.

SECTION 3.12 Customer Accounts; Reports; Registrations.

(a) Except as set forth on Section 3.12(a) of the Company Disclosure Schedule, no Customer Balances deposited by or held with the Company or any of its Subsidiaries is beneficially owned or controlled by the Company or any of its employees, except in material compliance with and as necessary to meet the requirements of applicable Governmental Entities and except to the extent that such ownership or control would not have a Company Material Adverse Effect.

(b) Except as set forth on Section 3.12(b) of the Company Disclosure Schedule and except where such failure to file would not, individually or in the aggregate, have a Company Material Adverse Effect, the Company has filed all reports and filings, together with any amendments required to be made with respect thereto, concerning the Company or any of its Subsidiaries that were required to be filed with any Governmental Entity (all such reports and filings being collectively referred to herein as the "Company SRO Reports") since September 1, 2006. Except as set forth on Section 3.12(b) of the Company Disclosure Schedule, each of the Company SRO Reports, when filed, if any, complied in all material respects with applicable Laws.

(c) Except as set forth on Section 3.12(c) of the Company Disclosure Schedule and except where such act or fact, individually or in the aggregate, would not have a Company Material Adverse Effect:

(i) the Company, its Subsidiaries, and each of their respective employees or principals (as defined under the Commodity Exchange Act), is not reasonably likely to be subject to a "statutory disqualification" as defined in Section 3(a)(39) of the Exchange Act, and is not reasonably likely to be subject to any of the provisions of Section 8a of the Commodity Exchange Act that would permit the CFTC to refuse to register or to suspend or revoke its registration;

(ii) neither the Company nor any of its Subsidiaries has at any time since September 1, 2006, entered into or been subject to any Order or any other material prohibition or, as of the date hereof, received any notice of the institution against it of any civil, criminal or administrative action, suit, proceeding or investigation from any Governmental Entity; and

(iii) neither the Company nor any of its Subsidiaries has at any time since September 1, 2006, received any Regulatory Order that restricts in any material respect the conduct of the business of the Company, or in any manner relates to its capital adequacy, credit policies or management relating to the business of the Company, other than any Regulatory Order applicable to all similarly situated Persons subject to such supervision or regulation.

(d) Neither the Company nor any of its Subsidiaries guarantees any introducing broker or local floor trader except as set forth on Section 3.12(d) of the Company Disclosure Schedule.

SECTION 3.13 Taxes. Except as set forth in Section 3.13 of the Company Disclosure Schedule:

(a) each of the Company and its Subsidiaries has duly and timely filed all material Tax Returns required to be filed by it (taking into account extensions of time in which to file), and all such Tax Returns are true, correct and complete in all material respects;

(b) each of the Company and its Subsidiaries has timely paid all material Taxes required to be paid by it (whether or not shown due on any Tax Return);

(c) each of the Company and its Subsidiaries has made adequate provision in the consolidated financial statements contained in the Company SEC Reports discussed in Section 3.6(b) (in accordance with GAAP) for all Taxes of the Company and its Subsidiaries not yet due;

(d) each of the Company and its Subsidiaries has complied with all applicable Laws relating to the payment and withholding of Taxes and has, within the time and manner prescribed by Law, withheld and paid over to the proper tax authorities all amounts required to be withheld and paid over by it, except as would not, individually or in the aggregate, have a Company Material Adverse Effect;

(e) no pending or threatened audit, proceeding, examination or litigation or similar claim has been commenced or is presently pending with respect to any Taxes or Tax Return of the Company or any of its Subsidiaries;

(f) there are not any unresolved questions or claims concerning the Company's or any of its Subsidiaries' Tax liability that, individually or in the aggregate, would have a Company Material Adverse Effect and are not disclosed or provided for in the Company SEC Reports.

(g) no written claim has been made by any tax authority in a jurisdiction where any of the Company or its Subsidiaries does not file a Tax Return that the Company or any of its Subsidiaries is or may be subject to material taxation in that jurisdiction;

(h) no material deficiency with respect to any Taxes has been proposed, asserted or assessed in writing against the Company or any of its Subsidiaries;

(i) no outstanding written agreements, consents or waivers to extend the statutory period of limitations applicable to the assessment of any Taxes or deficiencies against the Company or any of its Subsidiaries, and no power of attorney granted by either the Company or any of its Subsidiaries with respect to any material Taxes, is currently pending or in force; and

(j) neither the Company nor any of its Subsidiaries is a party to any agreement providing for the allocation or sharing of any material amount of Taxes imposed on or with respect to any individual or other person, and neither the Company nor any of its Subsidiaries (A) has been a member of an affiliated group (or similar state, local or foreign filing group) filing a consolidated U.S. federal income Tax Return (other than the group the common parent of which is the Company) or (B) has any liability for the Taxes of any person (other than the Company or any of its Subsidiaries) under Treasury Regulations Section 1.1502-6 (or any similar provision of state, local or foreign Law), or as a transferee or successor.

(k) The federal income Tax Returns of the Company and its Subsidiaries have been examined by and settled with the Internal Revenue Service (or the applicable statutes of limitation have lapsed) for all years through August 31, 2003. All assessments for Taxes due with respect to such completed and settled examinations or any concluded litigation have been fully paid.

(l) Neither the Company nor any of its Subsidiaries has participated in a "reportable transaction" within the meaning of Treasury Regulations Section 1.6011-4(b) and neither the Company nor any of its Subsidiaries has been a "material advisor" to any such transactions within the meaning of Section 6111 of the Code.

(m) There are no material Liens for Taxes upon the assets or properties of the Company or any of its Subsidiaries, except for Liens which arise by operation of Law with respect to current Taxes not yet due and payable.

(n) Neither the Company nor any of its Subsidiaries will be required to include any item of income in, or exclude any item of deduction from, taxable income for any taxable period (or portion thereof) ending after the tax year of the most recently filed U.S. federal income Tax Return of the Company as a result of any (A) change in method of accounting for a taxable period ending on or prior to the Closing Date, (B) "closing agreement," as described in Section 7121 of the Code (or any corresponding provision of state, local or foreign Law), entered into on or prior to the Closing Date, or (C) ruling received from the Internal Revenue Service.

(o) The Company has previously delivered or made available to Parent complete and accurate copies of (A) all audit reports, letter rulings, technical advice memoranda and similar documents issued by any tax authority relating to the U.S. federal, state, local or foreign Taxes due from or with respect to the Company and its Subsidiaries that have continuing applicability or were issued in the last three years, and (B) any closing agreements entered into by any of the Company and its Subsidiaries with any tax authority in each case existing on the date hereof.

(p) Neither the Company nor any of its Subsidiaries is or has been a United States real property holding corporation (as defined in Section 897(c)(2) of the Code) during the applicable period specified in Section 897(c)(1)(A)(ii) of the Code.

(q) Neither the Company nor any of its Subsidiaries has constituted a "distributing corporation" or a "controlled corporation"(within the meaning of Section 355(a)(1)(A) of the Code) in a distribution of stock to which Section 355 of the Code (or so much of Section 356 of the Code as relates to Section 355 of the Code) applies and which occurred within two years of the date of this Agreement.

SECTION 3.14 Environmental Matters.

(a) Except as disclosed in Section 3.14(a) of the Company Disclosure Schedule, the Company and each of its Subsidiaries is and has at all times been in compliance with all applicable Environmental Laws (which compliance includes, but is not limited to, the possession by the Company and each of its Subsidiaries of all permits and other governmental authorizations required under applicable Environmental Laws, and compliance with the terms and conditions thereof). Except as disclosed in Section 3.14(a) of the Company Disclosure Schedule, neither the Company nor any of its Subsidiaries has received any written communication, whether from a Governmental Entity, citizens group, employee or otherwise, alleging that the Company or any of its Subsidiaries is not in such compliance, and, to the knowledge of the Company, there are no past or present actions, activities, circumstances, conditions, events or incidents that are reasonably likely to prevent or interfere with such compliance in the future.

(b) Except as set forth in Section 3.14(b) of the Company Disclosure Schedule, there is no Environmental Claim pending or threatened against the Company or any of its Subsidiaries or, to the knowledge of the Company, against any Person whose liability for any Environmental Claim the Company or any of its Subsidiaries has or may have retained or assumed either contractually or by operation of law. Neither the Company nor any of its Subsidiaries is subject to any order, decree, injunction or other arrangement with any Governmental Entity or any indemnity or other agreement with any third party relating to liability under any Environmental Law or relating to Hazardous Materials.

(c) Except as disclosed in Section 3.14(c) of the Company Disclosure Schedule, neither the Company nor any Subsidiary is subject to any order, decree, injunction or other agreement with any Governmental Entity or any indemnity or other agreement with any third party relating to liability or obligations pursuant to any Environmental Law or otherwise relating to any Hazardous Materials.

(d) Except as disclosed in Section 3.14(d) of the Company Disclosure Schedule, there are no past or present actions, activities, circumstances, conditions, events or incidents, including, without limitation, the Release or presence of any Hazardous Materials which could form the basis of any Environmental Claim or result in liability against the Company or any of its Subsidiaries, or against any Person whose liability for any Environmental Claim the Company has or may have retained or assumed either contractually or by operation of law.

(e) The Company has made available to Parent true, complete and correct copies and results of any reports, studies, analyses, tests or monitoring possessed by the Company or any of its Subsidiaries which have been prepared pertaining to Hazardous Materials in, on, beneath or adjacent to any property currently or formerly owned, operated, occupied or leased by the Company or any of its Subsidiaries, or regarding the Company's or any of its Subsidiaries' compliance with or potential liability under any applicable Environmental Laws.

SECTION 3.15 Real Property; Title to Assets; Liens.

(a) Leased Real Property.

(i) Set forth in Section 3.15(a) of the Company Disclosure Schedule is a list of all real property leased by the Company or any of its Subsidiaries. Except as would not, individually or in the aggregate, have a Company Material Adverse Effect, each of the leases relating to Company Leased Real Property is a valid and subsisting leasehold interest of the Company or any of its Subsidiaries, is a valid and binding obligation of the Company or one of its Subsidiaries and each other party thereto, enforceable against the Company or one of its Subsidiaries and each other party thereto in accordance with its terms;

(ii) except as would not, individually or in the aggregate, have a Company Material Adverse Effect, there are no disputes with respect to any Company Real Property Lease; and neither the Company nor, to the knowledge of the Company, any other party to each Company Real Property Lease is in breach or default under such Company Real Property, and no event has occurred or failed to occur or circumstance exists which, with the delivery of notice, the passage of time or both, would constitute such a breach or default, or permit the termination, modification or acceleration of rent under such Company Real Property Lease;

(iii) except as disclosed on Section 3.15(a)(iii) of the Company Disclosure Schedule, no consent by the landlord under the Company Real Property Leases is required in connection with the consummation of the transaction contemplated herein; and

(iv) none of the Company Leased Real Property has been pledged or assigned by the Company or any of its Subsidiaries or is subject to any Liens (other than pursuant to this Agreement or Company Permitted Liens).

(b) Owned Real Property. Section 3.15(b) of the Company Disclosure Schedule sets forth a true, correct and complete list of the real property owned by either the Company or any of its Subsidiaries ("Company Owned Real Property"). Except as specified on Section 3.15(b) of the Company Disclosure Schedule, the Company or one of its Subsidiaries has valid and marketable fee simple title to the Company Owned Real Property free and clear of all Liens, except Company Permitted Liens.

(c) Personal Property. Except as would not, individually or in the aggregate, have a Company Material Adverse Effect, each of the Company and its Subsidiaries has good and marketable fee title to, or, in the case of leased assets, has good and valid leasehold interests in, all of its other tangible and intangible assets, used or held for use in, or which are necessary to conduct, the respective business of the Company and its Subsidiaries as currently conducted, free and clear of any Liens, except Company Permitted Liens.

SECTION 3.16 Intellectual Property. All registrations and applications relating to Intellectual Property Rights owned or used by the Company or any of its Subsidiaries are set forth in Section 3.16 of the Company Disclosure Schedule, and such Intellectual Property Rights are valid and enforceable. Except as disclosed in Section 3.16 of the Company Disclosure Schedule: (a) the Company or its Subsidiaries are the sole and exclusive owner of all right, title and interest in or have valid and enforceable rights to use, by license or other agreements, all of the Intellectual Property Rights that are currently used in the conduct of the business of the Company and its Subsidiaries, except where the failure to own or possess such Intellectual Property Rights would not, individually or in the aggregate, have a Company Material Adverse Effect; (b) no Proceeding has commenced,

been brought or heard by or before any Governmental Entity or arbitrator or is pending or is threatened in writing by any third Person with respect to any Intellectual Property Rights owned, licensed or used by the Company or its Subsidiaries or the business of the Company and its Subsidiaries as currently conducted, including any claim or suit that alleges that any such conduct or Intellectual Property Right infringes, impairs, dilutes or otherwise violates the rights of others, and none of the Company or its Subsidiaries is subject to any outstanding injunction, judgment, order, decree, ruling, charge, settlement, or other dispute involving any third party's Intellectual Property Rights, except as would not, individually or in the aggregate, have a Company Material Adverse Effect; (c) none of the Company or its Subsidiaries is aware of, or has threatened or initiated, any claim or action against any third party with respect to any Intellectual Property Rights, except for those claims or actions that would not, individually or in the aggregate, have a Company Material Adverse Effect; and (d) the Company and its Subsidiaries have no knowledge of any conflict with or infringements of any Intellectual Property Rights of any third party which would, individually or in the aggregate, have a Company Material Adverse Effect.

SECTION 3.17 Material Contracts.

(a) Except as set forth in Section 3.17 of the Company Disclosure Schedule, and except for contracts for the purchase or sale of physical commodities, securities, currencies, option, forward, futures and similar contracts incurred or entered into with or on behalf of customers in the Company's Ordinary Course of Business, contracts for the provision of commodity risk management services incurred or entered into with or on behalf of customers in the Company's Ordinary Course of Business, and contracts entered into in accordance with Section 4.1, neither the Company nor any of its Subsidiaries is a party to or bound by:

(i) any "material contract" (as defined in Item 601(b) (10) of Regulation S-K of the SEC);

(ii) any contract or agreement for the purchase of materials or personal property from any supplier or for the furnishing of services to the Company or any of its Subsidiaries that involves future aggregate annual payments by the Company or any of its Subsidiaries of $250,000 or more;

(iii) any contract or agreement for the sale, license or lease (as lessor) by the Company or any of its Subsidiaries of services, materials, products, supplies or other assets, owned or leased by the Company or any of its Subsidiaries, that involves future aggregate annual payments to the Company or any of its Subsidiaries of $500,000 or more;

(iv) any contract that results, or is expected to result, in annual revenues to the Company in excess of $500,000;

(v) any non-competition agreement or any other agreement or obligation which purports to limit the Company or any of its Affiliates from conducting its business as currently conducted;

(vi) (A) any contract, including any employment, compensation, incentive, retirement, loan or severance arrangements, with any director or executive officer of the Company or any Subsidiary of the Company, or (B) any contract, including any employment, compensation, incentive, retirement, loan or severance arrangements, with any other officer or employee of the Company or any Subsidiary of the Company that requires future aggregate annual payments by Company or any of its Subsidiaries of $200,000 or more;

(vii) any contract, including any consulting, compensation, incentive, loan, or other arrangement, with any consultant, sales representative, or introducing broker retained or contracted with by the Company or any Subsidiary of the Company that requires future aggregate annual payments by the Company or any of its Subsidiaries of $200,000 or more;

(viii) any joint venture, product development, research and development and limited partnership agreements or arrangements involving a sharing of profits, losses, costs or liabilities by the Company or any Subsidiary of the Company with any other Person;

(ix) mortgages, indentures, loan or credit agreements, security agreements and other agreements and instruments relating to the borrowing or guarantee of money or extension of credit in any case in excess of $1,000,000;

(x) any standby letter of credit, performance or payment bond, guarantee arrangement or surety bond of any nature involving amounts in excess of $1,000,000;

(xi) other contracts involving annual payments made to or by the Company or any of its Subsidiaries in excess of $500,000;

(xii) any contract for the sale of any of the assets of the Company or any Subsidiary (whether by merger, sale of stock, sale of assets or otherwise) or for the grant to any Person of any preferential rights to purchase any of its assets (whether by merger, sale of stock, sale of assets or otherwise), in each case, for consideration in excess of $250,000 individually, or $500,000 in the aggregate;

(xiii) any contract relating to the ownership, management or control of any Person in which the Company or a Subsidiary owns any equity interest other than direct and indirect wholly owned Subsidiaries of the Company or another Subsidiary of the Company;

(xiv) any contract, agreement or arrangement to allocate, share or otherwise indemnify for Taxes;

(xv) any contract, agreement, license or arrangement (A) granting or obtaining any right to use any material Intellectual Property Rights (other than contracts, agreements, licenses or arrangements granting rights to use readily available commercial Software having an acquisition price of less than $250,000 per contract, agreements, license or arrangement) or (B) restricting the Company's right, or permitting third Persons to use, any material Intellectual Property Rights.

The foregoing contracts and agreements to which the Company or any of its Subsidiaries is a party or is bound are collectively referred to herein as "Company Material Contracts."

(b) (i) Each Company Material Contract is valid and binding on the Company or one of its Subsidiaries and each other party thereto, and is in full force and effect, (ii) the Company or one of its Subsidiaries, as applicable, and, to the knowledge of the Company, each other party thereto, has performed all material obligations required to be performed by it to date under each Company Material Contract; or (iii) neither the Company nor any of its Subsidiaries, as applicable, nor, to the knowledge of the Company, any other party thereto, has violated or defaulted in any material respect or terminated, nor has the Company or any of its Subsidiaries, as applicable, nor, to the knowledge of the Company, any other party thereto, given or received notice of, any material violation or default or any termination under (nor, to the knowledge of the Company, does there exist any condition which with the passage of time or the giving of notice or both would result in such a violation, default or termination under) any Company Material Contract. The Company has provided, or made available, to Parent true and correct copies of each of the Company Material Contracts.

SECTION 3.18 Insurance. Section 3.18 of the Company Disclosure Schedule sets forth a true and complete list of all of the Insurance Policies of the Company and its Subsidiaries as of the date hereof (the "Company Insurance Policies"). Each Company Insurance Policy is in full force and effect and is valid, outstanding and enforceable, except where any failure to be in effect would not, individually or in the aggregate, have a Company Material Adverse Effect. Except as disclosed in Section 3.18 of the Company Disclosure Schedule, none of the Company Insurance Policies will terminate or lapse (or be affected in any other materially adverse manner) by reason of the transactions contemplated by this Agreement, except where any such termination or lapse would not, individually or in the aggregate, have a Company Material Adverse Effect. Each of the Company and its Subsidiaries has complied with the provisions of each Company Insurance Policy under which it is the insured party, except where any failure to comply would not, individually or in the aggregate, have a Company Material Adverse Effect. Since September 1, 2006, no insurer under any Company Insurance Policy has cancelled or generally disclaimed liability under any such policy or, to the Company's knowledge, indicated any intent to do so or not to renew any such policy.

SECTION 3.19 Collective Bargaining; Labor Disputes; Compliance.

(a) The Company and its Subsidiaries are and have been since September 1, 2006, in compliance in all material respects with all notice and other requirements under the WARN Act. Except as set forth on Section 3.19(a) of the Company Disclosure Schedule, none of the Employees of the Company and any of its Subsidiaries has suffered an "employment loss" (as defined in the WARN Act) within the three-month period prior to the date of this Agreement.

(b) None of the Company or its Subsidiaries has been, or is now, a party to any collective bargaining agreement or other labor contract and (a) there is no unionization or organizational activity relating to the employees of, or affecting, the Company; and (b) there is not threatened any strike, slowdown, picketing, work stoppage, work slowdown or employee grievance process involving the Company or any of its Subsidiaries. No application or petition for an election of or for certification of a collective bargaining agent is pending and no grievance, unfair labor practice charge or arbitration proceeding exists that would have a Company Material Adverse Effect. There is no lockout of any employees by the Company or its Subsidiaries, and no such action is contemplated by the Company or any of its Subsidiaries. Except as would not, individually or in the aggregate, have a Company Material Adverse Effect or as otherwise set forth in Section 3.19(b) of the Company Disclosure Schedule, there has been no charge of discrimination filed or, to the Company's knowledge, threatened against the Company or any of its Subsidiaries with the U.S. Equal Employment Opportunity Commission or similar Governmental Entity. The Company is in compliance with all federal and state Laws respecting employment, including, but not limited to, gender, race, disability, national origin or age discrimination, the Occupational Safety and Health Act of 1970, as amended, the Family and Medical Leave Act of 1993, as amended, and federal and state Laws regarding wages and hours, except where the failure to so comply would not, individually or in the aggregate, have a Company Material Adverse Effect.

SECTION 3.20 Brokers. Except for BMO Capital Markets Corp. ("BMO"), no broker, finder or investment banker is entitled to any brokerage, finder's or other fee or commission in connection with the transactions contemplated by this Agreement based upon arrangements made by or on behalf of the Company. The Company has made available to Parent true and complete information concerning the financial and other arrangements between the Company and its Subsidiaries and BMO pursuant to which BMO would be entitled to any payment as a result of the transactions contemplated hereby.

SECTION 3.21 Board Action. The Company Board, at a meeting duly called and held, at which all of the directors were present, duly and unanimously: (a) approved and adopted this Agreement and the transactions contemplated hereby, including the Merger; (b) resolved to recommend that this Agreement and the transactions contemplated hereby, including the Merger, be submitted for adoption by the Company's stockholders at the Company Stockholders' Meeting; (c) resolved to recommend that the stockholders of the Company adopt this Agreement and approve the transactions contemplated hereby, including the Merger; and (d) determined that this Agreement and the transactions contemplated hereby, including the Merger, are fair to and in the best interests of the stockholders of the Company.

SECTION 3.22 Opinion of Financial Advisor. The Company Board has received, and has provided Parent with a true and correct copy of, the written opinion of BMO, the Board of Directors' financial advisor, dated July 1, 2009, to the effect that, as of such date, the Exchange Ratio is fair, from a financial point of view, to such holders.

SECTION 3.23 Vote Required. The affirmative vote of the holders of a majority of the outstanding shares of Company Common Stock entitled to vote is the only vote of the Company's stockholders (the "Company Stockholder Approval") necessary (under applicable Law or otherwise) to approve this Agreement and the transactions contemplated by this Agreement, including the Merger.

SECTION 3.24 AML Standards. The Company has provided Parent with copies of policies and procedures used by the Company and its Subsidiaries for verification of the identity of new and existing customers and counterparties and compliance with Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (USA Patriot Act) and similar Laws.

ARTICLE IV

COVENANTS AND AGREEMENTS

SECTION 4.1 Conduct of Business by the Company Pending the Merger. The Company covenants and agrees on behalf of itself and its Subsidiaries that, between the date of this Agreement and the Effective Time, except as contemplated by this Agreement or as required by Law, or unless Parent shall otherwise consent in writing, the businesses of the Company and its Subsidiaries shall be conducted only in, and the Company shall not, and the Company shall not permit any of its Subsidiaries to, take any action except (a) in the Company's Ordinary Course of Business or (b) as set forth in Section 4.1 of the Company Disclosure Schedule; and the Company will use its commercially reasonable efforts to preserve substantially intact the business organization of the Company and its Subsidiaries, to keep available the services of the present officers, employees and consultants of the Company and its Subsidiaries, to preserve the present relationships of the Company and its Subsidiaries with customers, clients, suppliers and other Persons with which the Company and its Subsidiaries have significant business relations and pay all applicable federal and material state, local and foreign Taxes when due and payable (other than those Taxes the payment of which the Company or one of its Subsidiaries challenges in good faith in appropriate proceedings and which are fully reserved for to the extent required under GAAP) and to maintain in full force and effect all permits necessary for the conduct of the business of the Company and its Subsidiaries as currently conducted ("Company Permits"). Without limiting the generality of the foregoing, except as (x) in the Company's Ordinary Course of Business, (y) expressly contemplated by this Agreement or (z) set forth in Section 4.1 of the Company Disclosure Schedule, the Company shall not, and shall not permit any of its Subsidiaries, without the prior written consent of Parent, to:

(a) amend (i) its Certificate of Incorporation or Bylaws or comparable organizational documents or (ii) any material term of any outstanding security issued by the Company or any of its Subsidiaries;

(b) (i) declare, set aside or pay any dividend or other distribution payable in cash, stock or property with respect to its capital stock (other than dividends paid by wholly-owned Subsidiaries of the Company to the Company or another wholly-owned Subsidiary of the Company), (ii) except as set forth on Section 4.1(b) of the Company Disclosure Schedule, redeem, purchase or otherwise acquire, directly or indirectly, any of its capital stock or other securities, or (iii) issue, sell, pledge, dispose of or encumber any (A) shares of its capital stock, (B) securities convertible into or exchangeable for, or options, warrants, calls, commitments or rights of any kind to acquire, any shares of its capital stock or (C) other securities of the Company or any of its Subsidiaries, other than (1) the issuance of shares of Company Common Stock upon the exercise of Options outstanding on the date hereof in accordance with the Company Option Plan as in effect on the date hereof, (2) the repurchase or redemption of shares from the ESOP as required by the terms and conditions of the ESOP, (3) in connection with the Company's tax withholding requirements, the repurchase or redemption of shares issued pursuant to the exercise of Options outstanding on the date hereof, (4) the issuance of shares of Company Common Stock to the ESOP upon payment therefor pursuant to the terms and conditions of the ESOP, or (5) the issuance of stock options to officers, directors and employees of the Company and its Subsidiaries in the Ordinary Course of Business, provided that the aggregate number of shares of common stock of the Company issuable upon the exercise of such options does not exceed 338,983 shares. For avoidance of doubt, the parties acknowledge that any grant of restricted shares to officers, directors or employees of the Company and its Subsidiaries shall not be deemed to be in the Company's Ordinary Course of Business.

(c) other than the acquisition of property and assets (by asset purchase, merger, consolidation, equity purchase or by any other manner) pursuant to binding agreements in effect on the date hereof and set forth

on Section 4.1(c) of the Company Disclosure Schedule, acquire or agree to acquire (i) by merging or consolidating with, or by purchasing a portion of the equity interests of, or by any other manner, any business or any corporation, partnership, joint venture, association or other business organization or division thereof or (ii) any assets, including real estate;

(d) materially amend, extend or terminate any Company Material Contract, or waive, release or assign any material rights or claims thereunder, or enter into any new contract that would be deemed a Company Material Contract if entered into prior to the date of this Agreement;

(e) transfer, lease, license, sell, mortgage, pledge, dispose of, encumber or subject to any Lien any property or assets or cease to operate any assets;

(f) except as required to comply with applicable Law or this Agreement and except for salary increases and bonuses payable after the date hereof in the Company's Ordinary Course of Business (i) adopt, enter into, terminate, amend or increase the amount or accelerate the payment or vesting of any benefit or award or amount payable under any Company Employee Plan or other arrangement for the current or future benefit or welfare of any director, officer or employee, other than to the extent necessary to avoid adverse tax consequences under Section 409A of the Code and any regulations (whether in proposed or final form) and guidance thereunder, (ii) increase in any manner the compensation or fringe benefits of, or pay any bonus to, any director, officer or employee, other than salary increases or bonuses payable in the Company's Ordinary Course of Business with respect to employees who are not officers or directors as set forth in Section 4.1(f)(ii) of the Company Disclosure Schedule, (iii) other than benefits accrued through the date hereof, pay any benefit not provided for under any Company Employee Plan as in effect on the date hereof, (iv) other than bonuses earned through the date hereof, grant any awards under any bonus, incentive, performance or other compensation plan or arrangement or Company Employee Plan; provided that, without limiting any Person's right to exercise any outstanding Company Option in accordance with Section 4.1(b)(1) of this Agreement, there shall be no grant or award to any director, officer or employee of stock options, restricted stock, stock appreciation rights, stock based or stock related awards, performance units, units of phantom stock or restricted stock, or any removal of existing restrictions in any Company Employee Plan or agreements or awards made thereunder, (v) take any action to fund or in any other way secure the payment of compensation or benefits under any employee plan, agreement, contract or arrangement or Company Employee Plan or (vi) change any actuarial or other assumptions used to calculate funding obligations with respect to any Company Employee Plan or change the manner in which contributions to such plans are made or the basis on which such contributions are determined, except as may be required by GAAP;

(g) except for drawdowns on a Company Credit Facility in the Company's Ordinary Course of Business, extensions of the terms of a Company Credit Facility, or increases in the available borrowings under a Company Credit Facility as may be reasonably necessary or appropriate to address increased margin requirements or potential margin calls incurred in the Company's Ordinary Course of Business, (i) incur or assume any material indebtedness, (ii) modify any material indebtedness or other liability in a manner that adversely affects the Company, (iii) assume, guarantee, endorse or otherwise become liable or responsible (whether directly, contingently or otherwise) for the obligations of any other Person, except in the Company's Ordinary Course of Business, or (iv) make any loans, advances or capital contributions to, or investments in, any other Person other than customary loans or advances to employees and customers in accordance with past practice;

(h) change any accounting policies or procedures (including procedures with respect to reserves, revenue recognition, payments of accounts payable and collection of accounts receivable) used by it unless required by the Company's registered independent public auditors, applicable law or GAAP;

(i) make any material Tax election or material change in any Tax election, change or consent to change the Company's or any of its Subsidiaries' method of accounting for Tax purposes, file any amended Tax Return or enter into any settlement or compromise of any Tax liability of the Company or its Subsidiaries in an amount in excess of $100,000;

(j) pay, discharge, satisfy, settle or compromise any claim, litigation or any legal proceeding, except for any settlement or compromise involving less than $250,000, but subject to an aggregate maximum of $500,000, including all fees, costs and expenses associated therewith but excluding from such amounts any contribution from any insurance company or other parties to the litigation;

(k) enter into any negotiation with respect to, or adopt or amend in any respect, any collective bargaining agreement;

(l) adopt or amend in any respect, any work rule or practice, or any other labor-related agreement or arrangement;

(m) enter into any material agreement or arrangement with any of its officers, directors, employees or any "affiliate" or "associate" of any of its officers or directors (as such terms are defined in Rule 405 under the Securities Act);

(n) enter into any agreement, arrangement or contract to allocate, share or otherwise indemnify for Taxes;

(o) make, authorize or agree to make any capital expenditures in an aggregate amount exceeding $1,000,000 for each quarterly period;

(p) dispose of, license or permit to abandon, invalidate or lapse, any rights in, to or for the use of any material Intellectual Property;

(q) change, in any material respect, policies regarding (i) the pricing of the execution and/or clearing of trades, or (ii) the amount of interest rebated to customers on, or interest associated with, customer margin accounts;

(r) change, in any material respect, policies regarding the commissions paid to brokers;

(s) engage in hiring, firing, or redeploying of employees;

(t) make any material change to any credit or risk management policies, practices or procedures; or

(u) agree or commit to do any of the foregoing.

SECTION 4.2 Conduct of Business by Parent Pending the Merger. Parent covenants and agrees on behalf of itself and its Subsidiaries that, between the date of this Agreement and the Effective Time, except as contemplated by this Agreement or as required by Law, or unless the Company shall otherwise consent in writing, the businesses of Parent and its Subsidiaries shall be conducted only in, and Parent shall not, and Parent shall not permit any of its Subsidiaries to, take any action except (a) in the Parent's Ordinary Course of Business or (b) as set forth in Section 4.2 of the Parent Disclosure Schedule; and Parent will use its commercially reasonable efforts to preserve substantially intact the business organization of Parent and its Subsidiaries, to keep available the services of the present officers, employees and consultants of Parent and its Subsidiaries, to preserve the present relationships of Parent and its Subsidiaries with customers, clients, suppliers and other Persons with which Parent and its Subsidiaries have significant business relations and pay all applicable federal and material state, local and foreign Taxes when due and payable (other than those Taxes the payment of which Parent or one of its Subsidiaries challenges in good faith in appropriate proceedings and which are fully reserved for to the extent required under GAAP) and to maintain in full force and effect all permits necessary for the conduct of the business of Parent and its Subsidiaries as currently conducted ("Parent Permits"). Without limiting the generality of the foregoing, except as (x) in the Parent's Ordinary Course of Business, (y) expressly contemplated by this Agreement or (z) set forth in Section 4.2 of the Parent Disclosure Schedule, Parent shall not, and shall not permit any of its Subsidiaries, without the prior written consent of the Company, to:

(a) amend (i) its certificate or articles of incorporation or bylaws or comparable organizational documents or (ii) any material term of any outstanding security issued by Parent or any of its Subsidiaries;

(b) (i) declare, set aside or pay any dividend or other distribution payable in cash, stock or property with respect to its capital stock (other than dividends paid by wholly-owned Subsidiaries of Parent to Parent

or another wholly-owned Subsidiary of Parent), (ii) except as set forth on Section 4.2(b) of the Parent Disclosure Schedule, redeem, purchase or otherwise acquire, directly or indirectly, any of its capital stock or other securities, or (iii) issue, sell, pledge, dispose of or encumber any (A) shares of its capital stock, (B) securities convertible into or exchangeable for, or options, warrants, calls, commitments or rights of any kind to acquire, any shares of its capital stock or (C) other securities of Parent or any of its Subsidiaries, other than (1) the issuance of shares of Parent Common Stock upon the exercise of Parent Options outstanding on the date hereof in accordance with the Parent Option Plan as in effect on the date hereof, (2) in connection with Parent's tax withholding requirements, the repurchase or redemption of shares issued pursuant to the exercise of Parent Options outstanding on the date hereof, or (3) the issuance of stock options to officers, directors and employees of Parent and its Subsidiaries in the Ordinary Course of Business, provided that the aggregate number of shares of common stock of Parent issuable upon the exercise of such options does not exceed 100,000 shares;

(c) other than the acquisition of property and assets (by asset purchase, merger, consolidation, equity purchase or by any other manner) pursuant to binding agreements in effect on the date hereof and set forth on Section 4.2(c) of the Parent Disclosure Schedule, acquire or agree to acquire (i) by merging or consolidating with, or by purchasing a portion of the equity interests of, or by any other manner, any business or any corporation, partnership, joint venture, association or other business organization or division thereof or (ii) any assets, including real estate;

(d) materially amend, extend or terminate any Parent Material Contract, or waive, release or assign any material rights or claims thereunder, or enter into any new contract that would be deemed a Parent Material Contract if entered into prior to the date of this Agreement;

(e) transfer, lease, license, sell, mortgage, pledge, dispose of, encumber or subject to any Lien any property or assets or cease to operate any assets;

(f) except as required to comply with applicable Law or this Agreement and except for salary increases and bonuses payable after the date hereof in Parent's Ordinary Course of Business (i) adopt, enter into, terminate, amend or increase the amount or accelerate the payment or vesting of any benefit or award or amount payable under any Parent Employee Plan or other arrangement for the current or future benefit or welfare of any director, officer or employee, other than to the extent necessary to avoid adverse tax consequences under Section 409A of the Code and any regulations (whether in proposed or final form) and guidance thereunder, (ii) increase in any manner the compensation or fringe benefits of, or pay any bonus to, any director, officer or employee, other than salary increases or bonuses payable in the Parent's Ordinary Course of Business with respect to employees who are not officers or directors as set forth in Section 4.2(f)(ii) of the Parent Disclosure Schedule, (iii) other than benefits accrued through the date hereof, pay any benefit not provided for under any Parent Employee Plan as in effect on the date hereof, (iv) other than bonuses earned through the date hereof, grant any awards under any bonus, incentive, performance or other compensation plan or arrangement or Parent Employee Plan; provided that, without limiting any Person's right to exercise any outstanding Option in accordance with Section 4.2(b)(1) of this Agreement, there shall be no grant or award to any director, officer or employee of stock options, restricted stock, stock appreciation rights, stock based or stock related awards, performance units, units of phantom stock or restricted stock, or any removal of existing restrictions in any Parent Employee Plan or agreements or awards made thereunder, (v) take any action to fund or in any other way secure the payment of compensation or benefits under any employee plan, agreement, contract or arrangement or Parent Employee Plan or (vi) change any actuarial or other assumptions used to calculate funding obligations with respect to any Parent Employee Plan or change the manner in which contributions to such plans are made or the basis on which such contributions are determined, except as may be required by GAAP;

(g) except for drawdowns on a Parent Credit Facility in the Parent's Ordinary Course of Business, or increases in the available borrowings under a Parent Credit Facility as may be reasonably necessary or appropriate to address increased margin requirements or potential margin calls incurred in the Parent's Ordinary Course of Business, (i) incur or assume any material indebtedness, (ii) modify any material indebtedness or other liability in a manner that adversely affects Parent, (iii) assume, guarantee, endorse or

otherwise become liable or responsible (whether directly, contingently or otherwise) for the obligations of any other Person, except in the Parent's Ordinary Course of Business, or (iv) make any loans, advances or capital contributions to, or investments in, any other Person other than customary loans or advances to employees and customers in accordance with past practice;

(h) change any accounting policies or procedures (including procedures with respect to reserves, revenue recognition, payments of accounts payable and collection of accounts receivable) used by it unless required by Parent's registered independent public auditors, applicable law or GAAP;

(i) make any material Tax election or material change in any Tax election, change or consent to change Parent's or any of its Subsidiaries' method of accounting for Tax purposes, file any amended Tax Return or enter into any settlement or compromise of any Tax liability of Parent or its Subsidiaries in an amount in excess of $100,000;

(j) pay, discharge, satisfy, settle or compromise any claim, litigation or any legal proceeding, except for any settlement or compromise involving less than $250,000, but subject to an aggregate maximum of $500,000, including all fees, costs and expenses associated therewith but excluding from such amounts any contribution from any insurance company or other parties to the litigation;

(k) enter into any negotiation with respect to, or adopt or amend in any respect, any collective bargaining agreement;

(l) adopt or amend in any respect, any work rule or practice, or any other labor-related agreement or arrangement;

(m) enter into any material agreement or arrangement with any of its officers, directors, employees or any "affiliate" or "associate" of any of its officers or directors (as such terms are defined in Rule 405 under the Securities Act), except as are in Parent's Ordinary Course of Business;

(n) enter into any agreement, arrangement or contract to allocate, share or otherwise indemnify for Taxes;

(o) make, authorize or agree to make any capital expenditures in an aggregate amount exceeding $1,000,000 for each quarterly period;

(p) dispose of, license or permit to abandon, invalidate or lapse, any rights in, to or for the use of any material Intellectual Property;

(q) change, in any material respect, policies regarding (i) the pricing of the execution and/or clearing of trades, or (ii) the amount of interest rebated to customers on, or interest associated with, customer margin accounts;

(r) change, in any material respect, policies regarding the commissions paid to brokers;

(s) engage in any hiring, firing or redeploying of employees, other than in Parent's Ordinary Course of Business;

(t) make any material change to any credit or risk management policies, practices or procedures; or

(u) agree or commit to do any of the foregoing.

SECTION 4.3 No Solicitation by Company.

(a) The Company agrees that, prior to the Effective Time, neither it nor any of its Subsidiaries shall, and that it shall cause its and each of its Subsidiaries' officers, directors, employees, advisors, representatives and agents not to, directly or indirectly, (i) solicit, initiate or encourage (including by way of providing information), or knowingly facilitate any inquiries, proposals or offers with respect to, or the making or completion of, any Company Acquisition Proposal, (ii) provide or disclose any non-public information to any Person relating to the Company or its Subsidiaries in connection with a Company

Acquisition Proposal, participate or engage in any discussions or negotiations concerning a Company Acquisition Proposal, or otherwise take any action to facilitate any effort or attempt to make or implement a Company Acquisition Proposal, (iii) approve, endorse, recommend, agree to or accept, or propose publicly to approve, recommend, endorse, agree to or accept, any Company Acquisition Proposal, (iv) withdraw, modify or amend the Company Recommendation in any manner adverse to Parent, (v) approve, recommend, endorse, agree to or accept, or propose to approve, recommend, endorse, agree to or accept, or execute or enter into, any letter of intent, agreement in principle, merger agreement, acquisition agreement, option agreement or other similar agreement related to any Company Acquisition Proposal or (vi) resolve, propose or agree to do any of the foregoing. Without limiting the foregoing, any violation of the restrictions set forth in the preceding sentence by any of the Company's Subsidiaries or any of the Company's or the Company Subsidiaries' officers, directors, employees, agents or representatives (including any investment banker, attorney or accountant retained by the Company or the Company Subsidiaries) shall be a breach of this Section 4.3(a) by the Company. The Company shall promptly inform its advisors and representatives of the Company's obligations under this Section 4.3(a). The Company agrees that it will immediately cease and cause to be terminated any existing activities, discussions or negotiations with any Persons conducted heretofore with respect to any Company Acquisition Proposal (except with respect to the transactions contemplated by this Agreement).

(b) The Company shall notify Parent promptly (and in any event within 24 hours) upon receipt after the date hereof by it or its Subsidiaries or representatives from any third party of any Company Acquisition Proposal. The Company shall notify Parent promptly (and in any event within two business days) of the identity of such third party and provide a copy of such Company Acquisition Proposal, indication, inquiry or request (or, where no such copy is available, a description of the material terms and conditions of such Company Acquisition Proposal, indication, inquiry or request), including any material modifications thereto. The Company shall keep Parent reasonably informed on a current basis (and in any event within five business days of the occurrence of any changes, developments, discussions or negotiations) of the status of any such Company Acquisition Proposal, indication, inquiry or request (including the material terms and conditions thereof and of any modification thereto), including furnishing copies of any written revised proposals. Without limiting the foregoing, the Company shall promptly (and in any event within five business days) notify Parent orally and in writing if it determines to begin negotiations concerning a Company Superior Proposal pursuant to Section 4.3(c). The Company shall not, and shall cause its Subsidiaries not to, enter into any confidentiality agreement with any Person subsequent to the date of this Agreement, and neither the Company nor any of its Subsidiaries is party to any agreement, which prohibits the Company from providing such information to Parent.

(c) Notwithstanding Section 4.3(a), nothing contained in this Agreement shall prevent the Company or the Company Board from, prior to the adoption of this Agreement by the holders of Company Common Stock, engaging in any discussions or negotiations with, or providing any non-public information to, any Person, if and only to the extent that (i) the Company receives from such Person a bona fide written Company Superior Proposal, or a Company Acquisition Proposal, which was not solicited by the Company and did not otherwise violate the provisions of Section 4.3(b), and which the Company Board concludes in good faith (after consultation with its outside legal counsel and outside financial advisors) could reasonably be expected to result in a Company Superior Proposal and (after consultation with its outside legal counsel) that the failure to act on the Company Superior Proposal or Company Acquisition Proposal, as the case may be, could be inconsistent with its fiduciary obligations to the stockholders of the Company under applicable Laws, (ii) prior to providing or disclosing any non-public information to any Person in connection with such proposal, the Company Board receives from the Person making such Company Acquisition Proposal an executed confidentiality agreement containing terms no less restrictive on such Person than the terms contained in the Confidentiality Agreement, provided that such confidentiality agreement shall not be required to contain standstill provisions and shall not contain any provisions that would prevent the Company from complying with its obligation to provide the required disclosure to Parent pursuant to this Section 4.3, and (iii) the Company concurrently discloses any such non-public information to Parent if such non-public information has not been disclosed previously to Parent.

(d) Notwithstanding anything in this Agreement to the contrary, at any time prior to the Company Stockholder Approval, in response to a material development or change in circumstances which occurs or arises after the date of this Agreement (an "Intervening Event"), that was not known by the Company Board as of the date of this Agreement, the Company Board may, if it concludes in good faith (after consultation with its outside legal advisors) that failure to do so could be inconsistent with its fiduciary obligations to the stockholders of the Company under applicable Laws, withdraw, modify or change its recommendation of this Agreement and the Merger (a "Company Change of Recommendation"), but only at a time that is after the fifth business day following Parent's receipt of written notice from the Company advising Parent of its intention to do so; provided that, if such action is in response to or relates to a Company Acquisition Proposal, then the Company Change of Recommendation shall be taken only in compliance with Section 4.3(e).

(e) Notwithstanding anything in this Agreement to the contrary, in response to a Company Acquisition Proposal which was not solicited by the Company or otherwise in violation of Section 4.3(a), if the Company Board concludes in good faith (after consultation with its outside legal and financial advisors) that a Company Acquisition Proposal constitutes a Company Superior Proposal and (after consultation with its legal advisors) that failure to do so could be inconsistent with its fiduciary obligations to the stockholders of the Company under applicable Laws, the Company Board may at any time prior to the Company Stockholder Approval (i) effect a Company Change of Recommendation or (ii) terminate this Agreement to enter into a definitive agreement with respect to such Company Superior Proposal; provided, however, that the Company Board may not effect such Company Change of Recommendation or termination unless and until (i) five business days have elapsed following delivery to Parent of a written notice of such determination by the Company Board and of the material terms and conditions of the Company Acquisition Proposal and the identity of the Person making the Company Acquisition Proposal, and, during such five business day period, the Company reasonably cooperates with Parent and Merger Sub with respect thereto with the intent of enabling Parent and Merger Sub to agree to a modification of the terms and conditions of this Agreement so that the transactions contemplated hereby may be effected and so that such Company Acquisition Proposal would no longer represent a Company Superior Proposal, including negotiating in good faith with Parent and its representatives with respect to any proposed revisions to the terms of this Agreement, (ii) at the end of such five business day period, the Company Board shall have determined in good faith, after considering the results of such negotiations and giving effect to the proposals made by Parent, if any, after consultation with outside legal counsel, that (A) in the case of a Company Change of Recommendation, failure to take such action could be inconsistent with its fiduciary obligations to the stockholders of the Company under applicable Laws and (B) in the case of a termination of this Agreement, that such Company Acquisition Proposal remains a Company Superior Proposal as compared to the Merger, as supplemented by any counterproposals made by Parent; provided that, in the event the Company Board does not make the determination referred to in this clause (ii) of this paragraph but thereafter determines to effect a Company Change of Recommendation or termination pursuant to this Section 4.3(e), the foregoing procedures shall apply anew and shall also apply to any subsequent withdrawal, amendment or modification, and (iii) contemporaneously with such termination, the Company enters into a definitive acquisition, merger or similar agreement to effect the Company Superior Proposal.

(f) Nothing in this Agreement shall prohibit the Company from taking and disclosing to its stockholders a position contemplated by Rules 14d-9 or 14e-2(a) promulgated under the Exchange Act or from making any disclosure to the Company's stockholders if the Company Board (after consultation with its legal advisors), concludes that its failure to do so could be inconsistent with its fiduciary obligations to the stockholders of the Company under applicable Law; it being understood that any such disclosure that does not reaffirm the Company Board's recommendation of this Agreement and the Merger (and recommend that the Company's shareholders reject the applicable tender offer or exchange offer within the ten day period specified by Rule 14d-9) or which is otherwise adverse to Parent and Merger Sub shall be deemed a Company Change of Recommendation for purposes of this Agreement.

(g) Notwithstanding the foregoing, unless and until this Agreement shall have been terminated in accordance with its terms, the Company shall comply with its obligations under Section 5.2 whether or not

the Company Board makes a Company Change of Recommendation or recommends any other offer or proposal. Any action pursuant to and in accordance with Sections 4.3(d),(e) or (f) shall not constitute a breach of the Company's representations, warranties, covenants or agreements contained in this Agreement.

SECTION 4.4 No Solicitation by Parent.

(a) Parent agrees that, prior to the Effective Time, neither it nor any of its Subsidiaries shall, and that it shall cause its and each of its Subsidiaries' officers, directors, employees, advisors, representatives and agents not to, directly or indirectly, (i) solicit, initiate or encourage (including by way of providing information), or knowingly facilitate any inquiries, proposals or offers with respect to, or the making or completion of, any Parent Acquisition Proposal, (ii) provide or disclose any non-public information to any Person relating to the Parent or its Subsidiaries in connection with a Parent Acquisition Proposal, participate or engage in any discussions or negotiations concerning a Parent Acquisition Proposal, or otherwise take any action to facilitate any effort or attempt to make or implement a Parent Acquisition Proposal, (iii) approve, endorse, recommend, agree to or accept, or propose publicly to approve, recommend, endorse, agree to or accept, any Parent Acquisition Proposal, (iv) withdraw, modify or amend the Parent Recommendation in any manner adverse to Company, (v) approve, recommend, endorse, agree to or accept, or propose to approve, recommend, endorse, agree to or accept, or execute or enter into, any letter of intent, agreement in principle, merger agreement, acquisition agreement, option agreement or other similar agreement related to any Parent Acquisition Proposal or (vi) resolve, propose or agree to do any of the foregoing. Without limiting the foregoing, any violation of the restrictions set forth in the preceding sentence by any of the Parent's Subsidiaries or any of the Parent's or the Parent Subsidiaries' officers, directors, employees, agents or representatives (including any investment banker, attorney or accountant retained by Parent or the Parent Subsidiaries) shall be a breach of this Section 4.4(a) by Parent. Parent shall promptly inform its advisors and representatives of Parent's obligations under this Section 4.4(a). Parent agrees that it will immediately cease and cause to be terminated any existing activities, discussions or negotiations with any Persons conducted heretofore with respect to any Parent Acquisition Proposal (except with respect to the transactions contemplated by this Agreement).

(b) Parent shall notify the Company promptly (and in any event within 24 hours) upon receipt after the date hereof by it or its Subsidiaries or representatives from any third party of any Parent Acquisition Proposal. Parent shall notify the Company promptly (and in any event within two business days) of the identity of such third party and provide a copy of such Parent Acquisition Proposal, indication, inquiry or request (or, where no such copy is available, a description of the material terms and conditions of such Parent Acquisition Proposal, indication, inquiry or request), including any material modifications thereto. Parent shall keep the Company reasonably informed on a current basis (and in any event within five business days of the occurrence of any changes, developments, discussions or negotiations) of the status of any such Parent Acquisition Proposal, indication, inquiry or request (including the material terms and conditions thereof and of any modification thereto), including furnishing copies of any written revised proposals. Without limiting the foregoing, Parent shall promptly (and in any event within five business days) notify the Company orally and in writing if it determines to begin negotiations concerning a Parent Superior Proposal pursuant to Section 4.4(c). Parent shall not, and shall cause its Subsidiaries not to, enter into any confidentiality agreement with any Person subsequent to the date of this Agreement, and neither Parent nor any of its Subsidiaries is party to any agreement, which prohibits Parent from providing such information to the Company.

(c) Notwithstanding Section 4.4(a), nothing contained in this Agreement shall prevent Parent or the Parent Board from, prior to the adoption of this Agreement by the holders of Parent Common Stock, engaging in any discussions or negotiations with, or providing any non-public information to, any Person, if and only to the extent that (i) Parent receives from such Person a bona fide written Parent Superior Proposal, or a Parent Acquisition Proposal, which was not solicited by Parent in violation of Section 4.4(b), and which the Parent Board concludes in good faith (after consultation with its outside legal counsel and outside financial advisors) could reasonably be expected to result in a Parent Superior Proposal and (after

consultation with its outside legal counsel) that the failure to act on the Parent Superior Proposal or Parent Acquisition Proposal, as the case may be, could be inconsistent with its fiduciary obligations to the stockholders of Parent under applicable Laws, (ii) prior to providing or disclosing any non-public information to any Person in connection with such proposal, the Parent Board receives from the Person making such Parent Acquisition Proposal an executed confidentiality agreement containing terms no less restrictive on such Person than the terms contained in the Confidentiality Agreement, provided that such confidentiality agreement shall not be required to contain standstill provisions and shall not contain any provisions that would prevent the Company from complying with its obligation to provide the required disclosure to Parent pursuant to this Section 4.3, and (iii) Parent concurrently discloses any such non-public information to the Company if such non-public information has not been disclosed previously to the Company.

(d) Notwithstanding anything in this Agreement to the contrary, at any time prior to the Parent Stockholder Approval, in response to an Intervening Event that was not known by the Parent Board as of the date of this Agreement, the Parent Board may, if it concludes in good faith (after consultation with its outside legal advisors) that failure to do so could be inconsistent with its fiduciary obligations to the stockholders of Parent under applicable Laws, withdraw, modify or change its recommendation of this Agreement and the Merger (a "Parent Change of Recommendation"), but only at a time that is after the fifth business day following the Company's receipt of written notice from Parent advising the Company of its intention to do so; provided that, if such action is in response to or relates to a Parent Acquisition Proposal, then the Parent Change of Recommendation shall be taken only in compliance with Section 4.4(e).

(e) Notwithstanding anything in this Agreement to the contrary, in response to a Parent Acquisition Proposal which was not solicited by Parent in violation of Section 4.4(a), if the Parent Board concludes in good faith (after consultation with its outside legal and financial advisors) that a Parent Acquisition Proposal constitutes a Parent Superior Proposal and (after consultation with its legal advisors) that failure to do so could be inconsistent with its fiduciary obligations to the stockholders of Parent under applicable Laws, the Parent Board may at any time prior to the Parent Stockholder Approval, (i) effect a Parent Change of Recommendation or (ii) terminate this Agreement to enter into a definitive agreement with respect to such Parent Superior Proposal, provided, however, that the Parent Board may not effect such Parent Change of Recommendation or termination unless and until (i) five business days have elapsed following delivery to the Company of a written notice of such determination by the Parent Board and of the material terms and conditions of the Parent Acquisition Proposal and the identity of the Person making the Parent Acquisition Proposal, and, during such five business day period, Parent reasonably cooperates with the Company with respect thereto with the intent of enabling the Company to agree to a modification of the terms and conditions of this Agreement so that the transactions contemplated hereby may be effected and so that such Parent Acquisition Proposal would no longer represent a Parent Superior Proposal, including negotiating in good faith with the Company and its representatives with respect to any proposed revisions to the terms of this Agreement, and (ii) at the end of such five business day period, the Parent Board shall have determined in good faith, after considering the results of such negotiations and giving effect to the proposals made by the Company, if any, after consultation with outside legal counsel, that (A) in the case of a Parent Change of Recommendation, failure to take such action could be inconsistent with its fiduciary obligations to the stockholders of Parent under applicable Laws and (B) in the case of a termination of this Agreement, that such Parent Acquisition Proposal remains a Parent Superior Proposal as compared to the Merger, as supplemented by any counterproposals made by the Company; provided that, in the event the Parent Board does not make the determination referred to in this clause (ii) of this paragraph but thereafter determines to effect a Parent Change of Recommendation or to terminate this Agreement pursuant to this Section 4.4(e), the foregoing procedures shall apply anew and shall also apply to any subsequent withdrawal, amendment or modification, and (iii) contemporaneously with such termination, Parent enters into a definitive acquisition, merger or similar agreement to effect the parent Superior Proposal.

(f) Nothing in this Agreement shall prohibit Parent from taking and disclosing to its stockholders a position contemplated by Rules 14d-9 or 14e-2(a) promulgated under the Exchange Act or from making any

disclosure to Parent's stockholders if the Parent Board (after consultation with its legal advisors), concludes that its failure to do so could be inconsistent with its fiduciary obligations to the stockholders of Parent under applicable Law; it being understood that any such disclosure that does not reaffirm the Parent Board's recommendation of this Agreement and the Merger (and recommend that Parent's shareholders reject the applicable tender offer or exchange offer within the ten day period specified by Rule 14d-9) or which is otherwise adverse to the Company shall be deemed a Parent Change of Recommendation for purposes of this Agreement.

(g) Notwithstanding the foregoing, unless and until this Agreement shall have been terminated in accordance with its terms, Parent shall comply with its obligations under Section 5.2 whether or not the Parent Board makes a Parent Change of Recommendation or recommends any other offer or proposal. Any action pursuant to and in accordance with Sections 4.4(d),(e) or (f) shall not constitute a breach of Parent's representations, warranties, covenants or agreements contained in this Agreement.

ARTICLE V

ADDITIONAL AGREEMENTS

SECTION 5.1 Joint Proxy Statement/Prospectus. As promptly as reasonably practicable after the date of this Agreement, the Company and Parent shall jointly prepare and file with the SEC a joint proxy statement to be sent to the stockholders of the Company and Parent with respect to the Company Stockholders' Meeting and the Parent Stockholders' Meeting (the "Joint Proxy Statement") and Parent shall prepare and cause to be filed with the SEC the Form S-4, in which the Joint Proxy Statement will be included as a prospectus (the "Joint Proxy Statement/Prospectus"), (ii) the Parent will respond, as promptly as reasonably practicable, to any comments received from the SEC with respect to such filing and will provide copies of such comments to the Company promptly upon receipt and copies of proposed responses to the Company a reasonable time prior to filing to allow meaningful comment, (iii) as promptly as reasonably practicable, the Parent will prepare and file (after the Company has had a reasonable opportunity to review and comment on) any amendments or supplements to the Form S-4 necessary to be filed in response to any SEC comments or as required by Law, (iv) the Company and Parent will use their respective commercially reasonable efforts to have the Form S-4 declared effective under the Securities Act and thereafter mail to their stockholders, as promptly as reasonably practicable, the Joint Proxy Statement/Prospectus and all other customary proxy or other materials for meetings such as the Company Stockholders' Meeting, (v) to the extent required by applicable Law, as promptly as reasonably practicable, prepare, file and distribute to the Company stockholders and the Parent stockholders any supplement or amendment to the Joint Proxy Statement/Prospectus if any event shall occur which requires such action at any time prior to the Company Stockholders' Meeting or the Parent Stockholders' Meeting, and (vi) otherwise use commercially reasonable efforts to comply with all requirements of Law applicable to the Company Stockholders' Meeting or the Parent Stockholders' Meeting and the Merger. Each of the parties hereto shall cooperate with the other parties in connection with the preparation of the Form S-4 and the Joint Proxy Statement/Prospectus, including promptly furnishing Parent or the Company upon request with any and all information as may be required to be set forth in the Form S-4 and the Joint Proxy Statement/Prospectus under applicable Law. Parent will provide the Company a reasonable opportunity to review and comment upon the Form S-4 or any amendments or supplements thereto, prior to mailing the Joint Proxy Statement/Prospectus to its stockholders.

SECTION 5.2 Stockholder Meetings.

(a) The Company shall as promptly as practicable following the date of this Agreement, (i) take all action necessary to duly call, give notice of, convene and hold the Company Stockholders' Meeting for the purpose of obtaining the approval of this Agreement by the Company stockholders in accordance with applicable Law, as promptly as reasonably practicable, after the SEC declares the Form S-4 effective; (ii) use commercially reasonable efforts to solicit the approval of this Agreement by the stockholders of the

Company, and (iii) except to the extent that the Company Board shall have withdrawn or modified its approval or recommendation of this Agreement as permitted by Section 4.3(d), (e) or (f) hereof, include in the Joint Proxy Statement/Prospectus the recommendation of the Company Board that the stockholders of the Company approve this Agreement (the "Company Recommendation").

(b) Parent shall as promptly as practicable following the date of this Agreement, (i) take all action necessary to duly call, give notice of, convene and hold the Parent Stockholders' Meeting for the purpose of obtaining the approval of this Agreement and the amendment to the Certificate of Incorporation of Parent in a form set forth on Exhibit D by the Parent stockholders in accordance with applicable Law (the "Amendment"), as promptly as reasonably practicable, after the SEC declares the Form S-4 effective, (ii) use commercially reasonable efforts to solicit the approval of this Agreement and the Amendment by the stockholders of Parent, and (iii) except to the extent that the Parent Board shall have withdrawn or modified its approval or recommendation of this Agreement as permitted by Section 4.4(d), (e) or (f) hereof, include in the Joint Proxy Statement/Prospectus the recommendation of the Parent Board that the stockholders of Parent approve this Agreement and the Amendment (the "Parent Recommendation").

SECTION 5.3 Nasdaq Listing. Parent shall cause the shares of capital stock of Parent to be issued in exchange for capital stock of the Company that is currently listed on Nasdaq Stock Market upon consummation of the Merger to have been authorized for listing on the Nasdaq Stock Market, subject to official notice of issuance, prior to the Effective Time.

SECTION 5.4 Registration Statement. As promptly as reasonably practicable after the date of this Agreement, the Parent shall prepare a shelf Registration Statement on Form S-1 or such other form under the Securities Act then available to Parent, including Form S-3, providing for the sale or resale of securities of Parent (a "Registration Statement").

SECTION 5.5 Additional Agreements. The Company, Merger Sub and Parent will each comply in all material respects with all applicable Laws and with all applicable rules and regulations of any Governmental Entity in connection with its execution, delivery and performance of this Agreement and the transactions contemplated hereby.

SECTION 5.6 Notification of Certain Matters. The Company shall give prompt notice to Parent and Merger Sub, and Parent and Merger Sub shall give prompt notice to the Company, of (a) the occurrence or non-occurrence of any fact, event or circumstance whose occurrence or nonoccurrence would be likely to cause any representation or warranty of such party contained in this Agreement to be untrue or inaccurate at any time from the date hereof to the Effective Time, (b) any failure of the Company, Parent or Merger Sub, as the case may be, or any officer, director, employee or agent thereof, to comply with or satisfy in all material respects any covenant, condition or agreement to be complied with or satisfied by it hereunder, (c) the occurrence or non-occurrence of any fact, event or circumstance which, individually or in the aggregate, is reasonably likely to have a Company Material Adverse Effect or a Parent Material Adverse Effect, (d) receipt by the Company or Parent or any of their respective Subsidiaries, as the case may be, of any notice or other written communication from any Person alleging that the consent of such Person is or may be required in connection with the transactions contemplated by this Agreement, (e) receipt by the Company or Parent or any of their respective Subsidiaries, as the case may be, of any notice or other communication from any Governmental Entity in connection with the transactions contemplated by this Agreement, (f) receipt by the Company or Parent or any of their respective Subsidiaries, as the case may be, of any notice or other communication regarding any pending or threatened Proceedings of the type required to be disclosed in Section 2.8 or Section 3.8; and (g) any event or occurrence that would be reasonably likely to prevent the satisfaction of any of the conditions set forth in Article VI, provided, however, that the delivery of any notice pursuant to this Section 5.6 shall not limit or otherwise affect the remedies available hereunder to the party receiving such notice. From the date hereof to the Effective Time, each party shall furnish promptly to the other parties (i) copies of all reports, schedules, and other documents filed or received by it or any of its Subsidiaries during such period pursuant to the requirements of the

securities Laws, and (ii) copies of all filings made with any Governmental Entities in connection with the transactions contemplated by this Agreement and copies of all written communications received from such Governmental Entities related thereto.

SECTION 5.7 Access to Information.

(a) From the date hereof to the Effective Time, the Company shall, and shall cause its Subsidiaries and their respective directors, officers, employees, auditors and agents to, afford the directors, officers, employees, environmental and other consultants, attorneys, accountants, financial advisors, representatives and agents of Parent and Merger Sub reasonable access at all reasonable times to its directors, officers, employees, representatives, agents, properties, offices and other facilities and to all information systems, contracts, books and records (including Tax Returns, audit work papers and insurance policies), and shall furnish Parent and Merger Sub with all financial, operating and other data and information that Parent and Merger Sub, through their directors, officers, employees, consultants or agents, may reasonably request.

(b) Each of Parent and Merger Sub agrees that it shall, and shall cause its affiliates and each of their respective officers, directors, employees, financial advisors, consultants and agents to, hold in strict confidence all data and information obtained by them from the Company or its directors, officers, employees, financial advisors, consultants or agents, in accordance with the Confidentiality Agreement, which shall survive the execution and delivery of this Agreement, and any termination of this Agreement pursuant to Section 7.1 hereof.

(c) From the date hereof to the Effective Time, Parent shall, and shall cause its Subsidiaries and their respective directors, officers, employees, auditors and agents to, afford the directors, officers, employees, environmental and other consultants, attorneys, accountants, financial advisors, representatives and agents of the Company reasonable access at all reasonable times to its directors, officers, employees, representatives, agents, properties, offices and other facilities and to all information systems, contracts, books and records (including Tax Returns, audit work papers and insurance policies), and shall furnish the Company with all financial, operating and other data and information that the Company, through their directors, officers, employees, consultants or agents, may reasonably request.

(d) The Company agrees that it shall, and shall cause its affiliates and each of their respective officers, directors, employees, financial advisors, consultants and agents to, hold in strict confidence all data and information obtained by them from Parent or its directors, officers, employees, financial advisors, consultants or agents, in accordance with the Confidentiality Agreement, which shall survive the execution and delivery of this Agreement, and any termination of this Agreement pursuant to Section 7.1 hereof.

(e) Each of the parties shall, and shall cause its respective advisors and representatives, to (x) conduct its activities under this Section 5.7 in such a manner that they will not unreasonably interfere with the normal operations, customers or employee relations of the other parties and their respective Subsidiaries and shall be in accordance with reasonable procedures established by the parties having due regard for the foregoing.

(f) No information received by the Company, Parent or Merger Sub pursuant to this Section 5.7 shall affect or be deemed to modify or update any of the representations and warranties of the Company or Parent contained in this Agreement.

SECTION 5.8 Public Announcements. Parent, Merger Sub and the Company shall consult with each other before issuing any press release or otherwise making any public statements or announcements with respect to the Merger and shall not issue any such press release or make any such public statement before such consultation, except as may be required by applicable Law or stock exchange rules, in which case, the party desiring to make a public statement or disclosure shall consult with the other parties and permit them opportunity to review and comment on the proposed disclosure to the extent reasonably practicable under the circumstances.

SECTION 5.9 Approval and Consents; Cooperation; Integration.

(a) Subject to the terms and conditions of this Agreement, each of the Company, Parent and Merger Sub shall cooperate with each other and use (and shall cause their respective Subsidiaries to use) their respective commercially reasonable efforts to take or cause to be taken all actions, and do or cause to be done all things, necessary or proper on their part under this Agreement and applicable Laws to consummate and make effective the Merger and the other transactions contemplated by this Agreement as soon as practicable, including (i) preparing and filing as promptly as practicable all documentation to effect all necessary applications, notices, petitions, filings, Tax ruling requests and other documents and to obtain as promptly as practicable all consents, waivers, licenses, orders, registrations, approvals, Permits, Tax rulings and authorizations necessary to be obtained from any third party and/or any Governmental Entity in order to consummate the Merger or any of the other transactions contemplated by this Agreement (collectively, the "Required Approvals"), and (ii) taking all steps as may be reasonably necessary to obtain all such Required Approvals. Without limiting the generality of the foregoing, each of the Company, Parent and Merger Sub agree to make all necessary filings in connection with the Required Approvals as promptly as practicable after the date of this Agreement, and to use its commercially reasonable efforts to furnish or cause to be furnished, as promptly as practicable, all information and documents requested with respect to such Required Approvals, and shall otherwise cooperate with any applicable Governmental Entity or third party in order to obtain any Required Approvals in as expeditious a manner as possible. Each of the Company, Parent and Merger Sub shall use its commercially reasonable efforts to resolve such objections, if any, as any Governmental Entity may threaten or assert with respect to this Agreement and the transactions contemplated hereby in connection with the Required Approvals. The Company, Parent and Merger Sub each shall, upon request by the other, furnish the other with all information concerning itself, its Subsidiaries, affiliates, directors, officers and stockholders and such other matters as may reasonably be necessary in connection with the Joint Proxy Statement/Prospectus or any other statement, filing, Tax ruling request, notice or application made by or on behalf of the Company, Parent or any of their respective Subsidiaries to any third party and/or Governmental Entity in connection with the Merger or the other transactions contemplated by this Agreement.

(b) In furtherance and not in limitation of the provisions of Section 5.9(a) hereof, each of the Company, Parent and Merger Sub shall take all action reasonably necessary to obtain the approval of the Merger and the other transactions contemplated by this Agreement under the HSR Act and any other applicable Laws governing competition. As soon as practicable after the date hereof, the Company, Parent and Merger Sub shall file Notification and Report Forms with the DOJ and the FTC with respect to the Merger and the other transactions contemplated hereby. Each of the parties shall use its commercially reasonable efforts to cooperate with the other parties hereto in connection with such filing, and each such party shall respond as promptly as practicable to all requests or inquiries received from the FTC or DOJ for additional documentation or information in connection therewith.

(c) In furtherance and not in limitation of Sections 5.9(a) and (b) hereof, each of the Company, Parent and Merger Sub shall use its commercially reasonable efforts to obtain such approvals, including (i) entering into discussions with any Governmental Entity, (ii) promptly complying with (or promptly seeking to reduce the scope of) all formal or informal requests for additional information or documentary material received by it from any Governmental Entity, (iii) promptly making notifications or applications (as applicable) to any Governmental Entity, (iv) applying for such governmental or regulatory licenses, permits or authorizations as may be required including, by or from any Governmental Entity, and (v) consulting with each other after receiving and before responding to, any material communication with any Governmental Entity.

SECTION 5.10 Further Assurances. In case at any time before or after the Effective Time any further action is reasonably necessary to carry out the purposes of this Agreement or the transactions contemplated by this Agreement, the proper officers of the Company, Parent and Merger Sub shall take any such reasonably necessary action.

SECTION 5.11 Director and Officer Indemnification and Insurance.

(a) Subject to the limitations on indemnification contained in the DGCL and the Certificate of Incorporation of the Company, the Company and, after the Effective Time, the Surviving Corporation, shall indemnify and hold harmless, to the fullest extent permitted by applicable Law, each present and former director and officer of the Company (collectively, the "Indemnified Parties") against any costs or expenses (including reasonable attorneys' fees), judgments, fines, losses, claims, damages, liabilities and amounts paid in settlement in connection with any claim, action, suit, proceeding or investigation arising out of or pertaining to: (i) the fact that the Indemnified Party is or was an officer, director, employee or agent of the Company or any Subsidiary, a fiduciary under any Company Employee Plan or is or was serving at the request of the Company or any Company Subsidiary as a director, officer, employee or agent of another corporation, partnership, limited liability company, joint venture, employee benefit plan, trust or other enterprise, or (ii) this Agreement and the transactions and actions contemplated hereby (and the Company and the Surviving Corporation shall, jointly and severally, pay expenses in advance of the final disposition of any such claim, action, suit, proceeding or investigation to each Indemnified Party to the fullest extent permitted under applicable Law, provided that such Indemnified Party provides an undertaking to repay such expenses if such person is determined to not be entitled to indemnification). The rights of each Indemnified Person under this Section 5.11 shall be in addition to any rights such Indemnified Person may have under the Certificate of Incorporation of the Company, or under any Delaware Law or any other applicable Laws or under any agreement of such Indemnified Person with the Company or any Company Subsidiary. The Company and the Surviving Corporation will cooperate in the defense of any such matter; provided, however, that neither the Company nor the Surviving Corporation shall be liable for any settlement effected without its written consent (which consent shall not be unreasonably withheld); and provided, further, that neither the Company nor the Surviving Corporation shall be obliged pursuant to this Section 5.11 to pay the fees and disbursements of more than one counsel for all Indemnified Parties in any single action. The Certificate of Incorporation and Bylaws of the Surviving Corporation shall not be amended, repealed or otherwise modified for a period of six years from the Closing Date in any manner that would adversely affect the rights thereunder of any such individuals.

(b) For a period of not less than six years after the Effective Time, the Surviving Corporation shall be required to maintain or obtain officers' and directors' liability insurance or a "tail" policy covering the Indemnified Parties who are currently covered by the Company's officers and directors liability insurance policy on terms not less favorable than those in effect on the date hereof in terms of coverage and amounts, and containing substantially similar terms and conditions as existing policies; provided, however, that the Surviving Corporation may substitute therefor policies with at least the same coverage and amounts and containing terms and conditions that are no less advantageous to the covered persons than the Company's existing policies; provided further, that in no event shall the Surviving Corporation be required to expend more than an amount per year equal to 250% of current annual premiums paid by the Company for such insurance to maintain or procure insurance coverage pursuant hereto, in which case, the Surviving Corporation shall provide the maximum coverage that is then available for 250% of such annual premiums. This Section 5.11 shall survive the consummation of the Merger. Notwithstanding Section 8.7, this Section 5.11 is intended to be for the benefit of and to grant third-party rights to Indemnified Parties whether or not parties to this Agreement, and each of the Indemnified Parties shall be entitled to enforce the covenants contained herein.

(c) If the Surviving Corporation or any of its successors or assigns (i) consolidates with or merges into any other Person and shall not be the continuing or surviving corporation or entity of such consolidation or merger or (ii) transfers all or substantially all of its properties and assets to any Person, then and in each such case, proper provision shall be made so that the successors and assigns of the Surviving Corporation assume the obligations set forth in this Section 5.11.

SECTION 5.12 Employee Benefits.

(a) From and after the Effective Time, Parent shall cause the Surviving Corporation and its Subsidiaries to honor in accordance with their terms as in effect on the date of this Agreement all existing employment, severance, consulting and salary continuation agreements between the Company and any current or former officer, director, Employee or consultant of the Company or group of such officers, directors, Employees or consultants described on Section 5.12 of the Company Disclosure Schedule. Nothing in this Section 5.12 or this Agreement shall (i) be treated as an amendment of any particular Company Employee Plan, (ii) give any third party any right to enforce the provisions of this Section 5.12 or (iii) alter the nature of the employment of any Employee of the Company and its Subsidiaries, or shall otherwise obligate Parent or the Surviving Corporation to (A) employ or otherwise retain any Employee for a certain length of time or (B) maintain any particular Company Employee Plan. Nothing in this Section 5.12 or this Agreement creates, or is intended to create, any employment agreement or contract, whether express or implied.

(b) Without limiting Section 5.12(a), each Employee of the Company and its Subsidiaries immediately prior to the Effective Time shall remain an employee of the Surviving Corporation (the "Continuing Employees") and continue to participate in the employee benefit plans of the Surviving Corporation on terms and conditions which are substantially the same as for any similarly situated employee of the Surviving Corporation.

(c) To the extent of any changes in medical, dental or health plans covering Continuing Employees after the Effective Time, and to the extent permissible under such plans, Surviving Corporation shall cause such plan to (i) waive any preexisting condition limitations to the extent such conditions were covered under the applicable medical, health or dental plans of the Company and (ii) waive any waiting period limitation or evidence of insurability requirement which would otherwise be applicable to such employee on or after the Effective Time to the extent such employee had satisfied any similar limitation or requirement under an analogous Company plan prior to the Effective Time.

(d) Nothing in this Section 5.12 or any other section of this Agreement shall be construed to limit the right of Parent or any of its Subsidiaries (including, following the Closing Date, the Surviving Corporation and its Subsidiaries) to: (i) amend or terminate any Company Benefit Plan or other employee benefit plan, to the extent such amendment or termination is permitted by the terms of the applicable plan, or (ii) require the Parent or any of its Subsidiaries (including, following the Closing Date, Surviving Corporation and its Subsidiaries) to continue the employment of any particular Covered Employee for any fixed period of time following the Effective Time.

(e) The provisions of this Section 5.12 are solely for the benefit of the parties to this Agreement, and no current or former employee, director or independent contractor or any other individual associated therewith shall be regarded for any purpose as a third-party beneficiary of the Agreement, and nothing herein shall be construed as an amendment to any Company Benefit Plan or other employee benefit plan for any purpose.

(f) The Company shall, to the extent such action is in compliance with all Laws, discontinue any further contributions to the Company employee stock ownership plan ("ESOP"), and, prior to the Effective Time, take such other action with respect to the ESOP as may be reasonably requested by Parent in order to minimize or eliminate the continuing obligations of the Company with respect to the ESOP.

(g) Prior to the Closing, if requested by Parent in writing, to the extent permitted by applicable Law and the terms of the applicable Company Employee Plan, the Company and/or its Subsidiaries, as applicable, shall cause the Company Employee Plans to be amended to the extent necessary to comply with Section 409A of the Code.

SECTION 5.13 Takeover Statutes. If any Takeover Statute enacted under state or federal Law shall become applicable to the Merger or any of the other transactions contemplated hereby, each of the Company, Parent and Merger Sub and the Board of Directors of each of the Company, Parent and Merger Sub shall grant such approvals and take such actions as are necessary so that the Merger and the other transactions contemplated

hereby may be consummated as promptly as practicable on the terms contemplated hereby and otherwise use commercially reasonable efforts to eliminate or minimize the effects of such statute or regulation on the Merger and the other transactions contemplated hereby. For avoidance of doubt, no Company Change of Recommendation or Parent Change of Recommendation shall negate or change the approval of the Company Board or the Parent Board, as the case may be, for the purposes of causing any Takeover Statute to be inapplicable to the transactions contemplated by this Agreement.

SECTION 5.14 Exemption From Liability Under Section 16(b). Prior to the Effective Time, Parent and the Company shall each take all such steps as may be necessary or appropriate to cause any disposition of Shares or conversion of any derivative securities in respect of such Shares in connection with the consummation of the transactions contemplated by this Agreement to be exempt under Rule 16b-3 promulgated under the Exchange Act.

SECTION 5.15 Appointment of Directors. Effective as of the Effective Time, Parent shall cause the number of directors constituting its Board of Directors to be increased to thirteen (13) members, and shall take all actions necessary to cause six (6) of such members to be Company Directors, each to hold office in accordance with the Articles of Incorporation and Bylaws of Parent until their respective successors are duly elected or appointed and qualified in the manner provided in the Certificate of Incorporation and Bylaws of Parent, or as otherwise provided by applicable law.

ARTICLE VI

CONDITIONS OF MERGER

SECTION 6.1 Conditions to Each Party's Obligation to Effect the Merger. The respective obligations of each party to effect the Merger shall be subject to the following conditions:

(a) Stockholder Approval. The Merger and this Agreement shall have received the Company Stockholder Approval and the Parent Stockholder Approval.

(b) Nasdaq Listing. The shares of Parent Common Stock to be issued as Merger Consideration upon consummation of the Merger shall have been authorized for listing on the Nasdaq Stock Market, subject to official notice of issuance.

(c) Form S-4 Effective. The Form S-4 shall have become effective under the Securities Act and no stop order suspending the effectiveness of the Form S-4 shall have been issued and no proceedings for that purpose shall have been initiated or threatened by the SEC.

(d) HSR Act. The waiting period applicable to the consummation of the Merger under the HSR Act shall have expired or been terminated.

(e) Company Consents. The Company shall have obtained the consents and approvals of the Governmental Entities and third parties listed on Section 6.1(e) of the Company Disclosure Schedule, the failure of which to be received would reasonably be expected to have either a Parent Material Adverse Effect or a Company Material Adverse Effect.

(f) Parent and Merger Sub Consents. Parent and Merger Sub (and all principals thereof, to the extent applicable) shall have received all consents and approvals of Governmental Entities and third parties listed on Section 6.1(f) of the Parent Disclosure Schedule, the failure of which to be received would reasonably be expected to have either a Parent Material Adverse Effect or a Company Material Adverse Effect.

(g) Injunctions; Illegality. No court or Governmental Entity of competent jurisdiction shall have enacted, issued, promulgated, enforced, or entered any Law or Order (whether temporary, preliminary, or permanent) or taken any other action which prohibits, restricts, or makes illegal consummation of the Merger or the other transactions contemplated by this Agreement.

SECTION 6.2 Additional Conditions to Obligation of the Company to Effect the Merger. The obligation of the Company to effect the Merger shall be subject to the fulfillment at or prior to the Effective Time of the additional following conditions, unless waived by the Company:

(a) Performance of Obligations of Parent and Merger Sub. Parent and Merger Sub shall have performed in all material respects their covenants contained in this Agreement required to be performed on or prior to the Effective Time and the Company shall have received a certificate of an executive officer of Merger Sub and Parent to that effect.

(b) Representations and Warranties of Parent and Merger Sub. The representations and warranties of Parent contained in Section 2.1 (Organization), Section 2.2 (Capitalization), Section 2.3 (Subsidiaries), Section 2.4 (Authority), Section 2.7 (Absence of Certain Changes or Events), Section 2.21 (Vote/Approval Required), and Section 2.22 (Board Action), shall be true and correct as of the date of this Agreement and at and as of the Effective Time with the same force and effect as if made at and as of the Effective Time (other than those representations and warranties that address matters only as of a particular date or only with respect to a specific period of time, which need only be true and correct as of such date or with respect to such period). The representations and warranties of Parent contained in this Agreement (other than those listed in the preceding sentence) shall be true and correct (without giving effect to any "materiality" or "Parent Material Adverse Effect" qualifiers set forth therein) as of the date of this Agreement and at and as of the Effective Time with the same force and effect as if made at and as of the Effective Time, except where any effects, changes, facts, events, occurrences, developments or circumstances causing the failure of such representations and warranties to be so true and correct (without giving effect to any "materiality," or "Parent Material Adverse Effect" qualifiers set forth therein) would not, individually or in the aggregate, have a Parent Material Adverse Effect. The Company shall have received a certificate of an executive officer of Merger Sub and Parent as to the satisfaction of this Section 6.2(b).

(c) Opinion of Tax Counsel. The Company shall have received an opinion of Stinson Morrison Hecker LLP, dated as of the Closing Date and based on facts, representations and assumptions described in such opinion, to the effect that the Merger will be treated as a reorganization within the meaning of Section 368(a) of the Code. In rendering such opinion, Stinson Morrison Hecker LLP will be entitled to receive and rely upon customary certificates and representations of officers of the Company and Parent.

(d) Material Adverse Effect. Since the date of this Agreement, there shall not have been any event, change or occurrence which had, or is reasonably likely to have, individually or in the aggregate, a Parent Material Adverse Effect.

SECTION 6.3 Additional Conditions to Obligations of Parent and Merger Sub to Effect the Merger. The obligations of Parent and Merger Sub to effect the Merger shall be subject to the fulfillment at or prior to the Effective Time of the following additional conditions, unless waived by Parent and Merger Sub:

(a) Performance of Obligations of the Company and its Subsidiaries. The Company and its Subsidiaries shall have performed in all material respects their respective covenants contained in this Agreement required to be performed on or prior to the Effective Time, and Parent and Merger Sub shall have received a certificate of the President or Chief Executive Officer of the Company to that effect.

(b) Representations and Warranties of the Company and its Subsidiaries. The representations and warranties of the Company contained in Section 3.1 (Organization), Section 3.2 (Capitalization), Section 3.3 (Subsidiaries), Section 3.4 (Authority), Section 3.7 (Absence of Certain Changes or Events), Section 3.21 (Board Action), Section 3.22 (Opinion of Financial Advisor), and Section 3.23 (Vote Required) shall be true and correct in all respects, in each case, as of the date of this Agreement and at and as of the Effective Time with the same force and effect as if made at and as of the Effective Time (other than those representations and warranties that address matters only as of a particular date or only with respect to a specific period of time, which need only be true and correct as of such date or with respect to such period). The representations and warranties of the Company contained in this Agreement (other than those listed in the preceding sentence) shall be true and correct (without giving effect to any "materiality," or "Company

Material Adverse Effect" qualifiers set forth therein) as of the date of this Agreement and at and as of the Effective Time with the same force and effect as if made at and as of the Effective Time (other than those representations and warranties that address matters only as of a particular date or only with respect to a specific period of time, which need only be true and correct as of such date or with respect to such period), except where any effects, changes, facts, events, occurrences, developments or circumstances causing the failure of such representations and warranties to be true and correct (without giving effect to any "materiality," or "Company Material Adverse Effect" qualifiers set forth therein) would not, individually or in the aggregate, have a Company Material Adverse Effect. Parent and Merger Sub shall have received a certificate of the President or Chief Executive Officer of the Company as to the satisfaction of this Section 6.3(b).

(c) Opinion of Tax Counsel. Parent shall have received an opinion of Shutts & Bowen LLP, dated as of the Closing Date and based on facts, representations and assumptions described in such opinion, to the effect that the Merger will be treated as a reorganization within the meaning of Section 368(a) of the Code. In rendering such opinion, Shutts & Bowen LLP will be entitled to receive and rely upon customary certificates and representations of officers of the Company and Parent.

(d) Material Adverse Event. Since the date hereof, there shall not have been any event, change or occurrence which had, or is reasonably likely to have individually or in the aggregate, a Company Material Adverse Effect.

(e) Termination of Accounts. The accounts listed on Section 6.3 of the Company Disclosure Schedule shall have been closed or become inactive accounts without any open trades, and Parent and Merger Sub shall have received a certificate of the President or Chief Executive Officer of the Company to such effect.

ARTICLE VII

TERMINATION, AMENDMENT AND WAIVER

SECTION 7.1 Termination. Notwithstanding anything contained in this Agreement to the contrary, this Agreement may be terminated and the transactions contemplated hereby may be abandoned prior to the Effective Time, whether before or after the Company Stockholder Approval or the Parent Stockholder Approval:

(a) by mutual written consent of the Parent and the Company; or

(b) by any party hereto, if the Effective Time shall not have occurred by December 31, 2009 (the "Termination Date"), provided, however, that the Termination Date may be extended for a period of 30 days by Parent or the Company by giving written notice to the other party at least three (3) business days prior to the initial Termination Date if (i) the conditions set forth in Section 6.1(c) or Section 6.1(d) have not been satisfied on or prior to the initial Termination Date, and (ii) all other conditions to the consummation of the Merger are satisfied on or prior to the Termination Date or capable of then being satisfied at the Closing; provided, that the right to terminate this Agreement pursuant to this Section 7.1(b) shall not be available to any party whose failure to perform any of its obligations under this Agreement required to be performed by it at or prior to such date has been the cause of, or resulted in, the failure of the Merger to have become effective on or before such date; or

(c) by any party hereto, if a statute, rule, regulation or executive order shall have been enacted, entered or promulgated, or if a Governmental Entity shall have issued an order, decree, ruling or injunction or taken any other action (including the failure to have taken action), in any case having the effect of permanently restraining, enjoining or otherwise prohibiting the Merger and such order, decree, ruling or injunction shall have become final and non-appealable; or

(d) by the Company, if either Parent or Merger Sub shall have breached or failed to perform in any material respect any of its respective representations, warranties, covenants or other agreements contained in this Agreement, which breach or failure to perform (i) would result in a failure of a condition set forth in

Section 6.1 or 6.2 and (ii) cannot be cured by the Termination Date, provided that the Company shall have given Parent and Merger Sub written notice, delivered at least thirty (30) days prior to such termination, stating the Company's intention to terminate this Agreement pursuant to this Section 7.1(d) and the basis for such termination; or

(e) by Parent, if the Company shall have breached or failed to perform in any material respect any of its representations, warranties, covenants or other agreements contained in this Agreement, which breach or failure to perform (i) would result in a failure of a condition set forth in Section 6.1 or 6.3 and (ii) cannot be cured by the Termination Date, provided that Parent and Merger Sub shall have given the Company written notice, delivered at least thirty (30) days prior to such termination, stating Parent and Merger Sub's intention to terminate the Agreement pursuant to this Section 7.1(e) and the basis for such termination; or

(f) by Parent or the Company, if, at the Company Stockholders' Meeting (including any adjournment, continuation or postponement thereof), the Company Stockholder Approval shall not have been obtained; except that the right to terminate this Agreement under this Section 7.1(f) shall not be available to the Company where the failure to obtain the Company Stockholder Approval shall have been caused by the action or failure to act of the Company and such action or failure to act constitutes a material breach by the Company of this Agreement; or

(g) by Parent or the Company, if, at the Parent Stockholders' Meeting (including any adjournment, continuation or postponement thereof), the Parent Stockholder Approval shall not have been obtained; except that the right to terminate this Agreement under this Section 7.1(g) shall not be available to Parent where the failure to obtain Parent Stockholder Approval shall have been caused by the action or failure to act of Parent and such action or failure to act constitutes a material breach by Parent of this Agreement; or

(h) by Parent prior to the Company Stockholders' Meeting, if the Company Board shall (A) fail to recommend the Merger, (B) effect a Company Change of Recommendation (it being understood and agreed that any "stop-look-and-listen" communication by the Company Board to the stockholders of the Company pursuant to Rule 14d-9(f) of the Exchange Act, shall not be deemed to constitute a Company Change of Recommendation), or (C) resolve to do any of the foregoing; or

(i) by the Company prior to the Parent Stockholders' Meeting, if the Parent Board shall (A) fail to recommend the Merger, (B) effect a Parent Change of Recommendation (it being understood and agreed that any "stop-look-and-listen" communication by the Parent Board to the stockholders of Parent pursuant to Rule 14d-9(f) of the Exchange Act, shall not be deemed to constitute a Parent Change of Recommendation), or (C) resolve to do any of the foregoing; or

(j) by the Company, if each of the stockholders of Parent identified on Schedule I to the Support Agreement shall have not executed a Joinder Agreement (as that term is defined in the Support Agreement) by the 45th day following the date of this Agreement.

(k) by the Company pursuant to Section 4.3(e); or

(l) by Parent pursuant to Section 4.4(e).

The party desiring to terminate this Agreement pursuant to this Section 7.1 (other than clause (a)) shall give written notice of such termination to the other party in accordance with Section 8.2, specifying the provision or provisions hereof pursuant to which such termination is effected.

SECTION 7.2 Effect of Termination. In the event of termination of this Agreement pursuant to Section 7.1, this Agreement shall terminate (except for the Confidentiality Agreement and the provisions of Section 7.3, Section 7.4 and Sections 8.2 through 8.18), without any liability on the part of any party or its stockholders, partners, members, affiliates, directors, officers or agents except as set forth in Sections 7.3 and 7.4; provided that no party shall be relieved or released from any liability or damages arising from any fraud or intentional breach of this Agreement.

SECTION 7.3 Termination Fee and Other Amounts Payable by the Company upon Termination.

(a) In the event that this Agreement is terminated pursuant to Section 7.1(f), then the Company shall pay Parent a fee, in immediately available funds, in an amount equal to $4,900,000 (the "Company Termination Fee"), at the time of such termination; provided, however, that the Company Termination Fee shall not be payable if a Purchase Event (as that term is defined in the Option Agreement) shall be deemed to have occurred.

(b) In the event of: (i) the termination of this Agreement pursuant to Section 7.1(f), or (ii) the occurrence of any Purchase Event, the Company shall pay Parent any Parent Expenses at the time of such termination or Purchase Event, as applicable.

(c) Except with respect to any fraud or intentional breach of this Agreement by the Company, Parent's right to receive the Company Termination Fee and the payment of the Parent Expenses pursuant to this Section 7.3 shall be the exclusive remedy of Parent or Merger Sub against the Company or any of its stockholders, partners, members, affiliates, directors, officers or agents for the loss suffered as a result of breach of this Agreement by the Company or the failure of the Merger to be consummated upon termination of this Agreement.

(d) The parties each agree that the agreements contained in this Section 7.3 are an integral part of the transactions contemplated by this Agreement, and that, without these agreements, Parent would not enter into this Agreement; accordingly, if the Company fails promptly to pay any amounts due under this Section 7.3 and, in order to obtain such payment, Parent commences a suit that results in a judgment against the Company for such amounts, the Company shall pay interest on such amounts from the date payment of such amounts were due to the date of actual payment at the prime rate of Citibank, N.A. in effect on the date such payment was due, together with the costs and expenses of Parent (including reasonable legal fees and expenses) in connection with such suit.

SECTION 7.4 Termination Fee and Other Amounts Payable by Parent Upon Termination.

(a) In the event that (i) (A) Parent or the Company terminates this Agreement pursuant to Section 7.1(b) and any Person shall have made a Parent Acquisition Proposal after the date of this Agreement which proposal has been publicly disclosed and not withdrawn prior to the termination of this Agreement by any party pursuant to Section 7.1(b), and (B) within twelve (12) months after the termination of this Agreement, any Parent Acquisition shall have been consummated or any definitive agreement with respect to any Parent Acquisition shall have been entered into, (ii) Parent or the Company terminates this Agreement pursuant to Section 7.1(g) (iii) Parent terminates this Agreement pursuant to Section 7.1(l), or (iv) the Company terminates this Agreement pursuant to Section 7.1(i); or (v) the Company terminates this Agreement pursuant to Section 7.1(d) due to the Parent's willful breach of or willful failure to perform its obligations under any covenant contained in this Agreement, then Parent shall pay the Company a fee, in immediately available funds, in an amount equal to $4,900,000 (the "Parent Termination Fee"). The Parent Termination Fee shall be payable, in the case of subsection (i) above, on the date that such Parent Acquisition shall have been consummated or any definitive agreement with respect to such Parent Acquisition shall have been entered into, and in the case of subsections (ii) through (v), above, upon the termination of this Agreement.

(b) In the event that the Parent is required to pay the Parent Termination Fee pursuant to Section 7.4(a), Parent shall also be required to pay the Company any Company Expenses at the time that Parent is obligated to pay the Parent Termination Fee.

(c) Except with respect to any fraud or intentional breach of this Agreement by Parent, the Company's right to receive the Parent Termination Fee and the payment of the Company Expenses pursuant to this Section 7.4 shall be the exclusive remedy of the Company against Parent, Merger Sub or any of their stockholders, partners, members, affiliates, directors, officers or agents for the loss suffered as a result of breach of this Agreement by Parent or Merger Sub or the failure of the Merger to be consummated upon termination of this Agreement.

(d) The parties each agree that the agreements contained in this Section 7.4 are an integral part of the transactions contemplated by this Agreement, and that, without these agreements, the Company would not enter into this Agreement; accordingly, if the Parent fails promptly to pay any amounts due under this Section 7.4 and, in order to obtain such payment, the Company commences a suit that results in a judgment against Parent for such amounts, Parent shall pay interest on such amounts from the date payment of such amounts were due to the date of actual payment at the prime rate of Citibank, N.A. in effect on the date such payment was due, together with the costs and expenses of the Company (including reasonable legal fees and expenses) in connection with such suit.

ARTICLE VIII

GENERAL PROVISIONS

SECTION 8.1 Survival of Representations, Warranties and Agreements. The representations, warranties and agreements contained in this Agreement shall terminate at the Effective Time, except that the agreements set forth in Article I and Section 5.9 and Section 5.10 shall survive the Effective Time indefinitely.

SECTION 8.2 Notices. All notices and other communications given or made pursuant hereto shall be in writing and shall be deemed to have been duly given or made (i) as of the date delivered if delivered personally, (ii) on the first business day following the date of dispatch if delivered by recognized next-day courier service, and (iii) on the third business day after deposit in the U.S. mail, if mailed by registered or certified mail (postage prepaid, return receipt requested), in each case to the parties at the following addresses (or at such other address for a party as shall be specified by like notice, except that notices of changes of address shall be effective upon receipt):

(a) if to Parent or Merger Sub, to:

International Assets Holding Corporation
708 Third Avenue, Suite 702
New York, New York 10017
Attention: Sean O'Connor, Chief Executive Officer

With a copy, which shall not serve as a notice, to:

Shutts & Bowen LLP
1500 Miami Center
201 S. Biscayne Boulevard,
Miami, Florida 33131
Attention: Alfred G. Smith
William G. McCullough

(b) if to the Company, to:

FCStone Group, Inc.
1251 NW Briarcliff Parkway
Suite 800
Kansas City, Mo. 64116
Attention: Paul G. (Pete) Anderson, Chief Executive Officer

With a copy, which shall not serve as a notice, to:

Stinson Morrison Hecker LLP
1201 Walnut Street
Suite 2900
Kansas City, Missouri 64106
Attention: Craig L. Evans, Esq.

SECTION 8.3 Expenses. All fees, costs and expenses incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the party incurring such fees, costs and expenses.

SECTION 8.4 Definitions. For purposes of this Agreement, the term:

"Amendment" shall have the meaning set forth in Section 5.2(b).

"affiliate" means a Person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, the first mentioned Person.

"Agreement" shall have the meaning set forth in the Preamble hereto.

"BMO" shall have the meaning set forth in Section 3.20.

"Bylaws" shall mean the Bylaws of the Company, as may be amended or restated from time to time.

"Cash and Segregated Funds" means any cash held by the Company or any of its Subsidiaries for the accounts of its customers or any cash deposited with any exchange, clearing organization or other broker or counterparty on behalf of any such customers and pledged in favor of the Company or such Subsidiary.

"Certificate of Incorporation" shall mean the Certificate of Incorporation of the Company, as may be amended or restated from time to time.

"Certificate of Merger" shall have the meaning set forth in Section 1.2.

"Certificates" shall have the meaning set forth in Section 1.7(b).

"CFTC" shall mean the Commodity Futures Trading Commission.

"Cleanup" shall mean all actions required to: (i) clean up, remove, treat or remediate Hazardous Materials in the indoor or outdoor environment; (ii) prevent the Release of Hazardous Materials so that they do not migrate, endanger or threaten to endanger public health or welfare or the indoor or outdoor environment; (iii) perform pre-remedial studies and investigations and post-remedial monitoring and care; or (iv) respond to any government requests for information or documents in any way relating to cleanup, removal, treatment or remediation or potential cleanup, removal, treatment or remediation of Hazardous Materials in the indoor or outdoor environment.

"Closing" shall have the meaning set forth in Section 1.14.

"Closing Date" shall have the meaning set forth in Section 1.14.

"Code" shall have the meaning set forth in Section 1.12.

"Company" shall have the meaning set forth in the Preamble hereto.

"Company Acquisition" shall mean, in each case other than the Merger or as otherwise specifically contemplated by this Agreement, (i) any merger, consolidation, share exchange, business combination, recapitalization, reorganization, liquidation, dissolution or other similar transaction or series of related transactions involving the Company or any of its Subsidiaries as a result of which any Person would acquire the securities or assets described in either of clauses (ii) or (iii) below; (ii) any direct or indirect purchase or sale, lease, exchange, transfer or other disposition of the consolidated assets (including stock of the Company's Subsidiaries) of the Company and its Subsidiaries, taken as a whole, constituting 10% or more of the total consolidated assets of the Company and its Subsidiaries, taken as a whole, or accounting for 10% or more of the total consolidated revenues of the Company and its Subsidiaries, taken as a whole, in any one transaction or in a series of transactions; or (iii) any direct or indirect purchase or sale of or tender offer, exchange offer or any similar transaction or series of related transactions engaged in by any Person involving 10% or more of the outstanding shares of Company Common Stock.

"Company Acquisition Proposal" shall mean any proposal regarding a Company Acquisition.

"Company Board" shall have the meaning set forth in the Recitals hereto.

"Company Change of Recommendation" shall have the meaning set forth in Section 4.3(d).

"Company Common Stock" shall mean the Common Stock, par value $0.0001 per share of the Company.

"Company Credit Facility" means any Credit Facility pursuant to which the Company has borrowed or may borrow money, including any such Credit Facility which may come into existence after the date of this Agreement.

"Company Directors" shall mean individuals who shall be mutually selected by the Company and Parent from the members of the Company's Board of Directors immediately prior to the Effective Time to become members of the Board of Directors of Parent as of the Effective Time pursuant to Section 5.15.

"Company Disclosure Schedule" shall have the meaning set forth in Article III.

"Company Employee Plans" shall have the meaning set forth in Section 3.9(a).

"Company Expenses" shall mean shall mean the Company's out-of-pocket expenses incurred in connection with this Agreement and the transactions contemplated hereby, provided, however, that in no event shall the Company Expenses exceed $2,000,000.

"Company Insurance Policies" shall have the meaning set forth in Section 3.18.

"Company Leased Real Property" shall mean the leasehold or subleasehold interests and any other rights to use or occupy any land, buildings, structures, improvements, fixtures or other interests in real property held by the Company or any of its Subsidiaries under the Company Real Property Leases.

"Company Material Adverse Effect" shall mean any effect, change, fact, event, occurrence, development or circumstance that, individually or together with any other effect, change, fact, event, occurrence, development or circumstance:

(i) is, or is reasonably likely to result in, a material adverse effect on or change in the condition (financial or otherwise), properties, business, operations, results of operations, assets or liabilities of the Company and its Subsidiaries, taken as a whole, provided, however, that none of the following shall be taken into account in determining whether there has been a Company Material Adverse Effect, or a Company Material Adverse Effect could reasonably be expected to occur: (A) changes or conditions generally affecting the economy or the financial, credit or securities markets as a whole, to the extent such changes do not affect the Company and its Subsidiaries, taken as a whole, in a materially disproportionate manner relative to other participants in the commodities brokerage industry, (B) political or regulatory conditions (including any changes thereto), to the extent such changes do not affect the Company and its Subsidiaries, taken as a whole, in a materially disproportionate manner relative to other participants in the commodities brokerage industry, (C) changes in, or events or conditions affecting, the commodities brokerage industry, to the extent such changes do not affect the Company and its Subsidiaries, taken as a whole, in a materially disproportionate manner relative to other participants in the commodities brokerage industry, (D) changes, after the date hereof, in GAAP or the accounting rules or regulations of the SEC, to the extent such changes do not affect the Company and its Subsidiaries, taken as a whole, in a materially disproportionate manner relative to other participants in the commodities brokerage industry, (E) actions expressly permitted by this Agreement or that are taken with the prior informed written consent of Parent or Merger Sub, or (F) changes in any Law, to the extent such changes do not affect the Company and its Subsidiaries, taken as a whole, in a materially disproportionate manner relative to other participants in the commodities brokerage industry, or

(ii) does, or is reasonably likely to, prohibit, restrict or materially impede or have a material adverse effect on the ability of the Company to perform its obligations under this Agreement or to consummate the transactions contemplated by this Agreement, including the Merger.

"Company Material Contracts" shall have the meaning set forth in Section 3.17(a).

"Company Option Plan" shall mean the 2006 Equity Incentive Plan of the Company, as such plan may be amended from time to time.

"Company Option" shall have the meaning set forth in Section 1.13(a).

"Company Owned Real Property" shall have the meaning set forth in Section 3.15(b).

"Company Permits" shall have the meaning set forth in Section 4.1.

"Company Permitted Liens" shall mean: (i) liens for current Taxes that are not yet due or delinquent or are being contested in good faith by appropriate proceedings and for which adequate reserves have been taken on the financial statements contained in the Company SEC Reports; (ii) statutory liens or landlords', carriers', warehousemen's, mechanics', suppliers', materialmen's, repairmen's liens or other like Liens arising in the Ordinary Course of Business with respect to amounts not yet overdue or are being contested in good faith by appropriate proceedings and for which adequate reserves have been taken on the financial statements contained in the Company SEC Reports; (iii) with respect to the Company Owned Real Property, minor title defects or irregularities that do not, individually or in the aggregate, materially impair the value or use of such property, the consummation of this Agreement or the operations of the Company and its Subsidiaries; (iv) as to any Company Leased Real Property, any Lien affecting solely the interest of the landlord thereunder and not the interest of the tenant thereunder, which does not materially impair the value or use of such Company Leased Real Property; and (v) Liens securing indebtedness of the Company or its Subsidiaries under any Company Credit Facility.

"Company Preferred Stock" shall have the meaning set forth in Section 3.2.

"Company Real Property Leases" shall mean the real property leases, subleases, licenses or other agreements, including all amendments, extensions, renewals, guaranties or other agreements with respect thereto, pursuant to which the Company or any of its Subsidiaries is a party.

"Company Recommendation" shall have the meaning set forth in Section 5.2(a).

"Company Reverse Termination Fee" shall have the meaning set forth in Section 7.3(b).

"Company SEC Reports" shall have the meaning set forth in Section 3.6(a).

"Company SRO Reports" shall have the meaning set forth in Section 3.12(b).

"Company Stockholder Approval" shall have the meaning set forth in Section 3.23.

"Company Stockholders' Meeting" shall have the meaning set forth in Section 2.10.

"Company Superior Proposal" means a Company Acquisition Proposal (except that solely for purposes of the definition of "Company Superior Proposal" all references in the definition of "Company Acquisition" to "10%" shall be deemed to be references to 50.1%) which, if consummated, is on terms which the Company Board concludes in good faith (after consultation with its legal and financial advisors) (x) would be, if consummated, more favorable to the stockholders of the Company than the Merger, taking into account all of the terms and conditions of such proposal and of this Agreement (including any proposal by Parent to amend the terms of this Agreement) as well as any other factors deemed relevant by the Board of Directors, and (y) is reasonably capable of being consummated on the terms so proposed, taking into account all financial, regulatory, legal and other aspects of such proposal.

"Company Termination Fee" shall have the meaning set forth in Section 7.3(a).

"Confidentiality Agreement" shall mean the letter agreement regarding confidentiality, dated March 9, 2009, by and between the Company and Parent, as amended.

"Continuing Employees" shall have the meaning set forth in Section 5.12(b).

"Control," "controlled by" or "under common control with" shall mean the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of stock, as trustee or executor, by contract, credit arrangement or otherwise.

"Copyright" has the meaning set forth in the definition of Intellectual Property in this Section 8.4.

"Credit Facility" means any credit facility, line of credit, loan agreement or other borrowing arrangement.

"Customer Balances" means any Cash and Segregated Funds, Segregated Securities, ledger, account, exchange or clearing organization balances, marked-to-market open positions (including market value of options) and any non-segregated cash, securities, funds or other collateral, in each case, only to the extent held by or for the benefit of the Company or any of its Subsidiaries on behalf of customers of the Company or such Subsidiary.

"DGCL" shall have the meaning set forth in the Recitals hereto.

"DOJ" shall mean the U.S. Department of Justice.

"Effective Time" shall have the meaning set forth in Section 1.2.

"Employees" shall mean all individuals employed by the Company or its Subsidiaries.

"Environmental Claim" shall mean any claim, action, cause of action, investigation or written notice by any Person alleging potential liability (including, without limitation, potential liability for investigatory costs, Cleanup costs, governmental response costs, natural resources damages, property damages, personal injuries, or penalties) arising out of, based on or resulting from (i) the presence, or Release, of any Hazardous Materials at any location, or (ii) circumstances forming the basis of any violation, or alleged violation, of, or liability under any Environmental Law.

"Environmental Laws" shall mean all federal, state, local and foreign Laws, regulations and common law standards of conduct relating to pollution or protection of the environment, including without limitation, Laws relating to Releases or threatened Releases of Hazardous Materials or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, Release, disposal, transport or handling of Hazardous Materials and all Laws and regulations with regard to record keeping, notification, disclosure and reporting requirements respecting Hazardous Materials.

"ERISA" shall have the meaning set forth in Section 2.9(a).

"ERISA Affiliate" shall have the meaning set forth in Section 2.9(a).

"ESOP" shall mean the Employee Stock Ownership Plan of the Company, as amended from time to time.

"Exchange Act" shall mean the Securities Exchange Act of 1934, as amended.

"Exchange Agent" shall have the meaning set forth in Section 1.7(a).

"Exchange Ratio" shall have the meaning set forth in Section 1.6(a).

"FINRA" shall mean the Financial Industry Regulatory Authority.

"FTC" shall mean the U.S. Federal Trade Commission.

"GAAP" shall mean United States generally accepted principles and practices as in effect from time to time and applied consistently throughout the periods involved.

"Governmental Entity" shall have the meaning set forth in Section 2.10.

"Hazardous Materials" shall mean all substances defined as Hazardous Substances, Oils, Pollutants or Contaminants in the National Oil and Hazardous Substances Pollution Contingency Plan, 40 C.F.R. § 300.5, or defined as such by, or regulated as such under, any Environmental Law.

"HSR Act" shall mean the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended.

"Indemnified Parties" shall have the meaning set forth in Section 5.11(a).

"Intellectual Property Rights" means all U.S. and foreign (i) patents, patent applications, patent disclosures, and all related continuations, continuations-in-part, divisionals, reissues, re-examinations, substitutions, and extensions thereof ("Patents"), (ii) trademarks, service marks, trade names, Internet domain names, logos, slogans, trade dress, and other similar designations of source or origin, together with the goodwill symbolized by any of the foregoing ("Trademarks "), (iii) copyrights and copyrightable subject matter ("Copyrights"), (iv) rights of publicity, (v) computer programs (whether in source code, object code, or other form), databases, compilations and data, technology supporting the foregoing, and all documentation, including user manuals and training materials, related to any of the foregoing ("Software"), (vi) trade secrets and all confidential information, know-how, inventions, proprietary processes, formulae, models, and methodologies, (vii) all rights in the foregoing and in other similar intangible assets, (viii) all applications and registrations for the foregoing and (ix) all rights and remedies against infringement, misappropriation, or other violation thereof with respect to the foregoing.

"Intervening Event" shall have the meaning set forth in Section 4.3(d).

"Joint Proxy Statement" shall have the meaning set forth in Section 5.1.

"Joint Proxy Statement/Prospectus" shall have the meaning set forth in Section 5.1.

"knowledge of the Company" "or "the Company's knowledge" shall mean the actual knowledge of the individuals listed on Exhibit E to the Agreement, after reasonable inquiry.

"knowledge of Parent" "or "the Parent's knowledge" shall mean the actual knowledge of the individuals listed on Exhibit F to the Agreement, after reasonable inquiry.

"Law" shall mean any federal, state, county, municipal, local or foreign statute, ordinance, rule, regulation, permit, consent, waiver, notice, approval, registration, finding of suitability, license, judgment, order, decree, injunction or other authorization.

"Liabilities" means all debts, adverse claims, liabilities, commitments, responsibilities and obligations of any kind or nature whatsoever, whether direct, indirect, absolute or contingent, matured or unmatured, whether accrued, vested or otherwise, whether known or unknown, foreseen or unforeseen, and whether or not actually reflected, or required to be reflected, in any balance sheets or other books and records.

"Lien" shall mean any mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or other), other charge or security interest; or any preference, priority or other agreement or preferential arrangement of any kind or nature whatsoever (including, without limitation, any conditional sale or other title retention agreement, or any capital lease having substantially the same economic effect as any of the foregoing).

"Memberships" means the memberships, seats on exchanges, permits, licenses, trading rights, authorizations and ownership interests in exchanges, markets, clearinghouses or similar organizations which are held by or designated for the benefit of any Person.

"Merger" shall have the meaning set forth in the Recitals hereto.

"Merger Consideration" shall have the meaning set forth in Section 1.6(a).

"Merger Sub" shall have the meaning set forth in the Preamble hereto.

"Merger Sub Common Stock" shall have the meaning set forth in Section 1.6(b).

"NFA" shall mean the Financial Industry Regulatory Authority.

"NLRA" shall mean the National Labor Relations Act, as amended

"NLRB" shall mean the National Labor Relations Board.

"Non-U.S. Company Employee Plan" shall have the meaning set forth in Section 3.9(a).

"NLRB" shall mean the National Labor Relations Board.

"Non-U.S. Parent Employee Plan" shall have the meaning set forth in Section 2.9(a).

"Option Agreement" shall have the meaning set forth in the Recitals hereto.

"Order" means any judgment, order, injunction, decree, writ, or ruling of any Governmental Entity.

"Ordinary Course of Business" shall mean, with respect to a Person, the routine business operations of such Person consistent with such Person's past practice and custom.

"Parent" shall have the meaning set forth in the Preamble hereto.

"Parent Acquisition" shall mean, in each case other than the Merger or as otherwise specifically contemplated by this Agreement, (i) any merger, consolidation, share exchange, business combination, recapitalization, reorganization, liquidation, dissolution or other similar transaction or series of related transactions involving Parent or any of its Subsidiaries as a result of which any Person would acquire the securities or assets described in either of clauses (ii) or (iii) below; (ii) any direct or indirect purchase or sale, lease, exchange, transfer or other disposition of the consolidated assets (including stock of Parent's Subsidiaries) of Parent and its Subsidiaries, taken as a whole, constituting 10% or more of the total consolidated assets of Parent and its Subsidiaries, taken as a whole, or accounting for 10% or more of the total consolidated revenues of Parent and its Subsidiaries, taken as a whole, in any one transaction or in a series of transactions; or (iii) any direct or indirect purchase or sale of or tender offer, exchange offer or any similar transaction or series of related transactions engaged in by any Person involving 10% or more of the outstanding shares of Parent Common Stock.

"Parent Acquisition Proposal" shall mean any proposal regarding a Parent Acquisition.

"Parent Board" shall mean the Board of Directors of Parent.

"Parent Change of Recommendation" shall have the meaning set forth in Section 4.4(d).

"Parent Common Stock" shall mean shares of Parent Common Stock, par value $0.01.

"Parent Common Stock Market Value" shall mean an amount equal to the average of the daily closing prices (as of 4:00 p.m. eastern time) per share of Parent Common Stock, as reported on the Nasdaq Stock Market (as published in The Wall Street Journal or, if not published therein or incorrectly published therein, in another authoritative source mutually selected by Parent and the Company) for the ten (10) consecutive full trading days immediately preceding the two (2) consecutive full trading days immediately preceding the date of the Company Stockholders' Meeting.

"Parent Credit Facility" means any Credit Facility pursuant to which the Parent has borrowed or may borrow money, including any such Credit Facility which may come into existence after the date of this Agreement.

"Parent Directors" shall mean members of Parent's Board of Directors immediately prior to the Effective Time.

"Parent Disclosure Schedule" shall have the meaning set forth in Article II.

"Parent Employee Plans" shall have the meaning set forth in Section 2.9(a).

"Parent Expenses" shall mean Parent's out-of-pocket expenses incurred in connection with this Agreement and the transactions contemplated hereby, provided, however, that in no event shall the Parent Expenses exceed $2,000,000.

"Parent Insurance Policies" shall have the meaning set forth in Section 2.18.

"Parent Leased Real Property" shall mean the leasehold or subleasehold interests and any other rights to use or occupy any land, buildings, structures, improvements, fixtures or other interests in real property held by Parent or any of its Subsidiaries under the Parent Real Property Leases.

"Parent Material Adverse Effect" shall mean any effect, change, fact, event, occurrence, development or circumstance that, individually or together with any other effect, change, fact, event, occurrence, development or circumstance:

(i) is, or is reasonably likely to result in, a material adverse effect on or change in the condition (financial or otherwise), properties, business, operations, results of operations, assets or liabilities of Parent and its Subsidiaries, taken as a whole, provided, however, that none of the following shall be taken into account in determining whether there has been a Parent Material Adverse Effect, or a Parent Material Adverse Effect could reasonably be expected to occur: (A) changes or conditions generally affecting the economy or the financial, credit or securities markets as a whole, to the extent such changes do not affect Parent and its Subsidiaries, taken as a whole, in a materially disproportionate manner relative to other participants in the securities brokerage, commodities brokerage or foreign exchange industries, (B) political or regulatory conditions (including any changes thereto), to the extent such changes do not affect Parent and its Subsidiaries, taken as a whole, in a materially disproportionate manner relative to other participants in the securities brokerage, commodities brokerage or foreign exchange industries, (C) changes in, or events or conditions affecting, any of the securities brokerage, commodities brokerage or foreign exchange industries, to the extent such changes do not affect Parent and its Subsidiaries, taken as a whole, in a materially disproportionate manner relative to other participants in the securities brokerage, commodities brokerage or foreign exchange industries, (D) changes, after the date hereof, in GAAP or the accounting rules or regulations of the SEC, to the extent such changes do not affect Parent and its Subsidiaries, taken as a whole, in a materially disproportionate manner relative to other participants in the securities brokerage, commodities brokerage or foreign exchange industries, (E) actions expressly permitted by this Agreement or that are taken with the prior informed written consent of the Company, or (F) changes in any Law, to the extent such changes do not affect Parent and its Subsidiaries, taken as a whole, in a materially disproportionate manner relative to other participants in the securities brokerage, commodities brokerage or foreign exchange industries, or

(ii) does, or is reasonably likely to, prohibit, restrict or materially impede or have a material adverse effect on the ability of Parent to perform its obligations under this Agreement or to consummate the transactions contemplated by this Agreement, including the Merger..

"Parent Material Contracts" shall have the meaning set forth in Section 2.14(a).

"Parent Option Plan" shall mean the 2003 Stock Option Plan of Parent, as such plan may be amended from time to time.

"Parent Options" shall have the meaning set forth in Section 1.13(a).

"Parent Owned Real Property" shall have the meaning set forth in Section 2.15(b).

"Parent Permits" shall have the meaning set forth in Section 4.2.

"Parent Permitted Liens" shall mean: (i) liens for current Taxes that are not yet due or delinquent or are being contested in good faith by appropriate proceedings and for which adequate reserves have been taken on the financial statements contained in the Parent SEC Reports; (ii) statutory liens or landlords', carriers', warehousemen's, mechanics', suppliers', materialmen's, repairmen's liens or other like Liens arising in the Ordinary Course of Business with respect to amounts not yet overdue or are being contested in good faith by appropriate proceedings and for which adequate reserves have been taken on the financial statements contained in the Parent SEC Reports; (iii) with respect to the Parent Owned Real Property, minor title defects or irregularities that do not, individually or in the aggregate, materially impair the value or use of such property, the consummation of this Agreement or the operations of Parent and its Subsidiaries; (iv) as to any Parent Leased Real Property, any Lien affecting solely the interest of the landlord thereunder and not the interest of the tenant thereunder, which does not materially impair the value or use of such Parent Leased Real Property; and (v) Liens securing indebtedness of parent or its Subsidiaries under any Parent Credit Facility.

"Parent Real Property Leases" shall mean the real property leases, subleases, licenses or other agreements, including all amendments, extensions, renewals, guaranties or other agreements with respect thereto, pursuant to which Parent or any of its Subsidiaries is a party.

"Parent Recommendation" shall have the meaning set forth in Section 5.2(b).

"Parent Reverse Termination Fee" shall have the meaning set forth in Section 7.4(b).

"Parent SEC Reports" shall have the meaning set forth in Section 2.6(a).

"Parent SRO Reports" shall have the meaning set forth in Section 2.12(b).

"Parent Stockholder Approval" shall have the meaning set forth in Section 2.21.

"Parent Stockholders' Meeting" shall have the meaning set forth in Section 3.10.

"Parent Superior Proposal" means a Parent Acquisition Proposal (except that solely for purposes of the definition of "Parent Superior Proposal" all references in the definition of "Parent Acquisition" to "10%" shall be deemed to be references to 50.1%) which, if consummated, is on terms which the Parent Board concludes in good faith (after consultation with its legal and financial advisors) (x) would be, if consummated, more favorable to the stockholders of Parent than the Merger, taking into account all of the terms and conditions of such proposal and of this Agreement (including any proposal by the Company to amend the terms of this Agreement) as well as any other factors deemed relevant by the Board of Directors, and (y) is reasonably capable of being consummated on the terms so proposed, taking into account all financial, regulatory, legal and other aspects of such proposal.

"Parent Termination Fee" shall have the meaning set forth in Section 7.4(a).

"PBGC" shall have the meaning set forth in Section 2.9(h).

"Pension Plan" shall mean any plan, program or agreement which is a "multiemployer plan" (as defined in Section 3(37) of ERISA) or which is subject to Section 412 of the Code or Section 302 or Title IV of ERISA.

"Person" shall mean any individual, partnership, association, joint venture, corporation, business, trust, joint stock company, limited liability company, special purpose vehicle, any unincorporated organization, any other entity, a "group" of such persons, as that term is defined in Rule 13d-5(b) under the Exchange Act, or a Governmental Entity.

"Proceedings" shall have the meaning set forth in Section 2.8.

"Purchase Event" shall have the meaning set forth in Section 7.3(a).

"Registration Statement" shall have the meaning set forth in Section 5.4.

"Regulatory Accounting Report" means CFTC Form 1-FR-FCM "Statement of the Computation of the Minimum Capital Requirements" or SEC Form X-17A-5, Focus Report, Financial and Operational Combined Uniform Single Report, Part II, as applicable.

"Regulatory Order" shall have the meaning set forth in Section 2.12(c)(iii).

"Release" shall mean any release, spill, emission, discharge, leaking, pumping, injection, deposit, disposal, dispersal, leaching or migration into the indoor or outdoor environment (including, without limitation, ambient air, surface water, groundwater and surface or subsurface strata) or into or out of any property, including the movement of Hazardous Materials through or in the air, soil, surface water, groundwater or property.

"Required Approvals" shall have the meaning set forth in Section 5.9(a).

"Sarbanes-Oxley Act" shall mean the Sarbanes-Oxley Act of 2002.

"SEC" shall mean the United States Securities and Exchange Commission or any other Governmental Entity administering the Securities Act and the Exchange Act.

"Securities Act" shall mean the Securities Act of 1933, as amended.

"Segregated Securities" means any securities held by a party to this Agreement or any of its Subsidiaries with respect to its customers' accounts or any securities deposited with an exchange, clearing organization or other broker or counterparty on behalf of any such customers and pledged in favor of such party to this Agreement or such Subsidiary or any exchange.

"Self Regulatory Organization" shall mean any U.S. or foreign commission, board, agency or body that is charged with regulating its own members through the adoption and enforcement of financial, sales practice and other requirements for brokers, dealers, securities underwriting or trading, stock exchanges, commodity exchanges, commodity intermediaries, commodity pools, electronic communications networks, insurance companies or agents, investment companies or investment advisers.

"Software" has the meaning set forth in the definition of Intellectual Property in this Section 8.4.

"Subsidiary" shall mean, with respect to any Person, (a) any corporation with respect to which such Person, directly or indirectly, through one or more Subsidiaries, (i) owns more than 50% of the outstanding shares of capital stock having generally the right to vote in the election of directors or (ii) has the power, under ordinary circumstances, to elect, or to direct the election of, a majority of the board of directors of such corporation, (b) any partnership with respect to which (i) such Person or a Subsidiary of such Person is a general partner, (ii) such Person and its Subsidiaries together own more than 50% of the interests therein or (iii) such Person and its Subsidiaries have the right to appoint or elect or direct the appointment or election of a majority of the directors or other Person or body responsible for the governance or management thereof, (c) any limited liability company with respect to which (i) such Person or a Subsidiary of such Person is the sole manager or managing member, (ii) such Person and its Subsidiaries together own more than 50% of the interests therein or (iii) such Person and its Subsidiaries have the right to appoint or elect or direct the appointment or election of a majority of the managers or other Person or body responsible for the governance or management thereof or (d) any other entity in which such Person has, and/or one or more of its Subsidiaries have, directly or indirectly, (i) more than a 50% ownership interest or (ii) the power to appoint or elect or direct the appointment or election of a majority of the directors or other Person or body responsible for the governance or management thereof.

"Support Agreement" shall have the meaning set forth in the Recitals hereto.

"Surviving Corporation" shall have the meaning set forth in Section 1.1.

"Surviving Corporation Common Stock" shall mean the common stock, par value $0.0001 per share, of the Surviving Corporation.

"Tax Return" shall mean any return, report, information return or other document (including any related or supporting information and, where applicable, profit and loss accounts and balance sheets, and including any amended return, report, information return or other document) with respect to Taxes.

"Taxes" shall mean (i) all taxes, charges, fees, levies or other assessments imposed by any U.S. federal, state, or local taxing authority or by any non-U. S. taxing authority, including but not limited to, income, gross receipts, excise, property, sales, use, transfer, payroll, license, ad valorem, value added, withholding, social security, national insurance (or other similar contributions or payments) franchise, estimated, severance, stamp, and other taxes; and (ii) all interest, fines, penalties or additions attributable to or in respect of any items described in clause (i), and any interest on any fines, penalties, or additions.

"Termination Date" shall have the meaning set forth in Section 7.1(b).

"Trademark" has the meaning set forth in the definition of Intellectual Property Rights in this Section 8.4.

"Treasury Regulations" shall mean the regulations, including temporary regulations, promulgated under the Code, as the same may be amended hereafter from time to time (including corresponding provisions of succeeding regulations).

"WARN Act" shall have the meaning set forth in Section 2.19(a).

SECTION 8.5 Headings. The headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

SECTION 8.6 Severability. If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any rule of law, or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner adverse to any party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner to the end that transactions contemplated hereby are fulfilled to the maximum extent possible.

SECTION 8.7 Entire Agreement. This Agreement, the Support Agreement, the Option Agreement, the Disclosure Schedules and the Confidentiality Agreement constitute the entire agreement and supersede any and all other prior agreements and undertakings, both written and oral, among the parties, or any of them, with respect to the subject matter hereof.

SECTION 8.8 Assignment. Except as expressly contemplated hereby, neither this Agreement nor any of the rights, interests, or obligations hereunder shall be assigned by any party hereto without the prior written consent of the other parties. Subject to the preceding sentence, this Agreement will be binding upon, inure to the benefit of, and be enforceable by the parties and their respective successors.

SECTION 8.9 Governing Law; Jurisdiction. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF DELAWARE APPLICABLE TO CONTRACTS EXECUTED IN AND TO BE PERFORMED ENTIRELY WITHIN THAT STATE (WITHOUT REGARD TO CONFLICT OF LAWS PRINCIPLES). EACH PARTY HEREBY AGREES AND CONSENTS TO BE SUBJECT TO THE JURISDICTION OF FEDERAL AND STATE COURTS LOCATED IN THE STATE OF DELAWARE, AND ANY AND ALL DISPUTES BETWEEN THE PARTIES HERETO ARISING OUT OF OR RELATING TO THIS AGREEMENT AND THE AGREEMENTS, INSTRUMENTS AND DOCUMENTS CONTEMPLATED HEREBY. THE PARTIES CONSENT TO AND AGREE TO SUBMIT TO THE JURISDICTION OF SUCH COURTS. EACH OF THE PARTIES HEREBY WAIVES, AND AGREES NOT TO ASSERT IN ANY SUCH DISPUTE, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY CLAIM THAT (A) SUCH PARTY IS NOT PERSONALLY SUBJECT TO THE JURISDICTION OF SUCH COURTS; (B) SUCH PARTY AND SUCH PARTY'S PROPERTY IS IMMUNE FROM ANY LEGAL PROCESS ISSUED BY SUCH COURTS OR (C) ANY LITIGATION COMMENCED IN SUCH COURTS IS BROUGHT IN AN INCONVENIENT FORUM.

SECTION 8.10 Amendment. This Agreement may be amended by the parties hereto at any time before the Effective Time; provided, however, that, after approval of the Merger by the stockholders of the Company, no amendment may be made which would reduce the amount or change the type of consideration into which each share of Company Common Stock will be converted upon consummation of the Merger. This Agreement may not be amended except by an instrument in writing signed by the parties hereto.

SECTION 8.11 Waiver. At any time before the Effective Time, any party hereto may (a) extend the time for the performance of any of the obligations or other acts of the other parties hereto, (b) waive any inaccuracies in the representations and warranties contained herein or in any document delivered pursuant hereto and (c) waive compliance with any of the agreements or conditions contained herein. Any agreement on the part of a party hereto to any such extension or waiver shall be valid only as against such party and only if set forth in an instrument in writing signed by such party. No delay on the part of any party in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any waiver on the part of any party of any right, power or privilege, nor any single or partial exercise of any such right, power or privilege, preclude any further exercise thereof or the exercise of any other such right, power or privilege. The rights and remedies herein provided are cumulative and are not exclusive of any rights or remedies that any party may otherwise have at law or in equity.

SECTION 8.12 Counterparts. This Agreement may be executed in two or more counterparts, and by the different parties hereto in separate counterparts, each of which when executed shall be deemed to be an original but all of which shall constitute one and the same agreement.

SECTION 8.13 Waiver of Jury Trial. EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY THAT MAY ARISE UNDER THIS AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES AND THEREFORE EACH SUCH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT SUCH PARTY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (A) NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER, (B) EACH SUCH PARTY UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (C) EACH SUCH PARTY MAKES THIS WAIVER VOLUNTARILY, AND (D) EACH SUCH PARTY HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 8.13.

SECTION 8.14 Interpretation.

(a) The parties acknowledge and agree that they may pursue judicial remedies at law or equity in the event of a dispute with respect to the interpretation or construction of this Agreement. In the event that an alternative dispute resolution procedure is provided for in any other agreement contemplated hereby, and there is a dispute with respect to the construction or interpretation of such agreement, the dispute resolution procedure provided for in such agreement shall be the procedure that shall apply with respect to the resolution of such dispute.

(b) The table of contents is for convenience of reference only, does not constitute part of this Agreement and shall not be deemed to limit or otherwise affect any of the provisions hereof. Where a reference in this Agreement is made to an Article, Section, Exhibit or Schedule, such reference shall be to an Article, Section of or Exhibit or Schedule to this Agreement unless otherwise indicated. For purposes of this Agreement, the words “hereof,” “herein,” “hereby” and other words of similar import refer to this Agreement as a whole unless otherwise indicated. Whenever the words “include,” “includes” or “including” are used in this Agreement, they shall be deemed to be followed by the words “without limitation.” Whenever the singular is used herein, the same shall include the plural, and whenever the plural is used herein, the same shall include the singular, where appropriate.

(c) No provision of this Agreement will be interpreted in favor of, or against, any party hereto by reason of the extent to which any such party or its counsel participated in the drafting thereof or by reason of the extent to which any such provision is inconsistent with any prior draft hereof or thereof.

SECTION 8.15 Disclosure Generally. Information furnished in any particular Section of the Company Disclosure Schedule or Parent Disclosure Schedule shall be deemed to be included in another Section of the Company Disclosure Schedule or Parent Disclosure Schedule, respectively, and refer to another corresponding section of this Agreement, only to the extent that a matter in such Section of the Company Disclosure Schedule or Parent Disclosure Schedule (as applicable) is disclosed in such a way as to make its relevance to the information called for by such other Section of this Agreement readily apparent on its face.

SECTION 8.16 No Third Party Beneficiaries. Except for (i) the rights of the Indemnified Parties pursuant to Section 5.11 and (ii) as provided in Section 5.12 with respect to certain directors, officers, and employees of the Company and its Subsidiaries, Parent and the Company hereby agree that their respective representations, warranties and covenants set forth herein are solely for the benefit of the other party hereto, in accordance with and subject to the terms of this Agreement and this Agreement is not intended to, and does not, confer upon any

Person other than the parties hereto any rights or remedies hereunder, including, without limitation, the right to rely upon the representations and warranties set forth herein. The representations and warranties in this Agreement are the product of negotiations among the parties hereto and are for the sole benefit of the parties hereto. Any inaccuracies in such representations and warranties are subject to waiver by the parties hereto in accordance with Section 8.11 without notice or liability to any other Person. In some instances, the representations and warranties in this Agreement may represent an allocation among the parties hereto of risks associated with particular matters regardless of the knowledge of any of the parties hereto. Consequently, Persons other than the parties hereto may not rely upon the representations and warranties in this Agreement as characterizations of actual facts or circumstances as of the date of this Agreement or as of any other date.

SECTION 8.17 No Recourse. This Agreement may only be enforced against, and any claims or causes of action that may be based upon, arise out of or relate to this Agreement, or the negotiation, execution or performance of this Agreement may only be made against the entities that are expressly identified as parties hereto, and no past, present or future affiliate, director, officer, employee, incorporator, member, manager, partner, shareholder, agent, attorney or representative of any party hereto shall have any liability for any obligations or liabilities of the parties to this Agreement or for any claim based on, in respect of, or by reason of, the transactions contemplated hereby.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, each of Parent, Merger Sub and the Company has caused this Agreement to be duly executed and delivered by its respective duly authorized officer, all as of the date first above written.

INTERNATIONAL ASSETS HOLDING CORPORATION

By: /s/ SEAN O'CONNOR
Name: **Sean O'Connor**
Title: **Chief Executive Officer**

INTERNATIONAL ASSETS ACQUISITION CORP.

By: /s/ SEAN O'CONNOR
Name: **Sean O'Connor**
Title: **President**

FCSTONE GROUP, INC.

By: /s/ PAUL G. ANDERSON
Name: **Paul G. Anderson**
Title: **Chief Executive Officer**

ANNEX B

STOCK OPTION AGREEMENT

Annex B

THE TRANSFER OF THIS AGREEMENT IS SUBJECT TO CERTAIN RESTRICTIONS CONTAINED HEREIN AND TO RESALE RESTRICTIONS UNDER THE SECURITIES ACT OF 1933, AS AMENDED

STOCK OPTION AGREEMENT

THIS STOCK OPTION AGREEMENT, dated as of July 1, 2009 (this "Agreement"), is made by and between FCSTONE GROUP, INC., a Delaware corporation ("Issuer"), and INTERNATIONAL ASSETS HOLDING CORPORATION, a Delaware corporation ("Grantee").

WHEREAS, Issuer, Grantee and International Assets Acquisition Corp., a Delaware corporation ("Merger Sub"), are concurrently herewith entering into an Agreement and Plan of Merger, dated as of the date hereof (the "Merger Agreement"), pursuant to which Issuer will be merged with Merger Sub, with Issuer being the surviving corporation (the "Merger"); and

WHEREAS, as a condition and inducement to Grantee's execution of the Merger Agreement, Grantee has required that Issuer agree, and Issuer has agreed, to grant Grantee the Option (as defined herein).

NOW, THEREFORE, in consideration of the foregoing and the respective representations, warranties, covenants and agreements set forth herein and in the Merger Agreement, and intending to be legally bound hereby, Issuer and Grantee agree as follows:

1. Defined Terms.

(a) Capitalized terms which are used but not defined herein shall have the meanings ascribed to such terms in the Merger Agreement.

(b) The term "person" shall have the meaning specified in Sections 3(a)(9) and 13(d)(3) of the Exchange Act.

2. Grant of Option. Issuer hereby grants to Grantee an irrevocable option (the "Option") to purchase, subject to the terms and conditions set forth herein, up to 5,558,107 shares (as adjusted as set forth herein, the "Option Shares") of common stock, par value $0.0001 per share, of Issuer (the "Issuer Common Stock") at a purchase price per Option Share (as adjusted as set forth herein, the "Purchase Price") of $4.15; provided that in no event shall the number of Option Shares for which this Option is exercisable exceed 19.9% of the issued and outstanding shares of Issuer Common Stock without giving effect to any shares subject to or issued pursuant to the Option. Issuer shall make proper provision so that each Option Share issued upon exercise of the Option shall be accompanied by the applicable number of rights or other benefits as may be provided in any Issuer rights agreement or similar agreement that may be adopted after the date hereof.

3. Exercise of Option.

(a) Grantee may exercise the Option, in whole or in part, at any time and from time to time following the occurrence of a Purchase Event (as defined in Section 3(b)) on or after the date hereof; provided that the Option shall terminate and be of no further force or effect upon the earliest to occur of (A) the Effective Time, (B) termination of the Merger Agreement in accordance with the terms thereof so long as, in the case of this clause (B), such termination did not result in a Purchase Event pursuant to Section 3(b)(ii)(A), (B), (C) or (E) of this Agreement and such termination did not occur after a Person shall have made a Company Acquisition Proposal described in Section 3(b)(ii)(D)(I), (C) twelve months after the termination of the Merger Agreement if a Person shall have made a Company Acquisition Proposal described in Section 3(b)(ii)(D)(I) and no Company Acquisition shall have been consummated and no definitive agreement with respect to any Company Acquisition shall have been entered into, and (D) the date which is

six months after the occurrence of a Purchase Event; and provided, further, that any purchase of shares upon exercise of the Option shall be subject to compliance with applicable law; and provided, further, that Grantee shall have sent the written notice of such exercise (as provided in Section 3(d)) within six months following such Purchase Event. Notwithstanding the termination of the Option, Grantee shall be entitled to purchase those Option Shares with respect to which it has exercised the Option in accordance herewith prior to the termination of the Option. The termination of the Option shall not affect any rights hereunder which by their terms extend beyond the date of such termination.

(b) As used herein, a "Purchase Event" means any of the following events:

(i) prior to the termination of the Merger Agreement, any person (other than Grantee or any Subsidiary of Grantee) shall have acquired beneficial ownership (as such term is defined in Rule 13d-3 promulgated under the Exchange Act) of or the right to acquire beneficial ownership of, or any group (as such term is defined in Section 13(d)(3) of the Exchange Act), other than a group of which Grantee or any Subsidiary of Grantee is a member, shall have been formed which beneficially owns or has the right to acquire beneficial ownership of, shares of Issuer Common Stock or other voting securities representing 20% or more of the voting power of Issuer; or

(ii)(A) the Issuer terminates the Merger Agreement pursuant to Section 7.1(k) thereof, (B) the Grantee terminates the Merger Agreement pursuant to Section 7.1(h) thereof, (C) any Person shall have made a Company Acquisition Proposal during the term of the Merger Agreement which proposal has been publicly disclosed and not withdrawn prior to the Company Stockholders' Meeting and thereafter the Merger Agreement is terminated by any party pursuant to Section 7.1(f) thereof, (D) (I) any Person shall have made a Company Acquisition Proposal during the term of the Merger Agreement which proposal has been publicly disclosed and not withdrawn prior to the termination of the Merger Agreement and the Merger Agreement is terminated by any party pursuant such Section 7.1(b) and (II) within twelve months after the termination of the Merger Agreement, any Company Acquisition shall have been consummated or a definitive agreement with respect to any Company Acquisition shall have been entered into, or (E) the Parent terminates the Merger Agreement pursuant to Section 7.1 (e), due to the Issuer's willful breach of or willful failure to perform its obligations under any covenant contained in the Merger Agreement.

(c) Issuer shall notify Grantee promptly in writing of the occurrence of any Purchase Event described in Section 3(b)(i) or Section 3(b)(ii)(C) or (D) of this Agreement, it being understood that the giving of such notice by Issuer shall not be a condition to the right of Grantee to exercise the Option.

(d) In the event Grantee wishes to exercise the Option, Grantee shall give Issuer written notice (the date of which is herein referred to as the "Notice Date") specifying (i) the total number of Option Shares it intends to purchase pursuant to such exercise and (ii) a place and date not earlier than three business days nor later than 60 business days from the Notice Date for the closing (the "Closing") of such purchase (the date of such Closing, the "Closing Date"); provided that if the Closing cannot be consummated by reason of any applicable law, rule, regulation or order or the need to obtain any necessary approvals or consents of applicable Governmental Entities, the period of time that otherwise would run pursuant to this sentence shall run instead from the date on which such restriction on consummation has expired or been terminated; and provided, further, without limiting the foregoing, that if prior notification or application to, approval of or authorization by any Governmental Entity is required in connection with such purchase, Issuer shall use its reasonable best efforts to cooperate with Grantee in the prompt filing of the required notice or application for approval or authorization, and the Closing shall occur immediately following the date on which such approvals have been obtained and any required notification or waiting periods have expired.

(e) In the event Grantee receives official notice that an approval or consent of any Governmental Entity required for the purchase of Option Shares will not be issued or granted, Grantee shall be entitled to exercise the Option in connection with the resale of Issuer Common Stock or other securities pursuant to a registration statement as provided in Section 10 to the extent permitted by applicable law. The provisions of this Section 3 and Section 4 shall apply with appropriate adjustments to any such exercise.

4. Payment and Delivery of Certificates.

(a) On each Closing Date, Grantee shall (i) pay to Issuer, in immediately available funds by wire transfer to a bank account designated by Issuer (provided that the failure or refusal of Issuer to designate a bank account shall not preclude Grantee from exercising the Option), an amount equal to the Purchase Price multiplied by the number of Option Shares to be purchased on such Closing Date, and (ii) present and surrender this Agreement to Issuer at the address of Issuer specified in Section 13(f).

(b) At each Closing, simultaneously with the delivery of immediately available funds and surrender of this Agreement as provided in Section 4(a), (i) Issuer shall deliver to Grantee (A) a certificate or certificates representing the Option Shares to be purchased at such Closing, which Option Shares shall be fully paid, validly issued and non-assessable, free and clear of all liens, claims, charges, security interests or other encumbrances ("*Liens*") other than those created by the express terms of this Agreement, and subject to no preemptive or other similar rights, and (B) if the Option is exercised in part only, an executed new agreement with the same terms as this Agreement evidencing the right to purchase the balance of the shares of Issuer Common Stock purchasable hereunder, and (ii) Grantee shall deliver to Issuer a letter agreeing that Grantee shall not offer to sell or otherwise dispose of such Option Shares in violation of applicable federal and state securities laws or of the provisions of this Agreement.

(c) In addition to any other legend that is required by applicable law, certificates for the Option Shares delivered at each Closing shall be endorsed with a restrictive legend which shall read substantially as follows:

THE TRANSFER OF THE SHARES REPRESENTED BY THIS CERTIFICATE IS SUBJECT TO RESALE RESTRICTIONS ARISING UNDER THE SECURITIES ACT OF 1933, AS AMENDED.

(d) It is understood and agreed that the above legend shall be removed by delivery of substitute certificate(s) without such legend if such Option Shares have been registered pursuant to the Securities Act, such Option Shares have been sold in reliance on and in accordance with Rule 144 under the Securities Act or Grantee shall have delivered to Issuer a copy of a letter from the staff of the SEC, or an opinion of counsel in form and substance reasonably satisfactory to Issuer and its counsel, to the effect that such legend is not required for purposes of the Securities Act.

(e) Upon the giving by Grantee to Issuer of the written notice of exercise of the Option provided for under Section 3(d), the tender of the applicable Purchase Price in immediately available funds and the tender of this Agreement to Issuer, Grantee shall be deemed to be the holder of record of the shares of Issuer Common Stock issuable upon such exercise, regardless of whether the stock transfer books of Issuer are then closed or certificates representing such shares of Issuer Common Stock are then actually delivered to Grantee. Issuer shall pay all expenses, and any and all federal, foreign, state, and local taxes and other charges, that may be payable in connection with the preparation, issuance and delivery of stock certificates under this Section 4(d) in the name of Grantee or its assignee, transferee, or designee.

(f) Issuer agrees (i) that it shall at all times maintain, free from Liens and preemptive or similar rights, sufficient authorized but unissued or treasury shares of Issuer Common Stock so that the Option may be exercised without additional authorization of Issuer Common Stock after giving effect to all other options, warrants, convertible securities and other rights to purchase Issuer Common Stock then outstanding, (ii) that it will not, by charter amendment or through reorganization, recapitalization, consolidation, merger, dissolution, liquidation, spin-off, sale of assets or similar transaction, or by any other voluntary act, avoid or seek to avoid the observance or performance of any of the covenants, agreements, stipulations or conditions to be observed or performed hereunder by Issuer, and (iii) that it will promptly take all action as may from time to time be required (including (A) complying with all premerger notification, reporting and waiting period requirements and (B) in the event prior approval or authorization of or notice or application to any Governmental Entity is necessary before the Option may be exercised, cooperating fully with Grantee in preparing such applications or notices and providing such information to such Governmental Entities as may be required) in order to permit Grantee to exercise the Option and Issuer to duly and effectively issue shares of Issuer Common Stock pursuant hereto on a timely basis.

5. Representations and Warranties of Issuer. Issuer hereby represents and warrants to Grantee as follows:

(a) Corporate Authority. Issuer has full corporate power and authority to execute and deliver this Agreement and to consummate the transactions contemplated hereby; the execution and delivery of this Agreement and, subject to receiving any necessary approvals or consents from Governmental Entities, the consummation of the transactions contemplated hereby have been duly and validly authorized by the Board of Directors of Issuer, and no other corporate proceedings on the part of Issuer are necessary to authorize this Agreement or to consummate the transactions so contemplated; this Agreement has been duly and validly executed and delivered by Issuer and (assuming due authorization, execution and delivery by Grantee) constitutes a valid and binding obligation of Issuer, enforceable against Issuer in accordance with its terms, except that (i) such enforcement may be subject to applicable bankruptcy, insolvency, fraudulent conveyance, moratorium or other similar laws, now or hereinafter in effect, affecting creditors' rights generally, and (ii) the remedy of specific performance and injunctive and other forms of equitable relief may be subject to equitable defenses and to the discretion of the court before which any proceeding therefor may be brought.

(b) Shares Reserved for Issuance; Capital Stock. Issuer has taken all necessary corporate action to authorize and reserve and permit it to issue, and at all times from the date hereof through the termination of this Agreement in accordance with its terms, will have reserved for issuance, upon the exercise of the Option, that number of shares of Issuer Common Stock equal to the maximum number of shares of Issuer Common Stock and other shares and securities which are at any time and from time to time purchasable upon exercise of the Option, and all such shares and other securities, upon issuance pursuant to the Option, will be duly authorized, validly issued, fully paid and non-assessable, and will be delivered free and clear of all Liens (other than those created by the express terms of this Agreement) and not subject to any preemptive or other similar rights.

(c) No Violations. The execution, delivery and performance of this Agreement does not and will not, and the consummation by Issuer of any of the transactions contemplated hereby will not, constitute or result in (A) a breach or violation of, or a default under, its certificate of incorporation or by-laws, or the comparable governing instruments of any of its Subsidiaries, or (B) a breach or violation of, or a default under, any agreement, lease, contract, note, mortgage, indenture, arrangement or other obligation of it or any of its Subsidiaries (with or without the giving of notice, the lapse of time or both) or under any law, rule, regulation or order or governmental or non-governmental permit or license to which it or any of its Subsidiaries is subject, that would in any case give any other person the ability to prevent or enjoin Issuer's performance under this Agreement in any material respect.

(d) Board Action. The Board of Directors of Issuer has approved this Agreement and the consummation of the transactions contemplated hereby as required under Section 203 of the DGCL and, to its knowledge, any other applicable state takeover laws so that any such state takeover laws do not and will not apply to this Agreement or any of the transactions contemplated hereby (including the purchase of shares of Issuer Common Stock pursuant to the Option).

(e) No Restrictions. No Delaware law applicable generally to corporations or, to Issuer's knowledge, other takeover statute applicable generally to corporations or similar corporate law and no provision of the certificate of incorporation or by-laws of Issuer or any agreement to which Issuer is a party (i) would or would purport to impose restrictions which might adversely affect or delay the consummation of the transactions contemplated by this Agreement, or (ii) as a result of the consummation of the transactions contemplated by this Agreement, (A) would or would purport to restrict or impair the ability of Grantee to vote or otherwise exercise the rights of a shareholder with respect to securities of Issuer or any of its Subsidiaries that may be acquired or controlled by Grantee or (B) would or would purport to entitle any person to acquire securities of Issuer.

6. Representations and Warranties of Grantee. Grantee hereby represents and warrants to Issuer as follows:

(a) Corporate Authority. Grantee has full corporate power and authority to enter into this Agreement and to consummate the transactions contemplated by this Agreement; the execution and delivery of this Agreement and, subject to obtaining any necessary approvals or consents from Governmental Entities, the consummation of the transactions contemplated hereby have been duly authorized by all necessary corporate action on the part of Grantee; and this Agreement has been duly executed and delivered by Grantee and (assuming due authorization, execution and delivery by Issuer) constitutes a valid and binding obligation of Grantee, enforceable against Grantee in accordance with its terms, except that (i) such enforcement may be subject to applicable bankruptcy, insolvency, fraudulent conveyance, moratorium or other similar laws, now or hereinafter in effect, affecting creditors' rights generally, and (ii) the remedy of specific performance and injunctive and other forms of equitable relief may be subject to equitable defenses and to the discretion of the court before which any proceeding therefor may be brought.

(b) Purchase Not for Distribution. Any Option Shares or other securities acquired by Grantee upon exercise of the Option will not be acquired with a view to the public distribution thereof in violation of any federal or state securities laws and will not be transferred or otherwise disposed of except in a transaction registered or exempt from registration under the Securities Act and any applicable state securities laws.

7. Adjustment upon Changes in Issuer Capitalization, Etc.

(a) In the event of any change from time to time in Issuer Common Stock or any other shares or securities subject to the Option by reason of a stock dividend, subdivision, spinoff, stock split, split-up, merger, consolidation, recapitalization, combination, exchange of shares, or dividend or distribution, other than regular cash dividends, on or in respect of the Issuer Common Stock, the type and number of shares or securities subject to the Option, and the Purchase Price therefor, shall be adjusted appropriately, and proper provision shall be made in the agreements governing such transaction, so that Grantee shall receive, upon exercise of the Option, the number and class of shares or other securities or property that Grantee would have received in respect of Issuer Common Stock if the Option had been exercised immediately prior to such event, or the record date therefor, as applicable. If any additional shares of Issuer Common Stock are issued or otherwise become outstanding after the date of this Agreement (other than pursuant to an event described in the first sentence of this Section 7(a) or upon exercise of the Option or upon the exercise of any stock option issued to an officer, director or employee of Issuer or any of its Subsidiaries pursuant to the Issuer's equity incentive plan that is outstanding as of the date hereof), the number of shares of Issuer Common Stock subject to the Option shall be increased so that, after such issuance, it, together with any shares of Issuer Common Stock previously issued pursuant hereto, equals 19.9% of the number of shares of Issuer Common Stock then issued and outstanding, without giving effect to any shares subject to or issued pursuant to the Option. No provision of this Section 7 shall be deemed to affect or change, or constitute authorization for any violation of, any of the covenants, agreements, representations or warranties in the Merger Agreement.

(b) Without limiting the parties' relative rights, remedies, liabilities and obligations under the Merger Agreement or this Agreement, in the event that, prior to the termination of the Option, Issuer shall enter into an agreement (other than the Merger Agreement)

(i) to consolidate with or merge into any person, other than Grantee or one of its Subsidiaries, and shall not be the continuing or surviving corporation of such consolidation or merger,

(ii) to permit any person, other than Grantee or one of its Subsidiaries, to merge into Issuer and Issuer shall be the continuing or surviving corporation, but, in connection with such merger, the then outstanding shares of Issuer Common Stock shall be changed into or exchanged for another class or series of stock or other securities of Issuer or any other person or cash or any other property, or the outstanding shares of Issuer Common Stock immediately prior to such merger shall, after such merger, represent less than 50% of the outstanding shares and share equivalents having general voting power of the merged company, or

(iii) to sell or otherwise transfer all or substantially all of its assets (or those of its Subsidiaries taken as a whole) in one transaction or a series of related transactions, to any person, other than Grantee or one of its Subsidiaries,

then, and in each such case, the agreement governing such transaction shall make proper provisions so that the Option shall, upon the consummation of any such transaction and upon the terms and conditions set forth herein, be converted into, or exchanged for, an option (the "Substitute Option"), at the election of Grantee, of either (x) the Acquiring Corporation (as hereinafter defined), or (y) any person that controls the Acquiring Corporation (such person being referred to as the "Substitute Option Issuer").

(c) The Substitute Option shall have the same terms as the Option; provided that the exercise price therefor and number of shares subject thereto shall be as set forth in this Section 7 and the repurchase rights relating thereto shall be as set forth in Section 9; provided, further, that if a Purchase Event shall have occurred prior to or in connection with the issuance of such Substitute Option, the Substitute Option shall be exercisable immediately upon issuance without the occurrence of a further Purchase Event; and provided, further, that if the terms of the Substitute Option cannot, for legal reasons, be the same as the Option, such terms shall be as similar as possible and in no event less advantageous to Grantee. Substitute Option Issuer shall also enter into an agreement with Grantee in substantially the same form as this Agreement, which shall be applicable to the Substitute Option.

(d) The Substitute Option shall be exercisable for such number of shares of Substitute Common Stock (as hereinafter defined) as is equal to the Market/Offer Price (as hereinafter defined) multiplied by the number of shares of Issuer Common Stock for which the Option was theretofore exercisable, divided by the Average Price (as hereinafter defined). The exercise price of the Substitute Option per share of Substitute Common Stock (the "Substitute Option Price") shall then be equal to the Purchase Price multiplied by a fraction in which the numerator is the number of shares of Issuer Common Stock for which the Option was theretofore exercisable and the denominator is the number of shares of Substitute Common Stock for which the Substitute Option is exercisable.

(e) The following terms have the meanings indicated:

(i) "Acquiring Corporation" shall mean (x) the continuing or surviving corporation of a consolidation or merger with Issuer (if other than Issuer), or at Grantee's election, any person that controls such surviving corporation, (y) Issuer in a merger in which Issuer is the continuing or surviving person, or (z) the transferee of all or substantially all of Issuer's assets (or of the assets of its Subsidiaries taken as a whole).

(ii) "Market/Offer Price" shall mean the highest of (v) the highest price per share of Issuer Common Stock at which a tender offer or an exchange offer therefor has been made, (w) the highest price per share of Issuer Common Stock to be paid by any third party pursuant to an agreement with Issuer, (x) the price per share of Issuer Common Stock received by holders of Issuer Common Stock in connection with any merger or other business combination transaction described in Section 7(b)(i), 7(b)(ii) or 7(b)(iii), (y) the highest closing price for shares of Issuer Common Stock within the 12-month period immediately preceding the date on which the merger, consolidation, asset sale or other transaction in question is consummated, and (z) in the event of a sale of all or substantially all of Issuer's assets (or those of its Subsidiaries taken as a whole) an amount equal to (I) the sum of the price paid in such sale for such assets and the current market value of the remaining assets of Issuer, as determined by a nationally-recognized independent investment banking firm selected by Grantee, divided by (II) the number of shares of Issuer Common Stock outstanding at such time. In calculating the Market/Offer Price, in the event that a tender offer or an exchange offer is made for Issuer Common Stock or an agreement is entered into involving consideration other than cash, the value of the securities or other property issuable or deliverable in exchange for Issuer Common Stock shall be determined by a nationally-recognized independent investment banking firm selected by Grantee.

(iii) "Average Price" shall mean the average closing sales price per share of a share of Substitute Common Stock quoted on the NASDAQ Stock Market (or if Substitute Common Stock is not quoted on the NASDAQ Stock Market, the highest bid price per share as quoted on the principal trading market on which such shares are traded as reported by a recognized source) for the 12-month period immediately preceding the date of consummation of the consolidation, merger or sale in question; provided that if Issuer is the issuer of the Substitute Option, the Average Price shall be computed with respect to a share of common stock issued by Issuer, by the person merging into Issuer or by any company which controls such person, as Grantee may elect.

(iv) "Substitute Common Stock" shall mean the shares of capital stock (or similar equity interest) with the greatest voting power in respect of the election of directors (or persons similarly responsible for the direction of the business and affairs) of the Substitute Option Issuer.

(f) In no event, pursuant to any of the foregoing paragraphs, shall the Substitute Option be exercisable for more than 19.9% of the shares of Substitute Common Stock outstanding prior to exercise of the Substitute Option. In the event that the Substitute Option would be exercisable for more than 19.9% of the shares of Substitute Common Stock but for the limitation in the first sentence of this Section 7(f), Substitute Option Issuer shall make a cash payment to Grantee equal to the excess of (i) the value of the Substitute Option without giving effect to the limitation in the first sentence of this Section 7(f) over (ii) the value of the Substitute Option after giving effect to the limitation in the first sentence of this Section 7(f). This difference in value shall be determined by a nationally-recognized independent investment banking firm selected by Grantee.

(g) Issuer shall not enter into any transaction described in Section 7(b) unless the Acquiring Corporation and any person that controls the Acquiring Corporation assume in writing all the obligations of Issuer hereunder and take all other actions that may be necessary so that the provisions of this Section 7 are given full force and effect (including, without limitation, any action that may be necessary so that the holders of the other shares of common stock issued by Substitute Option Issuer are not entitled to exercise any rights by reason of the issuance or exercise of the Substitute Option and the shares of Substitute Common Stock are otherwise in no way distinguishable from or have lesser economic value (other than any diminution in value resulting from the fact that the shares of Substitute Common Stock are restricted securities, as defined in Rule 144 under the Securities Act or any successor provision) than other shares of common stock issued by Substitute Option Issuer).

8. Repurchase at the Option of Grantee.

(a) At the request of Grantee at any time commencing upon the first occurrence of a Repurchase Event (as defined in Section 8(c)) and prior to the termination of the Option pursuant to Section 3(a), Issuer (or any successor) shall repurchase from Grantee (x) the Option and (y) all shares of Issuer Common Stock purchased by Grantee pursuant hereto with respect to which Grantee then has beneficial ownership. The date on which Grantee exercises its rights under this Section 8 is referred to as the "Request Date". Such repurchase shall be at an aggregate price (the "Section 8 Repurchase Consideration") equal to the sum of:

(i) the Purchase Price paid by Grantee for each share of Issuer Common Stock acquired pursuant to the Option with respect to which Grantee then has beneficial ownership, multiplied by the number of such shares;

(ii) the excess, if any, of (x) the Market/Offer Price for each share of Issuer Common Stock over (y) the Purchase Price (as adjusted pursuant to Section 7), multiplied by the number of shares of Issuer Common Stock with respect to which the Option has not been exercised; and

(iii) the excess, if any, of the Market/Offer Price over the Purchase Price paid (or, in the case of Option Shares with respect to which the Option has been exercised but the Closing Date has not occurred, payable, as adjusted pursuant to Section 7) by Grantee for each share of Issuer Common Stock with respect to which the Option has been exercised and with respect to which Grantee then has beneficial ownership, multiplied by the number of such shares.

(b) If Grantee exercises its rights under this Section 8, Issuer shall, within 5 business days after the Request Date, pay the Section 8 Repurchase Consideration to Grantee in immediately available funds, and contemporaneously with such payment, Grantee shall surrender to Issuer the Option and the certificates evidencing the shares of Issuer Common Stock purchased thereunder with respect to which Grantee then has beneficial ownership, and Grantee shall warrant that it has sole record and beneficial ownership of such shares and that the same are then free and clear of all Liens. Notwithstanding the foregoing, to the extent that prior notification to or approval of any Governmental Entity is required in connection with the payment of all or any portion of the Section 8 Repurchase Consideration, Grantee shall have the ongoing option to revoke its request for repurchase pursuant to Section 8, in whole or in part, or to require that Issuer deliver from time to time that portion of the Section 8 Repurchase Consideration that it is not then so prohibited from paying and promptly file the required notice or application for approval and expeditiously process the same (and each party shall cooperate with the other in the filing of any such notice or application and the obtaining of any such approval) and the period of time that would otherwise run pursuant to the preceding sentence for the payment of the portion of the Section 8 Repurchase Consideration shall run instead from the date on which, as the case may be, (i) any required notification period has expired or been terminated or (ii) such approval has been obtained and, in either event, any requisite waiting period shall have passed. If any Governmental Entity disapproves of any part of Issuer's proposed repurchase pursuant to this Section 8, Issuer shall promptly give notice of such fact to Grantee. If any Governmental Entity prohibits the repurchase (and Issuer hereby undertakes to use its reasonable best efforts to obtain all required approvals from Governmental Entities to accomplish such repurchase) in part but not in whole, then Grantee shall have the right (i) to revoke the repurchase request or (ii) to the extent permitted by such Governmental Entity, determine whether the repurchase should apply to the Option and/or Option Shares and to what extent to each, and Grantee shall thereupon have the right to exercise the Option as to the number of Option Shares for which the Option was exercisable at the Request Date less the sum of the number of shares covered by the Option in respect of which payment has been made pursuant to Section 8(a)(ii) and the number of shares covered by the portion of the Option (if any) that has been repurchased; whereupon, in the case of clause (ii), Issuer shall promptly (x) deliver to Grantee that portion of the Section 8 Repurchase Consideration that Issuer is not prohibited from delivering and (y) deliver to Grantee, as appropriate, either (A) a new Stock Option Agreement evidencing the right of Grantee to purchase that number of shares of Issuer Common Stock obtained by multiplying the number of shares of Issuer Common Stock for which the surrendered Stock Option Agreement was exercisable at the time of delivery of the notice of repurchase by a fraction, the numerator of which is the Section 8 Repurchase Consideration less the portion thereof theretofore delivered to Grantee and the denominator of which is the Section 8 Repurchase Consideration, or (B) a certificate for the Option Shares it is then so prohibited from repurchasing; provided that if the Option shall have terminated prior to the date of such notice or shall be scheduled to terminate at any time before the expiration of a period ending on the thirtieth business day after such date, Grantee shall nonetheless have the right so to exercise the Option or exercise its rights under this Section 8 until the expiration of such period of 30 business days. Grantee shall notify Issuer of its determination under the preceding sentence within 10 business days of receipt of notice of disapproval of the repurchase.

(c) As used herein, a "Repurchase Event" shall occur if (A) (i) any person (other than Grantee or any Subsidiary of Grantee) shall have acquired beneficial ownership of (as such term is defined in Rule 13d-3 promulgated under the Exchange Act), or the right to acquire beneficial ownership of, or any group shall have been formed which beneficially owns or has the right to acquire beneficial ownership of, 50% or more of the then outstanding shares of Issuer Common Stock or (ii) any of the transactions described in Section 7(b)(i), 7(b)(ii) or 7(b)(iii) has been consummated and (B) a Purchase Event shall have occurred prior to the termination of the Option.

9. Repurchase of Substitute Option.

(a) At the request of Grantee at any time prior to the termination of the Substitute Option as set forth in Section 3(a), Substitute Option Issuer (or any successor) shall repurchase from Grantee (x) the Substitute Option and (y) all shares of Substitute Common Stock purchased by Grantee pursuant hereto with respect to

which Grantee then has beneficial ownership. The date on which Grantee exercises its rights under this Section 9 is referred to as the "Section 9 Request Date". Such repurchase shall be at an aggregate price (the "Section 9 Repurchase Consideration") equal to the sum of:

(i) the purchase price paid by Grantee for each share of Substitute Common Stock acquired pursuant to the Option or Substitute Option with respect to which Grantee then has beneficial ownership, multiplied by the number of such shares;

(ii) the excess, if any, of (x) the Substitute Applicable Price (as hereinafter defined) for each share of Substitute Common Stock over (y) the Substitute Option Price (as adjusted pursuant to Section 7) multiplied by the number of shares of Substitute Common Stock with respect to which the Substitute Option has not been exercised; and

(iii) the excess, if any, of the Substitute Applicable Price over the purchase price paid (or in the case of shares with respect to which the Option or Substitute Option has been exercised but the Closing Date has not occurred, payable) by Grantee for each share of Substitute Common Stock with respect to which the Option or Substitute Option has been exercised and with respect to which Grantee then has beneficial ownership, multiplied by the number of such shares.

(b) If Grantee exercises its rights under this Section 9, Substitute Option Issuer shall, within 5 business days after the Section 9 Request Date, pay the Section 9 Repurchase Consideration to Grantee in immediately available funds, and contemporaneously with such payment, Grantee shall surrender to Substitute Option Issuer the Substitute Option and the certificates evidencing the shares of Substitute Common Stock purchased thereunder with respect to which Grantee then has beneficial ownership, and Grantee shall warrant that it has sole record and beneficial ownership of such shares and that the same are then free and clear of all Liens. Notwithstanding the foregoing, to the extent that prior notification to or approval of any Governmental Entity is required in connection with the payment of all or any portion of the Section 9 Repurchase Consideration, Grantee shall have the ongoing option to revoke its request for repurchase pursuant to Section 9, in whole or in part, or to require that Substitute Option Issuer deliver from time to time that portion of the Section 9 Repurchase Consideration that it is not then so prohibited from paying and promptly file the required notice or application for approval and expeditiously process the same (and each party shall cooperate with the other in the filing of any such notice or application and the obtaining of any such approval) and the period of time that would otherwise run pursuant to the preceding sentence for the payment of the portion of the Section 9 Repurchase Consideration shall run instead from the date on which, as the case may be, (i) any required notification period has expired or been terminated or (ii) such approval has been obtained and, in either event, any requisite waiting period shall have passed. If any Governmental Entity disapproves of any part of Substitute Option Issuer's proposed repurchase pursuant to this Section 9, Substitute Option Issuer shall promptly give notice of such fact to Grantee. If any Governmental Entity prohibits the repurchase (and Substitute Option Issuer hereby undertakes to use its reasonable best efforts to obtain all required approvals from Governmental Entities to accomplish such repurchase) in part but not in whole, then Grantee shall have the right (i) to revoke the repurchase request or (ii) to the extent permitted by such Governmental Entity, determine whether the repurchase should apply to the Substitute Option and/or Option Shares and to what extent to each, and Grantee shall thereupon have the right to exercise the Substitute Option as to the number of Option Shares for which the Substitute Option was exercisable at the Section 9 Request Date less the sum of the number of shares covered by the Substitute Option in respect of which payment has been made pursuant to Section 9(a)(ii) and the number of shares covered by the portion of the Substitute Option (if any) that has been repurchased; whereupon, in the case of clause (ii), Substitute Option Issuer shall promptly (x) deliver to Grantee that portion of the Section 9 Repurchase Consideration that Substitute Option Issuer is not prohibited from delivering and (y) deliver to Grantee, as appropriate, either (A) a new Stock Option Agreement evidencing the right of Grantee to purchase that number of shares of Substitute Common Stock obtained by multiplying the number of shares of Substitute Common Stock for which the surrendered Stock Option Agreement was exercisable at the time of delivery of the notice of repurchase by a fraction, the numerator of which is the Section 9 Repurchase Consideration less the portion thereof theretofore delivered to Grantee and the denominator of

which is the Section 9 Repurchase Consideration or (B) a certificate for the Option Shares it is then so prohibited from repurchasing; provided that if the Substitute Option shall have terminated prior to the date of such notice or shall be scheduled to terminate at any time before the expiration of a period ending on the 30th business day after such date, Grantee shall nonetheless have the right so to exercise the Substitute Option or exercise its rights under Section 9 until the expiration of such period of 30 business days. Grantee shall notify Substitute Option Issuer of its determination under the preceding sentence within 10 business days of receipt of notice of disapproval of the repurchase.

(c) For purposes of this Agreement, the "Substitute Applicable Price" means the highest closing sales price per share of Substitute Common Stock during the six months preceding the Section 9 Request Date.

(d) Following the conversion of the Option into a Substitute Option, all references to "Issuer", "Issuer Common Stock" and "Section 8" contained herein shall also be deemed to be references to "Substitute Option Issuer", "Substitute Common Stock" and "Section 9", respectively.

10. Registration Rights.

(a) Demand Registration Rights. Issuer shall, subject to the conditions of Section 10(c) below, if requested by any Grantee following a Purchase Event that occurs prior to the termination of the Option, including Grantee and any permitted transferee ("Selling Stockholder"), as expeditiously as possible prepare, file and keep current a registration statement under the Securities Act if such registration is necessary in order to permit the sale or other disposition of any or all shares of Issuer Common Stock or other securities that have been acquired by or are issuable to the Selling Stockholder upon exercise of the Option in accordance with the intended method of sale or other disposition stated by the Selling Stockholder in such request, including, without limitation, a "shelf" registration statement under Rule 415 under the Securities Act or any successor provision, and Issuer shall use its best efforts to qualify such shares or other securities for sale under any applicable state securities laws.

(b) Additional Registration Rights. If Issuer at any time after the exercise of the Option proposes to register any shares of Issuer Common Stock under the Securities Act in connection with an underwritten public offering of such Issuer Common Stock, Issuer will promptly give written notice to Grantee of its intention to do so and, upon the written request of any Selling Stockholder given within 30 days after receipt of any such notice (which request shall specify the number of shares of Issuer Common Stock intended to be included in such underwritten public offering by the Selling Stockholder), Issuer will cause all such shares for which a Selling Stockholder requests participation in such registration to be so registered and included in such underwritten public offering; provided, however, that Issuer may elect to not cause any such shares to be so registered (i) if in the reasonable good faith opinion of the underwriters for such offering, the inclusion of all such shares by the Selling Stockholder would materially interfere with the marketing of such offering (in which case Issuer shall register as many shares as possible without materially interfering with the marketing of the offering), or (ii) in the case of a registration solely to implement an employee benefit plan or a registration filed on Form S-4 of the Securities Act or any successor Form. If some but not all the shares of Issuer Common Stock with respect to which Issuer shall have received requests for registration pursuant to this Section 10(b) shall be excluded from such registration, Issuer shall make appropriate allocation of shares to be registered among the Selling Stockholders desiring to register their shares pro rata in the proportion that the number of shares requested to be registered by each such Selling Stockholder bears to the total number of shares requested to be registered by all such Selling Stockholders then desiring to have Issuer Common Stock registered for sale.

(c) Conditions to Required Registration. Issuer shall use its reasonable best efforts to cause each registration statement referred to in Section 10(a) above to become effective and to obtain all consents or waivers of other parties which are required therefor and to keep such registration statement effective as may be reasonably necessary to effect such sale or other disposition; provided, however, that Issuer may delay any registration of Option Shares required pursuant to Section 10(a) above for a period not exceeding 90 days provided Issuer shall in good faith determine that any such registration would adversely affect an

offering of other securities by Issuer then in registration, and Issuer shall not be required to register Option Shares under the Securities Act pursuant to Section 10(a) above:

(i) prior to the earlier of (a) termination of the Merger Agreement pursuant to Article VII thereof and (b) a Purchase Event;

(ii) on more than three occasions;

(iii) within 90 days after the effective date of a registration referred to in Section 10(b) above pursuant to which the Selling Stockholder or Selling Stockholders concerned were afforded the opportunity to register all such shares under the Securities Act and shares were registered to the extent requested;

(iv) unless a request therefor is made to register at least 25% or more of the aggregate number of Option Shares (including shares of Issuer Common Stock and other securities issuable upon exercise of the Option) then outstanding; and

(v) after the first date upon which the aggregate number of Option Shares (including shares of Issuer Common Stock and other securities issuable upon exercise of the Option) then outstanding is less than 1% of the aggregate issued and outstanding shares of Issuer Common Stock.

In addition to the foregoing, Issuer shall not be required to maintain the effectiveness of any registration statement (other than a shelf registration statement referred to in Section 10(a)) after the expiration of three months from the effective date of such registration statement. Issuer shall use its reasonable best efforts to make any filings, and take all steps, under all applicable state securities laws to the extent necessary to permit the sale or other disposition of the Option Shares so registered in accordance with the intended method of distribution for such shares; provided, however, that Issuer shall not be required to consent to general jurisdiction or qualify to do business in any state where it is not otherwise required to so consent to such jurisdiction or to so qualify to do business. If requested by any such Grantee in connection with such registration, Issuer shall become a party to any underwriting agreement relating to the sale of such shares, but only to the extent of obligating itself in respect of representations, warranties, indemnities and other agreements customarily included in secondary offering underwriting agreements. Upon receiving any request under this Section 10 from any Grantee, Issuer agrees to send a copy thereof to any other person known to Issuer to be entitled to registration rights under this Section 10, in each case by promptly mailing the same, postage prepaid, to the address of record of the persons entitled to receive such copies.

(d) Notwithstanding anything else in this Section 10, in lieu of complying with its obligations pursuant to a request made by any Grantee under this Section 10, Issuer may, at its election, repurchase the Option Shares requested to be registered by such Grantee at a purchase price per share equal to the average closing price of such Option Shares during the 10 business days preceding the date on which Issuer gives notice to Grantee of its intention to repurchase such Option Shares (which notice shall be given no later than 15 days after Grantee has given notice to Issuer of its election to exercise its registration rights under Section 10(a) or 10(b)).

(e) Expenses. Except where applicable state law prohibits such payments and except for underwriting discounts or commissions and brokers' fees, Issuer will pay all expenses (including, without limitation, registration fees, qualification fees, blue sky fees and expenses (including the fees and expenses of counsel), legal fees and expenses, including the reasonable fees and expenses of one counsel to the holders whose Option Shares are being registered, printing expenses and the costs of special audits or "cold comfort" letters, expenses of underwriters, excluding discounts and commissions but including liability insurance if Issuer so desires or the underwriters so require, and the reasonable fees and expenses of any necessary special experts) in connection with each registration pursuant to Section 10(a) or 10(b) above (including the related offerings and sales by holders of Option Shares) and all other qualifications, notifications or exemptions pursuant to Section 10(a) or 10(b) above.

(f) Indemnification.

(i) In connection with any registration under Section 10(a) or 10(b) above, Issuer hereby indemnifies the Selling Stockholders, and each underwriter thereof, including each person, if any, who controls such Selling Stockholders or underwriter within the meaning of Section 15 of the Securities Act, and including each director, officer, stockholder, partner, member, employee, representative and agent of any thereof, against all expenses, losses, claims, damages and liabilities caused by any untrue, or alleged untrue, statement of a material fact contained in any registration statement or prospectus or notification or offering circular (including any amendments or supplements thereto) or any preliminary prospectus, or caused by any omission, or alleged omission, to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, except insofar as such expenses, losses, claims, damages or liabilities of such indemnified party are caused by any untrue statement or alleged untrue statement that was included by Issuer in any such registration statement or prospectus or notification or offering circular (including any amendments or supplements thereto) in reliance upon and in conformity with, information furnished in writing to Issuer by such indemnified party expressly for use therein, and Issuer and each person, if any, who controls Issuer within the meaning of Section 15 of the Securities Act, and each director, officer, stockholder, partner, member, employee, representative and agent of Issuer shall be indemnified by such Selling Stockholders, or by such underwriter, as the case may be, for all such expenses, losses, claims, damages and liabilities caused by any untrue, or alleged untrue, statement, that was included by Issuer in any such registration statement or prospectus or notification or offering circular (including any amendments or supplements thereto) in reliance upon, and in conformity with, information furnished in writing to Issuer by such Selling Stockholders or such underwriter, as the case may be, expressly for such use.

(ii) Promptly upon receipt by a party indemnified under this Section 10(e) of notice of the commencement of any action against such indemnified party in respect of which indemnity or reimbursement may be sought against any indemnifying party under this Section 10(e), such indemnified party shall notify the indemnifying party in writing of the commencement of such action, but the failure so to notify the indemnifying party shall not relieve it of any liability which it may otherwise have to any indemnified party under this Section 10(e) unless the failure so to notify the indemnified party results in substantial prejudice thereto. In case notice of commencement of any such action shall be given to the indemnifying party as above provided, the indemnifying party shall be entitled to participate in and, to the extent it may wish, jointly with any other indemnifying party similarly notified, to assume the defense of such action at its own expense, with counsel chosen by it and satisfactory to such indemnified party. The indemnified party shall have the right to employ separate counsel in any such action and participate in the defense thereof, but the fees and expenses of such counsel (other than reasonable costs of investigation) shall be paid by the indemnified party unless (i) the indemnifying party agrees to pay the same, (ii) the indemnifying party fails to assume the defense of such action with counsel satisfactory to the indemnified party, or (iii) the indemnified party has been advised by counsel that one or more legal defenses may be available to the indemnifying party that may be contrary to the interest of the indemnified party, in which case the indemnifying party shall be entitled to assume the defense of such action notwithstanding its obligation to bear fees and expenses of such counsel. No indemnifying party shall be liable for any settlement entered into without its consent, which consent may not be unreasonably withheld.

(iii) If the indemnification provided for in this Section 10(e) is unavailable to a party otherwise entitled to be indemnified in respect of any expenses, losses, claims, damages or liabilities referred to herein, then the indemnifying party, in lieu of indemnifying such party otherwise entitled to be indemnified, shall contribute to the amount paid or payable by such party to be indemnified as a result of such expenses, losses, claims, damages or liabilities in such proportion as is appropriate to reflect the relative benefits received by Issuer, the Selling Stockholders and the underwriters from the offering of the securities and also the relative fault of Issuer, the Selling Stockholders and the underwriters in connection with the statements or omissions which resulted in such expenses, losses, claims, damages

or liabilities, as well as any other relevant equitable considerations. The amount paid or payable by a party as a result of the expenses, losses, claims, damages and liabilities referred to above shall be deemed to include any legal or other fees or expenses reasonably incurred by such party in connection with investigating or defending any action or claim; provided, however, that in no case shall any Selling Stockholder be responsible, in the aggregate, for any amount in excess of the net offering proceeds attributable to its Option Shares included in the offering. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. Any obligation by any Selling Stockholder to indemnify shall be several and not joint with other Selling Stockholders.

(iv) In connection with any registration pursuant to Section 10(a) or 10(b) above, Issuer and each Selling Stockholder (other than Grantee) shall enter into an agreement containing the indemnification provisions of this Section 10(e).

(g) Miscellaneous Reporting. Issuer shall comply with all reporting requirements and will do all such other things as may be necessary to permit the expeditious sale at any time of any Option Shares by the Selling Stockholders thereof in accordance with and to the extent permitted by any rule or regulation promulgated by the SEC from time to time, including, without limitation, Rule 144. Issuer shall at its expense provide the Selling Stockholders with any information necessary in connection with the completion and filing of any reports or forms required to be filed by them under the Securities Act or the Exchange Act, or required pursuant to any state securities laws or the rules of the FINRA or any stock exchange.

(h) Issue Taxes. Issuer will pay all stamp taxes in connection with the issuance and the sale of the Option Shares and in connection with the exercise of the Option, and will save the Selling Stockholders harmless, without limitation as to time, against any and all liabilities with respect to all such taxes.

11. Quotation or Listing. If Issuer Common Stock or any other securities to be acquired in connection with the exercise of the Option are then authorized for quotation or trading or listing on any securities exchange or securities quotation system, Issuer, upon the request of Grantee, will promptly file an application, if required, to authorize for quotation or trading or listing the shares of Issuer Common Stock or any other securities to be acquired upon exercise of the Option on such securities exchange or securities quotation system and will use its reasonable best efforts to obtain approval, if required, of such quotation or listing as soon as practicable.

12. Division of Option. This Agreement (and the Option granted hereby) are exchangeable, without expense, at the option of Grantee, upon presentation and surrender of this Agreement at the principal office of Issuer for other Agreements providing for Options of different denominations entitling the holder thereof to purchase in the aggregate the same number of shares of Issuer Common Stock purchasable hereunder. The terms "Agreement" and "Option" as used herein include any other Stock Option Agreement and related Options for which this Agreement (and the Option granted hereby) may be exchanged. Upon receipt by Issuer of evidence reasonably satisfactory to it of the loss, theft, destruction or mutilation of this Agreement, and (in the case of loss, theft or destruction) of reasonably satisfactory indemnification to protect Issuer from any loss which it may suffer if this Agreement is replaced, and upon surrender and cancellation of this Agreement, if mutilated, Issuer will execute and deliver a new agreement of like tenor and date.

13. Miscellaneous.

(a) Expenses. Except as otherwise provided herein or in the Merger Agreement, each of the parties hereto shall bear and pay all costs and expenses incurred by it or on its behalf in connection with the transactions contemplated hereunder, including, without limitation, fees and expenses of its own financial consultants, investment bankers, accountants and counsel.

(b) Waiver and Amendment. Any provision of this Agreement may be waived at any time by the party that is entitled to the benefits of such provision. This Agreement may not be modified, amended, altered or supplemented except upon the execution and delivery of a written agreement executed by the parties hereto.

The failure of any party to this Agreement to assert any of its rights under this Agreement or otherwise shall not constitute a waiver of such rights. No single or partial exercise of any right, remedy, power or privilege hereunder shall preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. Any waiver shall be effective only in the specific instance and for the specific purpose for which given and shall not constitute a waiver to any subsequent or other exercise of any right, remedy, power or privilege hereunder.

(c) Entire Agreement; No Third-Party Beneficiaries; Severability. This Agreement, together with the Merger Agreement and the other documents and instruments referred to herein and therein, between Grantee and Issuer constitutes the entire agreement and supersedes all prior agreements and understandings, both written and oral, between the parties with respect to the subject matter hereof. This Agreement is not intended to confer upon any person other than the parties hereto (or their respective successors and assigns) (other than any transferees of the Option Shares or any permitted transferee of this Agreement pursuant to Section 13(h)) any rights, remedies, obligations or liabilities hereunder. If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction or Governmental Entity to be invalid, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions of this Agreement shall remain in full force and effect and shall in no way be affected impaired or invalidated. If for any reason such court or Governmental Entity determines that the Option does not permit Grantee to acquire, or does not require Issuer to repurchase, the full number of shares of Issuer Common Stock as provided in Section 2 (as may be adjusted herein), it is the express intention of Issuer to allow Grantee to acquire or to require Issuer to repurchase such lesser number of shares as may be permissible without any amendment or modification hereof.

(d) Governing Law. This Agreement shall be governed and construed in accordance with the laws of the State of Delaware (without giving effect to choice of law principles thereof).

(e) Interpretation. When a reference is made in this Agreement to Sections, such reference shall be to a Section of this Agreement unless otherwise indicated. The descriptive headings contained herein are for convenience of reference only and shall not affect in any way the meaning or interpretation of this Agreement. Whenever the words “include”, “includes” or “including” are used in this Agreement, they shall be deemed to be followed by the words “without limitation”. The words “herein,” “hereof,” “hereunder” and words of similar import shall be deemed to refer to this Agreement as a whole, and not to any particular provision of this Agreement. Any pronoun shall include the corresponding masculine, feminine and neuter forms.

(f) Notices. All notices and other communications hereunder shall be in writing and shall be deemed given if delivered personally, telecopied (with confirmation) or mailed by registered or certified mail (return receipt requested) to the parties at the addresses set forth in the Merger Agreement (or at such other address for a party as shall be specified by like notice).

(g) Counterparts. This Agreement and any amendments hereto may be executed in two counterparts, each of which shall be considered one and the same agreement and shall become effective when both counterparts have been signed, it being understood that both parties need not sign the same counterpart.

(h) Assignment. Neither this Agreement nor any of the rights, interests or obligations hereunder or under the Option shall be assigned by any of the parties hereto (whether by operation of law or otherwise) without the prior written consent of the other party, and any attempt to make any such assignment without such consent shall be null and void, except that Grantee may assign this Agreement to a wholly-owned Subsidiary of Grantee (in which event the term “Grantee” as used herein shall be deemed to refer to such Subsidiary). Subject to the preceding sentence, this Agreement shall be binding upon, inure to the benefit of and be enforceable by the parties and their respective successors and permitted assigns. For the avoidance of doubt, nothing in this paragraph (h) shall prohibit Issuer from engaging in a transaction contemplated by Section 7(b) in accordance with the provisions of Section 7(b), provided that the terms of this Agreement and the Merger Agreement shall remain applicable with respect to any such transaction.

(i) Further Assurances. In the event of any exercise of the Option by Grantee, Issuer and Grantee shall execute and deliver all other documents and instruments and take all other action that may be reasonably necessary in order to consummate the transactions provided for by such exercise.

(j) Submission to Jurisdiction. Each party hereto irrevocably submits to the jurisdiction of the federal and state courts located in the State of Delaware for the purposes of any suit, action or other proceeding arising out of this Agreement or any transaction contemplated hereby. Each party hereto irrevocably and unconditionally waives any objection to the laying of venue of any action, suit or proceeding arising out of this Agreement or the transactions contemplated hereby in the federal and state courts located in the State of Delaware, and hereby further irrevocably and unconditionally waives and agrees not to plead or claim in any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum. Each party hereto further irrevocably consents to the service of process out of any of the aforementioned courts in any such suit, action or other proceeding by the mailing of copies thereof by mail to such party at its address set forth in this Agreement, such service of process to be effective upon acknowledgment of receipt of such registered mail; provided that nothing in this Section shall affect the right of any party to serve legal process in any other manner permitted by law. The consent to jurisdiction set forth in this Section shall not constitute a general consent to service of process in the State of Delaware shall have no effect for any purpose except as provided in this Section. Each party hereto agrees that a final judgment in any such suit, action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.

(k) Enforcement. The parties agree that irreparable damage would occur in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that the parties shall be entitled to an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement in any court as provided in the Section above, this being in addition to any other remedy to which they are entitled at law or in equity.

(l) WAIVER OF JURY TRIAL . EACH OF THE PARTIES HEREBY WAIVES TRIAL BY JURY IN ANY JUDICIAL PROCEEDING INVOLVING, DIRECTLY OR INDIRECTLY, ANY MATTERS (WHETHER SOUNDING IN TORT, CONTRACT OR OTHERWISE) IN ANY WAY ARISING OUT OF, RELATED TO, OR CONNECTED WITH THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

[Remainder of this page intentionally left blank]

IN WITNESS WHEREOF, Issuer and Grantee have caused this Stock Option Agreement to be signed by their respective officers thereunto duly authorized, all as of the day and year first written above.

FCSTONE GROUP, INC.

By: /s/ PAUL G. ANDERSON
Name: **Paul G. Anderson**
Title: **President and Chief Executive officer**

INTERNATIONAL ASSETS HOLDING CORPORATION

By: /s/ SEAN O'CONNOR
Name: **Sean O'Connor**
Title: **Chief Executive Officer**

ANNEX C

SUPPORT AGREEMENT

Annex C

Execution Copy

SUPPORT AGREEMENT

THIS SUPPORT AGREEMENT (this "Agreement"), dated as of July 1, 2009, is by and between FCStone Group, Inc., a Delaware corporation ("FCStone"), and the stockholders of International Assets Holding Corporation, a Delaware corporation ("INTL" or the "Parent"), signatories hereto (collectively with the stockholders of INTL identified on Schedule I hereto which have now or hereafter executed a Joinder Agreement (as defined below), the "Stockholders" and individually, a "Stockholder").

WHEREAS, FCStone, INTL and International Assets Acquisition Corp., a Delaware corporation ("Merger Sub"), have entered into an Agreement and Plan of Merger, dated as of the date hereof (the "Merger Agreement"); and

WHEREAS, each Stockholder is the beneficial owner, for itself or the benefit of certain funds and/or accounts managed by him, of that number of shares of common stock, par value $0.01 per share, of the Parent (the "Shares") set forth below the Stockholder's name on the signature page hereto or to the Joinder Agreement, as applicable (the Shares beneficially owned by such Stockholder, together with any additional Shares of the Parent acquired after the date hereof, being collectively referred to herein as the Stockholder's "Subject Shares"); and

WHEREAS, each Stockholder identified on Schedule I (the "Unbound Stockholders") hereto is an affiliate of one of the Stockholders signatory hereto (the "Bound Stockholders") as identified on Schedule I; and

WHEREAS, as a condition to the willingness of FCStone to enter into the Merger Agreement, and as an inducement to it to do so, the Bound Stockholders have agreed for the benefit of FCStone as set forth in this Agreement;

NOW, THEREFORE, in consideration of the premises and the covenants and agreements contained in this Agreement, the parties hereto hereby severally, and not jointly, agree as follows:

ARTICLE I
VOTING AGREEMENT AND PROXY

Section 1.1 Joinder Agreements

As soon as reasonably practicable, and in no event later than 45 days after the date hereof, each Bound Stockholder shall use his reasonable best efforts to cause the Unbound Stockholders that are identified as affiliates of such Bound Stockholder on Schedule I hereof to execute and deliver a Joinder Agreement in the form (appropriately completed) attached hereto as Annex A (the "Joinder Agreement").

Section 1.2 Agreement to Vote

At any meeting of the holders of the Parent's Shares held prior to the termination of Article I of this Agreement pursuant to Section 2.13 hereof (the "Article I Termination Date"), however called, and at every adjournment or postponement thereof prior to the Article I Termination Date, each Stockholder shall vote or cause to be voted the Subject Shares (a) in favor of (i) the adoption of the Merger Agreement by the Parent, (ii) the merger (the "Merger") and other transactions contemplated by the Merger Agreement, (iii) the amendment and restatement of the certificate of incorporation of Company as contemplated by the Merger Agreement, and (iv) any actions required in furtherance of the Merger and the other transactions contemplated by the Merger Agreement, and (b) against (i) any Parent Acquisition Proposal (as defined in the Merger Agreement), (ii) any proposal for action or agreement that is reasonably likely to result in a breach of any covenant, representation or warranty or any other obligation or agreement of the Parent under the Merger

Agreement or that is reasonably likely to result in any of the conditions to the obligations of the Parent under the Merger Agreement not being fulfilled, or (iii) any other action which could reasonably be expected to impede, interfere with, delay, postpone or adversely affect the transactions contemplated by the Merger Agreement or the likelihood of such transactions being consummated (clauses (a) and (b) together, the "Proxy Matters").

Section 1.3 Proxies and Voting Agreements

Each Stockholder hereby irrevocably and unconditionally revokes any and all previous proxies granted with respect to the Subject Shares with respect to the Proxy Matters. Prior to the Article I Termination Date, each Stockholder agrees not to, directly or indirectly, with respect to the Subject Shares (a) grant any proxies or powers of attorney (other than pursuant to this Agreement and the Merger proxy statement), (b) deposit any of such Shares into any voting trust or (c) enter into any other voting agreement or understanding, in each case relating to the Proxy Matters.

Section 1.4 Transfer of Shares by the Stockholder

Prior to the Article I Termination Date, each Stockholder agrees not to sell, transfer, assign, convey or otherwise dispose of, directly or indirectly, any of the Subject Shares held by the Stockholder to any persons controlling, controlled by or under common control with the Stockholder who do not agree to become bound by the terms of this Agreement or to any other Person for the primary purpose of the circumvention of the obligations under this Agreement.

Section 1.5 Stockholder Representations and Warranties

Each Stockholder represents and warrants to FCStone that (i) the Stockholder has duly authorized, executed and delivered this Agreement and that this Agreement constitutes a valid and binding agreement, (ii) the consummation by the Stockholder of the transactions contemplated hereby will not violate, or require any consent, approval or notice under, any provision of law applicable to the Stockholder, other than notice filings or other information required to be included in filings pursuant to the Securities Exchange Act of 1934, as amended, and, if applicable, filings under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, (iii) there are no outstanding options, warrants or rights to purchase or acquire, or proxies, powers-of-attorney or voting agreements relating to, the Subject Shares, other than this Agreement, (iv) the Shares set forth below the Stockholder's name on the signature page hereto or to the Joinder Agreement, as applicable, constitute all of the securities of the Parent owned of record by the Stockholder on the date hereof and (v) the Stockholder has the present power and right to direct, as to the voting of all of the issued and outstanding Shares set forth below the Stockholder's name on the signature page hereto, or to the Joinder Agreement, as applicable, the record owner thereof as contemplated herein.

ARTICLE II
MISCELLANEOUS

Section 2.1 Further Assurances

From time to time, at the reasonable request of FCStone, each Stockholder shall execute and deliver or cause to be executed and delivered such additional documents and instruments and take all such further action as may be reasonably necessary or desirable under applicable law to consummate the transactions contemplated by this Agreement.

Section 2.2 Specific Performance

Each Stockholder agrees that FCStone would be irreparably damaged if for any reason the Stockholder fails to perform any of its obligations under this Agreement, and that FCStone would not have an adequate remedy at law for money damages in such event. Accordingly, FCStone shall be entitled to seek specific performance and

injunctive and other equitable relief to enforce the performance of this Agreement by the Stockholder. This provision is without prejudice to any other rights that FCStone may have against the Stockholder for any failure to perform its obligations under this Agreement.

Section 2.3 Notices

All notices to be given pursuant hereto shall be given in accordance with Section 8.2 of the Merger Agreement, with the address for the Stockholder as set forth on the signature page hereof.

Section 2.4 Definitions and Interpretation

Capitalized terms that are used but not defined herein shall have the meanings ascribed to them in the Merger Agreement. Section 8.4 of the Merger Agreement shall govern the interpretation hereof.

Section 2.5 Counterparts

This Agreement may be executed in two or more counterparts, all of which shall be considered one and the same agreement.

Section 2.6 Binding Effect and Assignment

This Agreement shall be binding upon and inure to the benefit of the parties hereto, their respective permitted successors and assigns. This Agreement shall not be assignable by either party hereto without the written consent of the other party hereto. Nothing in this Agreement, express or implied, is intended to confer upon any person other than the parties hereto and their respective permitted successors and assigns, any rights, benefits or obligations hereunder. No person other than the parties hereto is an intended beneficiary of this Agreement or any portion hereof.

Section 2.7 Governing Law; Jurisdiction; Waiver of Jury Trial

To the maximum extent permitted by applicable law, the provisions of this Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Delaware, without regard to principles of conflicts of law. Each of the parties hereto agrees that this Agreement involves at least U.S. $100,000 and that this Agreement has been entered into in express reliance upon 6 *Del. C.* § 2708. Each of the parties hereto irrevocably and unconditionally confirms and agrees that it is and shall continue to be (i) subject to the jurisdiction of the courts of the State of Delaware and of the federal courts sitting in the State of Delaware, and (ii) subject to service of process in the State of Delaware. Each party hereto hereby irrevocably and unconditionally (a) consents and submits to the exclusive jurisdiction of any federal or state court located in the State of Delaware (the "Delaware Courts"), including the Delaware Court of Chancery in and for New Castle County, for any actions, suits or proceedings arising out of or relating to this Agreement or the transactions contemplated by this Agreement (and agrees not to commence any litigation relating thereto except in such courts), (b) waives any objection to the laying of venue of any such litigation in the Delaware Courts and agrees not to plead or claim in any Delaware Court that such litigation brought therein has been brought in any inconvenient forum and (c) acknowledges and agrees that any controversy that may arise under this Agreement is likely to involve complicated and difficult issues, and therefore each such party hereby irrevocably and unconditionally waives any right such party may have to a trial by jury in respect of any litigation directly or indirectly arising or relating to this Agreement or the transactions contemplated by this Agreement.

Section 2.8 Entire Agreement; Amendments and Waivers

This Agreement constitutes the entire agreement between the parties hereto pertaining to the subject matter hereof and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, of the parties, and there are no other agreements between the parties in connection with the subject matter hereof

except as set forth specifically herein or contemplated hereby. No supplement, modification or waiver of this Agreement shall be binding unless executed in writing by the party to be bound thereby. The failure of a party to exercise any right or remedy shall not be deemed or constitute a waiver of such right or remedy in the future. No waiver of any of the provisions of this Agreement shall be deemed to or shall constitute a waiver of any other provision hereof (regardless of whether similar), nor shall any such waiver constitute a continuing waiver unless otherwise expressly provided.

Section 2.9 Severability

Whenever possible, each provision or portion of any provision of this Agreement will be interpreted in such manner as to be effective and valid but if any provision or portion of any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability will not affect any other provision or portion of any provision, and this Agreement will be reformed, construed and enforced as if such invalid, illegal or unenforceable provision or portion of any provision had never been contained herein. The parties shall endeavor in good faith negotiations to replace any invalid, illegal or unenforceable provision with a valid provision the effects of which come as close as possible to those of such invalid, illegal or unenforceable provision.

Section 2.10 Attorneys' Fees

If any action at law or in equity is necessary to enforce or interpret the terms of this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees, costs and necessary disbursements, in addition to any other relief to which such party may be entitled.

Section 2.11 Stockholder Capacity

Each Stockholder signs solely in the Stockholder's capacity as the record holder or beneficial owner of the Subject Shares and nothing in this Agreement shall limit or affect any actions taken by the Stockholder in the Stockholder's capacity as an officer or director of the Parent.

Section 2.12 Several Obligations

The obligations of each Stockholder under this Agreement are several and not joint, and no Stockholder shall have any liability for any violation of the terms and conditions of this Agreement by any other Stockholders.

Section 2.13 Termination

This Agreement shall terminate and be of no further force and effect upon the first to occur of (i) the termination of the Merger Agreement in accordance with its terms, (ii) the Effective Time (as defined in the Merger Agreement), or (iii) a Parent Change of Recommendation.

[*Signature Page Follows*]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the day and year first above written.

FCSTONE GROUP, INC.

By: /S/ PAUL G. ANDERSON
Name: **Paul G. Anderson**
Title: **President and Chief Executive Officer**

BOUND STOCKHOLDERS:

SEAN M. O'CONNOR
708 Third Avenue, 7th Floor
New York, New York, 10017

/S/ SEAN M. O'CONNOR
Number of Shares: 248,864 Shares

SCOTT J. BRANCH
708 Third Avenue, 7th Floor
New York, New York, 10017

/S/ SCOTT J. BRANCH
Number of Shares: 534,964 Shares

JOHN RADZIWILL
1st Floor
9 Walton Street
London SW3 2JD

/S/ JOHN RADZIWILL
Number of Shares: 2,909 Shares

Schedule I

UNBOUND STOCKHOLDERS

	Number of Shares
Affiliates of Sean M. O'Connor:	
The St. James Trust	780,434
Affiliates of Scott J. Branch:	
Barbara Branch	367,647
Affiliates of John Radziwill:	
Goldcrown Asset Management Limited	569,853
Humble Trading Limited	272,913
TOTAL:	**1,990,847**

ANNEX A

JOINDER AGREEMENT

The undersigned, [ ] (the "Stockholder"), by execution and delivery of this Joinder Agreement:

1. Acknowledges receipt of a copy of the Support Agreement (the "Support Agreement"), dated as of July , 2009, initially by and among FCStone Group, Inc., a Delaware corporation ("FCStone"), Sean M. O'Connor, Scott J. Branch and John Radziwill. Capitalized terms used herein not otherwise defined herein shall have the meaning given to such terms in the Support Agreement as in effect on the date hereof.

2. In accordance with Section 1.1 of the Support Agreement, agrees to be fully bound by all the terms, restrictions and requirements of the Support Agreement, which hereafter shall be binding upon and inure to the benefit of the Stockholder.

Name:
Number of Shares of INTL:

ANNEX D

OPINION OF HOULIHAN LOKEY HOWARD & ZUKIN FINANCIAL ADVISORS, INC.

July 1, 2009

Board of Directors
International Assets Holding Corporation
220 East Central Parkway, Suite 2060
Altamonte Springs, FL 32701

Dear Members of the Board of Directors:

We understand that International Assets Holding Corporation ("IAHC"), International Assets Acquisition Corp., a wholly owned subsidiary of IAHC ("Sub"), and FCStone Group, Inc. ("FCStone") propose to enter into a Merger Agreement (as defined below) pursuant to which, among other things, Sub will be merged with and into FCStone (the "Transaction") and that, in connection with the Transaction, each issued and outstanding share of common stock, par value $0.0001, of FCStone ("FCStone Common Stock") shall be automatically converted into the right to receive 0.2950 shares (the "Exchange Ratio") of common stock, par value $0.01, of IAHC ("IAHC Common Stock").

You have requested that Houlihan Lokey Howard & Zukin Financial Advisors, Inc. ("Houlihan Lokey") provide an opinion (the "Opinion") as to whether, as of the date hereof, the Exchange Ratio is fair to IAHC from a financial point of view.

In connection with this Opinion, we have made such reviews, analyses and inquiries as we have deemed necessary and appropriate under the circumstances. Among other things, we have:

1. reviewed the following agreements and documents:
    a. Execution Copy of the Agreement and Plan of Merger, dated as of July 1, 2009, by and among IAHC, Merger Sub and FCStone (the "Merger Agreement");
    b. Execution Copy of the Support Agreement, dated as of July 1, 2009, by and among FCStone and Sean M. O'Connor, Scott J. Branch, John Radziwill and certain other affiliated shareholders of IAHC referred to therein;
    c. Form of Stock Option Agreement, dated as of July 1, 2009, by and between FCStone and IAHC; and
    d. Form of Amended and Restated Certificate of Incorporation of IAHC.
2. reviewed certain publicly available business and financial information relating to IAHC and FCStone that we deemed to be relevant;
3. reviewed certain information relating to the historical, current and future operations, financial condition and prospects of IAHC and FCStone made available to us by IAHC and FCStone, including (a) financial projections (and adjustments thereto) prepared by or discussed with the managements of IAHC and FCStone relating to IAHC for the fiscal years ending 2009 through 2011, and relating to FCStone for the fiscal years ending 2009 through 2013, including projections relating to FCStone's underfunded pension obligations, and (b) certain forecasts and estimates of potential cost savings expected to result from the Transaction, as prepared by the management of IAHC (the "Synergies");
4. spoken with certain members of the managements of IAHC and FCStone regarding the respective businesses, operations, financial condition and prospects of IAHC and FCStone, the Transaction and related matters;
5. compared the financial and operating performance of IAHC and FCStone with that of other public companies that we deemed to be relevant;
6. considered the publicly available financial terms of certain transactions that we deemed to be relevant;

7. reviewed the current and historical market prices for IAHC Common Stock and FCStone Common Stock, and the historical market prices and certain financial data of the publicly traded securities of certain other companies that we deemed to be relevant;
8. compared the relative contributions of FCStone and IAHC to certain financial statistics of the combined company on a pro forma basis;
9. reviewed certain potential pro forma financial effects of the Transaction on earnings per share of IAHC; and
10. conducted such other financial studies, analyses and inquiries and considered such other information and factors as we deemed appropriate.

We have relied upon and assumed, without independent verification, the accuracy and completeness of all data, material and other information furnished, or otherwise made available, to us, discussed with or reviewed by us, or publicly available, and do not assume any responsibility with respect to such data, material and other information. In addition, managements of IAHC and FCStone have advised us, and we have assumed, that the financial projections reviewed by us have been reasonably prepared in good faith on bases reflecting the best currently available estimates and judgments of such management as to the future financial results and condition of IAHC and FCStone, including the assumption that each company's outstanding indebtedness will be refinanced on substantially similar terms to its existing indebtedness, and we express no opinion with respect to such projections or the assumptions on which they are based. Furthermore, upon the advice of the management of IAHC, we have assumed that the estimated Synergies reviewed by us have been reasonably prepared in good faith on bases reflecting the best currently available estimates and judgments of the management of IAHC and that the Synergies will be realized in the amounts and the time periods indicated thereby, and we express no opinion with respect to such Synergies or the assumptions on which they are based. We have relied upon and assumed, without independent verification, that there has been no change in the business, assets, liabilities, financial condition, results of operations, cash flows or prospects of IAHC or FCStone since the date of the most recent financial statements provided to us that would be material to our analyses or this Opinion, and that there is no information or any facts that would make any of the information reviewed by us incomplete or misleading. We have not considered any aspect or implication of any transaction to which either of IAHC or FCStone may be a party (other than as specifically described herein with respect to the Transaction). We are not experts in the evaluation of provisions for bad debts and have not independently verified such provisions of FCStone or examined any individual extensions of credit. We assumed, with your consent, that the aggregate provision for bad debts set forth in the financial statements of FCStone are adequate to cover such losses and comply fully with applicable law and regulatory policy as of the date of such financial statements.

With respect to outstanding litigation involving FCStone, we have, at your instruction, relied, without independent verification, solely upon the judgment of the management of IAHC and its counsel as to the outcome of the litigation and its effect on the financial condition and results of operations of FCStone.

We have relied upon and assumed, without independent verification, that (a) the representations and warranties of all parties to the agreements identified in item 1 above and all other related documents and instruments that are referred to therein are true and correct, (b) each party to all such agreements and such other related documents and instruments will fully and timely perform all of the covenants and agreements required to be performed by such party, (c) all conditions to the consummation of the Transaction will be satisfied without waiver thereof, and (d) the Transaction will be consummated in a timely manner in accordance with the terms described in the agreements and documents provided to us, without any amendments or modifications thereto. We have also assumed, with your consent, that the Transaction will be treated as a tax-free transaction. We also have relied upon and assumed, without independent verification, that (i) the Transaction will be consummated in a manner that complies in all respects with all applicable federal and state statutes, rules and regulations, and (ii) all governmental, regulatory, and other consents and approvals necessary for the consummation of the Transaction will be obtained and that no delay, limitations, restrictions or conditions will be imposed or amendments, modifications or waivers made that would result in the disposition of any material portion of the

assets of IAHC or FCStone, or otherwise have an effect on IAHC or FCStone or any expected benefits of the Transaction that would be material to our analyses or this Opinion. In addition, we have relied upon and assumed, without independent verification, that the final forms of any draft documents identified above will not differ in any respect from the drafts of said documents.

Furthermore, in connection with this Opinion, we have not been requested to make, and have not made, any physical inspection or independent appraisal or evaluation of any of the assets, properties or liabilities (fixed, contingent, derivative, off-balance-sheet or otherwise) of IAHC or FCStone or any other party, nor were we provided with any such appraisal or evaluation. We did not estimate, and express no opinion regarding, the liquidation value of any entity. We have undertaken no independent analysis of any potential or actual litigation, regulatory action, possible unasserted claims or other contingent liabilities, to which IAHC or FCStone are or may be a party or are or may be subject, or of any governmental investigation of any possible unasserted claims or other contingent liabilities to which IAHC or FCStone are or may be a party or are or may be subject.

We have not been requested to, and did not, (a) initiate or participate in any discussions or negotiations with, or solicit any indications of interest from, third parties with respect to the Transaction, the assets, businesses or operations of IAHC or any other party, or any alternatives to the Transaction, (b) negotiate the terms of the Transaction, or (c) advise the Board of Directors of IAHC or any other party with respect to alternatives to the Transaction. This Opinion is necessarily based on financial, economic, market and other conditions as in effect on, and the information made available to us as of, the date hereof. We have not undertaken, and are under no obligation, to update, revise, reaffirm or withdraw this Opinion, or otherwise comment on or consider events occurring after the date hereof. We are not expressing any opinion as to what the value of IAHC Common Stock actually will be when issued in connection with the Transaction or the price or range of prices at which IAHC Common Stock or FCStone Common Stock may be purchased or sold at any time.

This Opinion is furnished for the use and benefit of the Board of Directors of IAHC in connection with its consideration of the Transaction and may not be used for any other purpose without our prior written consent. This Opinion should not be construed as creating any fiduciary duty on Houlihan Lokey's part to any party. This Opinion is not intended to be, and does not constitute, a recommendation to the Board of Directors of IAHC, any security holder or any other person as to how to act or vote with respect to any matter relating to the Transaction.

In the ordinary course of business, certain of our affiliates, as well as investment funds in which they may have financial interests, may acquire, hold or sell, long or short positions, or trade or otherwise effect transactions, in debt, equity, and other securities and financial instruments (including loans and other obligations) of, or investments in, IAHC, FCStone or any other party that may be involved in the Transaction and their respective affiliates or any currency or commodity that may be involved in the Transaction.

Houlihan Lokey and certain of its affiliates may provide investment banking, financial advisory and other financial services to IAHC and FCStone and other participants in the Transaction and certain of their respective affiliates in the future, for which Houlihan Lokey and such affiliates may receive compensation.

In addition, we will receive a fee for rendering this Opinion, which is not contingent upon the successful completion of the Transaction. IAHC has agreed to reimburse certain of our expenses and to indemnify us and certain related parties for certain potential liabilities arising out of our engagement.

We have not been requested to opine as to, and this Opinion does not express an opinion as to or otherwise address, among other things: (i) the underlying business decision of IAHC, its respective security holders or any other party to proceed with or effect the Transaction, (ii) the terms of any arrangements, understandings, agreements or documents related to, or the form or any other portion or aspect of, the Transaction or otherwise (other than the Exchange Ratio to the extent expressly specified herein), (iii) the fairness of any portion or aspect of the Transaction to the holders of any class of securities, creditors or other constituencies of IAHC or FCStone, or to any other party, except as expressly set forth in the last sentence of this Opinion, (iv) the relative merits of

the Transaction as compared to any alternative business strategies that might exist for IAHC, FCStone or any other party or the effect of any other transaction in which IAHC, FCStone or any other party might engage, (v) the fairness of any portion or aspect of the Transaction to any one class or group of IAHC's, FCStone's or any other party's security holders vis-à-vis any other class or group of IAHC's, FCStone's or such other party's security holders (including, without limitation, the allocation of any consideration amongst or within such classes or groups of security holders), (vi) whether or not IAHC, FCStone, their respective security holders or any other party is receiving or paying reasonably equivalent value in the Transaction, (vii) the solvency, creditworthiness or fair value of IAHC, FCStone or any other participant in the Transaction under any applicable laws relating to bankruptcy, insolvency, fraudulent conveyance or similar matters, or (viii) the fairness, financial or otherwise, of the amount or nature of any compensation to or consideration payable to or received by any officers, directors or employees of any party to the Transaction, any class of such persons or any other party, relative to the Exchange Ratio or otherwise. Furthermore, no opinion, counsel or interpretation is intended in matters that require legal, regulatory, accounting, insurance, tax or other similar professional advice. It is assumed that such opinions, counsel or interpretations have been or will be obtained from the appropriate professional sources. Furthermore, we have relied, with your consent, on the assessments by IAHC and its advisers, as to all legal, regulatory, accounting, insurance and tax matters with respect to IAHC, FCStone and the Transaction. The issuance of this Opinion was approved by a committee authorized to approve opinions of this nature.

Based upon and subject to the foregoing, and in reliance thereon, it is our opinion that, as of the date hereof, the Exchange Ratio provided for in the Transaction pursuant to the Merger Agreement is fair to IAHC from a financial point of view.

Very truly yours,

HOULIHAN LOKEY HOWARD & ZUKIN FINANCIAL ADVISORS, INC.

ANNEX E

OPINION OF BMO CAPITAL MARKETS CORP.

Annex E

BMO Capital Markets Corp.
115 South LaSalle Street
35th Floor West
Chicago, IL 60603

July 1, 2009

CONFIDENTIAL

Board of Directors
FCStone Group, Inc.
1251 NW Briarcliff Parkway
Kansas City MO 64116

Ladies and Gentlemen:

You have requested that BMO Capital Markets Corp. ("BMOCM" or "we") render an opinion, as investment bankers, as to the fairness, from a financial point of view, to the holders of the outstanding shares of common stock (other than Buyer, Merger Sub and their respective affiliates) (collectively the "Stockholders") of FCStone Group, Inc., a Delaware corporation (the "Company"), of the Exchange Ratio (as defined below) specified in the Agreement and Plan of Merger dated as of June 30, 2009 (the Merger Agreement) by and among International Assets Holding Corp. ("Buyer"), International Assets Acquisition Corp., a wholly-owned subsidiary of Buyer ("Merger Sub") and the Company. Pursuant to the terms of and subject to the conditions set forth in the Merger Agreement, Merger Sub will be merged with and into Company (the "Merger), with the Company surviving the Merger as a wholly-owned subsidiary of Buyer. Upon the effectiveness of the Merger, each outstanding share of common stock, par value $0.0001 per share, of the Company (other than shares held by Buyer, Merger Sub or their respective affiliates ("Buyer Shares") will be converted into 0.2950x of a share of common stock, par value $0.01 per share, of Buyer (the "Exchange Ratio"). For purposes of this opinion, we have reviewed a draft of the Merger Agreement provided to us by the Company on June 30, 2009 and have assumed that the final form of this agreement will not differ in any material respect from the draft Merger Agreement provided to us.

Our opinion does not address the fairness of the consideration to be paid to Buyer, Merger Sub or any of their respective affiliates in respect of any Buyer Shares. We have assumed that all of the conditions to the Merger will be satisfied and that the Merger and related transactions will be consummated on the terms reflected in the Merger Agreement, without waiver or amendment thereof.

In arriving at our opinion set forth below, we have, among other things:

(1) reviewed the draft Merger Agreement;

(2) reviewed the Company's Form 10-K and related financial information included therein for the fiscal years ended August 31, 2008, and August 31, 2007, and the Company's 10-Q for the quarter ended February 28, 2009, in addition to selected unaudited financial information for the quarter ending May 31;

(3) reviewed Buyer's Form 10-K and related financial information included therein for the fiscal years ended September 30, 2008 and September 30, 2007, and the Company's 10-Q for the quarter ended March 31, 2009;

(4) reviewed certain financial and operating information relating to the business, earnings, cash flow, assets, liabilities and prospects of the Company and Buyer, including estimated synergies, furnished to us by the Company and Buyer;

(5) conducted discussions with members of senior management of the Company and Buyer concerning their respective operations, financial condition and prospects;

(6) reviewed the relative contribution of earnings, cash flow, equity, and equity values of the Company and Buyer to the resulting entity;

(7) reviewed historical stock prices of the common stock of the Company and Buyer;

(8) reviewed the pro forma impact of the Merger on the Company, based on assumptions relating to transaction expenses, purchase accounting assumptions and cost savings determined by senior management of the Company and Buyer;

(9) performed discounted cash flow analyses for the Company and Buyer; and

(10) reviewed such other financial studies and performed such other analyses and investigations and took into account such other matters as we deemed appropriate.

In rendering our opinion, we have assumed and relied upon the accuracy and completeness of all information supplied or otherwise made available to us by the Company, Buyer or their representatives or advisors or obtained by us from other sources. We have not independently verified (nor assumed any obligation to verify) any such information, undertaken an independent valuation or appraisal of the assets or liabilities (contingent or otherwise) of the Company or Buyer, nor have we been furnished with any such valuation or appraisal. We have not evaluated the solvency or fair value of the Company or Buyer under any state or federal laws relating to bankruptcy, insolvency or similar matters. With respect to financial projections, including estimated synergies, for the Company and Buyer, we have been advised by the Company and Buyer, and we have assumed, without independent investigation, that they have been reasonably prepared and reflect the best currently available estimates and good faith judgments of senior management of the Company and Buyer of the expected future competitive, operating and regulatory environments and related financial performance of the Company and Buyer. We express no opinion with respect to such projections, including estimated synergies, or the assumptions on which they are based. Furthermore, we have not assumed any obligation to conduct, and have not conducted, any physical inspection of the properties or facilities of the Company or Buyer.

Our opinion is necessarily based upon financial, economic, market and other conditions and circumstances as they exist and can be evaluated, and the information made available to us, as of the date hereof. We disclaim any undertakings or obligations to advise any person of any change in any fact or matter affecting the opinion which may come or be brought to our attention after the date of the opinion.

Our opinion does not constitute a recommendation as to any action the Board of Directors of the Company or any stockholder of the Company should take in connection with the Merger or any aspect thereof and is not a recommendation to any person on how such person should vote with respect to the Merger or related transactions and proposals. Our opinion relates solely to the fairness, from a financial point of view, to the Stockholders of the Exchange Ratio. We express no opinion herein as to the relative merits of the Merger and any other transactions or business strategies discussed by the Board of Directors of the Company as alternatives to the Merger or the decision of the Board of Directors of the Company to proceed with the Merger, nor do we express any opinion on the structure, terms or effect of any other aspect of the Merger or the other transactions contemplated by the Merger Agreement. We are not experts in, and this opinion does not address, any of the legal, tax or accounting aspects of the proposed transaction, including, without limitation, whether or not the transactions contemplated by the Merger Agreement constitute a change of control under any contract or agreement to which the Company, Buyer or any of their respective subsidiaries is a party. We have relied solely on the Company’s legal, tax and accounting advisors for such matters.

We will receive a fee for rendering this opinion, which fee will not be contingent on the completion of the Merger. In addition, BMOCM has acted as financial advisor to the Company with respect to the Merger and will receive a fee for such services, a substantial portion of which fee payable to BMOCM is contingent upon the successful completion of the Merger.

In addition, the Company has agreed to indemnify us against certain liabilities arising out of our engagement. BMOCM, as part of its investment banking business, is continually engaged in the valuation of businesses and their securities in connection with mergers and acquisitions, negotiated underwritings, competitive biddings, secondary distributions of listed and unlisted securities, private placements and valuations for estate, corporate and other purposes. We are providing, and have in the past provided, certain investment banking services to the Company or its affiliates, and certain of our affiliates are providing, and may have in the past provided, corporate banking services to the Company, or its affiliates from time to time, and we or our affiliates may provide investment and corporate banking services to the Company, Buyer and their respective affiliates in the future for which we or they may have received or will receive customary fees. In particular, BMOCM was lead underwriter on the Company's April 2007 initial public offering of common stock and a subsequent secondary offering of common stock. Additionally, BMOCM was the Syndication Agent and a lender for the Company's (1) $75 million unsecured, 364 day committed revolver, which replaced a similar $250 million facility for which BMOCM acted in a similar capacity, and (2) $55 million subordinated debt facility. BMOCM provides a full range of financial advisory and securities services and, in the course of its normal trading activities, may from time to time effect transactions and hold securities, including derivative securities, of the Company or its affiliates for its own account and for the accounts of customers.

Our opinion has been approved by a fairness opinion committee of BMOCM. Our opinion has been prepared at the request and solely for the benefit and use of the Board of Directors of the Company in evaluating the fairness, from a financial point of view, to the Stockholders of the Exchange Ratio. Our opinion may not be relied upon by any other person (including, without limitation, any securityholder or creditor of the Company) or used for any other purpose. Our opinion may not be disclosed, in whole or in part, or summarized, excerpted from or otherwise referred to without our prior written consent.

Based upon and subject to the foregoing, it is our opinion, as investment bankers, that as of the date hereof, the Exchange Ratio is fair, from a financial point of view, to the Stockholders.

Very truly yours,

BMO Capital Markets Corp.

ANNEX F

AMENDMENT TO CERTIFICATE OF INCORPORATION OF INTERNATIONAL ASSETS TO INCREASE THE AUTHORIZED NUMBER OF SHARES OF COMMON STOCK

CERTIFICATE OF AMENDMENT TO THE AMENDED AND RESTATED CERTIFICATE OF INCORPORATION OF INTERNATIONAL ASSETS HOLDING CORPORATION

INTERNATIONAL ASSETS HOLDING CORPORATION, a corporation organized and existing under the General Corporation law of the State of Delaware does hereby certify:

ONE: The date of filing the original Certificate of Incorporation of this company with the Secretary of State of the State of Delaware was October 26, 1987.

TWO: The Board of Directors of the Company, acting in accordance with the provisions of Sections 141 and 242 of the General Corporation Law of the State of Delaware, adopted resolutions amending its Amended and Restated Certificate of Incorporation as follows:

Article 4(a) shall be amended to remove the following provisions in their entirety:

"(a) Number and Class of Shares Authorized: Par Value. The Corporation is authorized to issue the following shares of capital stock:

(i) Common Stock. The aggregate number of shares of common stock which the Corporation shall have authority to issue is 17,000,000 with a par value of $0.01 per share.

(ii) Preferred Stock: The aggregate number of shares of preferred Stock which the Corporation shall have the authority to issue is 1,000,000 with a par value of $0.01 per share."

Article 4(a) shall be amended to add the following provisions in their entirety to the existing provisions of Article 4(a):

"(a) Number and Class of Shares Authorized: Par Value. The Corporation is authorized to issue the following shares of capital stock:

(i) Common Stock. The aggregate number of shares of common stock which the Corporation shall have authority to issue is 30,000,000 with a par value of $0.01 per share.

(ii) Preferred Stock: The aggregate number of shares of preferred Stock which the Corporation shall have the authority to issue is 1,000,000 with a par value of $0.01 per share."

THREE: Thereafter, pursuant to a resolution by the Board of Directors of the Corporation, this Certificate of Amendment was submitted to the stockholders of the corporation for their consideration and was duly adopted and approved in accordance with the provisions of Sections 228 and 242 of the General Corporation Law of the State of Delaware at a special meeting of the stockholders.

IN WITNESS WHEREOF, INTERNATIONAL ASSETS HOLDING CORPORATION has caused this CERTIFICATE OF AMENDMENT TO THE AMENDED AND RESTATED CERTIFICATE OF INCORPORATION to be signed by its Chief Executive Officer this [__] day of [_____], 2009.

INTERNATIONAL ASSETS HOLDING CORPORATION

By: _____
Sean O'Connor, its Chief Executive Officer

ANNEX G

AMENDMENT TO CERTIFICATE OF INCORPORATION OF INTERNATIONAL ASSETS TO ESTABLISH A CLASSIFIED BOARD

CERTIFICATE OF AMENDMENT TO THE AMENDED AND RESTATED CERTIFICATE OF INCORPORATION OF INTERNATIONAL ASSETS HOLDING CORPORATION

INTERNATIONAL ASSETS HOLDING CORPORATION, a corporation organized and existing under the General Corporation law of the State of Delaware does hereby certify:

ONE: The date of filing the original Certificate of Incorporation of this company with the Secretary of State of the State of Delaware was October 26, 1987.

TWO: The Board of Directors of the Company, acting in accordance with the provisions of Sections 141 and 242 of the General Corporation Law of the State of Delaware, adopted resolutions amending its Amended and Restated Certificate of Incorporation as follows:

A new Article [__] shall be added that shall provide as follows:

"[__]. Board of Directors.

(a) The number of directors of the Corporation shall be as follows:

(i) The number of directors of the Corporation shall be fixed at thirteen (13) until the first annual meeting of shareholders that occurs after December 31, 2011 (the "2012 Annual Meeting");

(ii) The number of directors of the Corporation shall be reduced to, and fixed at, eleven (11) commencing as of the 2012 Annual Meeting and continuing until the first annual meeting of shareholders that occurs after December 31, 2012 (the "2013 Annual Meeting");

(iii) The number of directors of the Corporation shall be reduced to, and fixed at, nine (9) commencing as of the 2013 Annual Meeting, and shall thereafter be fixed from time to time by resolution of the Board of Directors, provided, however that the number of directors fixed by the Board of Directors shall not be less than five (5) or more than twenty-five (25).

(b) Until the 2013 Annual Meeting, the Board of Directors shall be classified, with respect to the time for which they severally hold office, into three classes, designated as Class I, Class II and Class III. The number of directors in each Class shall be as follows:

(i) Until the 2012 Annual Meeting, Class I shall have four (4) members, Class II shall have four (4) members; and Class III shall have five (5) members;

(ii) Commencing as of the 2012 Annual Meeting and continuing until the 2013 Annual Meeting, Class I shall have four (4) members, Class II shall have four (4) members; and Class III shall have three (3) members.

(c) The members of Class I shall initially serve for a term expiring at the first annual shareholders meeting that occurs after December 31, 2009 (the "2010 Annual Meeting"), and shall thereafter serve for a term expiring at the 2013 Annual Meeting.

(d) The members of Class II shall initially serve for a term expiring at the first annual shareholders meeting that occurs after December 31, 2010 (the "2011 Annual Meeting"), and shall thereafter serve for a term expiring at the 2013 Annual Meeting.

(e) The members of Class III shall initially serve for a term expiring at the 2012 Annual Meeting, and shall thereafter serve for a term expiring at the 2013 Annual Meeting.

(f) Commencing as of the 2013 Annual Meeting, the Board of Directors shall no longer be classified, and directors elected at any annual meeting of shareholders shall serve until the next annual meeting of shareholders and until their respective successors shall be duly elected and qualified or until their respective earlier resignation or removal.

(g) Notwithstanding the foregoing, and except as otherwise required by law, whenever the holders of any one or more series of preferred stock shall have the right, voting separately as a class, to elect one or more directors of the Corporation, the terms of the director or directors elected by such holders shall expire at the next annual meeting of stockholders."

THREE: Thereafter, pursuant to a resolution by the Board of Directors of the Corporation, this Certificate of Amendment was submitted to the stockholders of the corporation for their consideration and was duly adopted and approved in accordance with the provisions of Sections 228 and 242 of the General Corporation Law of the State of Delaware at a special meeting of the stockholders.

IN WITNESS WHEREOF, INTERNATIONAL ASSETS HOLDING CORPORATION has caused this CERTIFICATE OF AMENDMENT TO THE AMENDED AND RESTATED CERTIFICATE OF INCORPORATION to be signed by its Chief Executive Officer this [__] day of [_____], 2009.

INTERNATIONAL ASSETS HOLDING CORPORATION

By: _____
Sean O'Connor, its Chief Executive Officer

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

ITEM 20. INDEMNIFICATION OF DIRECTORS AND OFFICERS

Pursuant to the provisions of Section 145 of the Delaware General Corporation Law, we are required to indemnify any present or former officer or director against expenses reasonably incurred by the officer or director in connection with legal proceedings in which the officer or director becomes involved by reason of being an officer or director if the officer or director is successful in the defense of such proceedings. Section 145 also provides that we may indemnify an officer or director in connection with a proceeding against which he or she is not successful in defending if it is determined that the officer or director acted in good faith and in a manner reasonably believed to be in or not opposed to our best interests, and in the case of a criminal action, if it is determined that the officer or director had no reasonable cause to believe his or her conduct was unlawful. Liabilities for which an officer or director may be indemnified include amounts paid in satisfaction of settlements, judgments, fines and other expenses incurred in connection with such proceedings. In a stockholder derivative action, no indemnification may be paid in respect of any claim, issue or matter as to which the officer or director has been adjudged to be liable to us (except for expenses allowed by a court).

Pursuant to the provisions of Article VII of our bylaws, we are required to indemnify our officers or directors to a greater extent than under the current provisions of Section 145 of the Delaware General Corporation Law. Except with respect to stockholder derivative actions, our bylaws generally state that an officer or director will be indemnified against expenses, judgments, fines and amounts paid in settlement actually and reasonably incurred by the officer or director in connection with any threatened, pending or completed action, suit or proceeding, provided that (i) such officer or director acted in good faith and in a manner he reasonably believed to be in or not opposed to our best interests; and (ii) with respect to criminal actions or proceedings, such officer or director had no reasonable cause to believe his conduct was unlawful. With respect to stockholder derivative actions, our bylaws generally state that an officer or director will be indemnified against expenses actually and reasonably incurred by the officer or director in connection with the defense or settlement of any threatened, pending or completed action or suit provided that such officer or director acted in good faith and in a manner he reasonably believed to be in or not opposed to our best interests, except that no indemnification (except for indemnification allowed by a court) will be made with respect to any claim, issue or matter as to which such officer or director has been adjudged to be liable for negligence or misconduct in the performance of the officers or director’s duty to us. Our bylaws also provide that under certain circumstances, we will advance expenses for the defense of any action for which indemnification may be available.

Additionally, pursuant our certificate of incorporation, a director is not personally liable to us or any of our stockholders for monetary damages for breach of his or her fiduciary duty as a director, except for liability resulting from (i) any breach of the director’s duty of loyalty to us or to our stockholders; (ii) acts or omissions not in good faith or which involve intentional misconduct or knowing violation of law; (iii) violation of Section 174 of the Delaware General Corporation Law, which generally holds directors liable for unlawful dividends, stock purchases or stock redemptions in the event of our dissolution or insolvency; or (iv) any transaction from which the director derived an improper personal benefit.

The indemnification provided by the Delaware General Corporation Law, our certificate of incorporation, and our bylaws is not exclusive of any other rights to which our directors or officers may be entitled. We also carry directors’ and officers’ liability insurance.

ITEM 21. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

The following exhibits are filed with or incorporated by reference in this Registration Statement:

Exhibit No. **Description of Exhibit**

Exhibit Number	Description of Exhibit
2.1	Agreement and Plan of Merger and Reorganization, dated as of July 1, 2009, among International Assets Holding Corporation, International Assets Acquisition Corp., and FCStone Group Inc. (included as Annex A to the joint proxy statement/prospectus).
3.1	Restated Certificate of Incorporation of International Assets Holding Corporation
3.2	Certificate of Amendment to Certificate of Incorporation of International Assets Holding Corporation
3.3	Amended and Restated Bylaws of International Assets, Holding Corporation, as amended (previously filed as Exhibit 3.2 to the Quarterly Report on Form 10-Q filed with the SEC on August 17, 2007, and incorporated herein by reference).
4.1*	FCStone Group, Inc. 2006 Equity Incentive Plan (filed as Exhibit 4.2 to the Registration Statement on Form S-8 filed by FCStone Group, Inc. on June 12, 2006 and incorporated by reference herein).
5.1*	Opinion of Shutts & Bowen LLP regarding the legality of the securities.
8.1*	Opinion of Shutts & Bowen LLP regarding tax matters.
8.2*	Opinion of Stinson Morrison Hecker LLP regarding tax matters.
10.1	Stock Option Agreement dated as of July 1, 2009 between International Assets, Inc. and FCStone Group Inc. (included as Annex B to the joint proxy statement/prospectus).
10.2	Support Agreement July 1, 2008 between FCStone Group Inc. and certain stockholders of International Assets, Holding Corporation (included as Annex C to the joint proxy statement/prospectus).
10.3	Uncommitted Credit Agreement dated as of April 30, 2007 among INTL Commodities Inc., Fortis Capital Corp., and certain Lenders named therein
10.4	Fifth Amendment to Credit Agreement and Agreement Regarding Departing Lenders dated as of June 26, 2009 among INTL Commodities Inc., Fortis Bank SA/NV, Fortis Capital Corp., and certain Lenders named therein
10.5	Amended and Restated Credit Agreement dated as of July 31, 2007 among International Assets Holding Corporation, INTL Commodities, Inc. and Bank of America
10.6	First Amendment to Amended and Restated Credit Agreement dated July 29, 2008 among International Assets Holding Corporation, INTL Commodities, Inc. and Bank of America
10.7	Credit and Security Agreement dated as of December 8, 2006 between INTL Global Currencies Limited and Bank of America
10.8	First Amendment to Credit and Security Agreement dated as of February 29, 2008 between INTL Global Currencies Limited and Bank of America
10.9	Second Amendment to Credit and Security Agreement dated as of July 29, 2008 between INTL Global Currencies Limited and Bank of America

Exhibit Number	Description of Exhibit
21.1	List of Subsidiaries of International Assets Holding Corporation
23.1	Consent of Rothstein Kass & Company, P.C., independent registered public accounting firm, with respect to International Assets Holding Corporation
23.2	Consent of KPMG LLP, independent registered public accounting firm, with respect to FCStone Group, Inc.
23.4*	Consent of Shutts & Bowen LLP (set forth in Exhibit 5.1).
23.5*	Consent of Shutts & Bowen LLP (set forth in Exhibit 8.1).
23.6*	Consent of Stinson Morrison Hecker (set forth in Exhibit 8.2).
24.1	Powers of Attorney (see page II-5 to the Registration Statement on Form S-4)
99.1*	Form of International Assets Proxy.
99.2*	Form of FCStone Proxy.
99.3*	Form of FCStone ESOP Voting Instruction Form
99.4	Consent of Houlihan Lokey Howard & Zukin Financial Advisors, Inc.
99.5	Consent of BMO Capital Markets, Inc.
99.6	Consent of Paul G. Anderson to be named as a director of the combined company.
99.7	Consent of Brent Bunte, to be named as a director of the combined company.
99.8	Consent of Jack Friedman, to be named as a director of the combined company.
99.9	Consent of Daryl Henze, to be named as a director of the combined company.
99.10	Consent of Bruce Krehbiel, to be named as a director of the combined company.
99.11	Consent of Eric Parthemore, to be named as a director of the combined company.

* to be filed by amendment

(1) The exhibits and schedules to this agreement were omitted by International Assets. International Assets. agrees to furnish any exhibit or schedule to this agreement supplementally to the Securities and Exchange Commission upon written request.

(2) Management contract or compensatory plan or arrangement

ITEM 22. UNDERTAKINGS

The undersigned Registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(i) To include any prospectus required by Section 10(a)(3) of the Securities Act of 1933;

(ii) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Securities and Exchange Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than a 20% change in the maximum aggregate offering price set forth in the “Calculation of Registration Fee” table in the effective registration statement;

(iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement;

(2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof;

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering;

(4) That, prior to any public reoffering of the securities registered hereunder through use of a prospectus which is a part of this registration statement, by any person or party who is deemed to be an underwriter within the meaning of Rule 145(c), the issuer undertakes that such reoffering prospectus will contain the information called for by the applicable registration form with respect to reofferings by persons who may be deemed underwriters, in addition to the information called for by the other Items of the applicable form;

(5) That every prospectus (i) that is filed pursuant to paragraph (4) immediately preceding, or (ii) that purports to meet the requirements of Section 10(a)(3) of the Securities Act of 1933 and is used in connection with an offering of securities subject to Rule 415, will be filed as a part of an amendment to the registration statement and will not be used until such amendment is effective, and that, for purposes of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof; and

(6) To supply by means of a post-effective amendment all information concerning a transaction, and the company being acquired involved therein, that was not the subject of and included in the registration statement when it became effective.

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the Registrant pursuant to the foregoing provisions, or otherwise, the Registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of New York, State of New York, on July 27, 2009.

INTERNATIONAL ASSETS HOLDING CORPORATION

By: /S/ SEAN M. O'CONNOR
Sean M. O'Connor, Chief Executive Officer

KNOW ALL PERSONS BY THESE PRESENTS, that each individual whose signature appears below constitutes and appoints Sean M. O'Connor and Scott J. Branch, and each of them severally, the undersigned's true and lawful attorneys-in-fact and agents with full power of substitution, for the undersigned and in the undersigned's name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this registration statement, and to file the same, with all exhibits thereto and all documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as the undersigned might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or any of them, or his or their substitute or substitutes, may lawfully do or cause to be done by virtue thereof.

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
/S/ SCOTT J. BRANCH **Scott J. Branch**	Director and President	July 27, 2009
/S/ JOHN M. FOWLER **John M. Fowler**	Director	July 27, 2009
/S/ ROBERT A. MILLER **Robert A. Miller**	Director	July 27, 2009
/S/ SEAN M. O'CONNOR **Sean M. O'Connor**	Director and Chief Executive Officer	July 27, 2009
/S/ JOHN RADZIWILL **John Radziwill**	Director	July 27, 2009
/S/ DIEGO J. VEITIA **Diego J. Veitia**	Director and Chairman of the Board	July 27, 2009
/S/ JUSTIN R. WHEELER **Justin R. Wheeler**	Director	July 27, 2009
/S/ BRIAN T. SEPHTON **Brian T. Sephton**	Chief Financial Officer and Treasurer	July 27, 2009

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EXHIBITS INDEX

Exhibit Number	Description of Exhibit
3.1	Restated Certificate of Incorporation of International Assets Holding Corporation
3.2	Certificate of Amendment to Certificate of Incorporation of International Assets Holding Corporation
10.3	Uncommitted Credit Agreement dated as of April 30, 2007 among INTL Commodities Inc., Fortis Capital Corp., and certain Lenders named therein
10.4	Fifth Amendment to Credit Agreement and Agreement Regarding Departing Lenders dated as of June 26, 2009 among INTL Commodities Inc., Fortis Bank SA/NV, Fortis Capital Corp., and certain Lenders named therein
10.5	Amended and Restated Credit Agreement dated as of July 31, 2007 among International Assets Holding Corporation, INTL Commodities, Inc. and Bank of America
10.6	First Amendment to Amended and Restated Credit Agreement dated July 29, 2008 among International Assets Holding Corporation, INTL Commodities, Inc. and Bank of America
10.7	Credit and Security Agreement dated as of December 8, 2006 between INTL Global Currencies Limited and Bank of America
10.8	First Amendment to Credit and Security Agreement dated as of February 29, 2008 between INTL Global Currencies Limited and Bank of America
10.9	Second Amendment to Credit and Security Agreement dated as of July 29, 2008 between INTL Global Currencies Limited and Bank of America
21.1	List of Subsidiaries of International Assets Holding Corporation
23.1	Consent of Rothstein Kass & Company, P.C., independent registered public accounting firm, with respect to International Assets Holding Corporation
23.2	Consent of KPMG LLP, independent registered public accounting firm, with respect to FCStone Group, Inc.
24.1	Powers of Attorney (see page II-5 to the Registration Statement on Form S-4)
99.4	Consent of Houlihan Lokey Howard & Zukin Financial Advisors, Inc.
99.5	Consent of BMO Capital Markets Corp.
99.6	Consent of Paul G. Anderson to be named as a director of the combined company
99.7	Consent of Brent Bunte, to be named as a director of the combined company
99.8	Consent of Jack Friedman, to be named as a director of the combined company
99.9	Consent of Daryl Henze, to be named as a director of the combined company
99.10	Consent of Bruce Krehbiel, to be named as a director of the combined company
99.11	Consent of Eric Parthemore, to be named as a director of the combined company

Exhibit 3.1

RESTATED
CERTIFICATE OF INCORPORATION
OF
INTERNATIONAL ASSETS HOLDING CORPORATION

Under Section 245
of the
General Corporation Law of the State of Delaware

International Assets Holding Corporation (the "Corporation"), does hereby certify under the seal of the Corporation as follows:

First: The name of the Corporation is International Assets Holding Corporation; the Corporation was originally incorporated under this name.

Second: The Certificate of Incorporation of the Corporation was filed with the Secretary of State of the State of Delaware in Dover, Delaware, on the 26th day of October, 1987.

Third: This Restated Certificate of Incorporation was duly adopted in accordance with Section 245 of the General Corporation Law of Delaware and only restates and integrates and does not further amend the provision of the Corporation's Restated Certificate of Incorporation as heretofore restated, amended and supplemented. There is no discrepancy between those provisions and the provisions of this Restated Certificate of Incorporation.

Fourth: The text of the Restated Certificate of Incorporation of the Corporation, as amended, is hereby restated to read in full, as follows:

1. The name of the Corporation is International Assets Holding Corporation.

2. The address of its registered office in the State of Delaware is Corporation Trust Center, 1209 Orange Street, in the City of Wilmington, County of New Castle, Zip Code 19801. The name of its registered agent at such address is the Corporation Trust Company.

3. The nature of the business or purpose to be conducted or promoted is:

To engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of Delaware.

4. Capital Stock.

(a) Number and Class of Shares Authorized; Par Value

This Corporation is authorized to issue the following shares of Capital Stock:

(i) Common Stock. The aggregate number of shares of common Stock which the Corporation shall have Authority to issue is 12,000,000 with a par value of $0.01 per share.

(ii) Preferred Stock: The aggregate number of shares of preferred Stock which the Corporation shall have the authority to issue is 5,000,000 with a par value of $0.01 per share.

(b) Description of Preferred Stock.

The terms, preferences, limitation and relative rights of the Preferred Stock are as follows:

(i) The Board of Directors is expressly authorized at any time and from time to time to provide for the issuance of shares of Preferred Stock in one or more series, with such voting powers, full or limited, but not to exceed one vote per shares, or without voting powers, and with such designations, preferences and relative participating, optional or other special rights, qualifications limitations or restrictions, as shall be fixed and determined in the resolution or resolutions providing for the issuance thereof adopted by the Board of Directors, and as are not stated and expressed in this Certificate of Incorporation or any amendment hereto, including (but without limiting the generality of the foregoing) the following:

(A) The distinctive designation of such series and the number of shares which shall constitute such series, which number may be increased (except where otherwise provided by the Board of Directors in creating such series) or decreased (but not below the number of shares thereof then outstanding) from time to time by resolution of the Board of Directors;

(B) The rate of dividends payable on shares of such series, the time of payment, whether dividends shall be cumulative, the conditions upon which and the date from which such dividends shall be cumulative;

(C) Whether shares of such series can be redeemed, the time or times when, and the price or prices at which shares of such series shall be redeemable, the redemption price, terms and conditions of redemption, and the sinking fund provisions, if any, for the purchase or redemption of such shares;

(D) The amount payable on shares of such series and the rights of holders of such shares in the event of any voluntary or involuntary liquidations, dissolution or winding up of the affairs of the Corporation;

(E) The rights, if any, of the holders of shares of such series to convert such shares into, or exchange such shares for shares of Common Stock or shares of any other class or series of Preferred Stock and the terms and conditions of such conversion or exchange; and

(F) The rights, if any, of the holders of shares of such series to vote.

(ii) Except in respect of the relative rights and preferences that may be provided by the Board of Directors as hereinbefore provided, all shares of Preferred Stock shall be of equal rank and shall be identical, and each share of a series shall be identical in all respect with the other shares of the same series.

5. The Corporation is to have perpetual existence.

6. In furtherance and not in limitation of the powers conferred by statute, the Board of Directors need not be by written ballot unless the be-laws of the Corporation shall so provide.

Meetings of stockholders may be held within or without the State of Delaware, as the by-laws may provide. The books of the Corporation may be kept (subject to any provision contained in the statutes) outside the State of Delaware at such place or places as may be designated from time to time by the Board of Directors or in the by-laws of the Corporation.

7. A vote of at least seventy-five percent (75%) of the shares of common stock is required to remove or change the Chairman of the Board.

8. (a) No director of the Corporation shall be personally liable to the Corporation or any stockholder for monetary damages for breach of fiduciary duty as a director; provided, however, that this provision shall not eliminate or limit the liability of a director (i) for any breach of the director's duty of loyalty to the Corporation or its stockholder, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) for the willful or negligent payment of unlawful dividends or unlawful stock repurchases or redemptions in violation of Section 174 of the Delaware Corporation Law, or (iv) for any transaction from which the director derived an improper personal benefit.

9. The Corporation reserves the right to amend, alter, change or repeal any provision contained in this Certificate of Incorporation, in the manner now or hereafter prescribed by statute, and all rights conferred upon stockholders herein are granted subject to this reservation.

IN WITNESS WHEREOF, the undersigned has executed this Restated Certificate of Incorporation on behalf of the Corporation as of this 2nd day of December, 2005.

International Assets Holding Corporation

By: /s/ Scott J. Branch
Scott J. Branch, President

Exhibit 3.2

STATE OF DELAWARE
CERTIFICATE OF AMENDMENT
OF CERTIFICATE OF INCORPORATION

The corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware does hereby certify:

FIRST: That at a meeting of the Board of Directors of International Assets Holding Corporation resolutions were duly adopted setting forth proposed amendments of the Certificate of Incorporation of said corporation, declaring said amendments to be advisable and calling a meeting of the stockholders of said corporation for consideration thereof. The resolution setting forth the proposed amendments is as follows:

RESOLVED, that the Certificate of Incorporation of this corporation be amended by changing the Article thereof numbered " 4 (a)" so that, as amended, said Article shall be and read as follows:

4. Capital Stock.

(a) Number and Class of Shares Authorized; Par Value

This Corporation is authorized to issue the following shares of Capital Stock:

(i)	Common Stock.	The aggregate number of shares of common Stock which the Corporation shall have Authority to issue is **17,000,000** with a par value of $0.01 per share.
(ii)	Preferred Stock:	The aggregate number of shares of preferred Stock which the Corporation shall have the authority to issue is **1,000,000** with a par value of $0.01 per share.

SECOND: That thereafter, pursuant to resolution of its Board of Directors, a special meeting of the stockholders of said corporation was duly called and held upon notice in accordance with Section 222 of the General Corporation Law of the State of Delaware at which meeting the necessary number of shares as required by statute were voted in favor of the amendment.

THIRD: That said amendment was duly adopted in accordance with the provisions of Section 242 of the General Corporation Law of the State of Delaware.

IN WITNESS WHEREOF, said corporation has caused this certificate to be signed this 28th day of February, 2007.

By: /s/ Nancey M. McMurtry
Title: Corporate Secretary, Vice President
Name: Nancey M. McMurtry

Exhibit 10.3

EXECUTION COPY

UNCOMMITTED CREDIT AGREEMENT

Dated as of April 30, 2007

among

INTL COMMODITIES, INC.,

as Borrower,

FORTIS CAPITAL CORP.
as Administrative Agent and
Sole Lead Arranger,

FORTIS BANK S.A./N.V. NEW YORK BRANCH, as Issuing Bank,

SOCIÉTÉ GÉNÉRALE, as Documentation Agent,

and

CERTAIN LENDERS WHICH MAY BECOME PARTIES HERETO FROM TIME TO TIME

THIS AGREEMENT PROVIDES FOR AN UNCOMMITTED FACILITY WITH A DEMAND FEATURE. ALL ADVANCES AND ISSUANCES OF LETTERS OF CREDIT ARE DISCRETIONARY ON THE PART OF THE LENDERS IN THEIR SOLE AND ABSOLUTE DISCRETION. THE LENDERS MAY MAKE DEMAND FOR PAYMENT AT ANY TIME IN THEIR SOLE AND ABSOLUTE DISCRETION.

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Exhibit E	Form of Borrowing Base Collateral Position Report
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Exhibit G	Form of Notice Of Disapproval of Further Advances and Letters of Credit
Exhibit H	Subordination Agreement
Exhibit I	Form of Notice of Maximum Amount Increase Election
Exhibit J	Form of Tripartite Agreement

UNCOMMITTED CREDIT AGREEMENT

This **UNCOMMITTED CREDIT AGREEMENT** (this "Agreement") is entered into as of April 30, 2007, among **INTL COMMODITIES, INC.,** a Delaware corporation (the "Borrower"), each of the **LENDERS** listed on the signature pages hereof and each other financial institution which may become a party hereto from time to time (individually, a "Lender" and collectively, the "Lenders"), **SOCIÉTÉ GÉNÉRALE,** as Documentation Agent, **FORTIS BANK S.A./N.V. NEW YORK BRANCH,** as Issuing Bank, and **FORTIS CAPITAL CORP.,** a Connecticut corporation, as Sole Lead Arranger and Administrative Agent ("Fortis" and in all such capacities, together with its successors in such capacities, the "Administrative Agent").

WHEREAS, the Administrative Agent, the Issuing Bank and the Lenders desire to enter into this facility to provide an uncommitted revolving credit facility with a letter of credit facility to the Borrower, all as set forth in this Agreement and the Borrower desires that the Lenders provide such financing.

NOW, THEREFORE, in consideration of the mutual agreements, provisions and covenants contained herein, the parties agree as follows:

ARTICLE I
DEFINITIONS

1.01 Certain Defined Terms. The following terms have the following meanings:

"Account" has the meaning stated in the New York Uniform Commercial Code as in effect from time to time.

"Account Debtor" means a Person who is obligated to the Borrower under an Account of the Borrower.

"Acceptable Investment Grade Credit Enhancement" means either, (x) a Standby L/C (in form and substance satisfactory to the Administrative Agent), or (y) credit insurance covering the related counterparty under the terms sold and for no less than the amount due in respect of such sales transaction, in any event ((x) or (y)) issued by an Investment Grade Issuer and in connection with which such Investment Grade Issuer has consented to an assignment of proceeds of such letter of credit or credit insurance to the Administrative Agent or otherwise as to which the Administrative Agent has a perfected security interest in the proceeds thereof for the benefit of the Lenders pursuant to Article 9 of the UCC.

"Acquisition" means any transaction or series of related transactions for the purpose of or resulting, directly or indirectly, in (a) the acquisition of all or substantially all of the assets of a Person, or of any business or division of a Person, (b) the acquisition of in excess of 50% of the capital stock, partnership interests or equity of any Person, or otherwise causing any Person to become a Subsidiary, or (c) a merger or consolidation or any other combination with another Person (other than a Person that is a Subsidiary); provided, however, that the relevant Borrower or the Subsidiary is the surviving entity.

"Adjusted Pro Rata Share" shall have the meaning ascribed to it in the Intercreditor Agreement.

"Administrative Agent" means Fortis in its capacity as administrative agent and collateral agent for the Lenders hereunder, and any successor agent arising under Section 10.09.

"Administrative Agent-Related Persons" means Fortis and any successor agent arising under Section 10.09, together with their respective Affiliates and the officers, directors, employees, agents and attorneys-in-fact of such Persons and Affiliates.

"Administrative Agent's Payment Office" means the address for payments set forth on Schedule 11.02 hereto in relation to Administrative Agent, or such other address as Administrative Agent may from time to time specify.

"Advance Maturity Date" means the maturity date of Revolving Loans made hereunder which will be the earliest to occur of (a) written demand by Administrative Agent (at the request of the Required Lenders), (b) the Expiration Date, or (c) a date not to exceed 180 days from the date such Revolving Loan is made.

"Affiliate" means, as to any Person, any other Person which, directly or indirectly, is in control of, is controlled by, or is under common control with, such Person. A Person shall be deemed to control another Person if the controlling Person possesses, directly or indirectly, the power to direct or cause the direction of the management and policies of the other Person, whether through the ownership of voting securities, by contract, or otherwise.

"Agreement" means this Uncommitted Credit Agreement, as amended from time to time pursuant to the terms hereof.

"Aggregate Amount" means the Effective Amount of all outstanding Revolving Loans plus the Effective Amount of all L/C Obligations.

"Applicable Margin" means, as to each Loan and the Issuance of each Standby L/C, the percentage per annum for each such Loan or for the Standby L/C Fee, as the case may be, determined from the following table and corresponding to the Working Capital Leverage Ratio in effect as of the most recent Calculation Date (as defined below):

Level	Working Capital Leverage Ratio	Applicable Margin
Level III	7.50:1 to 9.00:1	1.875%
Level II	6.00:1 to less than 7.50:1	1.75%
Level I	Below 6.00:1	1.625%

The Applicable Margin shall be determined and adjusted monthly on the date (each a "Calculation Date") five (5) Business Days after the date on which Borrower provides the monthly officer's certificate for each month in accordance with the provisions of Section 7.02(a); provided, however, that (i) the initial Applicable Margin shall be based on Level III (as shown above) and shall remain at Level III until the first Calculation Date following the last day of the first month ending after the Closing Date, and, thereafter, the Level shall be determined by the then current Working Capital Leverage Ratio, and (ii) if Borrower fails to provide the officer's certificate to the Administrative Agent for any month as required by and within the time limits set forth in Section 7.02(a), the Applicable Margin from the applicable date of such failure shall be based on Level III until five (5) Business Days after an appropriate officer's certificate is provided, whereupon the Level shall be determined by the then current Working Capital Leverage Ratio. Except as set forth above, the Applicable Margin shall be effective from one Calculation Date until the next Calculation Date. In the event that (i) any financial statement or certificate required by Section 7.02(a) is shown to be inaccurate, and such inaccuracy, if corrected, would have led to the application of a higher Applicable Margin for any period (an "Applicable Period") than the Applicable Margin applied for such Applicable Period, and (ii) any Uncommitted Line Portions are effective or any Obligations are outstanding when such inaccuracy is discovered: (x) the Borrower shall immediately deliver to the Administrative Agent a corrected certificate for such Applicable Period, (y) the Applicable Margin for such Applicable Period shall be determined by reference to such certificate, and (z) the Borrower shall immediately pay to the Administrative Agent for the ratable benefit of the Lenders the accrued additional interest owing as a result of such increased Applicable Margin for such Applicable Period, which payment shall be promptly applied by the Administrative Agent in accordance with the terms hereof; provided, however, that, if the Borrower fails to deliver such corrected certificate required by clause (x) above, the Applicable Margin shall be based on Level III (as shown above) and shall apply for such Applicable Period.

"Approved Brokerage Accounts" means brokerage accounts maintained by the Borrower with an Eligible Broker for the purpose of allowing the Borrower to engage in the purchase and sale of commodity futures, commodity options, forward or leverage contracts and/or actual or cash commodities, and subject to a fully perfected first priority security interest in favor of Administrative Agent for the benefit of the Lenders (including a tri-party control agreement, acceptable to Lenders).

"Approved Foreign Location" means the UAE, the Republic of Singapore, the Swiss Confederation, the UK and the country of Mexico.

"Approving Lenders" has the meaning set forth in Section 2.13.

"Attorney Costs" means and includes all fees and disbursements of any law firm or other external counsel, the allocated cost of internal legal services and all disbursements of internal counsel.

"Bank Deposit Accounts" means (a) accounts no. 003933344186 and no. 003933344364 in the name of Borrower maintained with Bank of America, N.A. into which collections from the Borrower's Accounts will be deposited pursuant to Section 7.14 below and which are subject to a Deposit Account Control Agreement, and (b) any other account approved by Administrative Agent which is also subject to a Deposit Account Control Agreement.

"Bank of America" means Bank of America, N.A.

"Bankruptcy Code" means the Federal Bankruptcy Reform Act of 1978, as amended (11 U.S.C. § 101, et seq.).

"Base Metals" means aluminum, copper, lead and any other base metal approved in writing by the Required Lenders from time to time.

"Base Rate" means, for any day, the higher of: (a) 0.50% per annum above the latest Federal Funds Rate; or (b) the per annum rate of interest established by Fortis Bank S.A./N.V. from time to time at its principal office in New York City as its "prime rate" or "base rate" for United States Dollar loans (with any change on such "prime rate" or "base rate" to become effective as and when such "prime rate" or "base rate" changes). (The "prime rate" or "base rate" is a rate set by Fortis Bank S.A./N.V. based upon various factors including Fortis Bank S.A./N.V.'s costs and desired return, general economic conditions and other factors, and is used as a reference point for pricing some loans, which may be priced at, above, or below such announced rate.)

"Base Rate Loan" means any Loan bearing interest based upon the Base Rate.

"Borrower" means INTL Commodities, Inc., a Delaware corporation.

"Borrower's NY Security Agreement" means a security agreement, in form and substance acceptable to Administrative Agent and the Lenders, duly executed by the Borrower and delivered to the Administrative Agent, for the benefit of the Secured Parties (as defined therein), granting to Administrative Agent, as collateral agent for the Secured Parties, a first and prior security interest in and Lien upon all Collateral under New York law, subject to Permitted Liens.

"Borrower's Singapore Pledge Agreement" means a Deed in form and substance acceptable to Administrative Agent and the Lenders, duly executed by the Borrower and delivered to Administrative Agent, for the benefit of the Lenders, granting to Administrative Agent a pledge on the Borrower's inventory of Products under Singapore law, subject to Permitted Liens.

"Borrower's UAE Pledge Agreement" means a Pledge Agreement in form and substance acceptable to Administrative Agent and the Lenders, duly executed by the Borrower and delivered to Administrative Agent, for the benefit of the Lenders, granting to Administrative Agent a pledge on the Borrower's inventory of Products under the laws of the UAE, subject to Permitted Liens.

"Borrower's UK Security Agreement" means an Assignment of Account (with respect to each account in which inventory is being held in the United Kingdom), in form and substance acceptable to Administrative Agent and the Lenders, duly executed by the Borrower and delivered to Administrative Agent, for the benefit of the Lenders, granting to Administrative Agent a first and prior security interest in and Lien upon the Borrower's inventory of Products under the laws of the United Kingdom, subject to Permitted Liens.

"Borrowing" means a borrowing hereunder consisting of Revolving Loans made to the Borrower on the same day by the Lenders under Article II.

"Borrowing Base Advance Cap" means at any time an amount equal to the lesser of:

(a) the Maximum Amount; and

(b) the sum of:

(i) 100% of Eligible Cash Collateral; plus

(ii) 95% of the value of Eligible Warrantable Inventory; plus

(iii) 90% of the value of equity (net liquidity value) in Approved Brokerage Accounts; plus

(iv) 90% of the value of Tier I Accounts; plus

(v) 90% of the value of Eligible Precious Metals Inventory; plus

(vi) 85% of the value of Eligible Base Metals Inventory; plus

(vii) 85% of the value of Eligible Other Precious Metals Inventory; plus

(viii) 85% of the value of Tier II Accounts; plus

(ix) 85% of the value of Contingent Inventory; plus

(x) 80% of the value of Eligible Supplier Advances; plus

(xi) 80% of the value of JV Eligible Accounts Receivable; plus

(xii) 75% of the value of Eligible Other Metals Inventory; plus

(xiii) 90% of the value of any mark to market exposure of the Swap Banks to the Borrower under Swap Contracts as reported by the Swap Banks, after taking into account any netting in accordance with industry standards, if positive; less

(xiv) 110% of the value of any mark to market exposure of the Borrower to the Swap Banks under Swap Contracts as reported by the Swap Banks, after taking into account any netting in accordance with industry standards, if negative.

In no event shall any amounts described in (b)(i) through (b)(xii) above which may fall into more than one of such categories be counted more than once when making the calculation under subsection (b) of this definition.

As a condition precedent to the inclusion of any Collateral located in a jurisdiction other than the UAE, the Republic of Singapore and the UK in the Borrowing Base Advance Cap, (i) the Borrower shall have obtained the prior written consent of all Lenders as to such jurisdiction, and (ii) the Borrower shall have delivered to the Administrative Agent and the Lenders (x) an executed security agreement and/or other documentation requested by counsel to the Administrative Agent in its discretion as may be necessary or advisable to perfect a first priority security interest (or the equivalent under local law) of the Administrative Agent for the benefit of the Lenders in the related Collateral located in such jurisdiction (including, without limitation, with respect to inventory located in Mexico, a floating lien *(Prenda)* under Mexican law, and with respect to inventory located in Switzerland, a pledge agreement under Swiss law); (y) executed financing statements or other registrations of pledge which may be requested by counsel to the Administrative Agent in form ready for filing in all relevant recording offices; and (z) an opinion or opinions of counsel to the Borrower (or, if the Administrative Agent shall agree, counsel to the Administrative Agent) licensed to practice in said jurisdiction opining as to the attachment and perfection of the related security interest and any other matters reasonably requested by Administrative Agent and its counsel.

For the purposes of calculating the Borrowing Base Advance Cap hereunder, the value of Products located in the UAE shall not exceed $50,000,000 in the aggregate, before application of the applicable advance rate.

"Borrowing Base Collateral Position Report" means a report detailing all Collateral which has been or is being used in determining availability for a Loan or Letter of Credit issuance under the Borrowing Base Line, such report to be in the form attached hereto as Exhibit E, which shall have attached thereto schedules, all in form and substance acceptable to the Lenders, showing (a) Cash Collateral and cash reconciliations, (b) Eligible Inventory with additional back-up information on location, price and quantity, (c) Tier I and Tier II Eligible Accounts Receivable (net of offsets, counterclaims or other applicable deductions as provided in the definition of "Eligible Accounts Receivable" herein) and agings thereof, (d) the amount of any mark to market exposure to the Swap Banks whether positive or negative, (e) summary pages of equity statements relating to all Approved Brokerage Accounts, and (f) price risk position statements.

"Borrowing Base Line" means the uncommitted line of credit (a) to finance working capital requirements related to Product activities; (b) to provide for Letters of Credit as described hereunder; and (c) to fund payments due to any Swap Bank under a Swap Contract.

"Borrowing Date" means any date on which a Borrowing occurs under Section 2.03.

"Business Day" means any day other than a Saturday, Sunday or other day on which commercial banks in New York, New York are authorized, or required, by law to close.

"Capital Adequacy Regulation" means any guideline, request or directive of any central bank or other Governmental Authority, or any other law, rule or regulation, whether or not having the force of law, in each case, regarding capital adequacy of any Lender or of any corporation controlling a Lender.

"Capital Stock" means capital stock, equity interest or other obligations or securities of, or any interest in, any Person.

"Cash Collateral" means currency issued by the United States and Marketable Securities which have been Cash Collateralized for the benefit of the Lenders or the Swap Banks, as applicable.

"Cash Collateralize" means to pledge and deposit with or deliver to Bank of America, for the benefit of Administrative Agent, the Issuing Bank and the Lenders, Cash Collateral as collateral for the Obligations pursuant to documentation in form and substance satisfactory to Administrative Agent and the Lenders. The Borrower hereby grants Administrative Agent, for the benefit of Administrative Agent, the Issuing Bank and the Lenders, a security interest in all such Cash Collateral to secure the Obligations. Cash Collateral consisting of cash shall be maintained in the Bank Deposit Accounts.

"Change of Control" means the sale, pledge, hypothecation, assignment or other transfer, whether direct or indirect, of more than twenty percent (20%) of the Capital Stock or other ownership rights in the Borrower to any entity (including any sale, pledge, hypothecation, assignment or other transfer by Parent of the Capital Stock or other ownership rights in any Person owning, directly or indirectly, more than twenty percent (20%) of the Capital Stock or other ownership rights in the Borrower) without the prior written consent of all of the Lenders.

"Close-out Amount" shall have the meaning ascribed to it in the Intercreditor Agreement.

"Closing Date" means the date on which all conditions precedent set forth in Section 5.01 are satisfied or waived in writing by all Lenders.

"Code" means the Internal Revenue Code of 1986, and regulations promulgated thereunder.

"Collateral" means all assets of the Borrower including, without limitation, all accounts, equipment, chattel paper, inventory, Product in transit, instruments, contract rights, the Bank Deposit Accounts, Borrower's operating account, stock, partnership interests, and general intangibles, whether presently existing or hereafter acquired or created and the proceeds thereof.

"Collateral Agent" means Fortis and/or any of its Affiliates, as applicable.

"Collateral Position" means, at any time, the valuation of all assets relating to, and the determination of the total availability under, the Borrowing Base Advance Cap.

"Compliance Certificate" means a certificate, in form attached hereto as Exhibit C, whereby the Borrower certifies that it is in compliance with this Agreement.

"Contingent Inventory" means an amount equal to the undrawn and available Face Amount of any outstanding letter of credit issued in connection with the physical purchase of Products by the Borrower, which Products have not yet been delivered to the Borrower, minus the value (determined by means of a commercially reasonable method agreed to by the Borrower and the Administrative Agent) of any costs or other liabilities incurred under such letter of credit for the purchase of the related Products; provided, that while the applicable supplier has title to such Products, such Products are not included as Eligible Inventory, but upon delivery to the Borrower, (i) such Products shall qualify as Eligible Inventory, (ii) the Borrower shall have the absolute and unqualified right to obtain such Products from the applicable supplier, and (iii) the Borrower's right in such Products shall be subject to the Lender's valid, perfected first priority security interest. The collateral value resulting from the calculation hereof shall not be duplicative of amounts included in the calculation of any other Borrowing Base line item for any reason.

"Contingent Obligation" means, as to any Person, any direct or indirect liability of that Person, whether or not contingent, with or without recourse, (a) with respect to any Indebtedness, lease, dividend, letter of credit or other obligation of another Person (which obligations and Person are referred to herein as the "primary obligation" and the "primary obligor," respectively), including any obligation of that Person (i) to purchase, repurchase or otherwise acquire such primary obligations or any security therefore, (ii) to advance or provide funds for the payment or discharge of any such primary obligation, or to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency or any balance sheet item, level of income or financial condition of the primary obligor, (iii) to purchase property, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation, or (iv) otherwise to assure or hold harmless the holder of any such primary obligation against loss in respect thereof (each, a "Guaranty Obligation"); (b) with respect to any Surety Instrument (other than any Letter of Credit) issued for the account of that Person or as to which that Person is otherwise liable for reimbursement of drawings or payments; or (c) to purchase any materials, supplies or other property from, or to obtain the services of, another Person if the relevant contract or other related document or obligation requires that payment for such materials, supplies or other property, or for such services, shall be made regardless of whether delivery of such materials, supplies or other property is ever made or tendered, or such services are ever performed or tendered; or (d) in respect of any swap contract, including Swap Contracts.

"Contractual Obligation" means, as to any Person, any provision of any security issued by such Person or of any agreement, undertaking, contract, indenture, mortgage, deed of trust or other instrument, document or agreement to which such Person is a party or by which it or any of its property is bound.

"Conversion/Continuation Date" means any date on which, under Section 2.04, the Borrower (a) converts Loans of one Type to another Type, or (b) continues such Loans as Loans of the same Type, but with a new Interest Period.

"Conversion to Reduced Funding Lenders Date" has the meaning specified in Section 2.13.

"Credit Extension" means and includes (a) the making of any Loans hereunder, and (b) the Issuance of any Letters of Credit hereunder.

"Credit Limit" means the maximum amount of Accounts, in the aggregate, owing by a Person to the Borrower which may be treated as Eligible Accounts Receivable with respect to such Person, as indicated on the approved account list as agreed to by the Lenders from time to time, which list on the Closing Date shall be set forth on Schedule A attached hereto. Schedule A shall be deemed amended without further action immediately upon the Lenders' approval in writing of any revisions thereto.

"Current Assets" means those assets of the Borrower and its consolidated Subsidiaries which would in accordance with GAAP be classified as current assets of a corporation conducting a business the same as or similar to the businesses of the Borrower and its consolidated Subsidiaries.

"Current Liabilities" means Indebtedness of the Borrower and its consolidated Subsidiaries which would in accordance with GAAP be classified as current liabilities of a corporation conducting a business the same as or similar to the businesses of the Borrower and its consolidated Subsidiaries.

"Declining Lender" has the meaning specified in Section 2.13 and "Declining Lenders" means all Lenders that are a Declining Lender.

"Default" means any event or circumstance which, with the giving of notice, the lapse of time, or both, would constitute an Event of Default.

"Default Rate" has the meaning specified in Subsection 2.07(a).

"Deposit Account Control Agreements" means (a) the Deposit Account Control Agreement dated April 30, 2007, among Administrative Agent, Borrower and Bank of America, N.A., and (b) any other Deposit Account Control Agreement pertaining to a Bank Deposit Account.

"Documentary L/C" means a Letter of Credit with a tenor of up to one hundred and eighty (180) days, the proceeds of which are intended at the time of Issuance to be used to pay the purchase price in connection with a purchase of Product, and for which the underlying payment obligation of the Issuing Bank is conditioned upon the presentation to the Issuing Bank of certain documents listed in such Letter of Credit.

"Effective Amount" means (a) with respect to any Loans on any date, the aggregate outstanding principal amount thereof after giving effect to any Borrowings and prepayments or repayments of Loans occurring on such date; and (b) with respect to any outstanding L/C Obligations on any date, the amount of such L/C Obligations on such date after giving effect to any Issuances of Letters of Credit occurring on such date and any other changes in the aggregate amount of the L/C Obligations as of such date, including changes as a result of expiration or cancellation, any amendments, reimbursements of outstanding unpaid drawings under any Letters of Credit or any reductions in the maximum amount available for drawing under Letters of Credit taking effect on such date.

"Eligible Accounts Receivable" means, at the time of any determination thereof, each of the Borrower's Accounts as to which the following requirements have been fulfilled to the satisfaction of the Required Lenders:

(a) Such Account either (i) (x) is the result of a sale of Product to a Tier I Account Party, Tier II Account Party or is a JV Eligible Account Receivable, or (y) is secured by an Acceptable Investment Grade Credit Enhancement or by credit insurance in amounts and from an insurance provider acceptable to the Required Lenders (or after the Conversion to Reduced Funding Lenders Date, all Approving Lenders), and (ii) when added to the outstanding Accounts owing by any one Account Debtor, is for an amount less than the applicable Credit Limit for such Account Debtor as listed on Schedule A hereto;

(b) Borrower has lawful and absolute title to such Account;

(c) Such Account is a valid, legally enforceable obligation of the Person who is obligated under such Account for goods actually delivered to such Account Debtor in the ordinary course of the Borrower's business;

(d) Such Account shall have excluded therefrom any portion that is subject to any dispute, offset, counterclaim reduction, adjustment, contra account or other claim or defense on the part of the Account Debtor or to any claim on the part of the Account Debtor denying liability under such Account and any portion representing sales, excise, use or similar taxes; provided, however, that in the event that the portion that is subject to any such dispute, counterclaim or other claim or defense is secured with a letter of credit issued by an Investment Grade Issuer, such portion secured by the letter of credit shall not be excluded;

(e) Such Account is not evidenced by any chattel paper, promissory note or other instrument;

(f) Such Account is subject to a perfected first priority security interest (or properly filed and acknowledged assignment, in the case of U.S. government contracts, if any) in favor of Administrative Agent pursuant to the Loan Documents, prior to the rights of, and enforceable as such against, any other Person, and such Account is not subject to any security interest or Lien in favor of any Person other than the Liens of the Lenders pursuant to the Loan Documents;

(g) Such Account shall have excluded therefrom any portion which is not payable in United States Dollars;

(h) Such Account has been in existence (i) for 10 days or less from the date of issuance of the related invoice if relating to Precious Metals (except as specified on Schedule A hereto), or (ii) for 90 days or less from the date of issuance of the related invoice if relating to Base Metals, provided that invoices relating to Base Metals shall not have a due date more than 60 days from the date of issuance and the Account shall not be more than 30 days past due;

(i) No Account Debtor in respect of such Account is an Affiliate of the Borrower (except for the Joint Venture);

(j) No Account Debtor in respect of such Account is incorporated in or primarily conducting business in any jurisdiction outside of the U.S., the UK, Malaysia (only with respect to the Account Debtor listed on Schedule A hereto) or the UAE (only with respect to the Joint Venture), unless such Account Debtor and the Account is approved in writing by all Lenders (or after the Conversion to Reduced Funding Lenders Date, all Approving Lenders);

(k) No Account Debtor, or guarantor of such Account Debtor's Obligations with respect to such Account, in respect of such Account (i) is insolvent, or generally fails to pay, or admits in writing its inability to pay its debts as they become due, whether at stated maturity or otherwise, or (ii) commences any Insolvency Proceeding with respect to itself; or (iii) has had an Insolvency Proceeding commenced or filed against it;

(l) The Account Debtor of such Account shall not be a Governmental Authority unless all actions required under the Assignment of Claims Act of 1940, as amended, if any, applicable to such Account and such Governmental Authority shall have been taken to approve and permit the assignment of rights to payment thereunder or thereon to the Administrative Agent for the benefit of the Lenders, under the Borrower's NY Security Agreement;

provided, that the amount of Accounts owing by an Account Debtor to the Borrower (excluding Accounts described in paragraph (a)(ii) above relating to Accounts secured by letters of credit) which may be treated as Eligible Accounts Receivable may not exceed the Credit Limit for such Account Debtor.

For purposes of applying the above requirements for determining an Eligible Account Receivable, if the Administrative Agent requests the approval of a Lender to treat an Account as an Eligible Account Receivable, and such Lender does not respond to Administrative Agent within five (5) Business Days of the receipt of such written request, such Lender shall be deemed to have approved the treatment of the Account as an Eligible Account Receivable.

"Eligible Assignee" means (a) a commercial bank organized under the laws of the United States, or any state thereof, and having a combined capital and surplus of at least $100,000,000.00; (b) a commercial bank organized under the laws of any other country which is a member of the Organization for Economic Cooperation and Development (the "OECD"), or a political subdivision of any such country, and having a combined capital and surplus of at least $100,000,000.00; provided, however, that such bank is acting through a branch or agency located in the United States; (c) a Person that is primarily engaged in the business of commercial lending and that is (i) a Subsidiary of a Lender (or bank referred to in the preceding clauses (a) or (b)), (ii) a Subsidiary of a Person of which a Lender (or bank referred to in the preceding clauses (a) or (b)), is a Subsidiary, or (iii) a Person of which a Lender (or bank referred to in the preceding clauses (a) or (b)) is a Subsidiary; and (d) any Person upon which Administrative Agent and Borrower have agreed (except that the Borrower's consent shall not be required if an Event of Default has occurred and is continuing) may serve as an Eligible Assignee.

"Eligible Base Metals Inventory" means Eligible Inventory consisting of Base Metals, that (i) has been hedged pursuant to a commodities contract relating to a commodities account that is subject to a tripartite agreement between the Borrower, the Administrative Agent and an

Eligible Broker in form and substance acceptable to the Administrative Agent granting a first priority perfected security interest in the underlying account to the Administrative Agent for the benefit of the Lenders, or (ii) is subject to a valid forward sale contract to a purchaser reasonably acceptable to the Administrative Agent.

"Eligible Broker" means any broker approved in writing by Administrative Agent and all the Lenders.

"Eligible Cash Collateral" means Cash Collateral and other liquid investments which are acceptable to the Lenders in their sole discretion and which are subject to a first priority perfected security interest in favor of the Administrative Agent, as collateral agent for the Lenders, but which shall not include Cash Collateral in which a Lien has been granted by the Borrower in order to secure the margin requirements of a swap contract permitted under Section 8.06(b).

"Eligible Commodities Futures Accounts" means an account or accounts with an Eligible Broker in which the Administrative Agent is granted a first and prior security interest as Administrative Agent for the Lenders pursuant to Hedging Assignments which security interest is subject only to the rights of the Eligible Broker under such accounts.

"Eligible Inventory" means, at the time of determination thereof, all of the Borrower's inventory of Products stored in facilities located in the U.S. or in an Approved Foreign Location (and provided all the Lenders must have approved all facility owners) valued at current market (as referenced by a published source acceptable to all Lenders or after the Conversion to Reduced Funding Lenders Date, all Approving Lenders in their sole discretion) (except with respect to Eligible Other Metals Inventory and Eligible Other Precious Metals Inventory which shall be valued at the lower of cost and market), and in all instances as to which the following requirements have been fulfilled to the satisfaction of the Required Lenders:

(a) The inventory is owned by the Borrower and the Borrower has good, valid and marketable title free and clear of all Liens in favor of third parties, except Liens permitted under clauses (b), (c) and (d) of Section 8.01 hereof;

(b) The inventory has not been identified to deliveries with the result that a buyer would have rights to the inventory that would be superior to Administrative Agent's security interest for the benefit of the Lenders, nor shall such inventory have become the subject of a customer's ownership or Lien;

(c) The inventory is in transit in the U.S. or in an Approved Foreign Location under the control and ownership of the Borrower or a document of title has been issued in accordance with clause (d) of this definition, if such inventory is in the hands of a third party carrier or is located in the U.S. or in an Approved Foreign Location, or at such other place as has been specifically agreed to in writing by all Lenders (or after the Conversion to Reduced Funding Lenders Date, all Approving Lenders) and the Borrower and, if such inventory is located in an Approved Foreign Location, the Administrative Agent and the Lenders shall have obtained documentation (including pledge or security agreements, any required filings, and legal opinions of local counsel to the extent requested) acceptable to them reflecting that the equivalent of a first priority perfected security interest and Lien has been obtained in respect of such inventory in favor of the Administrative Agent for the benefit of the Lenders;

(d) None of such inventory is evidenced by bills of lading or other documents of title, whether negotiable or non-negotiable, unless such negotiable document of title has been issued and duly negotiated to the Borrower, the Administrative Agent or to order, blank endorsed, and in possession of the Borrower or the Administrative Agent, or such non-negotiable document of title has been issued in the name of and delivered to the Borrower or the Administrative Agent, and, in each case, the issuer is acceptable to the Administrative Agent;

(e) If the inventory is located in a storage facility in an Approved Foreign Location or on consignment with a customer of Borrower, such facility or customer, as the case may be, together with the related storage or consignment agreement, must be acceptable to each Lender in its sole discretion, and for all storage facilities or customer consignees, the Borrower shall have furnished to Administrative Agent a signed letter in form and substance satisfactory to Administrative Agent addressed to each owner of a storage facility or customer consignee, notifying such owner of the Administrative Agent's security interest in the inventory for the benefit of the Lenders and in the event that UCC financing statements have been filed in connection with any such consignment, such financing statements shall be assigned to the Administrative Agent for the benefit of the Lenders;

(f) The inventory is currently insured with financially sound and reputable insurance companies not Affiliates of the Borrower, in such amounts, with such deductibles and covering such risks as are customarily carried by companies engaged in similar businesses and owning similar properties in localities where the Borrower operates and Administrative Agent, for the benefit of the Lenders, has been named as an additional insured and loss payee under all such policies (except for inventory located at UBS Zurich), without liability for premiums or club calls;

(g) The inventory was acquired by the Borrower in the ordinary course of business from a Person that is not an Affiliate of the Borrower;

(h) The Borrower has the full and unqualified right to assign and grant a Lien on such inventory to the Lenders as security for its Obligations hereunder;

(i) The inventory is currently saleable in the normal course of the Borrower's business;

(j) With respect to any inventory located in the UAE (w) such inventory is located at a warehouse which is registered with the Dubai Multi-Commodities Centre (the "DMCC") and authorized by the DMCC to issue depository gold receipts (each a "DGR") representing such inventory, (x) the Borrower has issued a pledge notification relating to such DGR on the web-based collateral management warehouse receipt system (the "DGR System") of the DMCC, (y) upon receipt of the pledge notification, the DMCC has issued a security endorsement notifying the Administrative Agent to accept the security endorsement by way of issuing a pledge acceptance, and (z) upon the execution of such pledge notification, security endorsement and pledge acceptance, the DMCC shall have annotated a security interest in the

appropriate information field relating to the additional DGR included in the DGR System, which shall have confirmed a valid pledge over the DGR representing such inventory in favor of the Administrative Agent for the benefit of the Lenders; and

(k) The inventory is subject to a fully perfected first priority security interest in favor of Administrative Agent for the benefit of the Lenders pursuant to the Loan Documents.

"Eligible Other Metals Inventory" means Eligible Inventory that does not meet the criteria to be included as either Eligible Precious Metals Inventory, Eligible Other Precious Metals Inventory or Eligible Base Metals Inventory, and either (i) consists of Foreign Lead Inventory, or (ii) (w) is not Exchange Deliverable, (x) has price risk that has not been hedged, or (y) is not subject to a valid forward sale contract. The aggregate amount of Eligible Other Metals Inventory included in the Borrowing Base Advance Cap shall not exceed $10,000,000, before application of the applicable advance rate; provided that the aggregate amount of Foreign Lead Inventory included in the Borrowing Base Advance Cap shall not exceed $4,000,000, before application of the applicable advance rate. The collateral amounts resulting from this calculation hereof shall not be duplicative of amounts included in the calculation of any other Borrowing Base line item for any reason.

"Eligible Other Precious Metals Inventory" means Eligible Inventory consisting of Precious Metals that (i) does not consist of Eligible Precious Metals Inventory, (ii) is not Exchange Deliverable, (iii) the price risk of which has not been hedged by the Borrower, and (iv) is not subject to a forward sale contract.

"Eligible Precious Metals Inventory" means Eligible Inventory consisting of Precious Metals that (i) has been hedged pursuant to a commodities contract relating to a commodities account that is subject to a tripartite agreement between the Borrower, the Administrative Agent and an Eligible Broker in form and substance acceptable to the Administrative Agent granting a first priority perfected security interest in the underlying account to the Administrative Agent for the benefit of the Lenders, or (ii) is subject to a valid forward sale contract.

"Eligible Supplier Advances" means Eligible Inventory of Products purchased and prepaid by the Borrower no more than 30 days prior to the anticipated delivery date from suppliers acceptable to the Administrative Agent in its sole discretion which Eligible Inventory has not yet been delivered to the Borrower; provided that the Borrower shall have provided written notice to the related supplier, in form and substance acceptable to the Administrative Agent in its sole discretion, of the Administrative Agent's security interest in such Inventory and of any and all rights of the Borrower to the refund of such prepayments in the event such Inventory is not delivered. The aggregate amount of Eligible Supplier Advances included in the Borrowing Base Advance Cap shall not exceed $1,000,000, before application of the applicable advance rate.

"Eligible Warrantable Inventory" means Eligible Inventory that is (i) hedged pursuant to a commodities contract relating to a commodities account that is subject to a tripartite agreement between the Borrower, the Administrative Agent and an Eligible Broker in form and substance acceptable to the Administrative Agent granting a first priority perfected security interest in the underlying account to the Administrative Agent for the benefit of the Lenders, (ii) deliverable to

either the LME or COMEX, and (iii) either (x) on warrant (or equivalent as determined by the Administrative Agent) at a delivery location that has been approved by the Lenders for the respective exchange, or (y) located at HSBC in London or UBS in Zurich.

"Environmental Claims" means all claims, however asserted, by any Governmental Authority or other Person alleging potential liability or responsibility for violation of any Environmental Law, or for release or injury to the environment.

"Environmental Laws" means all federal, state or local laws, statutes, common law duties, rules, regulations, ordinances and codes, together with all administrative orders, directed duties, requests, licenses, authorizations and permits of, and agreements with, any Governmental Authorities, in each case relating to environmental, health, safety and land use matters.

"Equity" means the sum of (a) the Borrower's assets, less (b) Borrower's Total Liabilities, less (c) all net amounts due from employees, owners, Subsidiaries and Affiliates (but including JV Eligible Accounts Receivable (provided that such amounts shall not exceed $10,000,000 at any time for purposes of this calculation) and Parent Permitted Distributions), less (d) investments in Capital Stock, less (e) the intangible assets of the Borrower, plus (f) the Net Accounting Adjustment.

"ERISA" means the Employee Retirement Income Security Act of 1974, and regulations promulgated thereunder.

"ERISA Affiliate" means any trade or business (whether or not incorporated) under common control with the Borrower within the meaning of Section 414(b) or (c) of the Code (and Sections 414(m) and (o) of the Code for purposes of provisions relating to Section 412 of the Code).

"ERISA Event" means (a) a Reportable Event with respect to a Pension Plan; (b) a withdrawal by the Borrower or any ERISA Affiliate from a Pension Plan subject to Section 4063 of ERISA during a plan year in which it was a substantial employer (as defined in Section 4001(a)(2) of ERISA) or a cessation of operations which is treated as such a withdrawal under Section 4062(e) of ERISA; (c) a complete or partial withdrawal by the Borrower or any ERISA Affiliate from a Multiemployer Plan or notification that a Multiemployer Plan is in reorganization; (d) the filing of a notice of intent to terminate, the treatment of a Plan amendment as a termination under Section 4041 or 4041A of ERISA, or the commencement of proceedings by the PBGC to terminate a Pension Plan or Multiemployer Plan; (e) an event or condition which might reasonably be expected to constitute grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Pension Plan or Multiemployer Plan; or (f) the imposition of any liability under Title IV of ERISA, other than PBGC premiums due but not delinquent under Section 4007 of ERISA, upon the Borrower or any ERISA Affiliate.

"Eurodollar Effective Amount" means the product of the principal amount of a Eurodollar Rate Loan or requested Eurodollar Rate Loan and the number of days in the applicable Interest Period for such Eurodollar Rate Loan.

"Eurodollar Rate" means for any Interest Period with respect to any Eurodollar Rate Loan:

(a) the rate per annum equal to the rate determined by Administrative Agent to be the offered rate that appears on Page 3750 of the Dow Jones Market Service (or any successor thereto) that displays an average British Bankers Association Interest Settlement Rate for deposits in United States Dollars (for delivery on the first day of such Interest Period) with a term equivalent to such Interest Period, determined as of approximately 11:00 a.m. (London time) two Business Days prior to the first day of such Interest Period, or

(b) if the rate referenced in the preceding subsection (a) does not appear on such page or service or such page or service shall cease to be available, the rate per annum equal to the rate determined by Administrative Agent to be the offered rate on such other page or other service that displays an average British Bankers Association Interest Settlement Rate for deposits in United States Dollars (for delivery on the first day of such Interest Period) with a term equivalent to such Interest Period, determined as of approximately 11:00 a.m. (London time) two Business Days prior to the first day of such Interest Period, or

(c) if the rates referenced in the preceding subsections (a) and (b) are not available, the rate per annum determined by Administrative Agent as the rate of interest (rounded upward to the next 1/100th of 1%) at which deposits in United States Dollars for delivery on the first day of such Interest Period in same day funds in the approximate amount of the Eurodollar Rate Loan being made, continued or converted by the Administrative Agent and with a term equivalent to such Interest Period would be offered by the London Branch of Fortis Bank, S.A./N.V. two (2) Business Days prior to the first day of such Interest Period as determined from such financial reporting service or other information as shall be mutually acceptable to Administrative Agent and the Borrower.

"Eurodollar Rate Loan" means a Loan that bears interest at a rate based on the Eurodollar Rate.

"Event of Default" means any of the events or circumstances specified in Section 9.01.

"Exchange Act" means the Securities and Exchange Act of 1934, as amended, and regulations promulgated thereunder.

"Exchange Deliverable" means a Product that meets the LME or the NYMEX contract specifications for delivery at an LME or NYMEX approved delivery point.

"Exhibit G Cut-Off has the meaning specified in Subsection 3.02(b).

"Expiration Date" means the earliest to occur of:

(a) 364 days from the Closing Date, which date is April 29, 2008; or

(b) the date demand for payment is made by the Required Lenders; or

(c) the date an Event of Default occurs.

"Face Amount" means, with respect to any Letter of Credit or any other letter of credit referred to herein, the maximum aggregate amount the Issuing Bank (or, with respect to any other letter of credit, the related issuing bank) may be obligated to pay to the beneficiary pursuant to the terms of such Letter of Credit or other letter of credit and which, with respect to any Letter of Credit or other letter of credit issued in an "approximate" face amount or in a face amount with a tolerance of "plus or minus 10 per cent", shall equal the sum of such face amount plus 10 per cent of such face amount or such amount as shall be otherwise stipulated in the Letter of Credit or other letter of credit.

"FAS 133" shall mean Financial Accounting Standards Board Statement No. 133, Accounting for Derivatives Instruments and Hedging Activities.

"FDIC" means the Federal Deposit Insurance Corporation, and any Governmental Authority succeeding to any of its principal functions.

"Federal Funds Rate" means, for any day, the rate set forth in the weekly statistical release designated as H.15(519), or any successor publication, published by the Federal Reserve Bank of New York (including any such successor, "H.15(519)") on the preceding Business Day opposite the caption "Federal Funds (Effective)"; or, if for any relevant day such rate is not so published on any such preceding Business Day, the rate for such day will be the arithmetic mean as determined by Administrative Agent of the rates for the last transaction in overnight Federal Funds arranged prior to 9:00 a.m. (New York City time) on that day by each of three leading brokers of Federal Funds transactions in New York City selected by Administrative Agent.

"Foreign Lender" has the meaning specified in Section 10.10.

"Foreign Lead Inventory" means Eligible Inventory consisting of lead located in Mexico and which does not otherwise qualify for eligibility in any other Borrowing Base Advance Cap line item.

"FRB" means the Board of Governors of the Federal Reserve System, and any Governmental Authority succeeding to any of its principal functions.

"GAAP" means generally accepted accounting principles set forth from time to time in the opinions and pronouncements of the Accounting Principles Board and the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board (or agencies with similar functions of comparable stature and authority within the U.S. accounting profession), which are applicable to the circumstances as of the date of determination.

"Governmental Authority" means any nation or government, any state or other political subdivision thereof, any central bank (or similar monetary or regulatory authority) thereof, any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, and any corporation or other entity owned or controlled, through stock or capital ownership or otherwise, by any of the foregoing.

"Guaranty Obligation" has the meaning specified in the definition of "Contingent Obligation."

"Hedgeable Metals" means all Base Metals together with gold, silver, platinum and palladium.

"Hedging Assignment" means a security agreement among Borrower, Administrative Agent and an Eligible Broker relating to the collateral assignment to Administrative Agent, as collateral agent for the Lenders, of all sums owing from time to time to Borrower with respect to any Eligible Commodities Futures Accounts maintained by Borrower, such agreement to be substantially in the form attached hereto as Exhibit J or in other form and substance acceptable to the Lenders in their sole discretion.

"Honor Date" has the meaning specified in Subsection 3.03(b).

"Indebtedness" of any Person means, without duplication, (a) all indebtedness for borrowed money; (b) all obligations issued, undertaken or assumed as the deferred purchase price of property or services (other than trade payables incurred in the ordinary course of business on ordinary terms); (c) all non-contingent reimbursement or payment obligations with respect to Surety Instruments; (d) all obligations evidenced by notes, bonds, debentures or similar instruments, including obligations so evidenced incurred in connection with the acquisition of property, assets or businesses; (e) all indebtedness created or arising under any conditional sale or other title retention agreement, or incurred as financing, in either case with respect to property acquired by the Person (even though the rights and remedies of the seller or bank under such agreement in the event of default are limited to repossession or sale of such property); (f) all obligations with respect to capital leases; (g) all obligations with respect to Swap Contracts; (h) all indebtedness referred to in clauses (a) through (g) above secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any Lien upon or in property (including accounts and contract rights) owned by such Person, even though such Person has not assumed or become liable for the payment of such indebtedness; and (i) all Guaranty Obligations in respect of indebtedness or obligations of others of the kinds referred to in clauses (a) through (g) above.

"Indemnified Liabilities" has the meaning specified in Section 11.05.

"Indemnitees" has the meaning specified in Section 11.05.

"Information" has the meaning specified in Section 11.08.

"Insolvency Proceeding" means, with respect to any Person (a) any case, action or proceeding with respect to such Person before any court or other Governmental Authority relating to bankruptcy, reorganization, insolvency, liquidation, receivership, dissolution, winding-up or relief of debtors, or (b) any general assignment for the benefit of creditors, composition, marshalling of assets for creditors, or other, similar arrangement in respect of its creditors generally or any substantial portion of its creditors; undertaken under U.S. Federal, state or foreign law, including the Bankruptcy Code.

"Intercreditor Agreement" means the Intercreditor Agreement, in form and substance acceptable to the Lenders, dated as of April 30, 2007 among the Lenders relating to the sharing of Collateral with and among the Swap Banks.

"Interest Payment Date" means (a) as to any Base Rate Loan, the later of (i) the 5th Business Day of each month, or (ii) the date of payment shown on the interest statement delivered to the Borrower by the Administrative Agent, (b) as to any Loan other than a Base Rate Loan, the last day of each Interest Period therefor, provided that, if an Interest Period is in excess of one month, interest shall be payable monthly, (c) if prior to the date otherwise applicable under clause (a) or (b) of this definition, the date of payment or prepayment of such Loan or the conversion of such Loan to a Loan of another Type (but only on the principal amount so paid, prepaid or converted), and (d) if prior to the date otherwise applicable under clause (a), (b) or (c) of this definition, the Advance Maturity Date.

"Interest Period" means, as to any Eurodollar Rate Loan, the period commencing on the Borrowing Date of such Loan or on the Conversion/Continuation Date on which the Loan is converted into or continued as a Eurodollar Rate Loan, and ending on the date selected by the Borrower in its Notice of Borrowing or Notice of Conversion/Continuation as the ending date thereof, not to exceed a period of one or two weeks or one, two, three or four months thereafter; provided, however, that:

(a) any Interest Period that would otherwise end on a day that is not a Business Day shall be extended to the next succeeding Business Day unless, in the case of a Eurodollar Rate Loan, such Business Day falls in another calendar month, in which case such Interest Period shall end on the next preceding Business Day;

(b) any Interest Period pertaining to a Eurodollar Rate Loan that begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall end on the last Business Day of the calendar month at the end of such Interest Period; and

(c) no Interest Period shall extend beyond the scheduled Expiration Date.

"Investment Grade" means, with respect to any Person, that the long term senior unsecured credit rating of such Person (without taking into account any independent credit enhancement) is BBB- or higher by S&P and Baa3 or higher by Moody's.

"Investment Grade Issuer" means a bank, financial institution or credit insurer, as the case may be, that is acceptable to the Administrative Agent in its discretion and is rated Investment Grade and which is not an Affiliate of the Borrower.

"IRS" means the Internal Revenue Service, and any Governmental Authority succeeding to any of its principal functions under the Code.

"Issuance Date" means the date on which any Letter of Credit is actually issued hereunder.

"Issue" means, with respect to any Letter of Credit, to issue or to extend the expiry of, or to renew or increase the amount of, such Letter of Credit; and the terms "Issued," "Issuing" and "Issuance" have corresponding meanings.

"Issuing Bank" means Fortis Bank S.A./N.V. New York Branch, in its capacity as an issuer of one or more Letters of Credit hereunder, together with any replacement letter of credit issuer arising under Section 11.07(h).

"Joint Venture" means that certain joint venture between INTL Holding (U.K.) Ltd. and Mr. Nilesh Ved as evidenced by that certain Shareholders Agreement dated February 4, 2007.

"JV Eligible Accounts Receivable" means Eligible Accounts Receivable, the Account Debtor with respect to which is the Joint Venture. JV Eligible Accounts Receivable included in the Borrowing Base Advance Cap shall not exceed $3,000,000, before application of the applicable advance rate, in aggregate value at any time.

"L/C Advance" means each Lender's participation in any L/C Borrowing in accordance with its Pro Rata Share with respect to Letters of Credit Issued prior to the Conversion to Reduced Funding Lenders Date and the Approving Lenders' participation in any L/C Borrowing in accordance with its Pro Rata Share with respect to all Letters of Credit Issued thereafter.

"L/C Amendment Application" means an application form for amendment of outstanding Standby L/Cs or Documentary L/Cs as shall at any time be in use at the Issuing Bank, as the Issuing Bank shall request.

"L/C Application" means an application form for Issuances of Standby L/Cs or Documentary L/Cs as shall at any time be in use at the Issuing Bank, as the Issuing Bank shall request.

"L/C Borrowing" means an extension of credit resulting from either a drawing under any Letter of Credit, which extension of credit shall not have been reimbursed on the date when made nor converted into a Borrowing of Revolving Loans under Section 3.03.

"L/C Cap" means the maximum availability for Issuance of Letters of Credit under the Borrowing Base Line which shall be an amount equal to the total Effective Amount of L/C Obligations plus the Effective Amount of then outstanding Loans not to exceed the lesser of the Borrowing Base Advance Cap or the L/C Sub-limit Cap for each Type of Letter of Credit.

"L/C Obligations" means at any time the sum of (a) the aggregate undrawn amount of all Letters of Credit then outstanding, plus (b) the amount of all unreimbursed drawings under all Letters of Credit, including all outstanding L/C Borrowings.

"L/C-Related Documents" means the Letters of Credit, the L/C Applications, the L/C Amendment Applications and any other document relating to any Letter of Credit, including, but not limited to, the Issuing Bank's standard form documents for letter of credit issuances.

"L/C Sub-limit Cap' means the cap upon L/C Obligations under particular types of Letters of Credit Issued under the Borrowing Base Line (each such type being referred to herein as a "Type" of Letter of Credit), which with respect to Standby L/Cs shall be an amount equal to twenty percent (20%) of the Borrowing Base Advance Cap then in effect.

"Lenders" shall initially mean the Lenders identified on the signature pages hereto and their successors and assigns. At such time as additional lending institutions are added to this Agreement, either through an amendment to this Agreement or through an Assignment and Acceptance in accordance with Section 11.07 hereof, the term "Lenders" shall mean the Lenders identified on the signature pages hereto and their successors and assigns and each such additional lending institution. References to the "Lenders" shall include Fortis Bank S.A./N.V. New York Branch, including in its capacity as Issuing Bank.

"Lending Office" means, as to any Lender, the office or offices of such Lender specified as its "Lending Office" on Schedule 11.02, or such other office or offices as such Lender may from time to time notify the Borrower and Administrative Agent.

"Letters of Credit" means any letters of credit (whether Standby L/Cs or Documentary L/Cs) Issued by the Issuing Bank pursuant to Article III.

"Lien" means any security interest, mortgage, deed of trust, pledge, hypothecation, assignment, charge, encumbrance, or lien, statutory or other in respect of any property, including those created by, arising under or evidenced by any conditional sale or other title retention agreement, the interest of a lessor under a capital lease, any financing lease having substantially the same economic effect as any of the foregoing, or the filing of any financing statement naming the owner of the asset to which such lien relates as debtor, under the Uniform Commercial Code or any comparable law.

"LME" means the London Metal Exchange.

"Loan" means any extension of credit by a Lender to the Borrower under Article II or Article III in the form of a Revolving Loan or an L/C Advance.

"Loan Documents" means this Agreement, the Notes, the Security Agreements, the Parent Guaranty, the L/C-Related Documents, the fee letters and all other documents delivered to Administrative Agent or any Lender in connection herewith.

"Loan Parties" means the Borrower and the Parent.

"Long Position" shall mean the aggregate amount of any Product (measured in units relevant to such Product as mutually agreed between the Borrower and the Administrative Agent) which is either held in Inventory by the Borrower or which the Borrower has contracted to purchase (whether by purchase of a contract on a commodities exchange or otherwise), or which the Borrower will receive on exchange or the notional amount of such units under an over-the-counter derivative contract including, without limitation, all Swap Contracts and for which a fixed purchase price and the difference for all option contracts (whether puts or calls) has been set. Long Positions will be expressed as a positive number.

"Margin Stock" means "margin stock" as such term is defined in Regulation T, U or X of the FRB.

"Market Value Adjustment" means, with respect to any Inventory as of any date of determination, an amount equal to (i) the three (3) month price of the Inventory as quoted on the LME or any other nationally-recognized exchange acceptable to the Administrative Agent, minus (ii) the cost of such Inventory.

"Marketable Securities" means (a) certificates of deposit issued by any bank with a Fitch rating of A or better, (b) commercial paper rated P-1, A-1 or F-1, (c) bankers acceptances rated prime, or (d) U.S. Government obligations with tenors of 90 days or less.

"Material Adverse Effect" means (a) a material adverse change in, or a material adverse effect upon, the operations, business, properties, condition (financial or otherwise) or prospects of the Borrower or the Borrower and its Subsidiaries taken as a whole; (b) a material impairment of the ability of any Loan Party to perform its obligations under any Loan Document to which it is a party; (c) a material adverse effect upon the legality, validity, binding effect or enforceability against any Loan Party of any Loan Document to which it is a party or (d) any Loan Party at any time asserts that any Loan Document is not legal or valid, or is not binding upon or enforceable against such Loan Party.

"Maximum Amount" means $140,000,000, provided that the Borrower may elect to increase such Maximum Amount to be no greater than $175,000,000 pursuant to the Borrower's written request of a Maximum Amount Increase Election to the Administrative Agent in accordance with Section 2.01(b) which becomes effective as therein provided.

The Maximum Amount shall at all times be subject to compliance with the following financial covenants as set forth in Schedule 7.15 hereto:

(a) if the Maximum Amount is less than or equal to $135,000,000, the Borrower's Working Capital and Equity shall respectively be no less than $15,000,000;

(b) if the Maximum Amount is more than $135,000,000 but less than or equal to $144,000,000, the Borrower's Working Capital and Equity shall respectively be no less than $16,000,000;

(c) if the Maximum Amount is more than $144,000,000 but less than or equal to $160,000,000, the Borrower's Working Capital and Equity shall respectively be no less than $18,000,000; and

(d) if the Maximum Amount is more than $160,000,000, the Borrower's Working Capital and Equity shall respectively be no less than $20,000,000.

In the event that the Borrower's Working Capital or Equity as reflected on a Compliance Certificate delivered to Administrative Agent shall not at any time be in compliance with the requirements set forth above, the Maximum Amount shall be automatically reduced to the appropriate level set forth above to effect compliance and the Borrower shall make any necessary mandatory prepayments or provide Cash Collateral as provided pursuant to Section 2.05 hereof. Such reduction shall take place with the Administrative Agent's receipt of such Compliance Certificate or Notice of Maximum Availability Election.

Notwithstanding the foregoing, in the event that the Borrower shall make any Parent Permitted Distributions, on the date that such Parent Permitted Distributions are made, the Maximum Amount (including the Maximum Amount as of the Closing Date) shall automatically and without further action, be reduced by an amount equal to nine (9) times the amount of such Parent Permitted Distributions (as set forth on the certificate delivered to the Administrative Agent by the Borrower in accordance with Section 8.07(d) hereof) if such amount is less than the then current Maximum Amount (but in no event shall it increase the Maximum Amount) and in the event that a reduction of the Maximum Amount shall so require, the Borrower shall make any necessary mandatory prepayments or Cash Collateralize such excess amounts as may be required pursuant to Section 2.05(b) hereof. The Maximum Amount shall be recalculated monthly upon receipt by the Administrative Agent of the Borrower's monthly financial statements delivered pursuant to Section 7.01(c).

Without limiting any of the foregoing, if the Borrower's Threshold Working Capital at any time shall be greater than $12,000,000 but less than $15,000,000, the Maximum Amount shall be an amount equal to nine (9) times the Borrower's Threshold Working Capital and in the event that the Maximum Amount shall be reduced as a result thereof, the Borrower shall make any necessary prepayments or Cash Collateralize such excess amounts as may be required pursuant to Section 2.05(b) hereof.

"Multiemployer Plan" means a "multiemployer plan", within the meaning of Section 4001(a)(3) of ERISA, to which the Borrower or any ERISA Affiliate makes, is making, or is obligated to make contributions or, during the preceding three (3) calendar years, has made, or been obligated to make, contributions.

"Net Accounting Adjustment" means, with respect to the Borrower, the sum of all financial instruments and obligations not permitted to be taken into consideration by FAS 133, including (a) the Market Value Adjustment for any Eligible Inventory which has an ineffective hedge under FAS 133 and (b) the aggregate Premium Difference for forward unpriced purchases and sales that have matching pricing references and a maturity or a termination date no more than one (1) year forward from the date of calculation thereof.

"Net Position" shall mean the sum of all Long Positions and Short Positions of the Borrower.

"Net Position Report" means a certificate, executed by a Responsible Officer of the Borrower and substantially in the form of Exhibit F hereto, delivered to the Administrative Agent and the Lenders in accordance with the requirements of Section 7.02(b) hereof, which shall have attached thereto schedules in form and substance acceptable to the Lenders detailing the Borrower's quantitative Net Position and related market prices based on the most recent daily pricing provided by a commodity pricing report or other source acceptable to the Administrative Agent and the Borrower and reflecting the location and grade of all Inventory. Such report shall include all Long Positions and all Short Positions for all relevant time periods specifying exact location and grade, and cover all instruments that create either an obligation to purchase or sell Products or that generate price exposure of any kind (including without limitation, all current and forward fixed-price transactions). Such instruments shall include contracts for spot and future deliveries of Products, Inventory, exchanges, derivatives (including Swap Contracts and option contracts) and all futures contracts.

"Notes" means the promissory notes executed by the Borrower in favor of a Lender pursuant to Subsection 2,02(b), substantially in the form of Exhibit A hereto. A Note will be issued by the Borrower to each entity that becomes a Lender hereunder from time to time, but will not be issued to Participants of a Lender.

"Notice of Borrowing" means the applicable notice in substantially the form of Exhibit B-1.

"Notice of Conversion/Continuation" means a notice in substantially the form of Exhibit B-2.

"NYMEX" means the New York Mercantile Exchange.

"Obligations" means (a) all advances, debts, liabilities, obligations, covenants and duties arising under any Loan Document owing by the Borrower to any Lender, or any affiliate of any Lender, Administrative Agent, or any Indemnitee, whether direct or indirect (including those acquired by assignment), absolute or contingent, due or to become due, now existing or hereafter arising, including without limitation overdraft costs arising as a result of transfers of funds made through the automated clearinghouse system and all obligations of the Borrower under Revolving Loans and arising from Letters of Credit, excluding any of the foregoing referred to in clause (b) hereof, and (b) all indebtedness, liabilities and obligations owing by Borrower to any Swap Bank under a Swap Contract, whether due or to become due, absolute or contingent, or now existing or hereafter arising. For purposes of determining the amount of the Borrower's Obligations under a Swap Contract, the amount of such Obligation shall be an amount equal to the Close-out Amount with respect to such Swap Contract.

"Organization Documents" means (a) for any corporation, the certificate or articles of incorporation, the bylaws, any certificate of determination or instrument relating to the rights of preferred shareholders of such corporation, any shareholder rights agreement, and all applicable resolutions of the board of directors (or any committee thereof) of such corporation, (b) for any partnership, the partnership agreement, (c) for any limited liability company, the articles of organization and all other documents or filings as may be required by the Secretary of State (or other applicable governmental agency) in the state of such limited liability company's formation.

"Other Taxes" has the meaning specified in Subsection 4.01(b).

"Parent" means International Assets Holding Corporation, a Delaware corporation.

"Parent Guarantee" means a guaranty agreement, in form and substance acceptable to Administrative Agent and the Lenders in their discretion, duly executed by Parent and delivered to Administrative Agent, for the benefit of the Lenders, guaranteeing all of the Borrower's Obligations under this Agreement.

"Parent Permitted Distributions" means amounts in cash distributed by the Borrower to Parent from time to time which are required to be repaid by Parent without offset or counterclaim.

"Participant" has the meaning specified in Subsection 11.07(d).

"PBGC" means the Pension Benefit Guaranty Corporation, or any Governmental Authority succeeding to any of its principal functions under ERISA.

"Pension Plan" means a pension plan (as defined in Section 3(2) of ERISA) subject to Title IV of ERISA which the Borrower sponsors, maintains, or to which it makes, is making, or is obligated to make contributions, or in the case of a multiple employer plan (as described in Section 4064(a) of ERISA) has made contributions at any time during the immediately preceding five (5) plan years.

"Permitted Liens" has the meaning specified in Section 8.01.

"Person" means an individual, partnership, corporation, limited liability company, business trust, joint stock company, trust, unincorporated association, joint venture or Governmental Authority.

"Plan" means an employee benefit plan (as defined in Section 3(3) of ERISA) which the Borrower sponsors or maintains or to which the Borrower makes, is making, or is obligated to make contributions and includes any Pension Plan.

"Precious Metals" means gold, silver, platinum, palladium, cobalt, ruthenium, iridium, rhodium, rhenium and osmium.

"Premium Difference" means (i) the difference between the sale premium, and the purchase premium to an identical reference price of any specific item of Inventory as quoted on the LME or another nationally-recognized exchange acceptable to the Administrative Agent, multiplied by (ii) the contract quantity of such Inventory.

"Product" means Base Metals and Precious Metals.

"Pro Rata Share" means, as to any Lender at any time, the percentage equivalent (expressed as a decimal, rounded to the ninth decimal place) at such time of such Lender's total Effective Amount divided by the combined total Effective Amount of all the Lenders.

"Reportable Event" means, any of the events set forth in Section 4043(b) of ERISA or the regulations thereunder, other than any such event for which the 30-day notice requirement under ERISA has been waived in regulations issued by the PBGC.

"Required Lenders" means Lenders, with a minimum of two (2) Lenders, holding at least sixty-six percent (66%) of all of the Effective Amount; provided, that, if the Effective Amount shall be reduced to zero, "Required Lenders" shall mean Lenders, with a minimum of two (2) Lenders, holding at least sixty-six percent (66%) of the total Uncommitted Line Portions.

"Requirement of Law" means, as to any Person, any law (statutory or common), treaty, rule or regulation or determination of an arbitrator or of a Governmental Authority, in each case applicable to or binding upon the Person or any of its property or to which the Person or any of its property is subject.

"Responsible Officer" means those persons named on the Responsible Officer List.

"Responsible Officer List" means the list of the Borrower's and the Parent's Responsible Officers furnished to Administrative Agent hereunder as it may be modified from time to time.

"Restricted Payment" means any dividend or other distribution (whether in cash, securities or other property) with respect to any capital stock, membership interest or equity interest of the Borrower or any Subsidiary, or any payment (whether in cash, securities or other property), including any sinking fund or similar deposit on account of the purchase, redemption, retirement, acquisition, cancellation or termination of any such capital stock, membership interest or equity interest or of any option, warrant or other right to acquire any such capital stock, membership interest or equity interest.

"Revolving Loan" has the meaning specified in Section 2.01.

"Security Agreements" means the Borrower's NY Security Agreement, the Borrower's UAE Pledge Agreement, the Borrower's UK Security Agreement, the Borrower's Singapore Pledge Agreement, the Deposit Account Control Agreements, and all Hedging Assignments, all of which shall also secure the Swap Banks (as more fully described in such agreements), notwithstanding the fact that the definitions used herein of any of the foregoing terms may refer to the securing only of the Lenders.

"Sharing Event" shall have the meaning ascribed to it in the Intercreditor Agreement.

"Short Position" shall mean the aggregate amount of any Product (measured in units relevant to such Product as mutually agreed between the Borrower and the Administrative Agent) which the Borrower has contracted to sell (whether by sale of a contract on a commodities exchange or otherwise) or deliver on exchange or the notional amount of such units under an over-the-counter derivative contract including, without limitation, all Swap Contracts and for which a fixed sales price and the difference for all option contracts (whether puts or calls) has been set. Short Positions shall be expressed as a negative number.

"Standby L/C" means a Letter of Credit which is issued as credit support for a financial obligation of the account party to the beneficiary and which is intended to be drawn upon by the related beneficiary only in the event that the original financial obligation remains unpaid when due, which Letter of Credit shall have a tenor not to exceed three hundred and sixty-four (364) days from its date of issuance.

"Subordinated Debt" means Indebtedness of the Borrower which has been reported to the Lenders and which has been subordinated to the Obligations pursuant to a Subordination Agreement substantially in the form attached hereto as Exhibit H.

"Subsidiary" of a Person means any corporation, association, partnership, joint venture or other business entity of which more than 50% of the voting stock or other equity interests (in the case of Persons other than corporations), is owned or controlled directly or indirectly by the Person, or one or more of the Subsidiaries of the Person, or a combination thereof. Unless the context otherwise clearly requires, references herein to a "Subsidiary" refer to a Subsidiary of the Borrower.

"Surety Instruments" means all letters of credit (including standby and commercial), banker's acceptances, bank guaranties, shipside bonds, surety bonds and similar instruments.

"Swap Banks" means Fortis, BNP Paribas, Société Générale and their Affiliates in their capacity as a party to a Swap Contract, and any other Lender or Affiliate approved by all the Lenders which has signed and become a party to the Intercreditor Agreement; provided, in each case, for so long as each of the same remain a Lender or an Affiliate of a Lender hereunder and a party to the Intercreditor Agreement and/or remain entitled to the benefit of the Security Agreements.

"Swap Contract" means any agreement entered into with any Swap Bank, whether or not in writing, relating to any single transaction that is a rate swap, basis swap, forward rate transaction, commodity swap, commodity option, equity or equity index swap or option, bond, note or bill option, interest rate option, forward foreign exchange transaction, cap, collar or floor transaction, currency swap, cross-currency rate swap, currency option or any other similar transaction (including any option to enter into any of the foregoing) or any combination of the foregoing and, unless the context clearly requires, any master agreement relating to or governing any or all of the foregoing. No Swap Contract will be executed hereunder unless it is subject to the applicable ISDA Master Agreement or its equivalent (i.e., long-form confirmations).

"Taxes" has the meaning specified in Subsection 4.01(a).

"Threshold Equity" means Equity minus Parent Permitted Distributions.

"Threshold Working Capital" means Working Capital less Parent Permitted Distributions.

"Tier I Account" means an Eligible Account Receivable with a Tier I Account Party.

"Tier I Account Party" means (i) an Account Debtor which is listed on Schedule A hereto as Tier I Account Party, (ii) an Account Debtor which is Investment Grade provided that the Credit Limit for such Account Debtor shall not exceed $6,000,000 or (iii) an Account Debtor which is approved by all Lenders (or, with respect to an Account Debtor of any Account created after the Conversion to Reduced Funding Lenders Date, all Approving Lenders) as a Tier I Account Party.

"Tier II Account" means an Eligible Account Receivable with a Tier II Account Party.

"Tier II Account Party" means (i) an Account Debtor which is listed on Schedule A hereto as Tier II Account Party, (ii) an Account Debtor which is approved by all Lenders (or, with respect to an Account Debtor of any Account created after the Conversion to Reduced Funding Lenders Date, all Approving Lenders) as a Tier II Account Party, or (iii) an Account Debtor treated as a Tier II Account Party under paragraph (a)(iii) of the definition of "Eligible Accounts Receivable."

"Total Liabilities" means all of Borrower's liabilities, determined in accordance with GAAP, excluding Subordinated Debt.

"Type" means either a Base Rate Loan or a Eurodollar Rate Loan, or, if used in respect of a Letter of Credit, as set forth in the definition of "L/C Sublimit Cap".

"UAE" means the United Arab Emirates.

"UCP" has the meaning specified in Section 3.09.

"UK" means United Kingdom of Great Britain and Northern Ireland.

"Uncommitted Line" means the aggregate Uncommitted Line Portions of all the Lenders as is set forth on Schedule 2.01 hereto.

"Uncommitted Line Portion" means for each Lender the portion of each of the Uncommitted Line limits assigned to such Lender as set forth on Schedule 2.01.

"Unfunded Pension Liability" means the excess of a Plan's benefit liabilities under Section 400l(a)(16) of ERISA, over the current value of that Plan's assets, determined in accordance with the assumptions used for funding the Pension Plan pursuant to Section 412 of the Code for the applicable plan year.

"Unhedgeable Metals" means all metals other than Hedgeable Metals.

"Uniform Commercial Code" or "UCC" shall mean the Uniform Commercial Code as now or hereafter in effect in the State of New York provided that in the event that, by reason of mandatory provisions of law, any or all of the attachment, perfection or priority of, or remedies with respect to, the Administrative Agent's security interest in any assets of the Borrower is governed by the Uniform Commercial Code as enacted and in effect in a jurisdiction other than the State of New York, the term 'Uniform Commercial Code' means the Uniform Commercial Code as enacted and in effect in such other jurisdiction solely for the purposes of the provisions thereof relating to such attachment, perfection, priority or remedies and for purposes of definitions related to such provisions.

"United States" and "U.S." each means the United States of America.

"United States Dollars," and "U.S.$" each mean lawful money of the United States.

"Weekly Reporting Date" means Wednesday of each week.

"Working Capital" means (i) the excess of Current Assets (excluding all net amounts due from employees, owners, Subsidiaries and Affiliates but including JV Eligible Accounts Receivable (provided that such amounts shall not exceed $10,000,000 at any time for purposes of this calculation) and Parent Permitted Distributions) over Current Liabilities, plus (ii) the Net Accounting Adjustment.

"Working Capital Leverage Ratio" means a ratio of (i) total Effective Amount of L/C Obligations plus the Effective Amount of then outstanding Loans to (ii) Working Capital.

1.02 Other Interpretive Provisions.

(a) The meanings of defined terms are equally applicable to the singular and plural forms of the defined terms.

(b) The words "hereof, "herein", "hereunder" and similar words refer to this Agreement as a whole and not to any particular provision of this Agreement; and Subsection, Section, Schedule and Exhibit references are to this Agreement unless otherwise specified.

(c) (i) The term "documents" includes any and all instruments, documents, agreements, certificates, indentures, notices and other writings, however evidenced.

(ii) The term "including" is not limiting and means "including without limitation."

(iii) In the computation of periods of time from a specified date to a later specified date, the word "from" means "from and including"; the words "to" and "until" each mean "to but excluding", and the word "through" means "to and including."

(d) Unless otherwise expressly provided herein, (i) references to agreements (including this Agreement) and other contractual instruments shall be deemed to include all subsequent amendments and other modifications thereto, but only to the extent such amendments and other modifications are not prohibited by the terms of any Loan Document, and (ii) references to any statute or regulation are to be construed as including all statutory and regulatory provisions consolidating, amending, replacing, supplementing or interpreting the statute or regulation.

(e) Initially capitalized terms that are not defined herein but are defined in the UCC shall have the meanings ascribed to such terms in the applicable UCC.

(f) The captions and headings of this Agreement are for convenience of reference only and shall not affect the interpretation of this Agreement.

(g) This Agreement and other Loan Documents may use several different limitations, tests or measurements to regulate the same or similar matters. All such limitations, tests and measurements are cumulative and shall each be performed in accordance with their terms.

(h) This Agreement and the other Loan Documents are the result of negotiations among and have been reviewed by counsel to Administrative Agent, the Lenders, the Borrower and the other parties, and are the products of all parties. Accordingly, they shall not be construed against the Lenders or Administrative Agent merely because of Administrative Agent's or Lenders' involvement in their preparation.

(i) Unless otherwise indicated, references to "$" shall mean United States Dollars.

1.03 Accounting Principles.

(a) Unless the context otherwise clearly requires, all accounting terms not expressly defined herein shall be construed, and all financial computations required under this Agreement shall be made in accordance with GAAP, consistently applied.

(b) References herein to "fiscal year" and "fiscal quarter" refer to such fiscal periods of the Borrower or the Parent, as the case may be.

ARTICLE II
THE CREDITS

2.01 Amounts and Terms of Uncommitted Line.

(a) Each Lender severally agrees, on an **UNCOMMITTED AND ABSOLUTELY DISCRETIONARY** basis, and on the terms and conditions set forth herein, to consider making Loans, from time to time, in United States Dollars, to the Borrower under the Borrowing Base Line (each such loan, a "Revolving Loan") on any Business Day during the period from the Closing Date to the Expiration Date to finance working capital needs of the Borrower, in an aggregate principal amount not to exceed at any time outstanding (i) such Lender's Uncommitted Line Portion of the Borrowing Base Line; or (ii) the Maximum Amount; provided, however, that, after giving effect to any Borrowing of Revolving Loans, the Aggregate Amount shall not at any time exceed the Borrowing Base Advance Cap.

THE BORROWER ACKNOWLEDGES AND AGREES THAT THE LENDERS HAVE ABSOLUTELY NO DUTY TO FUND ANY REVOLVING LOAN REQUESTED BY THE BORROWER BUT WILL EVALUATE EACH LOAN REQUEST AND IN EACH LENDER'S ABSOLUTE AND SOLE DISCRETION WILL DECIDE WHETHER TO FUND SUCH LOAN REQUEST. THE BORROWER FURTHER ACKNOWLEDGES AND AGREES THAT NO SWAP BANK HAS ANY DUTY TO ENTER INTO ANY SWAP CONTRACT AND THE ENTERING INTO OF ANY SWAP CONTRACT SHALL BE AT EACH SWAP BANK'S ABSOLUTE AND SOLE DISCRETION.

(b) The Borrower shall have the option after the Closing Date to request in writing to the Administrative Agent and the Lenders by delivery of a written Notice of Maximum Amount Increase Election in the form of Exhibit I hereto at least five (5) Business Days prior to the requested effective date, that the Maximum Amount be increased to an amount no greater than $175,000,000 (the "Maximum Amount Increase Election"); provided that (x) no Default or Event of Default shall have occurred and be continuing as of (i) the date of such request or (ii) the requested effective date of the Maximum Amount Increase Election, (y) the representations and warranties contained in Article VI shall be true and correct in all material respects as of the date of such request, and (z) the amounts of Working Capital and Equity of the Borrower shall not be less than the amounts provided in Schedule 7.15 hereto, as such corresponds to the resulting increase in the Maximum Amount as of the date of such election; provided, further that, the increase of the Maximum Amount pursuant to a Maximum Amount Increase Election shall always be no less than, and in multiples of, $5,000,000. Increases in Maximum Amount shall be first requested from the Lenders party to this Agreement on the date hereof ratably in accordance with their Pro-Rata Share of the Maximum Amount as of the date of

such request for such fee as may be mutually determined between the Lenders and the Borrower at such time. No Lender shall in any event have an obligation hereunder to increase its Uncommitted Line Portion. In the event that one or more Lenders do not agree to such Maximum Amount Increase Election, the Borrower may then request that one or more financial institutions constituting Eligible Assignees acceptable to the Administrative Agent become Lenders under this Agreement to the extent of such shortfall in the aggregate amount of the requested increase. On the date such new lender becomes a Lender under this Agreement, the existing Lenders shall transfer (and the Administrative Agent shall record in its books evidence of such transfers), without recourse, representation or warranty, except as to the absence of liens, such amounts of outstanding Revolving Loans and L/C Obligations (if any) as may be necessary to reflect the new Pro Rata Shares of all Lenders in all outstanding Obligations of the Borrower on such date and the Administrative Agent shall collect any sums required to be paid by such new Lender to reflect such transfers at par and additional sums (if any) payable by the Borrower under Section 4.04 and deliver them promptly to the existing Lender(s) entitled to receive them.

2.02 Loan Accounts.

(a) The Loans made by each Lender and the Letters of Credit Issued by the Issuing Bank shall be evidenced by one or more accounts or records maintained by Administrative Agent in the ordinary course of business. The accounts or records maintained by Administrative Agent shall be rebuttable presumptive evidence of the amount of the Loans made by the Lenders to the Borrower and the Letters of Credit Issued for the account of the Borrower hereunder, and the interest and payments thereon. Any failure to so record or any error in so doing shall not, however, limit or otherwise affect the Obligation of the Borrower hereunder to pay any amount owing with respect to the Loans or any Letter of Credit.

(b) Upon the request of any Lender made through Administrative Agent, the Loans made by such Lender may be evidenced by one or more Notes, instead of loan accounts. Each such Lender may endorse on the schedules annexed to its Note(s) the date, amount and maturity of each Loan made by it and the amount of each payment of principal made by the Borrower with respect thereto. Each such Lender is irrevocably authorized by the Borrower to endorse its Note(s) and each Lender's record shall be rebuttable presumptive evidence of the information set forth therein; provided, however, that the failure of a Lender to make, or an error in making, a notation thereon with respect to any Loan shall not limit or otherwise affect the Obligations of the Borrower hereunder or under any such Note to such Lender.

2.03 Procedure for Borrowing.

(a) Each Borrowing of Revolving Loans consisting only of Base Rate Loans, if approved by all the Lenders in their sole discretion, shall be made upon the Borrower's irrevocable written notice delivered to the Administrative Agent in the form of a Notice of Borrowing (Revolving Loan), which notice must be received by Administrative Agent prior to 1:00 p.m. (New York City time) on the Borrowing Date specifying the amount of the Borrowing. Each such Notice of Borrowing (Revolving Loan) shall be by electronic transfer or facsimile, confirmed immediately in an original writing. Each Borrowing of Revolving Loans that includes any Eurodollar Rate Loans, if approved by all the Lenders in their sole discretion, shall be made upon the Borrower's irrevocable written notice delivered to the Administrative Agent in the form

of a Notice of Borrowing (Revolving Loan) (which notice must be received by Administrative Agent prior to 1:00 p.m. (New York City time) three (3) Business Days prior to the requested Borrowing Date), specifying the amount of the Borrowing and the duration of the requested Interest Period (and any other information required thereby). Each such Notice of Borrowing (Revolving Loan) shall be by electronic transfer or facsimile, confirmed immediately in an original writing. Each requested Eurodollar Rate Loan must have a Eurodollar Effective Amount of at least $10,000,000.00.

(b) Administrative Agent will promptly notify each Lender of its receipt of any Notice of Borrowing (Revolving Loan) and of the amount of such Lender's Pro Rata Share of that Borrowing.

(c) Unless a Lender has provided Administrative Agent with, and Administrative Agent has actually received, a written notice in the form attached hereto as Exhibit G at least the greater of 24 hours or one Business Day prior to Administrative Agent's receipt of any Notice of Borrowing (Revolving Loan) that such Lender does not approve further Borrowings and/or Issuances of Letters of Credit, if Administrative Agent advances a Loan pursuant to a Notice of Borrowing (Revolving Loan), each Lender will make the amount of its Pro Rata Share of such Borrowing available to Administrative Agent for the account of the Borrower at Administrative Agent's Payment Office by 3:00 p.m. (New York City time) on the Borrowing Date requested by the Borrower in funds immediately available to Administrative Agent. The proceeds of such Loan will be made available to the Borrower by the Administrative Agent at such office by crediting the operating account of the Borrower maintained with Bank of America with the aggregate of the amounts made available by the Administrative Agent. If any Lender in a timely manner provides Administrative Agent with such a written notice of its disapproval of further Borrowings and/or Issuances of Letters of Credit, then Administrative Agent shall notify the Borrower that one or more of the Lenders have elected not to fund further Borrowings and/or participate in further Issuances of Letters of Credit and whether a Lender (or Lenders) has (have) elected to become the Approving Lender(s) thereby triggering the Conversion to Reduced Funding Lenders Date.

2.03A Conversion and Continuation Elections.

(a) The Borrower may, upon irrevocable written notice to Administrative Agent in accordance with Subsection 2.03A(b):

(i) elect, as of any Business Day, in the case of Base Rate Loans, or as of the last day of the applicable Interest Period, in the case of any Eurodollar Rate Loan, to convert any such Loans into Loans of any other Type (provided, however, the Eurodollar Effective Amount of each Eurodollar Rate Loan must be at least $10,000,000.00); or

(ii) elect, as of the last day of the applicable Interest Period, to continue any Revolving Loans having Interest Periods expiring on such day (provided, however, the Eurodollar Effective Amount of each Eurodollar Rate Loan must be at least $10,000,000.00);

provided, however, that if at any time the aggregate amount of Eurodollar Rate Loans in respect of any Borrowing is reduced, by payment, prepayment, or conversion of part thereof, to have a Eurodollar Effective Amount of less than $10,000,000.00, such Eurodollar Rate Loans shall automatically convert into Base Rate Loans, and on and after such date the right of the Borrower to continue such Loans as, and convert such Loans into, Eurodollar Rate Loans shall terminate.

(b) The Borrower shall deliver a Notice of Conversion/Continuation to be received by Administrative Agent not later than 1:00 p.m. (New York City time) on the Conversion/Continuation Date if the Loans are to be converted into Base Rate Loans; and three (3) Business Day in advance of the Conversion/Continuation Date, if the Loans are to be converted into or continued as Eurodollar Rate Loans, specifying:

(i) the proposed Conversion/Continuation Date;

(ii) the aggregate amount of Loans to be converted or continued;

(iii) the Type of Loans resulting from the proposed conversion or continuation; and

(iv) other than in the case of conversions into Base Rate Loans, the duration of the requested Interest Period.

(c) If upon the expiration of any Interest Period applicable to Eurodollar Rate Loans, the Borrower has failed to timely select a new Interest Period to be applicable to its Eurodollar Rate Loans, or if any Default or Event of Default then exists, the Borrower shall be deemed to have elected to convert such Eurodollar Rate Loans into Base Rate Loans effective as of the expiration date of such Interest Period.

(d) Administrative Agent will promptly notify each Lender of its receipt of a Notice of Conversion/Continuation, or, if no timely notice is provided by the Borrower, Administrative Agent will promptly notify each Lender of the details of any automatic conversion. All conversions and continuations shall be made ratably according to the respective outstanding principal amounts of the Loans, with respect to which the notice was given, held by each Lender. Administrative Agent will promptly notify, in writing, each Lender of the amount of such Lender's Pro Rata Share of that Conversion/Continuation.

(e) Unless all Lenders otherwise agree, during the existence of a Default or Event of Default, the Borrower may not elect to have a Loan converted into or continued as a Eurodollar Rate Loan.

(f) After giving effect to any Borrowing, conversion or continuation of Loans, there may not be more than ten (10) Interest Periods in effect.

(g) If any Lender has provided Administrative Agent with, and Administrative Agent has actually received, a written notice in the form of Exhibit G by 2:00 p.m. (New York City time) on the day prior to the requested Conversion/Continuation Date, then Administrative Agent shall notify the Borrower no later than 3:30 p.m. (New York City time) that one or more of the Lenders have elected not to convert/continue such Loan and whether Bank(s) has (have) elected to become the Approving Lender(s) thereby triggering the Conversion to Reduced Funding Lenders Date.

2.04 Optional Prepayments. The Borrower may, at any time or from time to time, upon the Borrower's irrevocable written notice to Administrative Agent received prior to 12:00 p.m. noon (New York City time) on the date of prepayment, prepay Loans in whole or in part; provided that, in the event that Eurodollar Rate Loans are prepaid or converted on any day other than the last day of an Interest Period for such Loans, the Borrower shall also be required to pay additional amounts as provided in Section 4.04 hereof. The Administrative Agent will promptly notify each Lender of its receipt of any such prepayment, and of such Lender's Pro Rata Share of such prepayment. Prepayments received from the Borrower shall be allocated among the Lenders according to each Lender's Pro Rata Share and the Administrative Agent shall promptly apply such payments in chronological order by issuance date of such Lender's Obligation (the oldest Obligation being repaid first).

2.05 Mandatory Prepayments of Loans.

(a) If at any time the Aggregate Amount on any day ever exceeds the Borrowing Base Advance Cap (including, in the event of a reduction of the Maximum Amount in accordance with the requirements of Section 2.01(b) or a reduction contemplated in the definition of Maximum Amount), the Borrower shall immediately (1) repay on that date the excess amount, or (2) Cash Collateralize on such date the excess amount.

(b) If on any date the Effective Amount of all L/C Obligations exceeds the L/C Cap, or any L/C Obligations relating to a Type of Letter of Credit described herein exceeds the applicable L/C Sub-limit Cap, the Borrower shall Cash Collateralize on such date the outstanding Letters of Credit, or the outstanding Type of Letters of Credit, as the case may be, in an amount equal to the excess above any such cap, and on the Expiration Date, Borrower shall Cash Collateralize all then outstanding Letters of Credit in an amount equal to the Effective Amount of all L/C Obligations related to such Letters of Credit. If on any date after giving effect to any Cash Collateralization made on such date pursuant to the preceding sentence, the Effective Amount of all Revolving Loans then outstanding plus the Effective Amount of all L/C Obligations exceeds the lesser of (a) the Borrowing Base Advance Cap or (b) the total Uncommitted Line, the Borrower shall immediately, and without notice or demand, prepay the outstanding principal amount of the Revolving Loans and L/C Borrowings by an amount equal to the applicable excess. Prepayments received from the Borrower shall be allocated among the Lenders according to each Lender's Pro Rata Share and the Administrative Agent shall promptly apply such payments in chronological order by issuance date of such Lender's Obligation (the oldest Obligation being repaid first).

2.06 Repayment. Unless payment is demanded by the Required Lenders prior thereto, the Borrower shall repay the principal amount of each Revolving Loan to Administrative Agent on behalf of the Lenders, on the Advance Maturity Date for such Loan.

2.07 Interest.

(a) Each Revolving Loan (except for a Revolving Loan made as a result of a drawing under a Letter of Credit) shall bear interest on the outstanding principal amount thereof from the applicable Borrowing Date at a floating rate per annum equal to the Base Rate plus the Applicable Margin at all times such Loan is a Base Rate Loan or at the Eurodollar Rate plus the Applicable Margin at all times such Loan is an Eurodollar Rate Loan. Each Revolving Loan made as a result of a drawing under a Letter of Credit shall bear interest on the outstanding principal amount thereof from the date funded at a floating rate per annum equal to the Base Rate plus the Applicable Margin until such Loan has been outstanding for more than two (2) Business Days and, thereafter, shall bear interest on the outstanding principal amount thereof at a floating rate per annum equal to the Base Rate, plus three percent (3.0%) per annum (the "Default Rate").

(b) Interest on each Revolving Loan shall be paid upon demand, or if no demand is made, shall be paid in arrears on each Interest Payment Date.

(c) Notwithstanding subsection (a) of this Section, if any amount of principal of or interest on any Loan, or any other amount payable hereunder or under any other Loan Document is not paid in full when due (whether at stated maturity, by acceleration, demand or otherwise), the Borrower agrees to pay interest on such unpaid principal or other amount, from the date such amount becomes due until the date such amount is paid in full, and after as well as before any entry of judgment thereon to the extent permitted by law, payable on demand, at a fluctuating rate per annum equal to the Default Rate.

(d) Anything herein to the contrary notwithstanding, the Obligations of the Borrower to any Lender hereunder shall be subject to the limitation that payments of interest shall not be required for any period for which interest is computed hereunder, to the extent (but only to the extent) that contracting for or receiving such payment by such Lender would be contrary to the provisions of any law applicable to such Lender limiting the highest rate of interest that may be lawfully contracted for, charged or received by such Lender, and in such event the Borrower shall pay such Lender interest at the highest rate permitted by applicable law.

(e) Regardless of any provision contained in any Note or in any of the Loan Documents, none of the Lenders shall ever be deemed to have contracted for or be entitled to receive, collect or apply as interest under any such Note or any Loan Document, or otherwise, any amount in excess of the maximum rate of interest permitted to be charged by applicable law, and, in the event that any of the Lenders ever receive, collect or apply as interest any such excess, such amount which would be excessive interest shall be applied to the reduction of the unpaid principal balance of the Note, and, if the principal balance of such Note is paid in full, any remaining excess shall forthwith be paid to the Borrower. In determining whether or not the interest paid or payable under any specific contingency exceeds the highest lawful rate, the Borrower and such Lender shall, to the maximum extent permitted under applicable law, (i) characterize any non-principal payment as an expense, fee, or premium, rather than as interest, (ii) exclude voluntary prepayments and the effect thereof, and (iii) spread the total amount of interest throughout the entire contemplated term of such Note so that the interest rate is uniform throughout such term; provided, however, that if all Obligations under the Note and all Loan Documents are performed in full prior to the end of the full contemplated term thereof, and if the interest received for the actual term thereof exceeds the maximum lawful rate, such Lender shall refund to the Borrower the amount of such excess, or credit the amount of such excess against the aggregate unpaid principal balance of such Lender's Note at the time in question.

2.08 Fees. In addition to certain fees described in Section 3.08, the Borrower shall pay the Administrative Agent and the Lenders fees in accordance with a separate fee letter between the Administrative Agent, the Lenders and Borrower.

2.09 Computation of Interest and Fees.

(a) All computations of interest and fees (other than fees due and payable at closing) shall be made on the basis of a 360-day year and actual days elapsed (which results in more interest being paid than if computed on the basis of a 365-day year), and all computations of fees and interest with respect to Base Rate Loans shall be made on the basis of a 365/6-day year and actual days elapsed. Interest and fees shall accrue during each period during which interest or such fees are computed from the first day thereof through the last day thereof.

(b) Each determination of an interest rate by Administrative Agent shall be rebuttable presumptive evidence thereof.

2.10 Payments by the Borrower.

(a) All payments to be made by the Borrower shall be made without set-off, recoupment or counterclaim. Except as otherwise expressly provided herein, all payments by the Borrower shall be made to Administrative Agent for the account of the Lenders at Administrative Agent's Payment Office, and shall be made in United States Dollars and in immediately available funds, no later than 1:00 p.m. (New York City time) on the date specified herein. Administrative Agent will promptly distribute to each Lender its Pro Rata Share (or after the occurrence of a Sharing Event, under the Intercreditor Agreement, its Adjusted Pro Rata Share) of such payment in like funds as received. Any payment received by Administrative Agent later than 1:00 p.m. (New York City time) shall be deemed to have been received on the following Business Day and any applicable interest or fee shall continue to accrue. If and to the extent the Borrower makes a payment in full to Administrative Agent no later than 1:00 p.m. (New York City time) on any Business Day and Administrative Agent does not distribute to each Lender its Pro Rata Share of such payment in like funds as received on the same Business Day, Administrative Agent shall pay to each Lender on demand interest on such amount as should have been distributed to such Lender at the Federal Funds Rate for each day from the date such payment was received until the date such amount is distributed.

(b) Subject to the provisions set forth in the definition of "Interest Period" here, whenever any payment is due on a day other than a Business Day, such payment shall be made on the following Business Day, and such extension of time shall in such case be included in the computation of interest or fees, as the case may be.

(c) Unless Administrative Agent receives notice from the Borrower prior to the date on which any payment is due to the Lenders that the Borrower will not make such payment in full as and when required, Administrative Agent may assume that the Borrower has made such payment in full to Administrative Agent on such date in immediately available funds and Administrative Agent may (but shall not be so required), in reliance upon such assumption,

distribute to each Lender on such due date an amount equal to the amount then due such Lender. If and to the extent the Borrower has not made such payment in full to Administrative Agent, each Lender shall repay to Administrative Agent on demand such amount distributed to such Lender, together with interest thereon at the Federal Funds Rate for each day from the date such amount is distributed to such Lender until the date repaid.

2.11 Payments by the Lenders to Administrative Agent. If and to the extent any Lender shall not have made its full amount available to Administrative Agent in immediately available funds and Administrative Agent in such circumstances has made available to the Borrower such amount, that Lender shall on the Business Day following such Borrowing Date make such amount available to Administrative Agent, together with interest at the Federal Funds Rate for each day during such period. A notice by Administrative Agent submitted to any Lender with respect to amounts owing under this Section 2.11 shall be conclusive, absent manifest error. If such amount is so made available, such payment to Administrative Agent shall constitute such Lender's Loan on the date of Borrowing for all purposes of this Agreement. If such amount is not made available to Administrative Agent on the Business Day following the Borrowing Date, Administrative Agent will notify the Borrower of such failure to fund and, upon demand by Administrative Agent, the Borrower shall pay such amount to Administrative Agent for Administrative Agent's account, together with interest thereon for each day elapsed since the date of such Borrowing, at a rate per annum equal to the interest rate applicable at the time to the Loans comprising such Borrowing.

2.12 Sharing of Payments, Etc. If, other than as expressly provided elsewhere herein, any Lender shall obtain on account of the Loans made by it any payment (whether voluntary, involuntary, through the exercise of any right of set-off, or otherwise) in excess of its Pro Rata Share (or after the occurrence of a Sharing Event, under the Intercreditor Agreement, its Adjusted Pro Rata Share) such Lender shall immediately (a) notify the Administrative Agent of such fact, and (b) purchase from the other Lenders such participations in the Loans made by them as shall be necessary to cause such purchasing Lender to share the excess payment pro rata with each of them; provided, however, that if all or any portion of such excess payment is thereafter recovered from the purchasing Lender, such purchase shall to that extent be rescinded and each other Lender shall repay to the purchasing Lender the purchase price paid therefore, together with an amount equal to such paying Lender's ratable share (according to the proportion of (i) the amount of such paying Lender's required repayment to (ii) the total amount so recovered from the purchasing Lender) of any interest or other amount paid or payable by the purchasing Lender in respect of the total amount so recovered. The Borrower agrees that any Lender so purchasing a participation from another Lender may, to the fullest extent permitted by law, exercise all its rights of payment (including the right of set-off, but subject to Section 11.09) with respect to such participation as fully as if such Lender were the direct creditor of the Borrower in the amount of such participation. Administrative Agent will keep records (which shall be conclusive and binding in the absence of manifest error) of participations purchased under this Section and will in each case notify the Lenders in writing following any such purchases or repayments.

2.13 The Election of Approving Lenders to Continue Funding.

(a) Notice of Disapproval. If on any Business Day one or more Lenders (the "Declining Lender" or "Declining Lenders") provides the Administrative Agent with, and the Administrative Agent has actually received, a written notice in the form of Exhibit G of its disapproval, for reasons other than a Default, of further advances and issuances of Letters of Credit, and the other Lender or Lenders approve further Revolving Loans (including the conversion and extension of such Revolving Loans) or the further issuances of, extensions of, the automatic renewal of or amendment to Letters of Credit, the Administrative Agent shall notify the Lenders by 6:00 p.m. (New York City time) that same day.

(b) Further Credit Extensions. If the Lender or Lenders which are not the Declining Lenders desire, they may (on a pro rata basis, based on the aggregate Uncommitted Line Portion of all Lenders that have elected to continue funding, as adjusted after such Conversion to Reduced Funding Lenders Date (the "Adjusted Uncommitted Line Portion"), after which such date the Adjusted Uncommitted Line Portion of all Declining Lenders shall be reduced to zero) make the full or partial amount of such requested Revolving Loan or issue or amend the requested Letter of Credit irrespective of the Declining Lenders' disapproval (in such case, the Lenders that elect to continue funding shall be referred to as the "Approving Lenders" in respect of such Conversion to Reduced Funding Lenders Date) but not in an amount that would exceed any Lender's Adjusted Uncommitted Line Portion or the aggregate Adjusted Uncommitted Line Portion. In such event, from each such date (each, a "Conversion to Reduced Funding Lenders Date") forward (or until the next Conversion to Reduced Funding Lenders Date, if any, at which time one or more Lenders that had been Approving Lenders may become a Declining Lender), all subsequent Revolving Loans and Issuances of Letters of Credit or Amendments to Letters of Credit that increase the face amount of a Letter of Credit (subject to Section 11.01) or extend the term of a Letter of Credit shall be made unilaterally by the Approving Lenders in respect of such Conversion to Reduced Funding Lenders Date and no Letter of Credit thereafter Issued shall be participated in by the Declining Lenders in respect of such Conversion to Reduced Funding Lenders Date.

(c) Swap Banks. A Lender that becomes a Declining Lender shall not be considered a Swap Bank with respect to swap contracts concluded after it has become a Declining Lender. Accordingly, if a Swap Bank should conclude a swap contract with the Borrower after it has become a Declining Lender, the Borrower's obligations under such swap contract shall not be secured by the Collateral hereunder, and the Declining Lender shall not be entitled to any sharing of amounts pursuant to the Intercreditor Agreement with respect to such swap contracts concluded after it has become a Declining Lender.

(d) Repayments. Until all Declining Lenders are fully repaid, repayments (including realizations from Collateral) shall be applied as follows:

(i) For purposes of allocating repayments prior to the occurrence of a Sharing Event hereunder, the Pro Rata Share of each Lender with respect to Loans and Letters of Credit outstanding on a specified Conversion to Reduced Funding Lenders Date shall remain fixed at the percentage held by such Lender the day before such specified Conversion to Reduced Funding Lenders Date, without respect to any changes which may subsequently occur in such

Lender's Pro Rata Share (prior to the next Conversion to Reduced Funding Lenders Date). Upon the occurrence of the first Conversion to Reduced Funding Lenders Date and thereafter, repayments of all outstanding Loans shall be applied to the Loans with the earliest advance date, notwithstanding the tenor of the Loans.

(ii) Following the occurrence of a Sharing Event and thereafter, repayments shall be allocated according to Section 2.01 of the Intercreditor Agreement.

ARTICLE III
THE LETTERS OF CREDIT

3.01 The Letter of Credit Lines.

(a) Subject to the limitations set forth in Subsection 3.0(b) below, on an uncommitted basis and on the terms and conditions set forth herein and unless a Lender has provided Administrative Agent with, and Administrative Agent has actually received, a written notice in the form attached hereto as Exhibit G at least the greater of 24 hours or one Business Day prior to Administrative Agent's receipt of any request for the issuance of a Letter of Credit that such Lender does not approve further Issuances of Letters of Credit, (i) the Issuing Bank agrees, (A) from time to time on any Business Day during the period from the Closing Date to the Expiration Date, to consider the Issuance of Letters of Credit for the account of the Borrower under the Borrowing Base Line and to consider whether to amend or renew Letters of Credit previously Issued by it, in accordance with Subsection 3.02(c), and (B) to honor conforming drafts under the Letters of Credit; and (ii) each of the Lenders will be deemed to have approved such Issuance, amendment or renewal, and shall participate in Letters of Credit Issued for the account of the Borrower. The Issuing Bank shall promptly notify each other Lender as to the Issuance of such Letter of Credit and the corresponding Pro Rata Share of such Lender. If any Lender gives Administrative Agent timely notice of its disapproval of further Borrowings and Issuances of Letters of Credit, then Administrative Agent shall notify the Borrower that one or more of the Lenders have elected not to participate in the further issuances of Letters of Credit, and whether a Lender (or Lenders) has (have) elected to become the Approving Lender(s) thereby triggering the Conversion to Reduced Funding Lenders Date. No Declining Lender shall have any obligation to and shall not be deemed to have participated in any Letters of Credit which are Issued on or after the Conversion to Reduced Funding Lenders Date. Within the foregoing limits, and subject to the other terms and conditions hereof including, without limitation, the approval of all Lenders (or after the Conversion to Reduced Funding Lenders, all Approving Lenders) in their sole discretion, the Borrower's ability to request that the Issuing Bank Issue Letters of Credit shall be fully revolving, and, accordingly, the Borrower may, during the foregoing period, request that the Issuing Bank Issue Letters of Credit to replace Letters of Credit which have expired or which have been drawn upon and reimbursed.

(b) The Issuing Bank is under no obligation to consider the Issuance of or to Issue any Letter of Credit unless Administrative Agent shall have consented to the Issuance of such Letter of Credit in its sole discretion. The Issuing Bank shall not Issue any Letter of Credit even if consented to by Administrative Agent, if:

(i) any order, judgment or decree of any Governmental Authority or arbitrator shall by its terms purport to enjoin or restrain the Issuing Bank from Issuing such Letter of Credit, or any Requirement of Law applicable to the Issuing Bank or any request or directive (whether or not having the force of law) from any Governmental Authority with jurisdiction over the Issuing Bank shall prohibit, or request that the Issuing Bank refrain from, the issuance of letters of credit generally or such Letter of Credit in particular or shall impose upon the Issuing Bank with respect to such Letter of Credit any restriction, reserve or capital requirement (for which the Issuing Bank is not otherwise compensated hereunder) not in effect on the Closing Date, or shall impose upon the Issuing Bank any unreimbursed loss, cost or expense which was not applicable on the Closing Date and which the Issuing Bank in good faith deems material to it;

(ii) the Issuing Bank has received written notice from any Lender, Administrative Agent or the Borrower, on or prior to the Business Day prior to the requested date of Issuance of such Letter of Credit, that one or more of the applicable conditions contained in Article V is not then satisfied if the Conversion to Reduced Funding Lenders Date has not occurred, or after the Conversion to Reduced Funding Lenders Date has occurred the Issuing Bank received written notice from any Approving Lender, any other Issuing Bank, Administrative Agent or the Borrower, on or prior to the Business Day prior to the requested date of Issuance of such Letter of Credit, that one or more of the applicable conditions contained in Article V is not then satisfied;

(iii) the expiry date of any requested Type of Letter of Credit exceeds the earlier of (a) the expiry date set forth herein for such Type, or (b) the Expiration Date, or the amount of any requested Type of Letter of Credit exceeds the applicable L/C Sub-limit Cap after taking into account all outstanding L/C Obligations with respect to such Type of Letter of Credit;

(iv) such requested Letter of Credit is not in form and substance acceptable to the Issuing Bank, or the Issuance of such requested Letter of Credit shall violate any applicable policies of the Issuing Bank;

(v) such Letter of Credit is for the purpose of supporting the Issuance of any letter of credit by any other Person;

(vi) such Letter of Credit is denominated in a currency other than United States Dollars; or

(vii) the amount of such requested Letter of Credit, plus the Effective Amount of all of the L/C Obligations, plus the Effective Amount of all Revolving Loans exceeds the Borrowing Base Advance Cap, in which case the Administrative Agent shall notify the Issuing Bank that there is a deficiency.

3.02 Issuance, Amendment and Renewal of Letters of Credit.

(a) Each Letter of Credit which is Issued hereunder shall be Issued upon the irrevocable written request of the Borrower pursuant to a Notice of Borrowing (Letter of Credit) in the applicable form attached hereto as Exhibit B-1 received by the Issuing Bank and the Administrative Agent by no later than 3:00 p.m. (New York City time) on the proposed date of Issuance; provided, however, that each such Issuance is subject to the consent of Administrative Agent. Each such request for Issuance of a Letter of Credit shall be by electronic transfer or facsimile, confirmed by the close of the next Business Day in an original writing, in the form of an L/C Application, and shall specify in form and detail satisfactory to the Issuing Bank and Administrative Agent: (i) the proposed date of Issuance of the Letter of Credit (which shall be a Business Day); (ii) the face amount of the Letter of Credit; (iii) the expiry date of the Letter of Credit; (iv) the name and address of the beneficiary thereof; (v) the documents to be presented by the beneficiary of the Letter of Credit in case of any drawing thereunder; (vi) the full text of any certificate to be presented by the beneficiary in case of any drawing thereunder; (vii) whether the Letter of Credit is a Standby or Documentary Letter of Credit; and (viii) such other matters as the Issuing Bank may require. The Letter of Credit Issuer shall promptly notify each other Lender by telecopier or electronic mail upon receipt of such Notice of Borrowing (Letter of Credit). No such Issuance will be made if prior to 5:00 p.m. (New York City time) on the day before the proposed date of Issuance, a Lender has provided Administrative Agent with, and Administrative Agent has actually received, a written notice in the form of Exhibit G. If Administrative Agent does timely receive a written notice in the form of Exhibit G, Administrative Agent shall notify the Borrower and the Issuing Bank by 3:00 p.m. (New York City time) on the proposed date of Issuance, and the proposed Letter of Credit will not be Issued, unless one or more of the Lenders have elected to become Approving Lenders thereby triggering the Conversion to Reduced Funding Lenders Date. If the Approving Lenders elect to Issue the Letter of Credit notwithstanding the Administrative Agent's receipt of such notice, they may (on a pro rata basis among the Lenders that have elected to continue funding) Issue the full amount, or a pro rata amount after taking into account the Declining Lender's Pro Rata Share, of such requested Letter of Credit.

(b) From time to time while a Letter of Credit is outstanding and prior to the Expiration Date, the Issuing Bank will, upon the written request of the Borrower received by the Issuing Bank and the Administrative Agent prior to 3:00 p.m. (New York City time) on the proposed date of amendment, consider the amendment of any Letter of Credit issued by it. Each such request for amendment of a Letter of Credit shall be made by electronic transfer or facsimile, confirmed by the close of the next Business Day in an original writing, made in the form of an L/C Amendment Application and shall specify in form and detail satisfactory to the

Issuing Bank and Administrative Agent: (i) the Letter of Credit to be amended; (ii) the proposed date of amendment of the Letter of Credit (which shall be a Business Day); (iii) the nature of the proposed amendment; and (iv) such other matters as the Issuing Bank may require. Such Issuing Bank shall be under no obligation to amend any Letter of Credit and shall not do so without the consent of the Administrative Agent. No such amendment will be made if a Lender has provided Administrative Agent with, and Administrative Agent has actually received, a written notice in the form of Exhibit G by 5:00 p.m. (New York City time) on the Business Day immediately preceding the proposed date of amendment (the "Exhibit G Cut-Off"). If Administrative Agent does timely receive a written notice in the form of Exhibit G, Administrative Agent shall notify the Borrower and the Issuing Bank by 3:00 p.m. (New York City time) on the proposed date of amendment, and the Letter of Credit will not be amended; provided, however, that if one or more Lenders do approve such amendment, Administrative Agent shall notify all Lenders and the approving Lenders may elect to become the Approving Lenders and amend such Letter of Credit, subject to Subsection 11.01(b)(ii), thereby triggering the Conversion to Reduced Funding Lenders Date. If a request in the form of Exhibit G is received after the Exhibit G Cut-Off, Administrative Agent will make its best efforts to honor such request but shall bear no liability for failing to honor such request. The Issuing Bank shall be under no obligation to renew any Letter of Credit.

(c) If any outstanding Letter of Credit Issued by the Issuing Bank shall provide that it shall be automatically renewed unless the beneficiary thereof receives notice from the Issuing Bank that such Letter of Credit shall not be renewed, and if at the time of renewal the Issuing Bank would be entitled to authorize the automatic renewal of such Letter of Credit in accordance with this Subsection 3.02(c) upon the request of the Borrower, then unless a Lender has provided Administrative Agent with, and Administrative Agent has actually received, a written notice in the form of Exhibit G to the Issuing Bank by 12:00 p.m. noon (New York City time) on the next to last date for Issuing Bank to provide notice to the beneficiary of non-renewal, the Issuing Bank shall, subject to the consent of the Administrative Agent, nonetheless be permitted to allow such Letter of Credit to renew, and the Borrower and the Lenders hereby authorize such renewal, and, accordingly, the Issuing Bank shall be deemed to have received an L/C Amendment Application from the Borrower requesting such renewal. If one or more Lenders do not approve such renewal, Administrative Agent shall notify all Lenders and the approving Lenders may elect to become the Approving Lenders and renew such Letter of Credit, thereby triggering the Conversion to Reduced Funding Lenders Date.

(d) This Agreement shall control in the event of any conflict with any L/C- Related Document (other than any Letter of Credit).

(e) The Issuing Bank will also deliver to Administrative Agent a true and complete copy of each Letter of Credit or amendment to or renewal of a Letter of Credit Issued by it.

3.03 Risk Participations, Drawings and Reimbursements.

(a) Immediately upon the Issuance of each Letter of Credit Issued by the Issuing Bank which is Issued prior to the Conversion to Reduced Funding Lenders Date, each Lender shall be deemed to, and hereby irrevocably and unconditionally agrees to, purchase from

the Issuing Bank a participation in such Letter of Credit and each drawing thereunder in an amount equal to the product of (i) the Pro Rata Share of such Lender, times (ii) the maximum amount available to be drawn under such Letter of Credit and the amount of such drawing. All Letters of Credit Issued after the Conversion to Reduced Funding Lenders Date shall be participated in only by the Approving Lenders. For purposes of Section 2.01, each Issuance of a Letter of Credit shall be deemed to utilize the Uncommitted Line Portion of each Lender (or Approving Lender, as the case may be) by an amount equal to the amount of such participation.

(b) In the event of any request for a drawing under a Letter of Credit Issued by the Issuing Bank by the beneficiary or transferee thereof, the Issuing Bank will promptly notify the Borrower. Any notice given by the Issuing Bank or Administrative Agent pursuant to this Subsection 3.03(b) may be oral if immediately confirmed in writing (including by facsimile); provided that the lack of such an immediate confirmation shall not affect the conclusiveness or binding effect of such notice. The Borrower shall reimburse the Issuing Bank prior to 5:00 p.m. (New York City time), on each date that any amount is paid by the Issuing Bank under any Letter of Credit (each such date, an "Honor Date"), in an amount equal to the amount so paid by the Issuing Bank. In the event the Borrower fails to reimburse the Issuing Bank for the full amount of any drawing under any Letter of Credit, by 5:00 p.m. (New York City time) on the Honor Date, the Issuing Bank will promptly notify Administrative Agent and Administrative Agent will promptly notify each Lender thereof, and Borrower shall be deemed to have requested that Revolving Loans be made by the Lenders to be disbursed to the Issuing Bank not later than one (1) Business Day after the Honor Date under such Letter of Credit, subject to the amount of the unutilized portion of the Borrowing Base Line.

(c) Each Lender shall upon any notice pursuant to Subsection 3.03(b) make available to Administrative Agent for the account of the Issuing Bank an amount in United States Dollars and in immediately available funds equal to its applicable Pro Rata Share of the amount of the drawing, whereupon the participating Lenders shall (subject to Subsection 3.03(d) each be deemed to have made a Revolving Loan to the Borrower in that amount. If any Lender so notified fails to make available to Administrative Agent for the account of the Issuing Bank the amount of such Lender's Pro Rata Share of the amount of the drawing, by no later than 3:00 p.m. (New York City time) on the Business Day following the Honor Date, then interest shall accrue on such Lender's obligation to make such payment, from the Honor Date to the date such Lender makes such payment, at a rate per annum equal to the Federal Funds Rate in effect from time to time during such period. Administrative Agent will promptly give notice of the occurrence of the Honor Date, but failure of Administrative Agent to give any such notice on the Honor Date or in sufficient time to enable any Lender to effect such payment on such date shall not relieve such Lender from its obligations under this Section 3.03.

(d) With respect to any unreimbursed drawing that is not converted into Revolving Loans in whole or in part for any reason, the Borrower shall be deemed to have incurred from the Issuing Bank an L/C Borrowing in United States Dollars, which L/C Borrowing shall be due and payable on demand (together with interest) and shall bear interest at a rate per annum equal to the Default Rate, and each Lender's payment to the Issuing Bank pursuant to Subsection 3.03(c) shall be deemed payment in respect of its participation in such L/C Borrowing and shall constitute an L/C Advance from such Lender in satisfaction of its participation obligation under this Section 3.03.

(e) Each Lender's obligation in accordance with this Agreement to make the Revolving Loans or L/C Advances, as contemplated by this Section 3.03, as a result of a drawing under a Letter of Credit, shall be absolute and unconditional and without recourse to the relevant Issuing Bank and shall not be affected by any circumstance, including (i) any set-off, counterclaim, recoupment, defense or other right which such Lender may have against the Issuing Bank, the Borrower or any other Person for any reason whatsoever; (ii) the occurrence or continuance of a Default, an Event of Default or a Material Adverse Effect; or (iii) any other circumstance, happening or event whatsoever, whether or not similar to any of the foregoing.

(f) Notwithstanding the foregoing, each Revolving Loan and L/C Advance made to fund payment of any Letter of Credit which was Issued or amended on or after the Conversion to Reduced Funding Lenders Date shall be made only by the Approving Lenders.

3.04 Repayment of Participations.

(a) Upon (and only upon) receipt by Administrative Agent for the account of the Issuing Bank of immediately available funds from the Borrower (i) in reimbursement of any payment made by the Issuing Bank under a Letter of Credit with respect to which any Lender has paid Administrative Agent for the account of the Issuing Bank for such Lender's participation in the Letter of Credit pursuant to Section 3.03 or (ii) in payment of interest thereon, Administrative Agent will pay to each Lender, in the same funds as those received by Administrative Agent for the account of the Issuing Bank, the amount of such Lender's Pro Rata Share of such funds, and the Issuing Bank shall receive the amount of the Pro Rata Share of such funds of any Lender that did not so pay Administrative Agent for the account of the Issuing Bank.

(b) If Administrative Agent or the Issuing Bank is required at any time to return to the Borrower, or to a trustee, receiver, liquidator, custodian, or any official in any Insolvency Proceeding, any portion of the payments made by the Borrower to Administrative Agent for the account of the Issuing Bank pursuant to Subsection 3.04(a) in reimbursement of a payment made under a Letter of Credit or interest or fee thereon, each Lender shall, on demand of the Issuing Bank, forthwith return to Administrative Agent or the Issuing Bank the amount of its Pro Rata Share of any amounts so returned by Administrative Agent or the Issuing Bank plus interest thereon from the date such demand is made to the date such amounts are returned by such Lender to Administrative Agent or the Issuing Bank, at a rate per annum equal to the Federal Funds Rate in effect from time to time.

3.05 Role of the Issuing Bank.

(a) The Issuing Bank and the Borrower agree that, in paying any drawing under a Letter of Credit Issued by the Issuing Bank, the Issuing Bank shall not have any responsibility to obtain any document (other than any sight draft or certificates expressly required by such Letter of Credit) or to ascertain or inquire as to the validity or accuracy of any such document or the authority of the Person executing or delivering any such document.

(b) No Administrative Agent-Related Person nor any of the respective correspondents, participants, assignees, officers, directors, employees, agents or attomeys-in-fact of the Issuing Bank shall be liable to any Lender for: (i) any action taken or omitted in

connection herewith at the request or with the approval or deemed approval of the Lenders; (ii) any action taken or omitted in the absence of gross negligence or willful misconduct; or (iii) the due execution, effectiveness, validity or enforceability of any L/C-Related Document.

(c) The Borrower hereby assumes all risks of the acts or omissions of any beneficiary or transferee with respect to its use of any Letter of Credit; provided, however, that this assumption is not intended to, and shall not, preclude the Borrower pursuing such rights and remedies as it may have against the beneficiary or transferee at law or under any other agreement. No Administrative Agent-Related Person, nor any of the respective correspondents, participants, assignees, officers, directors, employees, agents or attorneys-in-fact of the Issuing Bank shall be liable or responsible for any of the matters described in clauses (a) through (g) of Section 3.06; provided, however, anything in such clauses or elsewhere herein to the contrary notwithstanding, that the Borrower may have a claim against the Issuing Bank, and the Issuing Bank may be liable to the Borrower, to the extent, but only to the extent, of any direct, as opposed to consequential or exemplary, damages suffered by the Borrower which the Borrower proves were caused by the Issuing Bank's willful misconduct or gross negligence or the Issuing Bank's willful failure to pay under any Letter of Credit after the presentation to it by the beneficiary of a sight draft and certificate(s) strictly complying with the terms and conditions of a Letter of Credit. In furtherance and not in limitation of the foregoing: (i) the Issuing Bank may accept documents that appear on their face to be in order, without responsibility for further investigation, regardless of any notice or information to the contrary; and (ii) the Issuing Bank shall not be responsible for the validity or sufficiency of any instrument transferring or assigning or purporting to transfer or assign a Letter of Credit or the rights or benefits thereunder or proceeds thereof, in whole or in part, which may prove to be invalid or ineffective for any reason.

3.06 Obligations Absolute. The Obligations of the Borrower under this Agreement and any L/C-Related Document to reimburse the Issuing Bank for a drawing under a Letter of Credit, and to repay any L/C Borrowing and any drawing under a Letter of Credit converted into Revolving Loans, shall be unconditional and irrevocable, and shall be paid strictly in accordance with the terms of this Agreement and each such other L/C-Related Document under all circumstances, including the following:

(a) any lack of validity or enforceability of this Agreement or any L/C-Related Document;

(b) any change in the time, manner or place of payment of, or in any other term of, all or any of the Obligations of the Borrower in respect of any Letter of Credit or any other amendment or waiver of or any consent to departure from all or any of the L/C-Related Documents;

(c) the existence of any claim, set-off, defense or other right that the Borrower may have at any time against any beneficiary or any transferee of any Letter of Credit (or any Person for whom any such beneficiary or any such transferee may be acting), the Issuing Bank or any other Person, whether in connection with this Agreement, the transactions contemplated hereby or by the L/C-Related Documents or any unrelated transaction;

(d) any draft, demand, certificate or other document presented under any Letter of Credit proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect; or any loss or delay in the transmission or otherwise of any document required in order to make a drawing under any Letter of Credit;

(e) any payment by the Issuing Bank under any Letter of Credit against presentation of a draft or certificate that does not strictly comply with the terms of any Letter of Credit; or any payment made by the Issuing Bank under any Letter of Credit to any Person purporting to be a trustee in bankruptcy, debtor-in-possession, assignee for the benefit of creditors, liquidator, receiver or other representative of or successor to any beneficiary or any transferee of any Letter of Credit, including any arising in connection with any Insolvency Proceeding;

(f) any exchange, release or non-perfection of any collateral, or any release or amendment or waiver of or consent to departure from any other guarantee, for all or any of the Obligations of the Borrower in respect of any Letter of Credit; or

(g) any other circumstance or happening whatsoever, whether or not similar to any of the foregoing, including any other circumstance that might otherwise constitute a defense available to, or a discharge of, the Borrower.

Notwithstanding anything to the contrary in this Section 3.06, the Issuing Bank shall not be excused from liability to Borrower to the extent of any direct damages (as opposed to consequential, indirect and punitive damages, claims in respect of which are hereby waived by Borrower) suffered by Borrower that are caused by any of the Issuing Bank's gross negligence or willful misconduct when determining whether drafts and other documents presented under a Letter of Credit comply with the terms thereof, provided, however, that the parties hereto expressly agree that:

(i) the Issuing Bank may accept documents that appear on their face to be in substantial compliance with the terms of a Letter of Credit without responsibility for further investigation and may make payment upon presentation of documents that appear on their face to be in substantial compliance with the terms of such Letter of Credit.

(ii) the Issuing Bank shall have the right, in its sole discretion, to decline to accept documents and to make such payment if such documents are not in strict compliance with the terms of such Letter of Credit; and

(iii) this sentence shall establish the standard of care to be exercised by the Issuing Bank when determining whether drafts and other documents presented under a Letter of Credit comply with the terms thereof (and the parties hereto hereby waive, to the extent permitted by applicable law, any standard of care inconsistent with the foregoing).

3.7 Cash Collateral Pledge. Upon the request of Administrative Agent, (i) if the Issuing Bank has honored any full or partial drawing request on any Letter of Credit and such drawing has resulted in an L/C Borrowing hereunder, (ii) if, as of the Expiration Date, any Letters of Credit may for any reason remain outstanding and partially or wholly undrawn, (iii) if, at any time the outstanding aggregate Face Amount of any Letters of Credit shall exceed any L/C Sublimit Cap applicable to such Letters of Credit, or (iv) upon an Event of Default, the Borrower shall immediately Cash Collateralize the L/C Obligations in an amount equal to such L/C Obligations. Upon the occurrence of the circumstances described in Section 2.05 requiring the Borrower to Cash Collateralize Letters of Credit, then, the Borrower shall immediately Cash Collateralize the L/C Obligations in an amount equal to the applicable excess.

3.8 Letter of Credit Fees.

(a) The Borrower shall pay to the Issuing Bank for the pro rata benefit of each of the Lenders purchasing a participation interest therein pursuant to Section 3.03(a), a letter of credit commission (the "L/C Commission") in an amount equal to (i) a rate per annum equal to the Applicable Margin then in effect multiplied by the Face Amount of any Standby Letter of Credit payable monthly in arrears on the last day of each month and (ii) 0.40% per annum on the Face Amount of any Documentary L/C payable monthly in arrears on the last day of each month, subject to a minimum Issuance fee of $250 with respect to any Letter of Credit.

(b) The Borrower shall pay to the Issuing Bank from time to time for the negotiation of any Letter of Credit for the account of the Issuing Bank and the pro rata benefit of each of the Lenders having purchased a participation therein, a fee in the amount of 0.10% flat on the Face Amount of any such Letter of Credit, subject to a minimum fee of $150 with respect to each such Letter of Credit.

(c) The Borrower shall pay to the Issuing Bank from time to time for the amendment of the text of any Letter of Credit for the account of the Issuing Bank and the pro rata benefit of each of the Lenders having purchased a participation therein, a fee in the amount of $150.

(d) The Borrower shall pay to the Issuing Bank such other fees as provided for in separate letter of credit fee letters.

3.09 Uniform Customs and Practice and International Standby Practices. Unless otherwise expressly agreed by the Issuing Bank and the Borrower, when a Letter of Credit is issued, the rules of: (a) The Uniform Customs and Practice for Documentary Credits as published by the International Chamber of Commerce ("UCP"), or (b) The International Standby Practices (ISP) 98, also as published by the International Chamber of Commerce, each as most recently amended, modified or supplemented at the time of issuance of any Letter of Credit shall (unless otherwise expressly provided in the Letters of Credit) apply to the Letters of Credit.

ARTICLE IV
TAXES AND YIELD PROTECTION

4.01 Taxes.

(a) Any and all payments by or on behalf of the Borrower to or for the account of Administrative Agent or any Lender under any Loan Document shall be made free and clear of and without deduction for any and all present or future taxes, duties, levies, imposts, deductions, assessments, fees, withholdings or similar charges, and all liabilities with respect thereto, excluding, in the case of Administrative Agent and each Lender, taxes imposed on or measured by its net income, and franchise taxes imposed on it (in lieu of net income taxes), by the jurisdiction (or any political subdivision thereof) under the Laws of which Administrative Agent or such Lender, as the case may be, is organized or maintains a lending office (all such non-excluded taxes, duties, levies, imposts, deductions, assessments, fees, withholdings or similar charges, and liabilities being hereinafter referred to as "Taxes"). If the Borrower shall be required by any Laws to deduct any Taxes from or in respect of any sum payable under any Loan Document to Administrative Agent or any Lender, (i) the sum payable shall be increased as necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section), Administrative Agent and such Lender receives an amount equal to the sum it would have received had no such deductions been made, (ii) the Borrower shall make such deductions, (iii) the Borrower shall pay the full amount deducted to the relevant taxation authority or other authority in accordance with applicable Laws, and (iv) within 30 days after the date of such payment, the Borrower shall furnish to Administrative Agent (which shall forward the same to such Lender) the original or a certified copy of a receipt evidencing payment thereof.

(b) In addition, the Borrower agrees to pay any and all present or future stamp, court or documentary taxes and any other excise or property taxes or charges or similar levies which arise from any payment made under any Loan Document or from the execution, delivery, performance, enforcement or registration of, or otherwise with respect to, any Loan Document (hereinafter referred to as "Other Taxes").

(c) If the Borrower shall be required to deduct or pay any Taxes or Other Taxes from or in respect of any sum payable under any Loan Document to Administrative Agent or any Lender, the Borrower shall also pay to Administrative Agent (for the account of such Lender) or to such Lender, at the time interest is paid, such additional amount that such Lender specifies as necessary to preserve the after-tax yield (after factoring in all taxes, including taxes imposed on or measured by net income) such Lender would have received if such Taxes or Other Taxes had not been imposed.

(d) The Borrower agrees to indemnify Administrative Agent and each Lender for (i) the full amount of Taxes and Other Taxes (including any Taxes or Other Taxes imposed or asserted by any jurisdiction on amounts payable under this Section) paid by Administrative Agent and such Lender, (ii) amounts payable under Subsection 4.01(c) and (iii) any liability (including penalties, interest and expenses) arising therefrom or with respect thereto, in each case whether or not such Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. Payment under this subsection (d) shall be made within 30 days after the date the Lender or Administrative Agent makes a demand therefore.

4.02 Increased Costs and Reduced Return; Capital Adequacy.

(a) If any Lender determines that as a result of the introduction of or any change in or in the interpretation of any law, after the Closing Date or such Lender's compliance therewith, there shall be any increase in the cost to such Lender of issuing or participating in Letters of Credit or advancing Revolving Loans, or a reduction in the amount received or receivable by such Lender in connection with any of the foregoing (excluding for purposes of this subsection (a) any such increased costs or reduction in amount resulting from (i) Taxes or Other Taxes (as to which Section 4.01 shall govern), (ii) changes in the basis of taxation of overall net income or overall gross income by the United States or any foreign jurisdiction or any political subdivision of either thereof under the Laws of which such Lender is organized or has its Lending Office, and (iii) reserve requirements utilized in, or any other amount included in, the determination of the Base Rate or Eurodollar Rate for such Letter of Credit or Revolving Loan), then from time to time upon demand of such Lender (with a copy of such demand to Administrative Agent), the Borrower shall pay to such Lender such additional amounts as will compensate such Lender for such increased cost or reduction.

(b) If any Lender determines that the introduction of any Capital Adequacy Regulation or any change therein or in the interpretation thereof, after the Closing Date or compliance by such Lender (or its Lending Office) therewith, has the effect of reducing the rate of return on the capital of such Lender or any corporation controlling such Lender as a consequence of such Lender's obligations hereunder (taking into consideration its policies with respect to capital adequacy and such Lender's desired return on capital), then from time to time upon demand of such Lender (with a copy of such demand to Administrative Agent), the Borrower shall pay to such Lender such additional amounts as will compensate such Lender for such reduction.

4.03 Matters Applicable to all Requests for Compensation. A certificate of Administrative Agent or any Lender claiming compensation under this Article IV and setting forth the additional amount or amounts to be paid to it hereunder shall be conclusive in the absence of manifest error. In determining such amount, Administrative Agent or such Lender may use any reasonable averaging and attribution methods.

4.04 Compensation. The Borrower shall pay to the Administrative Agent for account of each Lender, upon the request of such Lender through the Administrative Agent, such amount or amounts as shall be sufficient (in the reasonable opinion of such Lender) to compensate it for any loss, cost or expense that such Lender determines is attributable to:

(a) any payment, mandatory or optional prepayment or conversion of or transfer pursuant to Section 2.01(b) of an Eurodollar Rate Loan made by such Lender for any reason (including, without limitation, the acceleration of the Loans pursuant to Article IX hereof) on a date other than the last day of the Interest Period for such Loan; or

(b) any failure by the Borrower for any reason (including, without limitation, the failure of any of the conditions precedent specified in Section 5.01 hereof to be satisfied) to (i) borrow, convert or continue a Eurodollar Rate Loan from such Lender on the date for such borrowing specified in the relevant Notice of Borrowing (Revolving Loan) given pursuant to Section 2.03 hereof, or (ii) prepay a Eurodollar Rate Loan from such Lender on the date for such prepayment specified in the relevant notice of prepayment given pursuant to Section 2.04 hereof.

Without limiting the effect of the preceding sentence, such compensation shall include an amount equal to the excess, if any, of (i) the amount of interest that otherwise would have accrued on the principal amount so paid, prepaid, converted or not borrowed for the period from the date of such payment, prepayment, conversion or failure to borrow to the last day of the then current Interest Period for such Loan (or, in the case of a failure to borrow, the Interest Period for such Loan that would have commenced on the date specified for such borrowing) at the applicable rate of interest for such Loan provided for herein over (ii) the amount of interest that otherwise would have accrued on such principal amount at a rate per annum equal to the interest component of the amount such Lender would have bid in the London interbank market for United States Dollar deposits of leading lenders in amounts comparable to such principal amount and with maturities comparable to such period (as reasonably determined by such Lender).

4.05 Survival. The agreements and Obligations of the Borrower in this Article IV shall survive the payment of all other Obligations.

ARTICLE V
CONDITIONS PRECEDENT

5.01 Matters to be Satisfied Upon Execution of Agreement. At the time the Lenders execute this Agreement, unless otherwise waived by the Lenders, Administrative Agent shall have received all of the following, in form and substance satisfactory to Administrative Agent and each Lender, and in sufficient copies for each Lender:

(a) Loan Documents. This Agreement, the Notes, the Security Agreements (which, with respect to the Borrower's UK Security Agreement shall relate only to those accounts relating to inventory located in the United Kingdom included in the Borrowing Base Advance Cap on the Closing Date), the Parent Guarantee, financing statements, and each other document or certificate executed in connection with this Agreement, executed by each party thereto;

(b) Incumbency. Certificate of the Secretary of the Borrower and the Parent, certified as of the Closing Date, and certifying the names and true signatures of the officers of the Borrower and the Parent, as the case may be, authorized to execute, deliver and perform, as applicable, this Agreement, and all other Loan Documents to be delivered by the Borrower or the Parent hereunder;

(c) Organization Documents; Existence; Good Standing. The articles or certificate of incorporation and the bylaws of the Borrower and the Parent as in effect on the Closing Date, all certified by the Secretary of the Borrower and the Parent, as the case may be, as of the Closing Date, together with certificates of existence for the Borrower and a good standing

certificate for each of the Borrower and the Parent from the Secretary of State (or similar, applicable Governmental Authority) of its state of incorporation and each state where the Borrower is qualified to do business as a foreign corporation, certified as of, or reasonably close to, the Closing Date;

(d) Legal Opinions.

(i) An opinion of special New York counsel to the Borrower and the Parent and addressed to the Lenders in form and substance acceptable to Administrative Agent and the Lenders;

(ii) An opinion of special Singapore counsel to the Borrower and addressed to the Lenders in form and substance acceptable to Administrative Agent and the Lenders; and

(iii) An opinion of special UAE counsel to the Borrower and addressed to the Lenders in form and substance acceptable to Administrative Agent and the Lenders;

(e) Payment of Fees. The fee letters executed by the Borrower and evidence of payment by the Borrower of all accrued and unpaid fees, costs and expenses to the extent then due and payable on the Closing Date, together with Attorney Costs of Administrative Agent to the extent invoiced prior to or on the Closing Date, plus such additional amounts of Attorney Costs as shall constitute Fortis' reasonable estimate of Attorney Costs incurred or to be incurred by it through the closing proceedings (provided, however, that such estimate shall not thereafter preclude final settling of accounts between the Borrower and Administrative Agent); including any such costs, fees and expenses arising under or referenced in Sections 2.08 and 11.04(a) and all costs of the auditors and consultants retained by the Lenders in connection with the Obligations of the Borrower to Administrative Agent;

(f) Certificate. A certificate signed by a Responsible Officer of the Borrower, dated as of the Closing Date, stating to the best of such officer's knowledge that:

(i) The representations and warranties contained in Article VI of the Agreement are true and correct in all material respects on and as of the date of this certificate;

(ii) No Default or Event of Default exists or would result from the Credit Extension; and

(iii) There has occurred no event or circumstance that has resulted or could reasonably be expected to result in a Material Adverse Effect.

(g) Filings; UCC Searches. (i) Evidence that all filings needed to perfect the security interests granted by the Security Agreements have been completed or due provision has been made therefore, (ii) UCC searches in each of the jurisdictions where the Administrative Agent and its counsel may reasonably request to determine the existence of Liens upon any of the Collateral or judgment or tax liens against the Borrower and the Parent;

(h) Intercreditor Agreement. The Intercreditor Agreement executed by each party thereto.

(i) Collateral Audit. An audit of the Eligible Accounts Receivable and Eligible Inventory of the Borrower prepared by a representative of the Administrative Agent. The Borrower shall pay the costs and expenses of such examination.

(j) Responsible Officer List. The Responsible Officer List;

(k) Payment of Certain Amounts under Existing Facilities. All amounts due under those certain credit facilities between (i) Fortis Capital Corp. and the Borrower dated January 10, 2006, and (ii) Brown Brothers Harriman & Co. and the Borrower dated December 6, 2005, shall be repaid with the proceeds of Loans made on the Closing Date. The Borrower shall provide evidence to the Administrative Agent of (x) such repayment and the termination of such unilateral facilities, and (y) the release and termination of all Liens relating to such unilateral facilities, all as reasonably acceptable to the Administrative Agent;

(l) Evidence of Insurance. Certificates of insurance evidencing the existence of all insurance required to be maintained by the Borrower pursuant to Section 7.06 hereof and the designation of the Administrative Agent as the loss payee and additional insured thereunder to the extent required by said Section 7.06, such certificates to be in such form and contain such information as is specified in said Section 7.06. In addition, the Borrower shall have delivered a certificate of an Authorized Officer setting forth the insurance obtained by it in accordance with the requirements of Section 7.06 and stating that such insurance is in full force and effect and that all premiums then due and payable thereon have been paid; and

(m) Other Documents. Such other approvals, opinions, documents or materials as Administrative Agent or any Lender may request.

5.02 Matters to be Satisfied Prior to Each Request for Extension of Credit. On any date on which Borrower requests that any Lender make any Loans or Issue any Letter of Credit hereunder, unless otherwise waived by the Lenders, each of the following shall be true:

(a) Representations and Warranties. Each of the representations and warranties made by Borrower in or pursuant to this Agreement or the other Loan Documents shall be true and correct in all material respects on and as of such date as if made on and as of such date (except to the extent such representations and warranties relate solely to an earlier date).

(b) Default. No Default or Event of Default shall have occurred and be continuing on such date or after giving effect to the extension of credit requested to be made on such date.

(c) No Material Adverse Effect. Since September 30, 2006, there shall have been no Material Adverse Effect.

Notwithstanding the foregoing, nothing contained in this Section 5.02 shall be construed to alter the **UNCOMMITTED AND ABSOLUTELY DISCRETIONARY** nature of this facility; regardless of whether the above requirements have been satisfied, all advances and Issuances of Letters of Credit are absolutely discretionary on the part of the Lenders in their sole and absolute discretion.

ARTICLE VI
REPRESENTATIONS AND WARRANTIES

The Borrower represents and warrants to Administrative Agent and each Lender that:

6.01 Existence and Power. The Borrower and each of its Subsidiaries:

(a) is a corporation or partnership, as the case may be, duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization;

(b) have the power and authority and all governmental licenses, authorizations, consents and approvals that are necessary to own their assets, carry on their business and to execute, deliver, and perform their respective Obligations under the Loan Documents;

(c) (i) as of the Closing Date, is duly qualified as a foreign corporation, and is licensed and in good standing under the laws of each jurisdiction where its ownership, lease or operation of property or the conduct of its business requires such qualification or license; provided, however, that the Borrower is not qualified as a foreign corporation or in good standing under the laws of the State of New York; and provided, further, that the Borrower does not have a place of business in Singapore and is not registered as a foreign company in Singapore under Part XI of the Companies Act, Chapter 50 of Singapore but the foregoing is not required in connection with the conduct of its business; and

(ii) as of any date on and after the date on which the requirements of Section 7.19 hereof have been satisfied to the Administrative Agent's and the Lender's reasonable satisfaction, is duly qualified as a foreign corporation, and is licensed and in good standing under the laws of each jurisdiction where its ownership, lease or operation of property or the conduct of its business requires such qualification or license; provided that the Borrower does not have a place of business in Singapore and is not registered as a foreign company in Singapore under Part XI of the Companies Act, Chapter 50 of Singapore but the foregoing is not required in connection with the conduct of its business; and

(d) is in compliance with all Requirements of Law.

6.02 Authorization; No Contravention. The execution, delivery and performance by the Borrower of this Agreement and each other Loan Document to which the Borrower is party, have been duly authorized by its board of directors, and if necessary, shareholder action, and do not and will not:

(a) contravene the terms of the Organization Documents of the Borrower;

(b) conflict with or result in any breach or contravention of, or the creation of any Lien under, any document evidencing any Contractual Obligation to which the Borrower is a party or any order, injunction, writ or decree of any Governmental Authority to which such Person or its property is subject; or

(c) violate any Requirement of Law.

6.03 Governmental Authorization. No approval, consent, exemption, authorization, or other action by, or notice to, or filing with, any Governmental Authority is necessary or required in connection with the execution, delivery or performance by, or enforcement against, the Borrower or any of its Subsidiaries, as applicable, of the Agreement or any other Loan Document.

6.04 Binding Effect. This Agreement and each other Loan Document to which the Borrower or any of its Subsidiaries is a party constitute the legal, valid and binding obligations of such Person to the extent it is a party thereto, enforceable against such Person in accordance with their respective terms, except as enforceability may be limited by applicable bankruptcy, insolvency, or similar laws affecting the enforcement of creditors' rights generally or by general principles of equity.

6.05 Litigation. Except as specifically disclosed in Schedule 6.05, there are no actions, suits or proceedings, pending, or to the knowledge of the Borrower, threatened at law, in equity, in arbitration or before any Governmental Authority, against the Borrower, Parent or any of its Subsidiaries or any of their respective properties which could reasonably be expected to have a Material Adverse Effect; and no injunction, writ, temporary restraining order or any order of any nature has been issued by any court or other Governmental Authority purporting to enjoin or restrain the execution, delivery or performance of this Agreement or any other Loan Document, or directing that the transactions provided for herein or therein not be consummated as herein or therein provided.

6.06 No Default. No Default or Event of Default exists or would result from the incurring of any Obligations by the Borrower. As of the Closing Date, neither the Borrower nor any of its Subsidiaries are in default under or with respect to any Contractual Obligation in any respect which, individually or together with all such defaults, could reasonably be expected to have a Material Adverse Effect.

6.07 ERISA Compliance. Except as specifically disclosed in Schedule 6.07:

(a) The Borrower does not and never has maintained, contributed to or been obligated to maintain or contribute to a Plan. The Borrower's ERISA Affiliates do not and never have maintained, contributed to or been obligated to maintain or contribute to a Plan which is a Pension Plan or a Multiemployer Plan. Each Plan of Borrower's ERISA Affiliates is in compliance in all material respects with the applicable provisions of ERISA, the Code and other federal or state law.

(b) There are no pending or, to the best knowledge of the Borrower, threatened claims, actions or lawsuits, or action by any Governmental Authority or a prohibited transaction or violation of the fiduciary responsibility rules with respect to any Plan of an ERISA Affiliate any of which has resulted or could reasonably be expected to result in a Material Adverse Effect.

6.08 Use of Proceeds; Margin Regulations. The proceeds of the Loans are to be used solely (a) to finance working capital requirements related to Product activities; (b) to provide for Letters of Credit as described hereunder; and (c) to fund payments due to any Swap Bank under a Swap Contract. Neither the Borrower nor any Subsidiary is generally engaged in the business of purchasing or selling Margin Stock or extending credit for the purpose of purchasing or carrying Margin Stock.

6.09 Title to Properties. The Borrower and each of its Subsidiaries have good record and marketable title in fee simple to, or valid leasehold interests in, all real property necessary or used in the ordinary conduct of their respective businesses, except for such defects in title as could not, individually or in the aggregate, have a Material Adverse Effect. As of the Closing Date, the property of the Borrower and its Subsidiaries is subject to no Liens, other than Permitted Liens.

6.10 Taxes. The Borrower and its Subsidiaries have filed all Federal and other material tax returns and reports required to be filed, and have paid all Federal and other material taxes, assessments, fees and other governmental charges shown thereon to be due and payable, and have paid all material taxes, assessments, fees and other governmental charges levied or imposed upon them or their properties, income or assets as due and payable, except those which are being contested in good faith by appropriate proceedings and for which adequate reserves have been provided in accordance with GAAP. There is no proposed tax assessment against the Borrower or any of its Subsidiaries that would, if made, have a Material Adverse Effect.

6.11 Financial Condition.

(a) The audited balance sheet of Borrower dated as of September 30, 2006:

(i) fairly presents the financial condition of the Borrower as of the date thereof; and

(ii) shows all material indebtedness and other liabilities, direct or contingent, of the Borrower as of the date thereof, including liabilities for taxes, material commitments and Contingent Obligations.

(b) Since September 30, 2006, there has been no Material Adverse Effect.

6.12 Environmental Matters. Except as previously specifically disclosed in Schedule 6.12, such Environmental Laws and Environmental Claims could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

6.13 Regulated Entities. Neither the Borrower, nor any Person controlling the Borrower, or any of its Subsidiaries, is an “Investment Company” within the meaning of the Investment Company Act of 1940. The Borrower is not subject under any Federal or state statute or regulation to restrictions limiting its ability to incur the Obligations.

6.14 No Burdensome Restrictions. Neither the Borrower nor any of its Subsidiaries is a party to or bound by any Contractual Obligation, or subject to any restriction in any Organization Document, or any Requirement of Law, which could reasonably be expected to have a Material Adverse Effect.

6.15 Copyrights, Patents, Trademarks and Licenses, etc. The Borrower or its Subsidiaries own or are licensed or otherwise have the right to use all of the patents, trademarks, service marks, trade names, copyrights, contractual franchises, authorizations and other rights that are reasonably necessary for the operation of their respective businesses, without conflict with the rights of any other Person. No slogan or other advertising device, product, process, method, substance, part or other material now employed, or now contemplated to be employed, by the Borrower or any Subsidiary infringes upon any rights held by any other Person. Except as specifically disclosed in Schedule 6.05, no claim or litigation regarding any of the foregoing is pending or threatened, and no patent, invention, device, application, principle or any statute, law, rule, regulation, standard or code is pending or, to the knowledge of the Borrower, proposed.

6.16 Subsidiaries. The Borrower has no Subsidiaries other than those specifically disclosed in part (a) of Schedule 6.16 hereto and has no equity investments in any other corporation or entity other than those specifically disclosed in part (b) of Schedule 6.16.

6.17 Insurance. Except as specifically disclosed in Schedule 6.17, the properties of the Borrower and its Subsidiaries are insured with financially sound and reputable insurance companies not Affiliates of the Borrower, in such amounts, with such deductibles and covering such risks as are customarily carried by companies engaged in similar businesses and owning similar properties in localities where the Borrower or such Subsidiary operates.

6.18 Full Disclosure. None of the representations or warranties made by the Borrower or any of its Subsidiaries in the Loan Documents as of the date such representations and warranties are made or deemed made, and none of the statements contained in any exhibit, report, statement or certificate furnished by or on behalf of the Borrower or any of its Subsidiaries in connection with the Loan Documents (including the offering and disclosure materials delivered by or on behalf of the Borrower to the Lenders prior to the Closing Date), contains any untrue statement of a material fact or omits any material fact required to be stated therein or necessary to make the statements made therein, in light of the circumstances under which they are made, not misleading as of the time when made or delivered.

6.19 Office of Foreign Asset Control. Neither the Borrower nor any Affiliate of Borrower (i) is a Person with whom a Lender is restricted from doing business under regulations of the Office of Foreign Asset Control ("OFAC") of the Department of the Treasury of the United States of America (including those Persons named on OFAC's Specially Designated and Blocked Persons list) or under any statute, executive order (including the September 24, 2001 Executive Order Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism), or other governmental action, or (ii) is engaged in any dealings or transactions or otherwise be associated with such Persons.

ARTICLE VII
AFFIRMATIVE COVENANTS

So long as any Lender shall be continuing to consider making Revolving Loans or Issuing Letters of Credit hereunder, or any Loan or other Obligation shall remain unpaid or unsatisfied, or any Letter of Credit shall remain outstanding:

7.01 Financial Statements. The Borrower shall deliver to the Lenders, in form and detail satisfactory to the Lenders:

(a) as soon as available, but not later than 90 days after the end of each fiscal year, a copy of the audited consolidated and consolidating financial statements of Borrower to include a balance sheet as at the end of such year and the related statements of income or operations, shareholders' equity and cash flows for such year, setting forth in each case in comparative form the figures for the previous fiscal year, and accompanied by the opinion of a nationally-recognized independent public accounting firm which report shall state that such financial statements present fairly the financial position for the periods indicated in conformity with GAAP applied on a basis consistent with prior years. Such opinion shall not be qualified or limited because of a restricted or limited examination by the public accounting firm of any material portion of Borrower's records;

(b) as soon as available, but not later than 90 days after the end of each fiscal year, a copy of the audited financial statements of Parent to include a balance sheet as at the end of such year and the related statements of income or operations, members' equity and cash flows for such year, setting forth in each case in comparative form the figures for the previous fiscal year, and accompanied by the opinion of a nationally-recognized independent public accounting firm which report shall state that such financial statements present fairly the financial position for the periods indicated in conformity with GAAP applied on a basis consistent with prior years. Such opinion shall not be qualified or limited because of a restricted or limited examination by the public accounting firm of any material portion of Borrower's records;

(c) as soon as available, but not later than thirty (30) days after the end of each month, Borrower-prepared consolidated and consolidating financial statements of the Borrower and its Subsidiaries including a copy of the balance sheet as at the end of such month and the related statements of income or operations and shareholders' equity for such month prepared in accordance with GAAP (and reflecting the Net Accounting Adjustment) and accompanied by an explanation of any discrepancy between such statements resulting from the differing methods of preparation; and

(d) as soon as available, but not later than ninety (90) days after the end of each fiscal quarter, consolidated Parent-prepared financial statements of Parent and its Subsidiaries including a copy of the balance sheet as at the end of such fiscal quarter and the related statements of income or operations, shareholders' equity and cash flows for such fiscal quarter prepared in accordance with GAAP.

7.02 Certificates; Other Information. The Borrower shall furnish to the Administrative Agent and the Lenders:

(a) concurrently with the delivery of the financial statements referred to in Subsections 7.01 (a) and (c), a Compliance Certificate executed by a Responsible Officer of the Borrower;

(b) on each Weekly Reporting Date, as of the last day of the immediately preceding week (or the next succeeding Business Day after such date in the event that such date is not a Business Day), a Borrowing Base Collateral Position Report and a Net Position Report, certified by a Responsible Officer of the Borrower; and

(c) promptly when available, such additional information regarding the business, financial or corporate affairs of the Borrower or any Subsidiary as the Administrative Agent, at the request of any Lender, may from time to time reasonably request.

7.03 Notices. The Borrower shall promptly notify Administrative Agent and each Lender:

(a) of the occurrence of any Default or Event of Default, and of the occurrence or existence of any event or circumstance that could reasonably be expected to become a Default or Event of Default;

(b) the occurrence of any event which could reasonably be expected to cause a material impairment of the Collateral Position;

(c) the occurrence of any event which could reasonably be expected to cause a Material Adverse Effect, including (i) breach or non-performance of, or any default under, a material Contractual Obligation of the Borrower or any Subsidiary; (ii) any material dispute, litigation, investigation, proceeding or suspension between the Borrower or any Subsidiary and any Governmental Authority; or (iii) the commencement of, or any material development in, any litigation or proceeding affecting the Borrower or any Subsidiary, including pursuant to any applicable Environmental Laws;

(d) of the occurrence of any of the following events affecting the Borrower or any ERISA Affiliate (but in no event more than 10 days after the Borrower receives notice or becomes aware of such event), and deliver to Administrative Agent and each Lender a copy of any notice with respect to such event that is filed with a Governmental Authority and any notice delivered by a Governmental Authority to the Borrower or any ERISA Affiliate with respect to such event:

(i) an ERISA Event;

(ii) a material increase in the Unfunded Pension Liability of any Pension Plan;

(iii) the adoption of, or the commencement of contributions to, any Plan subject to Section 412 of the Code by the Borrower or any ERISA Affiliate;

(iv) the adoption of any amendment to a Plan subject to Section 412 of the Code, if such amendment results in a material increase in contributions or Unfunded Pension Liability;

(e) of any material change in accounting policies or financial reporting practices by the Borrower;

(f) of any trading in new Products by the Borrower within thirty (30) days of the date on which such trading first occurred; and

(g) with respect to any inventory in an Approved Foreign Location listed on Schedule 7.03(f) hereto, of any intended relocation of inventory to a location that has not been approved in writing by the Administrative Agent, or any intended new location of inventory owned by the Borrower, at least ten (10) Business Days prior to the date such inventory is to be stored at such location.

Each notice under this Section shall be accompanied by a written statement by a Responsible Officer of the Borrower setting forth details of the occurrence referred to therein, and stating what action the Borrower or any affected Subsidiary proposes to take with respect thereto and at what time. Each notice under Subsection 7.03(a) shall describe with particularity any and all clauses or provisions of this Agreement or other Loan Document that have been (or reasonably could be expected to be) breached or violated as therein provided.

Each Swap Bank that has concluded a Swap Contract shall promptly notify the Administrative Agent of the Early Termination (as defined in such Swap Contract), or its equivalent, of the Swap Contract and the Administrative Agent shall promptly notify the Lenders of the same.

7.04 Preservation of Corporate Existence, Etc. The Borrower shall, and shall cause each of its Subsidiaries to:

(a) preserve and maintain in full force and effect its corporate existence and good standing under the laws of its state or jurisdiction of organization;

(b) preserve and maintain in full force and effect all governmental rights, privileges, qualifications, permits, licenses and franchises necessary or desirable in the normal conduct of its business;

(c) use reasonable efforts, in the ordinary course of business, to preserve its business organization and goodwill; and

(d) preserve or renew all of its registered patents, trademarks, trade names and service marks, the non-preservation of which could reasonably be expected to have a Material Adverse Effect.

7.05 Maintenance of Property. The Borrower shall maintain, and shall cause each of its Subsidiaries to maintain, and preserve all its property which is used or useful in its business in good working order and condition, ordinary wear and tear excepted and make all necessary repairs thereto and renewals and replacements thereof except in any case where the failure to do so could not reasonably be expected to have a Material Adverse Effect.

7.06 Insurance. The Borrower shall maintain, and shall cause each of its Subsidiaries to maintain, with financially sound and reputable independent insurers, insurance with respect to its properties and business against loss or damage of the kinds customarily insured against by Persons engaged in the same or similar business, of such types and in such amounts as are customarily carried under similar circumstances by such other Persons. Administrative Agent, for the benefit of the Lenders, shall be named as an additional insured and loss payee under all such polices, without liability for premiums or club calls.

7.07 Payment of Obligations. The Borrower shall, and shall cause each of its Subsidiaries to, pay and discharge as the same shall become due and payable, all their respective obligations and liabilities, including:

(a) all tax liabilities, assessments and governmental charges or levies upon it or its properties or assets, unless the same are being contested in good faith by appropriate proceedings and adequate reserves in accordance with GAAP are being maintained by the Borrower or such Subsidiary;

(b) all lawful claims which, if unpaid, would by law become a Lien upon its property, except for Permitted Liens, unless the same are being contested in good faith by appropriate proceedings and adequate reserves in accordance with GAAP are being maintained by the Borrower or Subsidiary, and provided that at such time the claim becomes a Lien (other than a lis pendens notice), it shall be promptly paid; and

(c) all indebtedness, as and when due and payable, but subject to any subordination provisions contained in any instrument or agreement evidencing or relating to such Indebtedness.

7.08 Compliance with Laws. The Borrower shall comply, and shall cause each of its Subsidiaries to comply, with all Requirements of Law of any Governmental Authority having jurisdiction over it or its business (including the Federal Fair Labor Standards Act).

7.09 Compliance with ERISA. The Borrower shall, and shall cause each of its ERISA Affiliates to: (a) maintain each Plan in compliance with the applicable provisions of ERISA, the Code and other federal or state law; (b) cause each Plan which is qualified under Section 401 (a) of the Code to maintain such qualification; and (c) make all required contributions to any Plan subject to Section 412 of the Code.

7.10 Inspection of Property and Books and Records. The Borrower shall maintain and shall cause each of its Subsidiaries to maintain proper books of record and account, in which full, true and correct entries in conformity with GAAP consistently applied shall be made of all financial transactions and matters involving the assets and business of the Borrower and such Subsidiary. The Borrower shall permit, and shall cause each of its Subsidiaries to permit representatives and independent contractors of Administrative Agent or any Lender to visit and inspect any of their respective properties, to examine their respective corporate, financial and operating records, and make copies thereof or abstracts therefrom, and to discuss their respective

affairs, finances and accounts with their respective directors, officers, and independent public accountants, at such reasonable times during normal business hours and as often as may be reasonably desired, upon reasonable advance notice to the Borrower. No more than one (1) audit at the premises of the Borrower or other location where its books and records are maintained shall be permitted in any calendar year at the request of the Lenders prior to the occurrence of an Event of Default (or more often, at the sole cost and expense of the Lender requesting such additional audit), provided that as many audits as may be reasonably requested shall be permitted at Borrower's cost and expense subsequent to the occurrence and continuation of an Event of Default. Any reasonable out-of-pocket expenses or fees associated with such audits will be for the account of the Borrower.

7.11 Environmental Laws. The Borrower shall, and shall cause each of its Subsidiaries to, conduct its operations and keep and maintain its property in compliance in all material respects with all Environmental Laws.

7.12 Use of Proceeds. The Borrower shall use the proceeds of the Loans for the uses described in this Agreement and not in contravention of any Requirement of Law or of any Loan Document restrictions on use of loan proceeds. The Borrower shall not use the proceeds of any Loan or any Letter of Credit to acquire, directly or indirectly, any Margin Stock.

7.13 Collateral Position Audit. At such times as Administrative Agent deems advisable (which may be at the request of a Lender), the Borrower will allow Administrative Agent or an entity satisfactory to Administrative Agent to conduct a thorough examination of the Collateral Position, and the Borrower will fully cooperate in such examination. The Borrower will pay the costs and expenses of each such examination. The Borrower acknowledges that Administrative Agent will conduct a minimum of one such audit per year. At the request of any Lender, the Administrative Agent will provide such Lender with the results of such audit.

7.14 Payments to Bank Deposit Accounts. The Borrower shall (i) notify in writing and otherwise take such reasonable steps to ensure that all Account Debtors under any of its Accounts forward payment in the form of cash, checks, drafts or other similar items of payment directly to the Bank Deposit Accounts or directly by wire transfer to the Bank Deposit Accounts and shall, if requested by Administrative Agent, provide Lenders with reasonable evidence of such notification, and (ii) deposit and cause its Subsidiaries to deposit or cause to be deposited all payments under such Accounts to the Bank Deposit Accounts. In the event that any Account Debtor does not make any payment directly to the Bank Deposit Accounts, Borrower shall promptly deposit such amounts into the Bank Deposit Accounts.

7.15 Financial Covenants. The Borrower shall at all times maintain:

(a) minimum Working Capital equal to the greater of (i) $15,000,000.00 or (ii) the amount of Working Capital then required on Schedule 7.15 hereto, as such amount corresponds to the Maximum Amount as of the date of calculation.

(b) minimum Threshold Working Capital greater than $12,000,000.00.

(c) minimum Equity equal to the greater of (i) $15,000,000.00 or (ii) the amount of Equity then required on Schedule 7.15 hereto, as such amount corresponds to the Maximum Amount as of the date of calculation.

(d) minimum Threshold Equity greater than $12,000,000.00.

(e) a Working Capital Leverage Ratio not to exceed 9.0:1.0.

7.16 Security for Obligations. The Borrower shall at all times maintain security interests in favor of the Lenders so that the Lenders shall have a first priority perfected Lien on all of assets of the Borrower and any of its Subsidiaries, to secure the Borrower's Obligations hereunder, under the other Loan Documents and with respect to Swap Contracts, and the Borrower's Obligations under Swap Contracts shall be secured on a pari passu basis with the Borrower's other Obligations and the Swap Banks shall share in recoveries and distributions from the Collateral which recoveries and distributions shall be allocated in accordance with the terms of the Intercreditor Agreement.

7.17 Inventory located in the UAE. All inventory located in the UAE will be deposited at a warehouse which is registered with the DMCC and authorized by the DMCC to issue depository gold receipts, which, on the Closing Date shall be those warehouses identified on Schedule 7.03(f) as being located in Dubai.

7.18 USA PATRIOT Act Notice. Each Lender and the Administrative Agent (for itself and not on behalf of any Lender) hereby notifies the Borrower that pursuant to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "Act"), it is required to obtain, verify and record information that identifies the Borrower, which information includes the name and address of the Borrower and other information that will allow such Lender or the Administrative Agent, as applicable, to identify the Borrower in accordance with the Act. The Borrower shall, and shall cause each of its Subsidiaries to, provide, to the extent commercially reasonable, such information and take such actions as are reasonably requested by each Lender and the Administrative Agent to maintain compliance with the Act.

7.19 Qualification to Do Business in the State of New York. The Borrower shall, no later than May 31, 2007, provide evidence reasonably satisfactory to the Administrative Agent and the Lenders that the Borrower is duly qualified as a foreign corporation and in good standing under the laws of the State of New York.

ARTICLE VIII
NEGATIVE COVENANTS

So long as any Loan or other Obligation shall remain unpaid or unsatisfied, or any Letter of Credit shall remain outstanding, unless the Lenders waive compliance in writing:

8.01 Limitation on Liens. The Borrower shall not, and shall not suffer or permit any Subsidiary to, directly or indirectly, make, create, incur, assume or suffer to exist any Lien upon or with respect to any part of its property, whether now owned or hereafter acquired, other than the following ("Permitted Liens"):

(a) any Lien existing on property of the Borrower or any of its Subsidiaries on the Closing Date and set forth in Schedule 8.01 securing Indebtedness;

(b) any Lien created under any Loan Document or Swap Contract;

(c) Liens for taxes, fees, assessments or other governmental charges which are not delinquent or remain payable without penalty, or to the extent that non-payment thereof is permitted by Section 7.07, provided that no notice of lien has been filed or recorded under the Code;

(d) carriers', warehousemen's, mechanics', landlords', materialmen's, repairmen's, or other similar Liens arising in the ordinary course of business which are not delinquent or remain payable without penalty and, with respect to any such warehousemen's or landlord's lien, such liens only secure accrued rental charges;

(e) Liens (other than any Lien imposed by ERISA) consisting of pledges or deposits required in the ordinary course of business in connection with workers' compensation, unemployment insurance and other social security legislation;

(f) Liens on the property of the Borrower or its Subsidiaries securing (i) the non-delinquent performance of bids, trade contracts (other than for borrowed money), leases, statutory obligations, (ii) contingent obligations on surety and appeal bonds, and (iii) other non-delinquent obligations of a like nature; in each case, incurred in the ordinary course of business, provided all such Liens in the aggregate would not (even if enforced) cause a Material Adverse Effect;

(g) Liens consisting of judgment or judicial attachment liens; provided that the enforcement of such Liens is effectively stayed or bonded pending appeal in a manner acceptable to the Administrative Agent; and provided, further, that any such liens that are unstayed may exist with respect to judgments in the aggregate at any time outstanding for the Borrower and its Subsidiaries not to exceed $3,000,000.00;

(h) easements, rights-of-way, restrictions and other similar encumbrances incurred in the ordinary course of business which, in the aggregate, are not substantial in amount, and which do not in any case materially interfere with the ordinary conduct of the business of the Borrower and its Subsidiaries;

(i) purchase money security interests (including capital leases) on any property acquired or held by the Borrower or its Subsidiaries in the ordinary course of business, securing Indebtedness incurred or assumed for the purpose of financing all or any part of the cost of acquiring such property; provided, however, that (i) any such Lien attaches to such property concurrently with or within 20 days after the acquisition thereof, (ii) such Lien attaches solely to the property so acquired in such transaction, (iii) the principal amount of the debt secured thereby does not exceed 100% of the cost of such property, and (iv) the principal amount of the Indebtedness secured by any and all such purchase money security interests shall not at any time exceed $500,000.00; and

(j) any Lien in the form of Cash Collateral (which has not been Cash Collateralized for the benefit of the Lenders) which has been granted by the Borrower to secure the margin requirements of a swap contract permitted under Section 8.06(b), provided that such Cash Collateral has been deducted from the Borrowing Base Advance Cap.

8.02 Consolidations and Mergers. The Borrower shall not, and shall not suffer or permit any of its Subsidiaries to, merge, consolidate with or into, or convey, transfer, lease or otherwise dispose of (whether in one transaction or in a series of transactions) all or substantially all of its assets (whether now owned or hereafter acquired) to or in favor of any Person except for the sale of assets in the ordinary course of its business.

8.03 Limitation on Indebtedness. The Borrower shall not, and shall not suffer or permit any of its Subsidiaries to, create, incur, assume, suffer to exist, or otherwise become or remain directly or indirectly liable with respect to, any Indebtedness, except:

(a) Indebtedness incurred pursuant to or in accordance with, this Agreement;

(b) Indebtedness consisting of trade payables in the ordinary course of business;

(c) Indebtedness existing on the Closing Date, and described on Schedule 8.01;

(d) Indebtedness in respect of purchase money security interests permitted by Section 8.01 hereof;

(e) Indebtedness in respect of Contingent Obligations permitted by Section 8.06 hereof; and

(f) Subordinated Debt that has been approved by the Lenders.

8.04 Transactions with Affiliates. The Borrower shall not, and shall not suffer or permit any of its Subsidiaries to, enter into any transaction with any Affiliate of the Borrower, except upon fair and reasonable terms no less favorable to the Borrower or such Subsidiary than would obtain in a comparable arm's-length transaction with a Person not an Affiliate of the Borrower or such Subsidiary.

8.05 Use of Proceeds. The Borrower shall not, and shall not suffer or permit any of its Subsidiaries to, use any portion of the Loan proceeds or any Letter of Credit, directly or indirectly, (a) to purchase or carry Margin Stock, (b) to repay or otherwise refinance indebtedness of the Borrower or others incurred to purchase or carry Margin Stock, (c) to extend credit for the purpose of purchasing or carrying any Margin Stock, (d) to acquire any security in any transaction that is subject to Section 13 or 14 of the Exchange Act, or (e) in a manner inconsistent with this Agreement.

8.06 Contingent Obligations. The Borrower shall not, and shall not suffer or permit any of its Subsidiaries to, create, incur, assume or suffer to exist any Contingent Obligations except:

(a) endorsements for collection or deposit in the ordinary course of business;

(b) swap contracts entered into in the ordinary course of business as bona fide hedging transactions (including Swap Contracts); and

(c) Contingent Obligations of the Borrower and its Subsidiaries existing as of the Closing Date and described on Schedule 8.06.

8.07 Restricted Payments. The Borrower shall not declare or make, directly or indirectly, any Restricted Payment, or incur any obligation (contingent or otherwise) to do so, except that:

(a) each Subsidiary may make Restricted Payments to the Borrower and to wholly-owned Subsidiaries (and, in the case of a Restricted Payment by a non-wholly-owned Subsidiary, to the Borrower and any Subsidiary and to each other owner of capital stock of such Subsidiary on a pro rata basis based on their relative ownership interests);

(b) the Borrower and each Subsidiary may declare and make dividend payments or other distributions payable solely in the common stock of such Person;

(c) the Borrower and each Subsidiary may purchase, redeem or otherwise acquire shares of its common stock or warrants or options to acquire any such shares with the proceeds received from the substantially concurrent issue of new shares of its common stock; and

(d) the Borrower may declare or pay cash dividends or make distributions to Parent from time to time, provided that such distributions shall not at any time exceed an amount equal to the excess of the Borrowing Base Advance Cap over the aggregate amount of outstanding Loans and the Face Amount of outstanding Letters of Credit as of the date such distributions are made; and provided, further, that (i) no Default or Event of Default shall have occurred hereunder or would result from the making of such distribution, and (ii) prior to and after giving effect to such distribution the Borrower is in strict compliance with the Loan Documents and this Agreement, including, without limitation, the guidelines set forth in Section 7.15 hereof (and the Borrower shall have provided the Administrative Agent with a certificate to that effect together with calculations relating thereto and appropriate backup information).

8.8 ERISA. The Borrower shall not, nor suffer or permit any of its ERISA Affiliates to: (a) engage in a prohibited transaction or violation of the fiduciary responsibility rules with respect to any Plan; or (b) engage in a transaction that could be subject to Section 4069 or 4212(c) of ERISA.

8.9 Change in Business. The Borrower shall not, nor suffer or permit any of its Subsidiaries to, engage in any line of business different from the line of business carried on by the Borrower and its Subsidiaries on the date hereof.

8.10 Accounting Changes. The Borrower shall not, nor suffer or permit any of its Subsidiaries to, make any significant change in accounting treatment or reporting practices, except as required by GAAP, or change the fiscal year of the Borrower or of any Subsidiary.

8.11 Net Position. At no time will the Borrower allow its Net Position with respect to Products multiplied by the current market price relating thereto based on the most recent daily pricing provided by a commodity pricing report or other source acceptable to the Administrative Agent to exceed: (a) $5,000,000 for all positions relating to the same Unhedgeable Metal; (b) $10,000,000 for all positions relating to all Unhedgeable Metals in the aggregate, (c) $8,000,000 for all positions relating to the same Hedgeable Metal, and (d) $25,000,000 in the aggregate for all of the Borrower's positions, whether relating to Hedgeable Metals or Unhedgeable Metals.

8.12 Change of Management. Borrower shall notify the Administrative Agent prior to any Change of Management. For purposes of this Section 8.12, "Change of Management" shall mean an officer of the Borrower ceases to be an officer of the Borrower or more than 50% of the Persons serving as directors of the Borrower on the Closing Date cease to serve as directors.

8.13 Risk Management Policy. The Borrower will not materially change its risk management policies without the prior written consent of Administrative Agent and all the Lenders. Borrower agrees that upon request by Administrative Agent, from time to time, the Borrower and the Lenders will review and evaluate Borrower's risk management policies.

8.14 Capital Expenditures. Borrower will not make or commit to make any capital expenditure if after such commitment or expenditure a Default or Event of Default would exist under this Agreement.

8.15 Loans and Investments. Borrower shall not purchase or acquire, or make any commitment therefor, any equity interest, or any obligations or other securities of, or any interest in, any Person, or make or commit to make any acquisitions, or make or commit to make any advance, loan, extension of credit (other than pursuant to sales or purchases on open account in the ordinary course of Borrower's business) or capital contribution to or any other investment in, any Person.

8.16 Bank Deposit Accounts Investments. Borrower shall not purchase or acquire any investments to be held in a Bank Deposit Account other than cash equivalents and Marketable Securities.

8.17 Maximum amount of JV Eligible Accounts Receivable. In no event shall the Borrower own JV Eligible Accounts Receivable in an aggregate unpaid amount exceeding $10,000,000 at any time.

ARTICLE IX
EVENTS OF DEFAULT

9.01 Event of Default. Any of the following shall constitute an "Event of Default":

(a) Non-Pavment. (i) The Borrower fails to pay any principal amount due hereunder or under any other Loan Document when such amount becomes due, including, without limitation, such amounts as may come due as a result of a "demand" made by the Required Lenders under the Notes or (ii) the Borrower fails to pay any interest, fees or other amount payable hereunder or under any other Loan Document and such failure is not cured within two (2) Business Days after the date due; or

(b) Representation or Warranty. Any representation or warranty made or deemed made herein, in any other Loan Document, or which is contained in any certificate, document or financial or other statement by the Borrower, Parent, or any Responsible Officer furnished at any time under this Agreement, or in or under any other Loan Document, is incorrect or incomplete in any material respect on or as of the date made or deemed made; or

(c) Covenant Defaults. The Borrower fails to perform or observe any term, agreement or compliance guideline contained in Sections 7.01, 7.02, 7.04, 7.05, 7.06, 7.07, 7.13, 7.14, 7.15, 7.16, 7.19 or in Article VIII of this Agreement, or if any Compliance Certificate delivered on or before the required date pursuant to Section 7.02(a) indicates a failure to comply with the covenants referred to therein, if such failure is not cured by the Borrower within two (2) Business Days; or if the Borrower fails to perform or observe any other term, agreement or compliance guideline contained herein or in any other Loan Document, if such failure is not cured by the Borrower within fifteen (15) Business Days ; or

(d) Cross-Default. The Borrower, Parent or any Subsidiary of the Borrower (i) fails to make any payment in respect of any Indebtedness or Contingent Obligation having an aggregate principal amount (including undrawn committed or available amounts and including amounts owing to all creditors under any combined or syndicated credit arrangement) of more than $3,000,000.00 when due (whether by scheduled maturity, required prepayment, acceleration, demand, or otherwise); or (ii) fails to perform or observe any other material condition or covenant, or any other event shall occur or condition exist, under any agreement or instrument relating to any such Indebtedness or Contingent Obligation, if, after expiration of any grace or cure period therein provided, the effect of such failure, event or condition is to cause, or to permit the holder or holders of such Indebtedness or beneficiary or beneficiaries of such Indebtedness (or a trustee or agent on behalf of such holder or holders or beneficiary or beneficiaries) to cause such Indebtedness to be declared to be due and payable prior to its stated maturity, or such Contingent Obligation to become payable or cash collateral in respect thereof to be demanded; or

(e) Swap Contracts. There shall have occurred with respect to any Swap Contract to which the Borrower is a party an “Event of Default” or a “Termination Event” (as defined in the applicable ISDA Master Agreement and any related Credit Support Annex or Schedule) which entitles the applicable Swap Bank to terminate the Swap Contract; or

(f) Insolvency; Voluntary Proceedings. The Borrower, Parent or any Subsidiary of the Borrower (i) ceases or fails to be solvent, or generally fails to pay, or admits in writing its inability to pay, its debts as they become due, whether at stated maturity or otherwise; (ii) commences any Insolvency Proceeding with respect to itself; or (iii) takes any action to effectuate or authorize any of the foregoing; or

(g) Involuntary Proceedings. (i) Any involuntary Insolvency Proceeding is commenced or filed against Parent, the Borrower or any Subsidiary of the Borrower, or any writ, judgment, warrant of attachment, execution or similar process, is issued or levied against a substantial part of the properties of Parent, the Borrower or any Subsidiary of the Borrower, and any such proceeding or petition shall not be dismissed, or such writ, judgment, warrant of attachment, execution or similar process shall not be released, vacated or fully bonded within 45

days after commencement, filing or levy; (ii) Parent, the Borrower or any Subsidiary of the Borrower admits the material allegations of a petition against it in any Insolvency Proceeding, or an order for relief (or similar order under non-U.S. law) is ordered in any Insolvency Proceeding; or (iii) Parent, the Borrower or any Subsidiary of the Borrower acquiesces in the appointment of a receiver, trustee, custodian, conservator, liquidator, mortgagee in possession (or agent therefor), or other similar Person for itself or a substantial portion of its property or business; or

(h) ERISA. (i) An ERISA Event shall occur with respect to a Pension Plan or Multiemployer Plan which has resulted or could reasonably be expected to result in liability of the Borrower under Title IV of ERISA to the Pension Plan, Multiemployer Plan or the PBGC in an aggregate amount in excess of $500,000.00; (ii) the aggregate amount of Unfunded Pension Liability among all Pension Plans at any time exceeds $500,000.00; or (iii) the Borrower or any ERISA Affiliate shall fail to pay when due, any installment payment with respect to its withdrawal liability under Section 4201 of ERISA under a Multiemployer Plan in an aggregate amount in excess of $500,000.00, or the aggregate of (i), (ii) and (iii) exceeds $1,000,000.00; or

(i) Monetary Judgments. One or more non-interlocutory judgments, non-interlocutory orders, decrees or arbitration awards is entered against Parent, the Borrower or any Subsidiary of the Borrower, which such judgment, order, decree or award is not effectively stayed pending appeal thereof, involving in the aggregate a liability as to any single or related series of transactions, incidents or conditions, to pay an amount of $3,000,000.00 or more; or

(j) Non-Monetary Judgments. Any non-monetary judgment, order or decree is entered against the Borrower, Parent or any Subsidiary of the Borrower which does or would reasonably be expected to have a Material Adverse Effect; or

(k) Change of Control. There occurs any Change of Control not previously approved in writing by all the Lenders; or

(l) Adverse Change. There occurs a Material Adverse Effect.

IN NO EVENT SHALL ANY PROVISION OF THIS AGREEMENT PROVIDING FOR SPECIFIC EVENTS OF DEFAULT BE CONSTRUED TO WAIVE, LIMIT OR OTHERWISE MODIFY THE DEMAND NATURE OF THE LOANS WHICH MAY BE MADE PURSUANT TO THIS AGREEMENT, AND THE BORROWER HEREBY ACKNOWLEDGES AND AGREES THAT THE LENDERS' RIGHT TO DEMAND PAYMENT (TO BE EXERCISED BY THE REQUIRED LENDERS) AT ANY TIME FOR ANY REASON OR FOR NO REASON IS ABSOLUTE AND UNCONDITIONAL.

9.02 Remedies. If any Event of Default occurs, Administrative Agent may and shall, at the request of the Required Lenders:

(a) declare an amount equal to the maximum aggregate amount that is or at any time thereafter may become available for drawing by the beneficiary under any outstanding Letters of Credit (whether or not any beneficiary shall have presented, or shall be entitled at such time to present, the drafts or other documents required to draw under such Letters of Credit) to be immediately due and payable, and declare the unpaid principal amount of all outstanding Loans, all interest accrued and unpaid thereon, and all other amounts owing or payable hereunder or under any other Loan Document to be immediately due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby expressly waived by the Borrower; and

(b) exercise on behalf of itself and the Lenders all rights and remedies available to it and the Lenders under the Loan Documents or applicable law including, without limitation, seeking to lift the stay in effect under the Insolvency Proceeding;

provided, however, that upon the occurrence of any event specified in subsection (f) or (g) of Section 9.01, the making of Loans and the Issuance of Letters of Credit under this Agreement shall automatically terminate and an amount equal to the maximum aggregate amount that is or at any time thereafter may become available for drawing by the beneficiary under any outstanding Letters of Credit (whether or not any beneficiary shall have presented, or shall be entitled at such time to present, the drafts or other documents required to draw under such Letters of Credit) together with the unpaid principal amount of all outstanding Loans and all interest and other amounts as aforesaid shall automatically become due and payable without further act of Administrative Agent, the Issuing Bank or any Lender.

9.3 Rights Not Exclusive. The rights provided for in this Agreement and the other Loan Documents are cumulative and are not exclusive of any other rights, powers, privileges or remedies provided by law or in equity, or under any other instrument, document or agreement now existing or hereafter arising.

9.4 Application of Payments. Except as expressly provided in this Agreement, from and after the date of the occurrence of any Sharing Event, all amounts thereafter received or recovered under this Agreement or any other Loan Document whether as a result of a payment by the Borrower, the exercise of remedies by the Administrative Agent under any of the Loan Documents, liquidation of collateral or otherwise, shall be applied according to Section 2.01 of the Intercreditor Agreement.

ARTICLE X
ADMINSTRATIVE AGENT

10.01 Appointment and Authorization.

(a) Each Lender hereby irrevocably (subject to Section 10.09) appoints, designates and authorizes Administrative Agent to take such action on its behalf under the provisions of this Agreement and each other Loan Document and to exercise such powers and perform such duties as are expressly delegated to it by the terms of this Agreement or any other Loan Document, together with such powers as are reasonably incidental thereto. Notwithstanding any provision to the contrary contained elsewhere in this Agreement or in any other Loan Document, Administrative Agent shall not have any duties or responsibilities, except those expressly set forth herein, nor shall Administrative Agent have or be deemed to have any fiduciary relationship with any Lender, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Agreement or any other Loan Document or otherwise exist against Administrative Agent. Without limiting the generality of the foregoing sentence, the use of the term “agent” in this Agreement with reference to Administrative Agent is

not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any applicable law. Instead, such term is used merely as a matter of market custom and is intended to create or reflect only an administrative relationship between independent contracting parties.

(b) The Issuing Bank shall act on behalf of the Lenders with respect to any Letters of Credit issued by it and the documents associated therewith until such time (and except for so long) as Administrative Agent and the Issuing Bank may agree at the request of the Required Lenders that Administrative Agent will act for the Issuing Bank with respect thereto; provided, however, that the Issuing Bank shall have all of the benefits and immunities (i) provided to Administrative Agent in this Article X with respect to any acts taken or omissions suffered by the Issuing Bank in connection with Letters of Credit issued by it or proposed to be issued by it and the application and agreements for letters of credit pertaining to the Letters of Credit as fully as if the term "Administrative Agent" as used in this Article X included the Issuing Bank with respect to such acts or omissions, and (ii) as additionally provided herein with respect to the Issuing Bank. Prior to the issuance of a Letter of Credit or upon the payment of any drawing on a Letter of Credit by the Issuing Bank other than Administrative Agent, the Issuing Bank shall provide written notice to Administrative Agent of the dollar amount, the date of such issuance or payment and the expiry date for such Letter of Credit. The Administrative Agent shall promptly notify each Lender of its receipt of such written notice from the Issuing Bank. Such issuance shall be subject to the consent of Administrative Agent. Such consent shall not result in the imposition of any liability upon Administrative Agent.

10.2 Delegation of Duties. Administrative Agent may execute any of its duties under this Agreement or any other Loan Document by or through agents, employees or attorneys-in-fact and shall be entitled to advice of counsel concerning all matters pertaining to such duties. Administrative Agent shall not be responsible for the negligence or misconduct of any agent or attorney-in-fact that it selects with reasonable care.

10.3 Liability of Administrative Agent. None of Administrative Agent-Related Persons shall (a) be liable for any action taken or omitted to be taken by any of them under or in connection with this Agreement or any other Loan Document or the transactions contemplated hereby (except for its own gross negligence or willful misconduct), or (b) be responsible in any manner to any of the Lenders for any recital, statement, representation or warranty made by the Borrower or any Subsidiary or Affiliate of the Borrower, or any officer thereof, contained in this Agreement or in any other Loan Document, or in any certificate, report, statement or other document referred to or provided for in, or received by Administrative Agent under or in connection with, this Agreement or any other Loan Document, or for the value of or title to any Collateral, or the validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement or any other Loan Document, or for any failure of the Borrower or any other party to any Loan Document to perform its obligations hereunder or thereunder. Except as specifically provided for in this Agreement, no Administrative Agent-Related Person shall be under any obligation to any Lender to ascertain or to inquire as to the observance or performance of any of the agreements contained in, or conditions of, this Agreement or any other Loan Document, or to inspect the properties, books or records of the Borrower or any of the Borrower's Subsidiaries or Affiliates.

10.04 Reliance by Administrative Agent.

(a) Administrative Agent shall be entitled to rely, and shall be fully protected in relying, upon any writing, resolution, notice, consent, certificate, affidavit, letter, telegram, facsimile, telex or telephone message, statement or other document or conversation believed by it to be genuine and correct and to have been signed, sent or made by the proper Person or Persons, and upon advice and statements of legal counsel (including counsel to the Borrower), independent accountants and other experts selected by Administrative Agent. Administrative Agent shall be fully justified in failing or refusing to take any action under this Agreement or any other Loan Document unless it shall first receive such advice or concurrence of the Lenders or Required Lenders, as applicable, as it deems appropriate and, if it so requests, it shall first be indemnified to its satisfaction by the Lenders against any and all liability and expense which may be incurred by it by reason of taking or continuing to take any such action. Administrative Agent shall in all cases be fully protected in acting, or in refraining from acting, under this Agreement or any other Loan Document in accordance with a request or consent of the Lenders or Required Lenders, as applicable, and such request and any action taken or failure to act pursuant thereto shall be binding upon all of the Lenders.

(b) For purposes of determining compliance with the conditions specified in Sections 5.01 and 5.02, each Lender that has executed this Agreement shall, unless it notifies the Administrative Agent to the contrary, be deemed to have consented to, approved or accepted or to be satisfied with, each document or other matter either sent by Administrative Agent to such Lender for consent, approval, acceptance or satisfaction, or required thereunder to be consented to or approved by or acceptable or satisfactory to the Lender.

10.05 Notice of Default. Administrative Agent shall not be deemed to have knowledge or notice of the occurrence of any Default or Event of Default, except with respect to (i) defaults in the payment of principal, interest and fees required to be paid to Administrative Agent for the account of the Lenders and (ii) so long as the Administrative Agent shall be an Issuing Bank, defaults in the payment of fees required to be paid to the Issuing Bank for the account of the Lenders, unless Administrative Agent shall have received written notice from a Lender or the Borrower referring to this Agreement, describing such Default or Event of Default and stating that such notice is a “notice of default”. Administrative Agent will notify the Lenders of its receipt of any such notice. Administrative Agent shall take such action with respect to such Default or Event of Default as may be requested by the Lenders or Required Lenders, as applicable, in accordance with Article IX; provided, however, that unless and until Administrative Agent has received any such request, Administrative Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such Default or Event of Default as it shall deem advisable or in the best interest of the Lenders.

10.06 Credit Decision. Each Lender acknowledges that none of Administrative Agent-Related Persons has made any representation or warranty to it, and that no act by Administrative Agent hereinafter taken, including any review of the affairs of the Borrower and its Subsidiaries, shall be deemed to constitute any representation or warranty by any Administrative Agent-Related Person to any Lender. Each Lender represents to Administrative Agent that it has, independently and without reliance upon any Administrative Agent-Related Person and based on such documents and information as it has deemed appropriate, made its own appraisal of and

investigation into the business, prospects, operations, property, financial and other condition and creditworthiness of the Borrower and its Subsidiaries, the value of and title to any Collateral, and all applicable bank regulatory laws relating to the transactions contemplated hereby, and made its own decision to enter into this Agreement and to extend credit to the Borrower hereunder. Each Lender also represents that it will, independently and without reliance upon any Administrative Agent-Related Person and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit analysis, appraisals and decisions in taking or not taking action under this Agreement and the other Loan Documents, and to make such investigations as it deems necessary to inform itself as to the business, prospects, operations, property, financial and other condition and creditworthiness of the Borrower. Except for notices, reports and other documents expressly herein required to be furnished to the Lenders by Administrative Agent, Administrative Agent shall not have any duty or responsibility to provide any Lender with any credit or other information concerning the business, prospects, operations, property, financial and other condition or creditworthiness of the Borrower which may come into the possession of any of Administrative Agent-Related Persons.

10.07 Indemnification. Whether or not the transactions contemplated hereby are consummated, the Lenders shall indemnify upon demand Administrative Agent-Related Persons (to the extent not reimbursed by or on behalf of the Borrower and without limiting the obligation of the Borrower to do so), pro rata in accordance with each Lender's Pro Rata Share, from and against any and all Indemnified Liabilities; provided, however, that no Lender shall be liable for the payment to Administrative Agent-Related Persons of any portion of such Indemnified Liabilities resulting from such Person's gross negligence or willful misconduct. Without limitation of the foregoing, each Lender shall reimburse Administrative Agent upon demand for its ratable share of any costs or out-of-pocket expenses (including Attorney Costs) incurred by Administrative Agent in connection with the preparation, execution, delivery, administration, modification, amendment or enforcement (whether through negotiations, legal proceedings or otherwise) of, or legal advice in respect of rights or responsibilities under, this Agreement, any other Loan Document, or any document contemplated by or referred to herein, to the extent that Administrative Agent is not reimbursed for such expenses by or on behalf of the Borrower. The undertaking in this Section shall survive the payment of all Obligations hereunder and the resignation or replacement of Administrative Agent. THE FORGOING INDEMNITY INCLUDES AN INDEMNITY FOR THE NEGLIGENCE (BUT NOT THE GROSS NEGLIGENCE) OF AGENT-RELATED PERSONS.

10.08 Administrative Agent in Individual Capacity. Fortis and its Affiliates may make loans to, issue letters of credit for the account of, accept deposits from, acquire equity interests in and generally engage in any kind of banking, trust, financial advisory, underwriting or other business with the Borrower and its Subsidiaries and Affiliates as though Fortis were not Administrative Agent or the Issuing Bank hereunder and without notice to or consent of the Lenders. The Lenders acknowledge that, pursuant to such activities, Fortis or its Affiliates may receive information regarding the Borrower or its Affiliates (including information that may be subject to confidentiality obligations in favor of the Borrower or such Subsidiary) and acknowledge that Administrative Agent shall be under no obligation to provide such information to them. With respect to its Loans, Fortis shall have the same rights and powers under this Agreement as any other Lender and may exercise the same as though it were not Administrative Agent or the Issuing Bank, and the terms "Issuing Bank" and "Lender" include Fortis in its individual capacity.

10.09 Successor Administrative Agent. Administrative Agent may resign as Administrative Agent upon thirty (30) days' notice to the Lenders. If Administrative Agent resigns under this Agreement, the Lenders shall appoint, from among the Lenders, a successor agent for the Lenders. If no successor agent is appointed prior to the effective date of the resignation of Administrative Agent, Administrative Agent may appoint, after consulting with the Lenders, and with the consent of the Borrower, a successor agent from among the Lenders. Upon the acceptance of its appointment as successor agent hereunder, such successor agent shall succeed to all the rights, powers and duties of the retiring Administrative Agent and the term "Administrative Agent" shall mean such successor agent and the retiring Administrative Agent's appointment, powers and duties as Administrative Agent shall be terminated. After any retiring Administrative Agent's resignation hereunder as Administrative Agent, the provisions of this Article X and Sections 11.04 and 11.05 shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Administrative Agent under this Agreement. If no successor agent has accepted appointment as Administrative Agent by the date which is thirty (30) days following a retiring Administrative Agent's notice of resignation, the retiring Administrative Agent's resignation shall nevertheless thereupon become effective and the Lenders shall perform all of the duties of Administrative Agent hereunder until such time, if any, as the Lenders appoint a successor agent as provided for above.

10.10 Foreign Lenders. Each Lender that is a "foreign corporation, partnership or trust" within the meaning of the Code (a "Foreign Lender") shall deliver to Administrative Agent, prior to receipt of any payment subject to withholding under the Code (or after accepting an assignment of an interest herein), two duly signed completed copies of either IRS Form W-8BEN or any successor thereto (relating to such Person and entitling it to an exemption from, or reduction of, withholding tax on all payments to be made to such Person by the Borrower pursuant to this Agreement) or IRS Form W-8ECI or any successor thereto (relating to all payments to be made to such Person by the Borrower pursuant to this Agreement) or such other evidence satisfactory to the Borrower and Administrative Agent that such Person is entitled to an exemption from, or reduction of, U.S. withholding tax. Thereafter and from time to time, each such Person shall (a) promptly submit to Administrative Agent such additional duly completed and signed copies of one of such forms (or such successor forms as shall be adopted from time to time by the relevant United States taxing authorities) as may then be available under then current United States laws and regulations to avoid, or such evidence as is satisfactory to the Borrower and Administrative Agent of any available exemption from or reduction of, United States withholding taxes in respect of all payments to be made to such Person by the Borrower pursuant to this Agreement, (b) promptly notify Administrative Agent of any change in circumstances which would modify or render invalid any claimed exemption or reduction, and (c) take such steps as shall not be materially disadvantageous to it, in the reasonable judgment of such Lender, and as may be reasonably necessary (including the re-designation of its Lending Office) to avoid any requirement of applicable Laws that the Borrower make any deduction or withholding for taxes from amounts payable to such Person. If such Person fails to deliver the above forms or other documentation, then Administrative Agent may withhold from any interest payment to such Person an amount equivalent to the applicable withholding tax imposed by Sections 1441 and 1442 of the Code, without reduction. If any Governmental Authority asserts that

Administrative Agent did not properly withhold any tax or other amount from payments made in respect of such Person, such Person shall indemnify Administrative Agent therefore, including all penalties and interest, any taxes imposed by any jurisdiction on the amounts payable to Administrative Agent under this Section, and costs and expenses (including Attorney Costs) of Administrative Agent. The obligation of the Lenders under this Section shall survive the payment of all Obligations and the resignation or replacement of Administrative Agent.

10.11 Collateral Matters.

(a) The Administrative Agent is authorized on behalf of all the Lenders, without the necessity of any notice to or further consent from the Lenders, from time to time to take any action with respect to any Collateral or the Loan Documents which may be necessary to perfect and maintain perfected the security interest in and Liens upon the Collateral granted pursuant to the Loan Documents.

(b) The Lenders irrevocably authorize the Administrative Agent, at its option and in its discretion, to release any Lien granted to or held by the Administrative Agent upon any Collateral (i) upon payment in full of all Loans and all other Obligations known to the Administrative Agent and payable under this Agreement, any other Loan Document or any Swap Contract and the termination of this Agreement; (ii) constituting property sold or to be sold or disposed of as part of or in connection with any disposition permitted hereunder; (iii) constituting property in which the Borrower or any Subsidiary owned no interest at the time the Lien was granted or at any time thereafter; (iv) constituting property leased to the Borrower or any Subsidiary under a lease which has expired or been terminated in a transaction permitted under this Agreement or is about to expire and which has not been, and is not intended by the Borrower or such Subsidiary to be, renewed or extended; (v) consisting of an instrument evidencing Indebtedness or other debt instrument, if the indebtedness evidenced thereby has been permanently paid in full; (vi) which constitutes funds in a Bank Deposit Account upon the transfer of such funds out of a Bank Deposit Account to the extent permitted hereunder, or (vii) if approved, authorized or ratified in writing by all the Lenders. Upon request by the Administrative Agent at any time, the Lenders will confirm in writing the Administrative Agent's authority to release particular types or items of Collateral pursuant to this Subsection 10.11(b); provided, however, that the absence of any such confirmation for whatever reason shall not affect the Administrative Agent's rights under this Section 10.11. The Administrative Agent shall provide information regarding such releases of Collateral described in clauses (i) through (v) and (vii) above upon the request of any Lender.

(c) Each Lender agrees with and in favor of each other that the Borrower's obligations to such Lender under this Agreement and the other Loan Documents is not and shall not be secured by any real property collateral.

10.12 Monitoring Responsibility. Each Lender will make its own credit decisions hereunder, including the decision whether or not to make advances or consent to the Issuance of Letters of Credit, thus the Administrative Agent shall have no duty to monitor the Collateral Position, the amounts outstanding under sub-lines or the reporting requirements or the contents of reports delivered by the Borrower. Each Lender assumes the responsibility of keeping itself informed at all times.

ARTICLE XI
MISCELLANEOUS

11.01 Amendments and Waivers, (a) No amendment or waiver of any provision of this Agreement or any other Loan Document, and no consent to any departure by the Borrower or any other Loan Party therefrom, shall be effective unless in writing signed by all the Required Lenders and the Borrower and acknowledged by Administrative Agent, and each such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; provided, however, that:

(i) no amendment, waiver or consent shall, unless in writing and signed by the Issuing Bank in addition to all the Lenders, affect the rights or duties of the Issuing Bank under this Agreement or any Letter of Credit application relating to any Letter of Credit issued or to be issued by it;

(ii) no amendment, waiver or consent shall amend, modify or otherwise affect the rights or duties of Administrative Agent under this Agreement or any other Loan Document without the prior written consent of the Administrative Agent;

(iii) no amendment, waiver or consent shall, unless in writing and signed by all the Lenders: (a) reduce the amount or extend the scheduled date of maturity of any Loan or of any installment thereof, or reduce the amount or stated rate of any interest or fee payable hereunder or extend the scheduled date of any payment thereof or increase the amount or extend the expiration date of any Lender's Uncommitted Line Portion or amend the Expiration Date, (b) result in a Credit Extension in excess of the Borrowing Base Advance Cap, (c) amend, modify or waive any provision of this Section 11.01, any provision of this Agreement which requires the consent or approval of all the Lenders or the Lenders, reduce the percentage specified in the definition of Required Lenders or the number of lenders specified therein, (d) consent to the assignment or transfer by the Borrower of any of its rights and obligations under this Agreement and the other Loan Documents, (e) release any of the Collateral (except as otherwise permitted by Section 10.11 (b)(i)-(vi)), (f) amend or modify the definitions of "Maximum Amount," "Borrowing Base Advance Cap" (or any of the categories or advance rates in clause (b) thereof), "Close-out Amount," "L/C Sub-limit Cap," or "Pro Rata Share," (g) amend or modify the Security Agreements or Section 11.21, (h) amend or modify Section 2.05(a), (i) amend, modify or release the Parent Guarantee, or assign or transfer the obligations of the Parent thereunder, (j) amend or modify in any material respect the definition of "Approved Foreign Location" or the information set forth in Schedule 7.03(f) attached hereto, or (k) amend or modify in any material respect the provisions of Section 2.13;

(iv) no amendment, waiver or consent shall, unless in writing and signed by Administrative Agent and each Lender that is a Swap Bank at the time of such amendment, waiver or consent: (a) amend, modify or waive Sections 7.16, 9.04, 11.20 or 11.21, (b) release any of the Collateral (except as otherwise permitted by Section 10.11 (b)(i)-(vi)), (c) amend, modify or release the Parent Guarantee, or (d) amend, modify or waive any other Section of this Agreement or any other Loan Document which amendment, modification or waiver would affect the rights and duties of the Swap Banks hereunder or thereunder; and

(v) the fee letters executed by the Borrower in connection with this Agreement may be amended, or rights or privileges thereunder waived, in a writing executed only by the parties thereto.

(b) From each Conversion to Reduced Funding Lenders Date forward (or until the next Conversion to Reduced Funding Lenders Date, if any, at which time one or more Lenders that had been Approving Lenders may become a Declining Lender),

(i) all amendments to any Letter of Credit that is issued after such Conversion to Reduced Funding Lenders Date that increase the face amount of such Letter of Credit or extend the term of such Letter of Credit shall be made unilaterally by the Approving Lenders in respect of such Conversion to Reduced Funding Lenders Date, and

(ii) there shall be no amendments to any Letter of Credit that was issued before such Conversion to Reduced Funding Lenders Date that increases the face amount of such Letter of Credit or extends the term of such Letter of Credit.

(c) Any Lender that elects to discontinue funding pursuant to Section 2.13 is considered a Lender for purposes of approvals or consents that require the approval or consent of all the Lenders or Required Lenders, as applicable, notwithstanding such Lender's election to discontinue funding. Notwithstanding anything to the contrary herein, any Lender that has failed to fund any portion of any Loans, or participations in L/C Obligations required to be funded by it hereunder shall not have any right to approve or disapprove any amendment, waiver or consent hereunder; provided, however, except as a result of the implementation of Section 2.13, the Pro Rata Share of such Lender may not be increased without the consent of such Lender, no payment to such Lender shall be decreased or postponed without the consent of such Lender, and the Applicable Margin may not be decreased without the consent of such Lender. In addition to any other requirements set forth herein with respect to amendments, consents or waivers, any amendment of, or waiver or consent under any Loan Document that affects the rights and obligations of a Swap Bank (in such capacity) requires the consent of such Swap Bank.

11.02 Notices.

(a) General. Unless otherwise expressly provided herein, all notices and other communications provided for hereunder shall be in writing (including by facsimile transmission) and mailed, faxed or delivered, to the address, facsimile number or (subject to subsection (c) below) electronic mail address specified for notices on Schedule 11.02; or, in the case of the Borrower, Administrative Agent, or the Issuing Bank, to such other address as shall be designated by such party in a notice to the other parties, and in the case of any other party, to such other address as shall be designated by such party in a notice to the Borrower, Administrative Agent and the Issuing Bank. All such notices and other communications shall be deemed to be given or made upon the earlier to occur of (i) actual receipt by the intended recipient and (ii) (A) if delivered by hand or by courier, when signed for by the intended recipient; (B) if delivered by mail, four Business Days after deposit in the U.S. mails, postage prepaid; (C) if delivered by facsimile, when sent and receipt has been confirmed by telephone; and (D) if delivered by electronic mail (which form of delivery is subject to the provisions of subsection (c) below), when delivered; provided, however, that notices and other communications to Administrative Agent and the Issuing Bank pursuant to Article II shall not be effective until actually received by such Person. Any notice or other communication permitted to be given, made or confirmed by telephone hereunder shall be given, made or confirmed by means of a telephone call to the intended recipient at the number specified on Schedule 11.02, it being understood and agreed that a voicemail message shall in no event be effective as a notice, communication or confirmation hereunder.

(b) Effectiveness of Facsimile Documents and Signatures. Loan Documents may be transmitted and/or signed by facsimile. The effectiveness of any such documents and signatures shall, subject to applicable Law, have the same force and effect as manually-signed originals and shall be binding on all Loan Parties, Administrative Agent and the Lenders. Administrative Agent may also require that any such documents and signatures be confirmed by a manually-signed original thereof; provided, however, that the failure to request or deliver the same shall not limit the effectiveness of any facsimile document or signature.

(c) Limited Use of Electronic Mail. Electronic mail and internet and intranet websites may be used only to distribute routine communications, such as financial statements and other information, and to distribute Loan Documents for execution by the parties thereto, and may not be used for any other purpose.

(d) Reliance by Administrative Agent and Lenders. Administrative Agent and the Lenders shall be entitled to rely and act upon any notices (including telephonic notices) purportedly given by or on behalf of the Borrower even if (i) such notices were not made in a manner specified herein, were incomplete or were not preceded or followed by any other form of notice specified herein, or (ii) the terms thereof, as understood by the recipient, varied from any confirmation thereof. The Borrower shall indemnify each Administrative Agent-Related Person and each Lender from all losses, costs, expenses and liabilities resulting from the reliance by such Person on each notice reasonably believed by the Administrative Agent to have been given by or on behalf of the Borrower. All telephonic notices to and other communications with Administrative Agent may be recorded by Administrative Agent, and each of the parties hereto hereby consents to such recording.

11.03 No Waiver; Cumulative Remedies. No failure by any Lender or Administrative Agent to exercise, and no delay by any such Person in exercising, any right, remedy, power or privilege hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein or therein provided are cumulative and not exclusive of any rights, remedies, powers and privileges provided by law.

11.04 Costs and Expenses. The Borrower agrees (a) to pay or reimburse Administrative Agent for all reasonable costs and expenses incurred by Administrative Agent in connection with the development, preparation, negotiation and execution of this Agreement and the other Loan Documents and any amendment, waiver, consent or other modification of the provisions hereof and thereof (whether or not the transactions contemplated hereby or thereby are consummated), and the consummation and administration of the transactions contemplated hereby and thereby, including all Attorney Costs, and (b) to pay or reimburse Administrative Agent and each Lender within three (3) Business Days after demand for all costs and expenses incurred in connection with the enforcement, attempted enforcement, or preservation of any rights or remedies under this Agreement or the other Loan Documents (including all such costs and expenses incurred during any "workout" or restructuring in respect of the Obligations and during any legal proceeding, including any Insolvency Proceeding or appellate proceeding), including all Attorney Costs. The foregoing costs and expenses shall include all search, filing, recording and appraisal charges and fees and taxes related thereto, and other out-of-pocket expenses incurred by Administrative Agent and the cost of independent public accountants and other outside experts retained by Administrative Agent or any Lender. The agreements in this Section shall survive the termination of this Agreement and repayment of all the other Obligations.

11.05 Indemnity. Whether or not the transactions contemplated hereby are consummated, the Borrower agrees to indemnify, save and hold harmless each Administrative Agent-Related Person, the Issuing Bank, each Lender and their respective Affiliates, directors, partners, officers employees, counsel, agents and attorneys-in-fact (collectively the "Indemnitees") from and against: (a) any and all claims, demands, actions or causes of action that are asserted against any Indemnitee by any Person (other than Administrative Agent or any Lender) relating directly or indirectly to a claim, demand, action or cause of action that such Person asserts or may assert against any Loan Party, any Affiliate of any Loan Party or any of their respective officers or directors; (b) any and all claims, demands, actions or causes of action that may at any time (including at any time following repayment of the Obligations and the resignation or removal of Administrative Agent or the replacement of any Lender) be asserted or imposed against any Indemnitee, arising out of or relating to, the Loan Documents, any predecessor loan documents, the use or contemplated use of the proceeds of any Credit Extension, or the relationship of any Loan Party, Administrative Agent and the Lenders under this Agreement or any other Loan Document; (c) any administrative or investigative proceeding by any Governmental Authority arising out of or related to a claim, demand, action or cause of action described in subsection (a) or (b) above; and (d) any and all liabilities (including liabilities under indemnities), losses, costs or expenses (including Attorney Costs) that any Indemnitee suffers or incurs as a result of the assertion of any foregoing claim, demand, action, cause of action or proceeding, or as a result of the preparation of any defense in connection with any foregoing claim, demand, action, cause of action or proceeding, in all cases, WHETHER OR

NOT ARISING OUT OF THE NEGLIGENCE (BUT NOT THE GROSS NEGLIGENCE) OF AN INDEMNITEE, and whether or not an Indemnitee is a party to such claim, demand, action, cause of action or proceeding (all the foregoing, collectively, the "Indemnified Liabilities"); provided, however, that no Indemnitee shall be entitled to indemnification for any claim caused by its own gross negligence or willful misconduct or for any loss asserted against it by another Indemnitee. The agreements in this Section shall survive the termination of this Agreement and repayment of all the other Obligations.

11.06 Payments Set Aside. To the extent that the Borrower makes a payment to Administrative Agent or any Lender, or Administrative Agent or any Lender exercises its right of set-off, and such payment or the proceeds of such set-off or any part thereof is subsequently invalidated, declared to be fraudulent or preferential, set aside or required (including pursuant to any settlement entered into by Administrative Agent or such Lender in its discretion) to be repaid to a trustee, receiver or any other party, in connection with any proceeding under any Insolvency Proceeding or otherwise, then (a) to the extent of such recovery, the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such set-off had not occurred, and (b) each Lender severally agrees to pay to Administrative Agent upon demand its applicable share of any amount so recovered from or repaid by Administrative Agent, plus interest thereon from the date of such demand to the date such payment is made at a rate per annum equal to the Federal Funds Rate from time to time in effect.

11.07 Successors and Assigns.

(a) The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that the Borrower may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of each Lender (and any attempted assignment or transfer by the Borrower without such consent shall be null and void). Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby and, to the extent expressly contemplated hereby, the Indemnitees) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) Any Lender may assign to one or more Eligible Assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Uncommitted Line Portion and the Loans (including for purposes of this subsection (b) and participations in L/C Obligations) at the time owing to it); provided, however, that (i) except in the case of an assignment of the entire remaining amount of the assigning Lender's Uncommitted Line Portion and the Loans at the time owing to it, or in the case of an assignment to a Lender or an Affiliate of a Lender, the aggregate amount of the Uncommitted Line Portion (which for this purpose includes Loans outstanding thereunder) subject to each such assignment, determined as of the date the Assignment and Acceptance with respect to such assignment is delivered to Administrative Agent, shall not be less than $5,000,000, unless each of Administrative Agent, the Issuing Bank, and, so long as no Event of Default has occurred and is continuing, the Borrower (except an assignment by a Lender to an Affiliate of such Lender which such assignment shall not require the consent of Borrower) otherwise consents (each such consent not

to be unreasonably withheld or delayed), (ii) each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement with respect to the Loans or the Uncommitted Line Portion assigned, and (iii) the parties to each assignment shall execute and deliver to Administrative Agent an Assignment and Acceptance, such Assignment and Acceptance to be in the form attached hereto as Exhibit D, together with a processing and recordation fee of $3,500. Subject to acceptance and recording thereof by Administrative Agent pursuant to subsection (c) of this Section, from and after the effective date specified in each Assignment and Acceptance, the Eligible Assignee thereunder shall be a party hereto and, to the extent of the interest assigned by such Assignment and Acceptance, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Acceptance, be released from its obligations under this Agreement (and, in the case of an Assignment and Acceptance covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto but shall continue to be entitled to the benefits of Sections 4.01(d), 4.02, 11.04 and 11.05). Upon request, the Borrower (at its expense) shall execute and deliver new or replacement Notes to the assigning Lender and the assignee Lender provided the replaced Notes are simultaneously returned to the Borrower. Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this subsection shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with subsection (d) of this Section.

(c) Administrative Agent, acting solely for this purpose as an agent of the Borrower, shall maintain at Administrative Agent's Office a copy of each Assignment and Acceptance delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Uncommitted Line Portions of, and principal amount of the Loans and L/C Obligations owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive (absent manifest error), and the Borrower, Administrative Agent and the Lenders may treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by the Borrower and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(d) Any Lender may, without the consent of, or notice to, the Borrower or Administrative Agent, sell participations to one or more banks or other entities (a "Participant") in all or a portion of such Lender's rights and/or obligations under this Agreement (including all or a portion of its Uncommitted Line Portion and/or the Loans (including such Lender's participations in L/C Obligations) owing to it); provided, however, that (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (iii) the Borrower, Administrative Agent and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided, however, that such agreement or instrument may provide that such Lender will not, without the consent of the

Participant, agree to any amendment, waiver or other modification that would (i) postpone any date upon which any payment of money is scheduled to be paid to such Participant, or (ii) reduce the principal, interest, fees or other amounts payable to such Participant. Subject to subsection(e) of this Section, the Borrower agrees that each Participant shall be entitled to the benefits of Sections 4.01 and 4.02 to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to subsection (b) of this Section. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 11.09 as though it were a Lender, provided, however, that such Participant agrees to be subject to Section 2.12 as though it were a Lender.

(e) A Participant shall not be entitled to receive any greater payment under Section 4.01 or 4.02 than the applicable Lender would have been entitled to receive with respect to the participation sold to such Participant, unless the sale of the participation to such Participant is made with the Borrower's prior written consent. A Participant that would be a Foreign Lender if it were a Lender shall not be entitled to the benefits of Section 4.01 unless the Borrower is notified of the participation sold to such Participant and such Participant agrees, for the benefit of the Borrower, to comply with Section 11.08 as though it were a Lender.

(f) Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement (including under its Notes, if any) to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank; provided, however, that no such pledge or assignment shall release a Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

(g) If the consent of the Borrower to an assignment or to an Eligible Assignee is required hereunder (including a consent to an assignment which does not meet the minimum assignment threshold specified in clause (i) of the proviso to the first sentence of Subsection 11.07(b)), the Borrower shall be deemed to have given its consent five Business Days after the date notice thereof has been delivered by the assigning Lender (through Administrative Agent) unless such consent is expressly refused by the Borrower prior to such fifth Business Day.

(h) Notwithstanding anything to the contrary contained herein, if at any time the Issuing Bank assigns all of its Uncommitted Line Portion and Loans pursuant to subsection (b) above, such Lender shall, (i) upon 30 days' notice to the Borrower and the Lenders, resign as the Issuing Bank. In the event of any such resignation as the Issuing Bank, the Borrower shall be entitled to appoint from among the Lenders a successor Issuing Bank to the Issuing Bank hereunder; provided, however, that no failure by the Borrower to appoint any such successor shall affect the resignation of such Lender as the Issuing Bank. The resigning Issuing Bank shall retain all the rights and obligations of the Issuing Bank hereunder with respect to all Letters of Credit outstanding as of the effective date of each of its resignation as the Issuing Bank and all L/C Obligations with respect thereto (including the right to require the Lenders to make Loans or fund participations in L/C Obligations pursuant to Section 3.03).

11.08 Confidentiality. Each of Administrative Agent and the Lenders agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its Affiliates and its Affiliates' directors, partners, officers, employees and agents, including accountants, legal counsel and other advisors (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential); (b) to the extent requested by any regulatory authority; (c) to the extent required by applicable laws or regulations or by any subpoena or similar legal process; (d) to any other party to this Agreement; (e) in connection with the exercise of any remedies hereunder or any suit, action or proceeding relating to this Agreement or the enforcement of rights hereunder; (f) subject to an agreement containing provisions substantially the same as those of this Section, to (i) any Eligible Assignee of or Participant in, or any prospective Eligible Assignee of or Participant in, any of its rights or obligations under this Agreement or (ii) any direct or indirect contractual counterparty or prospective counterparty (or such contractual counterparty's or prospective counterparty's professional advisor) to any credit derivative transaction relating to obligations of the Borrower; (g) with the consent of the Borrower; (h) to the extent such Information (i) becomes publicly available other than as a result of a breach of this Section or (ii) becomes available to Administrative Agent or any Lender on a nonconfidential basis from a source other than the Borrower; or (i) to the National Association of Insurance Commissioners or any other similar organization or any nationally recognized rating agency that requires access to information about a Lender's or its Affiliates' investment portfolio in connection with ratings issued with respect to such Lender or its Affiliates. For the purposes of this Section, "Information" means all information received from the Borrower relating to the Borrower or its business, other than any such information that is available to Administrative Agent or any Lender on a nonconfidential basis prior to disclosure by the Borrower; provided, however, that, in the case of Information received from the Borrower after the date hereof, such Information is clearly identified in writing at the time of delivery as confidential. The foregoing is not intended to limit the Lenders' obligations to maintain confidential information received from the Borrower under applicable laws. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

Each Lender agrees that it and its respective Affiliates, partners, directors, officers, employees and agents (collectively, "Representatives"') will not use any of the Information for any reason or purpose other than in connection with its or any of its Affiliates' business relationship with Borrower. Each of the Lenders specifically agrees that the Information will not be utilized to evaluate the current or prospective banking relationship between such Lender and any person or entity that is not a party to this Agreement. Each Lender agrees that it will not disclose to any person (other than a person to whom Information is otherwise permitted to be disclosed under this Section 11.08) the fact that Information has been disclosed to it or its Representatives. Each Lender shall be responsible for enforcing this Section 11.08 as to its Representatives.

11.09 Set-off. In addition to any rights and remedies of the Lenders provided by law, upon the occurrence and during the continuance of any Event of Default, each Lender is authorized at any time and from time to time, without prior notice to the Borrower or any other Loan Party, any such notice being waived by the Borrower (on its own behalf and on behalf of each Loan Party) to the fullest extent permitted by law, to set off and apply any and all deposits

(general or special, time or demand, provisional or final) at any time held by, and other indebtedness at any time owing by, such Lender to or for the credit or the account of the respective Loan Parties against any and all Obligations owing to such Lender, now or hereafter existing, irrespective of whether or not Administrative Agent or such Lender shall have made demand under this Agreement or any other Loan Document and although such Obligations may be contingent or unmatured. Each Lender agrees promptly to notify the Borrower and Administrative Agent after any such set-off and application made by such Lender; provided, however, that the failure to give such notice shall not affect the validity of such set-off and application.

11.10 Automatic Debits of Fees. With respect to any fee, commission, interest or any other cost or expense or other payment due hereunder (including Attorney Costs) due and payable to the Administrative Agent or any Lender under the Loan Documents, the Borrower hereby irrevocably authorizes Bank of America to debit from the Bank Deposit Accounts an amount such that the aggregate amount debited from all such deposit accounts does not exceed such fee, commission, interest or other cost or expense and to transfer such amount to the Administrative Agent to be applied to any such payment due hereunder, provided, however, that Administrative Agent shall promptly notify Borrower of any such debit. If there are insufficient funds in the Bank Deposit Accounts to cover the amount of the fee, commission, interest or other cost or expense then due, such debits will be reversed (in whole or in part, in the Administrative Agent's sole discretion) and such amount not debited shall be deemed to be unpaid. No such debit under this Section shall be deemed a set-off.

11.11 Notification of Addresses, Lending Offices, Etc. Each Lender shall notify Administrative Agent in writing of any changes in the address to which notices to the Lender should be directed, of addresses of any Lending Office, of payment instructions in respect of all payments to be made to it hereunder and of such other administrative information as Administrative Agent shall reasonably request.

11.12 Counterparts. This Agreement may be executed in any number of separate counterparts, each of which, when so executed, shall be deemed an original, and all of said counterparts taken together shall be deemed to constitute but one and the same instrument.

11.13 Severability. The illegality or unenforceability of any provision of this Agreement or any instrument or agreement required hereunder shall not in any way affect or impair the legality or enforceability of the remaining provisions of this Agreement or any instrument or agreement required hereunder.

11.14 No Third Parties Benefited. This Agreement is made and entered into for the sole protection and legal benefit of the Borrower, the Lenders, Administrative Agent and Administrative Agent-Related Persons, and their permitted successors and assigns, and no other Person shall be a direct or indirect legal beneficiary of, or have any direct or indirect cause of action or claim in connection with, this Agreement or any of the other Loan Documents.

11.15 Integration. This Agreement, together with the other Loan Documents, comprises the complete and integrated agreement of the parties on the subject matter hereof and thereof and supersedes all prior agreements, written or oral, on such subject matter. In the event of any

conflict between the provisions of this Agreement and those of any other Loan Document, the provisions of this Agreement shall control; provided, however, that the inclusion of supplemental rights or remedies in favor of Administrative Agent or the Lenders in any other Loan Document shall not be deemed a conflict with this Agreement. Each Loan Document was drafted with the joint participation of the respective parties thereto and shall be construed neither against nor in favor of any party, but rather in accordance with the fair meaning thereof.

11.16 Survival of Representations and Warranties. All representations and warranties made hereunder and in any other Loan Document or other document delivered pursuant hereto or thereto or in connection herewith or therewith shall survive the execution and delivery hereof and thereof. Such representations and warranties have been or will be relied upon by Administrative Agent and each Lender, regardless of any investigation made by Administrative Agent or any Lender or on their behalf and notwithstanding that Administrative Agent or any Lender may have had notice or knowledge of any Default or Event of Default at the time of any Credit Extension, and shall continue in full force and effect as long as any Loan or any other Obligation shall remain unpaid or unsatisfied or any Letter of Credit shall remain outstanding.

11.17 Governing Law and Jurisdiction.

(a) **THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK APPLICABLE TO AGREEMENTS MADE AND TO BE PERFORMED ENTIRELY WITHIN SUCH STATE; PROVIDED, HOWEVER, THAT AGENT AND EACH LENDER SHALL RETAIN ALL RIGHTS ARISING UNDER FEDERAL LAW.**

(b) **ANY LEGAL ACTION OR PROCEEDING WITH RESPECT TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT MAY BE BROUGHT IN THE STATE COURTS LOCATED IN NEW YORK COUNTY, CITY OF NEW YORK, STATE OF NEW YORK OR IN THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK AND BY EXECUTION AND DELIVERY OF THIS AGREEMENT, THE BORROWER, AGENT AND EACH LENDER CONSENTS, FOR ITSELF AND IN RESPECT OF ITS PROPERTY, TO THE NON-EXCLUSIVE JURISDICTION OF THOSE COURTS. THE BORROWER, AGENT AND EACH LENDER IRREVOCABLY WAIVES ANY OBJECTION, INCLUDING ANY OBJECTION TO THE LAYING OF VENUE OR BASED ON THE GROUNDS OF *FORUM NON CONVENIENS*, WHICH IT MAY NOW OR HEREAFTER HAVE TO THE BRINGING OF ANY ACTION OR PROCEEDING IN SUCH JURISDICTION IN RESPECT OF ANY LOAN DOCUMENT OR OTHER DOCUMENT RELATED THERETO. THE BORROWER, AGENT AND EACH LENDER WAIVE PERSONAL SERVICE OF ANY SUMMONS, COMPLAINT OR OTHER PROCESS, UPON ITSELF AND HAVE IRREVOCABLY APPOINTED CT CORPORATION SYSTEM, 111 EIGHTH AVENUE, NEW YORK, NEW YORK 10011, AS REGISTERED AGENT FOR PURPOSE OF ACCEPTING SERVICE OF PROCESS WITHIN THE STATE OF NEW YORK.**

11.18 Waiver of Jury Trial. **EACH PARTY TO THIS AGREEMENT HEREBY EXPRESSLY WAIVES ANY RIGHT TO TRIAL BY JURY OF ANY CLAIM, DEMAND, ACTION OR CAUSE OF ACTION ARISING UNDER ANY LOAN DOCUMENT OR IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THE DEALINGS OF THE PARTIES HERETO OR ANY OF THEM WITH RESPECT TO ANY LOAN DOCUMENT, OR THE TRANSACTIONS RELATED THERETO, IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER FOUNDED IN CONTRACT OR TORT OR OTHERWISE; AND EACH PARTY HEREBY AGREES AND CONSENTS THAT ANY SUCH CLAIM, DEMAND, ACTION OR CAUSE OF ACTION SHALL BE DECIDED BY COURT TRIAL WITHOUT A JURY, AND THAT ANY PARTY TO THIS AGREEMENT MAY FILE AN ORIGINAL COUNTERPART OR A COPY OF THIS SECTION WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF THE SIGNATORIES HERETO TO THE WAIVER OF THEIR RIGHT TO TRIAL BY JURY.**

11.19 Discretionary Facility. **THE BORROWER ACKNOWLEDGES AND AGREES THAT THIS AGREEMENT PROVIDES FOR A CREDIT FACILITY THAT IS COMPLETELY DISCRETIONARY ON THE PART OF THE LENDERS AND THAT THE LENDERS HAVE ABSOLUTELY NO DUTY OR OBLIGATION TO ADVANCE ANY REVOLVING LOANS OR TO ISSUE ANY LETTER OF CREDIT. THE BORROWER UNDERSTANDS THAT WITHOUT REASON, CAUSE OR PRIOR NOTICE, THE LENDERS MAY CEASE ADVANCING REVOLVING LOANS AND ISSUING LETTERS OF CREDIT AND AT THE DISCRETION OF THE REQUIRED LENDERS THE ADMINISTRATIVE AGENT MAY MAKE DEMAND FOR PAYMENT OF ALL OBLIGATIONS OF BORROWER TO IT AT ANY TIME. BORROWER REPRESENTS AND WARRANTS TO THE LENDERS THAT BORROWER IS AWARE OF THE RISKS ASSOCIATED WITH CONDUCTING BUSINESS UTILIZING AN UNCOMMITTED FACILITY.**

11.20 Intercreditor Agreement. Each Lender hereby agrees that it shall take no action to terminate its obligations under the Intercreditor Agreement and will otherwise be bound by and take no actions contrary to the Intercreditor Agreement.

11.21 Payments Under UAE Pledge Agreement. Solely for the purpose of ensuring and preserving the validity and continuity of the security rights created under or pursuant to the Borrower's UAE Pledge Agreement, the Borrower hereby irrevocably and unconditionally undertakes to pay to the Administrative Agent any and all amounts due and payable by the Borrower to the Lenders and the Swap Banks under the Borrower's UAE Pledge Agreement, and the Borrower, each Lender and the Administrative Agent acknowledge that for this purpose the Borrower's obligations to the Lenders and the Swap Banks under the Borrower's UAE Pledge Agreement (the "UAE Obligations") are also obligations and liabilities of the Borrower to the Administrative Agent under the Borrower's UAE Pledge Agreement, which are separate and independent from, and without prejudice to, the identical obligations which the Borrower has to the Lenders (other than the Administrative Agent) and the Swap Banks under this Agreement, provided that the amounts due and payable under this Section 11.21 (the "Parallel Debt") shall be decreased to the extent that the Borrower has paid any amounts to the Lenders or the Swap Banks or any of them in respect of the UAE Obligations and vice versa and that the Parallel Debt shall not at any time exceed the aggregate of identical obligations which the Borrower has to the Lenders (other than the Administrative Agent) and the Swap Banks under the Borrower's UAE

Pledge Agreement and vice versa. Except as expressly set out in this Section 11.21, nothing in this Section 11.21 shall in any way negate or affect the obligations, which the Borrower has to the Lenders and the Swap Banks under the Borrower's UAE Pledge Agreement in respect of the UAE Obligations.

11.22 Entire Agreement. **THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS REPRESENT THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.**

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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered by their proper and duly authorized officers as of the day and year first above written.

INTL COMMODITIES, INC.,
a Delaware corporation

By: /s/ Scott J. Branch
Name: Scott J. Branch
Title: President

By: /s/ Steven Springer
Name: Steven Springer
Title: CFO

708 Third Avenue
New York, New York 10017
Attention: Steven Springer
Telephone: (212) 485-3500
Facsimile: (212) 485-3505

FORTIS CAPITAL CORP.,
as Administrative Agent

By: /s/ Kimberly Oates
Name: Kimberly Oates
Title: Director

By: /s/ Cristina E. Roberts
Name: Cristina E. Roberts
Title: Managing Director
Fortis Capital Corp.

520 Madison Avenue
New York, New York 10022
Attention: Kimberly Oates
Phone: (212) 340-5349
Fax: (212) 340-5340

FORTIS CAPITAL CORP.,
as a Lender

By: /s/ Kimberly Oates
Name: Kimberly Oates
Title: Director

By: /s/ Cristina E. Roberts
Name: Cristina E. Roberts
Title: Managing Director
Fortis Capital Corp.

520 Madison Avenue
New York, New York 10022
Attention: Kimberly Oates
Phone: (212) 340-5349
Fax: (212) 340-5340

FORTIS BANK S.A./N.V. NEW YORK BRANCH, as Issuing Bank

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

520 Madison Avenue
New York, New York 10022
Attention: Kimberly Oates
Phone: (212) 340-5349
Fax: (212) 340-5340

BNP PARIBAS,
as a Lender

By: /s/ Deborah P. Whittle
Name: Deborah P. Whittle
Title: Director

By: /s/ A.C. Mathiot
Name: A.C. Mathiot
Title: Managing Director

787 Seventh Avenue,
New York, NY 10019
Attn: Deborah Whittle, Director
Phone: (212) 841-2463
Fax: (212) 841-2536

SOCIÉTÉ GÉNÉRALE,
as a Lender

By: /s/ Uma Surana
Name: Uma Surana
Title: Director

1221 Avenue of the Americas, 8th Floor
New York, NY 10020
Attn: Uma Surana, Director
Phone: (212) 278-7408
Fax: (212) 278-7953

MIZUHO CORPORATE BANK, LTD.,
as a Lender

By: /s/ E. F. Aldrich
Name: E. F. Aldrich
Title: SVP

1251 Avenue of the Americas, 32nd Floor
New York, NY 10020-1104
Attn: Edward F. Aldrich, Senior Vice President,
Head of Commodity Finance
Phone: (212) 282-3949
Fax: (212) 282-4385

SIGNATURE BANK,
as a Lender

By: /s/ Robert A. Bloch
Name: Robert A. Bloch
Title: SVP

565 Fifth Avenue, 12th Floor
New York, NY 10017
Attn: Robert A. Bloch &/or Tom Kasulka,
SVP &/or SVP
Phone: (646) 822-1827 &/of 1826
Fax: (646) 822-1833

BROWN BROTHERS HARRIMAN & CO.,
as a Lender

By: /s/ Paul Feldman
Name: Paul Feldman
Title: SVP

140 Broadway
New York, NY 10001
Attn: Kamal Nuri, Vice-President
Phone:(212) 493-8423
Fax: (212) 493-8998

THE BANK OF TOKYO-MITSUBISHI UFJ, LTD. NY BRANCH, as a Lender

By: /s/ Akihiko Hamamura
Name: Akihiko Hamamura
Title: Senior Vice President & Group Head

1251 Avenue of the Americas
New York, NY 10020-1104
Attn: Chan Park, SVP of Commodity Finance Group
Phone: (212) 782-5509
Fax: (212) 782-5871

Exhibit 10.4

EXECUTION COPY

FIFTH AMENDMENT TO
CREDIT AGREEMENT AND
AGREEMENT REGARDING DEPARTING LENDERS

This **FIFTH AMENDMENT TO CREDIT AGREEMENT AND AGREEMENT REGARDING DEPARTING LENDERS** (this "Fifth Amendment") dated as of June 26, 2009 is among **INTL COMMODITIES, INC.**, a Delaware corporation (the "Borrower"), the Lenders from time to time parties to the Credit Agreement (as defined below) (the "Lenders"), **FORTIS BANK SA/NV, NEW YORK BRANCH,** as an Issuing Bank (an "Issuing Bank"), Lead Arranger, Documentation Agent (the "Documentation Agent"), Syndication Agent (the "Syndication Agent") and Swing Line Lender and **FORTIS CAPITAL CORP.**, a Connecticut corporation, as Administrative Agent (the "Administrative Agent").

W I T N E S S E T H:

WHEREAS, the Borrower, the Lenders and the Administrative Agent are parties to a Credit Agreement dated as of April 30, 2007 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"; capitalized terms used herein having the meanings given to them in the Credit Agreement unless otherwise defined herein); and

WHEREAS, the Borrower has requested certain amendments to the Credit Agreement, and, pursuant to Section 11.01 of the Credit Agreement, the Borrower, the Lenders (other than the Departing Lenders), the Swap Banks (other than any Swap Bank that is a Departing Lender) and the Administrative Agent have agreed to amend the Credit Agreement on the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

SECTION 1. Amendments.

Upon the occurrence of the Effective Date (as defined in Section 2 below), the Credit Agreement is hereby amended as follows:

(a) Section 1.01 is amended as follows:

(i) The definition of "Applicable Margin" is amended and restated in its entirety as follows:

""Applicable Margin" means, as to each Loan, the percentage per annum as set forth below:

Type of Loan	Applicable Margin
Base Rate Loan	1.50%
Eurodollar Rate Loan	3.25%."

(ii) The definition of "Base Rate" is amended and restated in its entirety as follows:

""Base Rate" means, for any day, a variable rate of interest per annum equal to the higher of (a) the rate of interest from time to time established by Fortis Bank SA/NV, New York Branch as its "prime rate" or "base rate" at its principal office in New York City, or (b) the Federal Funds Rate plus one-half of one percent (.50%). Such prime rate or base rate is merely a reference rate and may not necessarily represent the lowest or best rate actually charged to any customer by Fortis Bank SA/NV, New York Branch, the Administrative Agent or any Lender."

(iii) The definition of "Borrowing Base Advance Cap" is amended by (i) deleting clause (b)(vii) therein and replacing it with: "(vii) 80% of the value of Eligible Special Inventory; plus".

(iv) The definition of "Committed Line" is amended and restated in its entirety as follows:

""Committed Line" means the aggregate Committed Line Portions of all of the Lenders as set forth on Schedule 2.01 hereto, which shall be $62,000,000 on the effective date of the Fifth Amendment to Credit Agreement dated as of June 26, 2009 among the Borrower, the Administrative Agent and the Lenders and shall be subject to increase in accordance with Section 2.01(b) hereof and reduction in accordance with Section 2.05A hereof."

(v) The definition of "Eligible Accounts Receivable" is amended by deleting in clause (a), "or is a JV Eligible Account Receivable".

(vi) The definition of "Eligible Airway BL Inventory" is amended and restated in its entirety as follows:

""Eligible Airway BL Inventory" means inventory of Precious Metals of the Borrower that would constitute Eligible Precious Metals Inventory but for the fact that:

(a) clauses (j) and (k) of the definition of Eligible Inventory may not have been satisfied;

(b) the Administrative Agent and the Lenders have not received the documentation referred to in clause (c) of the definition of Eligible Inventory; and

(c) such inventory is not at a location mentioned in the introductory paragraph of the definition of Eligible Inventory,

provided that (i) such inventory is (w) in the possession and under the control of Brink's Global Services UK, G4S International UK LTD, DNATA (a Dubai corporation trading as "Transguard") or any other precious metals carrier acceptable to the Administrative Agent, (x) on or in transit to or from an airplane, and (y) covered by an airway bill of lading, and, in each case upon delivery, it will constitute Eligible Inventory and (ii) the Administrative Agent shall have received a copy of the applicable airway bill of lading. The aggregate amount of Eligible Airway BL Inventory included in the Borrowing Base Advance Cap at any time shall not exceed $10,000,000, before application of the applicable advance rate. Any inventory shall be included in Eligible Airway BL Inventory for a maximum of five (5) days."

(vii) The definition of "Eligible Inventory" is amended by deleting the third parenthetical and replacing it with the following:

"(except (i) Eligible Mexican Inventory and Eligible Other Metals Inventory shall be valued at the lower of cost or market, and (ii) Eligible Special Inventory which has not been pre-sold in the ordinary course of business shall be valued at the lower of cost or market)".

(viii) The definition of "Eligible Other Metals Inventory" is amended and restated in its entirety as follows:

""Eligible Other Metals Inventory" means Eligible Inventory that does not meet the criteria to be included as Eligible Precious Metals Inventory or Eligible Base Metals Inventory, which (x) is not Exchange Deliverable, (y) has price risk that has not been hedged, and (z) is not subject to a valid forward sales contract, provided, that the aggregate amount of Eligible Other Metals Inventory included in the Borrowing Base Advance Cap at any time shall not exceed $5,000,000 before application of the applicable advance rate, provided, further, that the aggregate amount of Eligible Other Metals Inventory when added to the aggregate amount of Eligible Special Inventory, in each case included in the Borrowing Base Advance Cap at any time, shall not exceed $20,000,000 before application of the applicable advance rates."

(ix) The definition of "Eligible Special Inventory" is inserted in its proper alphabetical place as follows:

""Eligible Special Inventory" means: (i) Eligible Brink's Warrantable Inventory; (ii) Eligible Airway BL Inventory; and (iii) other inventory of Product that would constitute Eligible Metals Inventory but for the fact that (a) clause (k) of the definition of Eligible Inventory may not have been satisfied, (b) the Administrative Agent and the Lenders have not received the documentation referred to in clause (c) of the definition of Eligible Inventory, and (c) such inventory is not at a location mentioned in the introductory paragraph of the definition of Eligible Inventory; provided that

(A) (x) such inventory under clause (iii) is in the possession and under the control of a Reputable Bonded Warehouse located in China, St. Petersburg, Chile, Peru or Dubai or another Reputable Bonded Warehouse acceptable to the Lenders, (y) the aggregate amount of such inventory under clause (iii) located at any one location (other than in Dubai) included in the Borrowing Base Advance Cap at any time shall not exceed $10,000,000 before application of the applicable advance rate, and (z) the Administrative Agent shall have received such documentation relating thereto as the Required Lenders shall reasonably request, and

(B) the aggregate amount of Eligible Special Inventory, when added to the aggregate amount of Eligible Other Metals Inventory, in each case included in the Borrowing Base Advance Cap at any time, shall not exceed $20,000,000 before application of the applicable advance rates."

(x) The definition of "Equity" is amended by deleting the parenthetical in clause (c).

(xi) The definition of "Expiration Date" is amended by deleting "June 26, 2009" and replacing it with "June 25, 2010".

(xii) The definition of "Interest Period" is amended and restated in its entirety as follows:

""Interest Period" means, as to any Eurodollar Rate Loan, the period commencing on the Borrowing Date of such Loan or on the Conversion/Continuation Date on which the Loan is converted into or continued as a Eurodollar Rate Loan, and ending on the date selected by the Borrower in its Notice of Borrowing or Notice of Conversion/Continuation as the ending date thereof, not to exceed a period of one or two weeks or one, two, three, four, five or six months thereafter; provided, however, that:

(a) any Interest Period that would otherwise end on a day that is not a Business Day shall be extended to the next succeeding Business Day unless, in the case of a Eurodollar Rate Loan, such Business Day falls in another calendar month, in which case such Interest Period shall end on the next preceding Business Day;

(b) any Interest Period pertaining to a Eurodollar Rate Loan that begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall end on the last Business Day of the calendar month at the end of such Interest Period; and

(c) no Interest Period shall extend beyond the scheduled Expiration Date."

(xiii) The definition of "Issuance Cap" is inserted in its proper alphabetical place as follows:

""Issuance Cap" means with respect to the obligation of an Issuing Bank to issue any Letter of Credit under this Agreement, the maximum permitted aggregate outstanding amount of L/C Obligations attributable to Letters of Credit issued by such Issuing Bank, as shall be agreed upon by each Issuing Bank, the Borrower, the Administrative Agent and Fortis Bank SA/NV, New York Branch in writing upon any new Issuing Bank becoming an Issuing Bank. As of June 26, 2009, Fortis Bank SA/NV, New York Branch is the sole Issuing Bank with an Issuance Cap in an amount equal to the Committed Line. The Issuance Cap for Fortis Bank SA/NV, New York Branch shall be reduced, in its sole discretion, by all or any part of the amount of the Issuance Cap of each new Issuing Bank. The Issuance Caps may be modified in accordance with the agreements referred to in and the terms of this definition without regard to Section 11.01 of this Agreement."

(xiv) The definition of "Issuing Bank" is amended and restated as follows:

""Issuing Bank" means Fortis Bank SA/NV, New York Branch, and subject to the agreement of the Borrower, the Administrative Agent, Fortis Bank SA/NV, New York Branch and such Lender, any other Lender."

(xv) The definition of "JV Eligible Accounts Receivable" is deleted.

(xvi) The definition of "Lender" is amended by deleting "Fortis Capital Corp."

(xvii) The definition of "Reputable Bonded Warehouse" is inserted in its proper alphabetical place as follows:

""Reputable Bonded Warehouse" means any warehouse listed below or approved in writing from time to time by the Required Lenders:

CWT Commodities. Inc

1. NO 257 NAN DA ROAD, SHANGHAI, CHINA

2. NO. 495 TIE SHAN ROAD, SHANGHAI, CHINA

3. NO. 3501 GONGHEXIN ROAD, SHANGHAI, CHINA

4. No. 68 HEDAN RD. WAI GAO QIAO FREE TRADE ZONE, PUDONG SHANGHAI

5. NO. 2118 XINCUN ROAD, SHANGHAI, CHINA

6. NO. 1328 YIXIAN ROAD, SHANGHAI, CHINA

7. No. 18 Guizhou Rd. Tianjin

8. B 506/507 Land Bridge International, Lianyun District, Lianyunguang City China

9. 299 Gangqian Rd, Huangpu Port, Guangzhou

10. 333 Jiujiang Rd., Shanghai

C. Steinweg

1. 89 Shenya Road Shanghai Wai Gao Qiao Bonded
Logistics Zone 200137 Shanghai

2. 1603 Hui Rong Plaza Bl No.65 Xianggang Xi Road
266071 Qingdao

3. Av. Paz Soldan 170 San Isidro 27 Lima

APL Logistics Chile SA

1. Av. Laguna Sur 9660
A, SANTIAGO, XIII Chile

ENAP PROGINERIAS SA

2. Av 3 Poniente 800
Camino Melipilla, SANTIAGO, XIII Chile

IMPORTADORA Y COMERCIALIZADORA AMANCILTDA

1. Rivas 690
SANTIAGO, XIII Chile

OAO Petrolesport

l, Gladkiy Island, 198099,
St. Petersburg, Russia

ZAP PKT

1. 17, Road to Turukhtanny Islands, 198035,
St Petersburg, Russia

provided that (a) if requested by the Administrative Agent or the Required Lenders, the Borrowers shall deliver evidence that such warehouse has complied with all applicable licensing and other requirements to lawfully operate a public warehouse facility, and (b) the Administrative Agent or the

Required Lenders shall have the right in their sole discretion to exclude any such warehouse listed above or approved from time to time from "Reputable Bonded Warehouse" upon thirty (30) days' prior written notice to the Borrower."

(xviii) The definition of "Swing Line Lender" is amended and restated in its entirety as follows:

""Swing Line Lender" means Fortis Bank SA/NV, New York Branch, in its capacity as lender of Swing Line Loans hereunder."

(xix) The definition of "Working Capital" is amended by deleting "(other than JV Eligible Accounts Receivable in an amount of up to $10,000,000)".

(b) Section 2.01(b) is amended by deleting "$150,000,000" and replacing it with "$100,000,000".

(c) Section 2.08(b) is amended by deleting "0.25%" and replacing it with "0.75%".

(d) Section 2.08(c) is amended and restated in its entirety as follows:

"(c) In connection with any extension under Section 2.14, the Borrower shall pay to the Administrative Agent for the account of each Extending Lender and each New Lender a fee in cash in an amount equal to such Extending Lender's or such New Lender's, as applicable, Committed Line Portion (after giving effect to such extension) multiplied by (i) 0.30% if such Committed Line Portion is less than $20,000,000 and (ii) 0.40% if such Committed Line Portion is greater than or equal to $20,000,000."

(e) Article III of the Credit Agreement is amended by making the deletions and insertions marked in Annex IV hereto.

(f) New Sections 4.02(c) and 4.02(d) are inserted as follows:

"(c) If prior to the first day of any Interest Period:

(i) (A) the Administrative Agent shall have determined (which determination shall be conclusive and binding upon the Borrower) that, by reason of circumstances affecting the relevant market, adequate and reasonable means do not exist for ascertaining the relevant Eurodollar Rate for such Interest Period, or

(B) the Administrative Agent shall have received notice from the Required Lenders that the relevant Eurodollar Rate determined or to be determined for such Interest Period will not adequately and fairly reflect the cost to such Lenders (as conclusively certified by such Lenders) of making or maintaining their affected Loans during such Interest Period, then the Administrative Agent shall give telecopy or telephonic notice thereof to the Borrower and the Lenders, as soon as practicable thereafter.

(ii) If such notice is given with respect to the Eurodollar Rate applicable to Loans, (x) any such Eurodollar Rate Loan requested to be made on the first day of such Interest Period shall be made as a Base Rate Loan, (y) any Base Rate Loans that were to have been converted on the first day of such Interest Period to Eurodollar Rate Loans shall continue as Base Rate Loans and (z) any outstanding Eurodollar Rate Loans shall be converted to Base Rate Loans on the last day of the applicable Interest Period.

(iii) Until such notice has been withdrawn by the Administrative Agent, no further Eurodollar Rate Loans shall be made or continued as such, nor shall the Borrower have the right to convert Base Rate Loans to Eurodollar Rate Loans.

(iv) The Administrative Agent shall withdraw (a) any such notice pursuant to subsection (i)(A) of this Section 4.02(c) if the Administrative Agent determines that the relevant circumstances have ceased to exist and (b) any such notice pursuant to subsection (i)(B) of this Section 4.02(c) upon receipt of notice from the Required Lenders that the relevant circumstances described in such subsection (i)(B) have ceased to exist.

(d) Notwithstanding any other provision herein, if the adoption of or any change in any law or in the interpretation or application thereof shall make it unlawful for any Lender to make or maintain Eurodollar Rate Loans or to issue Letters of Credit as contemplated by this Agreement, (a) the agreement of such Lender hereunder to make Eurodollar Rate Loans or issue Letters of Credit, continue Eurodollar Rate Loans as such and, convert Base Rate Loans to Eurodollar Rate Loans shall forthwith be suspended for so long as such unlawfulness exists and (b) such Lender's Loans then outstanding as Eurodollar Rate Loans, if any, shall be converted automatically to Base Rate Loans on the respective last days of the then current Interest Periods with respect to such Loans or within such earlier period as required by applicable law."

(g) Section 7.01 is amended by deleting "and" at the end of clause (c), deleting "." at the end of clause (d) and replacing it with "; and", and inserting the following new clause (e):

"(e) as soon as available, but not later than July 31, 2009, a Collateral Position audit report dated as of a recent date in form and substance satisfactory to the Required Lenders."

(h) Section 7.15 is amended as follows:

(i) Clauses (a) and (b) are each amended by deleting "$15,000,000.00" and replacing it with "$20,000,000".

(ii) Clause (c) is amended by deleting "8.0 : 1.0" and replacing it with "5.0 : 1.0".

(i) Section 8.11 is amended by deleting "$25,000,000" and replacing it with "$20,000,000".

(j) Section 8.15 is amended in its entirety to read as follows:

"8.15 Loans and Investments. Borrower shall not purchase or acquire, or make any commitment therefor, any equity interest, or any obligations or other securities of, or any interest in, any Person, or make or commit to make any acquisitions, or make or commit to make any advance, loan, extension of credit (other than pursuant to sales or purchases on open account in the ordinary course of Borrower's business) or capital contribution to or any other investment in, any Person, except that the Borrower may (a) make the Mexican Loans and permit the Mexican Receivables to exist, so long as the aggregate principal amount of the Net Mexican Obligations shall not at any time exceed $3,000,000 and (b) lease Precious Metals under leasing arrangements (i) with any lessee whose long term senior unsecured rating is A or higher by S&P or A2 or higher by Moody's (on terms and conditions (including, without limitation, the maintenance of insurance by such lessee) and subject to documentation in form and substance, acceptable to the Administrative Agent), so long as (x) the Borrower's aggregate cost of Precious Metals leased to any one such lessee shall not exceed $20,000,000 and (y) the Borrower shall have delivered to the Administrative Agent a written summary of the principle lease terms (including, without limitation, the name of the lessee, lease tenor, location of the lessee's premises and monetary terms) and a fully executed copy of the lease agreement, in each case certified as true and correct by a Responsible Officer, (ii) with any other lessee approved by the Administrative Agent (on terms and conditions (including, without limitation, the maintenance of insurance by the lessee) and subject to documentation in form and substance, acceptable to the Administrative Agent) so long as (x) the Borrower's cost of Precious Metals leased to any such lessee shall not exceed $2,500,000 in the aggregate and the Borrower's cost of Precious Metals leased to all such lessees shall not exceed $5,000,000 in the aggregate, (y) the termination date of any such lease is not later than one year from the date such lease is entered into, and (z) the Administrative Agent shall have given the Lenders prior written notice of any such lease, or (iii) as otherwise approved by the Required Lenders."

(k) Section 8.17 is deleted.

(l) Section 10.08 is amended by deleting "the terms "Issuing Bank" and "Lender" include" and replacing it with "the term "Lender" includes".

(m) Section 10.13 is amended and restated in its entirety as follows:

"10.13 Documentation Agent. None of the Documentation Agent, Syndication Agent or Lead Arranger, in its capacity as such, shall have any duties or responsibilities under this Agreement or any other Loan Document. None of the Documentation Agent, Syndication Agent or Lead Arranger shall have or be deemed to have any fiduciary relationship with any Lender. Each Lender acknowledges that it has not relied, and will not rely, on any of the Documentation Agent, Syndication Agent or Lead Arranger in deciding to enter into this Agreement or any other Loan Document or in taking or not taking any action hereunder or thereunder."

(n) Section 11.04 is amended by inserting after the first two references to Administrative Agent the following: “and the Lead Arranger”.

(o) Schedule A is amended by changing the Credit Limit therein for Eaton Corporation from $10,000,000 to $6,000,000.

(p) Schedule 2.01 is amended and restated in its entirety as set forth on Annex II hereto.

(q) Schedule 8.01 is amended by deleting “$25,000,000” and replacing it with “$35,000,000”.

(r) Annex I to Exhibit C is amended by deleting the line item for JV Eligible Accounts Receivable.

(s) Exhibit E is amended and restated in its entirety as set forth on Annex III hereto.

SECTION 2. Effectiveness of Amendment, etc.

This Fifth Amendment shall become effective on the date (the “Effective Date”) on which each of the following shall have been satisfied:

(a) each of the Borrower, the Administrative Agent, the Swap Banks and the Lenders (including, without limitation, the Departing Lenders (as defined in Section 4(a) below) shall have duly executed this Fifth Amendment; and the Parent shall have duly executed and delivered to the Administrative Agent a consent substantially in the form of Annex I hereto;

(b) the Borrower and the Security Agent shall have duly executed a First Amendment to the Security Agreement dated June 27, 2008 between them relating to certain collateral in Canada for the purpose of amending certain schedules thereto, in form and substance satisfactory to the Administrative Agent;

(c) the Borrower shall have executed and delivered a Note for each Lender (other than a Departing Lender) that requests a Note;

(d) the Borrower shall have duly executed and delivered a letter of credit fee letter to each Issuing Bank in form and substance satisfactory to such Issuing Bank;

(e) the Borrower shall have duly executed and delivered an upfront fee letter in form and substance satisfactory to the Administrative Agent and the fees required to be paid thereunder shall have been received by the Lenders in immediately available funds;

(f) the requirements of Section 4(a) below shall have been satisfied (immediately prior to giving effect to this Fifth Amendment); and

(g) the Administrative Agent shall have received such corporate authorization documents of the Borrower and the Parent and such opinions of counsel, as the Required Lenders shall request.

SECTION 3. Effect of Amendment; Ratification; Representations; etc.

(a) On and after the Effective Date, the provisions of Section 1 and 3(e) of this Fifth Amendment shall be a part of the Credit Agreement, all references to the Credit Agreement in the Credit Agreement and the other Loan Documents shall be deemed to refer to the Credit Agreement as amended by this Fifth Amendment, and the term "this Agreement", and the words "hereof, "herein", "hereunder" and words of similar import, as used in the Credit Agreement, shall mean the Credit Agreement as amended hereby.

(b) Except as expressly set forth herein, this Fifth Amendment shall not constitute an amendment, waiver or consent with respect to any provision of the Credit Agreement, as amended hereby, and the Credit Agreement, as amended hereby, is hereby ratified, approved and confirmed in all respects.

(c) In order to induce the Administrative Agent and the Lenders to enter into this Fifth Amendment, the Borrower represents and warrants to the Administrative Agent and the Lenders that before and after giving effect to the execution and delivery of this Fifth Amendment:

(i) the representations and warranties of the Borrower set forth in the Credit Agreement and in the other Loan Documents shall be true and correct in all material respects as if made on and as of the date hereof, except for those representations and warranties that by their terms were made as of a specified date which shall be true and correct on and as of such date, and

(ii) no Default or Event of Default has occurred and is continuing.

(d) From and after the Effective Date, the Borrower, the Administrative Agent, the Swap Banks and the Lenders (including Fortis Bank SA/NV, New York Branch ("FBNY")) hereby agree that FBNY shall be a party to the Intercreditor Agreement and shall be bound by the terms and provisions thereof (and entitled to the benefits thereof) as a Lender and a Swap Bank.

(e) From and after the Effective Date, all references to the "Documentation Agent" (or BNP Paribas, as Documentation Agent) in any Loan Document shall be deemed to be a reference to Fortis Bank SA/NV, New York Branch in such capacity, all references in any Loan Document to the "Syndication Agent" shall be deemed to be a reference to Fortis Bank SA/NV, New York Branch in such capacity and all references in any Loan Document to the "Lead Arranger" shall be deemed to be a reference to Fortis Bank SA/NV, New York Branch in such capacity.

(f) The Borrower hereby acknowledges and agrees that the Security Agreements and the Liens granted under the Security Agreements shall remain in full force and effect, shall continue without interruption as security for all of the Obligations and shall not be limited or impaired by this Fifth Amendment or the transactions contemplated hereby.

SECTION 4. Departing Lenders; Reallocation of Outstandings; Allocation of Accrued Interest and Fees.

(a) On the Effective Date (immediately prior to giving effect to this Fifth Amendment (and for the avoidance of doubt, each of the parties hereto acknowledges that none of the Departing Lenders shall be deemed to have consented to any of the amendments to the Credit Agreement set forth in Section 1 hereof and none of such amendments shall be effective until the requirements of this Section 4(a) have been satisfied)), the Borrower shall repay in full all outstanding Loans and other Obligations (including, without limitation, any amounts payable under Section 4.04 of the Credit Agreement in connection with such repayment and any Obligations in respect of Swap Contracts) owing to BNP Paribas, The Bank of Tokyo-Mitsubishi UFJ, Ltd., New York Branch and HSH Nordbank AG, New York Branch (the "Departing Lenders") and upon such repayment, each of the Departing Lenders shall cease to be a Lender, each Departing Lender's Committed Line Portion shall terminate and each Departing Lender's rights and obligations under the Loan Documents (and the rights and obligations under the Intercreditor Agreement of each Departing Lender which is a Swap Bank) shall terminate (including, without limitation, any obligations under Section 2.14 or Article III of the Credit Agreement) except for any such rights under Sections 4.01(d), 4.02, 11.04 and 11.05 of the Credit Agreement and other rights that expressly survive such termination.

(b) On the Effective Date (immediately after giving effect to this Fifth Amendment), the Borrower shall repay Loans to Fortis Bank SA/NV, New York Branch in an amount such that after giving effect thereto, outstanding Loans shall be held by each Lender (other than the Departing Lenders) in accordance with its Pro Rata Share (after giving effect to this Fifth Amendment).

(c) All payments made under clauses (a) and (b) above shall be retained solely by the Departing Lender or Lender receiving such payment and shall not be subject to the pro rata sharing provisions set forth in the Loan Documents.

(d) Interest and fees payable to the Lenders (including, without limitation, the Departing Lenders) (i) that accrued prior to the Effective Date shall be allocated in accordance with the Pro Rata Shares before giving effect to this Fifth Amendment and (ii) that accrue from and after the Effective Date shall be allocated in accordance with the Pro Rata Shares after giving effect to this Fifth Amendment.

SECTION 5. Counterparts.

This Fifth Amendment may be executed by one or more of the parties to this Fifth Amendment on any number of separate counterparts (including by facsimile transmission of signature pages hereto), and all of said counterparts taken together shall be deemed to constitute one and the same agreement. A set of the copies of this Fifth Amendment signed by all the parties shall be lodged with the Borrower and the Administrative Agent.

SECTION 6. Severability.

Any provision of this Fifth Amendment which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

SECTION 7. GOVERNING LAW.

THIS FIFTH AMENDMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

SECTION 8. WAIVERS OF JURY TRIAL.

THE BORROWER, THE ADMINISTRATIVE AGENT, THE SWAP BANKS AND THE LENDERS HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVE TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS FIFTH AMENDMENT AND FOR ANY COUNTERCLAIM THEREIN.

IN WITNESS WHEREOF, the parties hereto have caused this Fifth Amendment to be duly executed as of the day and year first above written.

INTL COMMODITIES, INC.

By: /s/ Sean O' Connor
Name: Sean O' Connor
Title: Chairman

By: /s/ Steven Springer
Name: Steven Springer
Title: CFO

FORTIS CAPITAL CORP.,
as Administrative Agent and as a Swap Bank

By: /s/ Michiel V. M. vander Voort
Name: Michiel V. M. vander Voort
Title: MD

By: /s/ John G. Sullivan
Name: John G. Sullivan
Title: Managing Director

FORTIS BANK SA/NV, NEW YORK BRANCH, as an Issuing Bank and as a Lender, a Swing Line Lender and a Swap Bank

By: /s/ Michiel V.M. vander Voort
Name: Michiel V.M. vander Voort
Title: MD

By: /s/ John G. Sullivan
Name: John G. Sullivan
Title: Managing Director

BNP PARIBAS,
as a Departing Lender and as a Swap Bank

By: /s/ Deborah P. Whittle
Name: Deborah P. Whittle
Title: Director

By: /s/ Andrew Stratos
Name: Andrew Stratos
Title: Vice President

MIZUHO CORPORATE BANK, LTD.,
as a Lender

By: /s/ Hodaka Shoji
Name: Hodaka Shoji
Title: Senior Vice President

By: _____
Name:
Title:

BROWN BROTHERS HARRIMAN & CO.,
as a Lender

By: /s/ Paul Feldman
Name: Paul Feldman
Title: MD

By: /s/ Lewis Hart
Name: Lewis Hart
Title: AVP

THE BANK OF TOKYO-MITSUBISHI UFJ, LTD., NEW YORK BRANCH, as a Departing Lender

By: /s/ Yoshihiro Kubo
Name: Yoshihiro Kubo
Title: Senior Vice President & Group Head

By: _____
Name:
Title:

HSH NORDBANK AG, NEW YORK BRANCH, as a Departing Lender

By: /s/ David Lopez Menendez
Name: David Lopez Menendez
Title: Senior Vice President
HSH Nordbank AG, New York Branch

By: /s/ Fabian Fuente
Name: Fabian Fuente
Title: Assistant Vice President
HSH Nordbank AG, New York Branch

Annex I

CONSENT OF PARENT

As of June 26, 2009, the undersigned hereby reaffirms the terms, conditions and the undersigned's obligations under and in connection with the Parent Guarantee dated as of April 30, 2007 (as amended, supplemented or otherwise modified from time to time, the "Parent Guarantee") executed by the undersigned and agrees that the undersigned's obligations under the Parent Guarantee shall remain in full force and effect after giving effect to the Fifth Amendment to Credit Agreement dated as of June 26, 2009 among INTL Commodities, Inc., the Lenders party thereto, Fortis Bank SA/NV, New York Branch as an Issuing Bank and Fortis Capital Corp. as Administrative Agent. For the avoidance of doubt, the undersigned agrees to pay and reimburse all expenses incurred by the Administrative Agent and the Lenders (including, without limitation, attorneys' fees and disbursements) in connection with the enforcement of the Parent Guarantee.

INTERNATIONAL ASSETS HOLDING CORPORATION

By: _____
Name:
Title:

By: _____
Name:
Title:

SCHEDULE 2.01

COMMITTED LINE AND
COMMITTED LINE PORTIONS
(EXCLUDING SWAP CONTRACTS)

I. Committed Line:

A.	Maximum Line:	$62,000,000.00
B.	Total Line Amount Subscribed:	$62,000,000.00
C.	Subscribed Percentage	100%

II. Committed Line Portions:

Bank	Dollar Amount	Pro Rata Share
Fortis Bank SA/NV, New York Branch	$30,000,000	48.39%
Mizuho Corporate Bank, Ltd.	$20,000,000	32.26%
Brown Brothers Harriman & Co.	$12,000,000	19.35%
Total Subscribed Committed Line Portions	$62,000,000	100%

EXHIBIT E

FORM OF
BORROWING BASE COLLATERAL POSITION REPORT

[Date]

Fortis Capital Corp.
520 Madison Avenue
New York, New York 10022
Attention: Mr. Francisco Calmet
Phone: (212) 340-_____
Fax: (212) 340-5340

Re: Credit Agreement, dated as of April 30, 2007 (as amended or supplemented from time to time, the "Agreement"), by and among INTL COMMODITIES, INC., (the "Borrower"), the lenders that from time to time are parties thereto, Fortis Capital Corp., as Administrative Agent, and Fortis Bank SA/NV, New York Branch, as an Issuing Bank

Ladies and Gentlemen:

The Borrower, acting through its duly authorized Responsible Officer (as that term is defined in the Agreement), delivers the attached report to the Lenders and certifies to each of the Lenders that it is in compliance with the Agreement. Further, the undersigned hereby certifies that (i) the Net Position has at no time exceeded the limitations set forth in Section 8.11 of the Agreement, (ii) the undersigned has no knowledge of any Defaults or Events of Default under the Agreement which exist as of the date of this letter and (iii) as of the date written above, the amounts indicated on the attached schedule were accurate and true as of the date of preparation.

The undersigned also certifies that (i) the aggregate principal amount outstanding of Indebtedness under Permitted Receivables Financing Transactions is $_____, (ii) the aggregate amount of all outstanding Accounts sold under Permitted Receivables Sales Transactions is $_____ and (iii) the aggregate principal amount outstanding of Indebtedness incurred under Permitted Ineligible Inventory Transactions is $_____.

The undersigned also certifies that the amounts set forth on the attached report constitute all Collateral which has been or is being used in determining availability for an advance or letter of credit issued under the Borrowing Base Line as of the preceding date. This certificate and attached reports are submitted pursuant to Subsection 7.02(b) of the Agreement. Capitalized terms used herein and in the attached reports have the meanings specified in the Agreement.

Very truly yours,

INTL COMMODITIES, INC.,
a Delaware corporation

By: _____

Name: _____
Responsible Officer

By: _____

Name: _____
Responsible Officer

c/c The Lenders

INTL COMMODITIES, INC.
BORROWING BASE COLLATERAL POSITION REPORT
AS OF [DATE]

1.	COLLATERAL			
A.	Eligible Cash Collateral	$ _____	100%	$_____
B.	Equity in Approved Brokerage Accounts	$ _____	90%	$_____
C.	Tier I Accounts	$ _____	90%	$_____
D.	Eligible Metals Inventory	$ _____	85%	$_____
E.	Tier II Accounts	$ _____	85%	$_____
F.	Contingent Inventory	$ _____	85%	$_____
G.	Eligible Special Inventory	$ _____	80%	$_____
H.	Eligible Other Metals Inventory	$ _____	80%	$_____
I.	Eligible Mexican Inventory	$ _____	60%	$_____
J.	The mark to market amounts owed by the Swap Banks under Swap Contracts as reported by the Swap Banks	$ _____	90%	$
K.	The mark to market amounts owed to the Swap Banks under Swap Contracts as reported by the Swap Banks	($_____)	110%	(_____)
	TOTAL COLLATERAL	$ _____	_____	$ _____
	BORROWING BASE ADVANCE CAP (Lesser of Committed Line or Total Collateral)			$ _____
II.	LENDER OUTSTANDINGS			$ _____
A.	Loans from the Lenders (including Swing Line Loans)			$ _____
B.	L/Cs from the Lenders			$ _____
TOTAL OUTSTANDINGS UNDER BORROWING BASE LINE				$ _____

III. EXCESS/(DEFICIT) (I-II) $_____

Notes:

- $_____ of the amount of Eligible Inventory that is included in the Borrowing Base Advance Cap (before giving effect to the advance rate) is subject to Permitted Leases.
- The maximum amount of Eligible Brink's Warrantable Inventory that may be included in the Borrowing Base Advance Cap at any time is $10,000,000, before application of the advance rate. Eligible Brink's Warrantable Inventory is a component of Eligible Special Inventory.
- The maximum amount of Eligible Airway BL Inventory that may be included in the Borrowing Base Advance Cap at any time is $10,000,000, before application of the advance rate. Eligible Airway BL Inventory is a component of Eligible Special Inventory.
- The maximum amount of Eligible Other Metals Inventory that may be included in the Borrowing Base Advance Cap at any time is $5,000,000, before application of the advance rate.
- The maximum amount of Eligible Mexican Inventory that may be included in the Borrowing Base Advance Cap at any time is $5,000,000, before application of the advance rate.

Without limitation of the foregoing, the maximum aggregate amount of Eligible Other Metals Inventory and Eligible Special Inventory that may be included in the Borrowing Base Advance Cap at any time is $20,000,000, before application of the advance rates.

ARTICLE III
THE LETTERS OF CREDIT

3.01 The Letter of Credit Lines.

(a) Subject to the limitations set forth in Subsection 3.01(b) below and on the terms and conditions set forth herein, (i) ~~the~~each Issuing Bank agrees, from time to time on any Business Day during the period from the Commitment Effective Date to the Expiration Date, (A) to Issue Letters of Credit for the account of the Borrower under the Borrowing Base Line and to amend or renew Letters of Credit previously Issued by it and (B) to honor conforming drafts under the Letters of Credit; and (ii) each of the Lenders will be deemed to have approved such Issuance, amendment or renewal, and shall participate in Letters of Credit Issued for the account of the Borrower. The applicable Issuing Bank shall promptly notify each other Lender as to the Issuance of such Letter of Credit and the corresponding Pro Rata Share of such Lender. Within the foregoing limits, and subject to the other terms and conditions hereof, the Borrower's ability to request that the Issuing ~~Bank~~Banks Issue Letters of Credit shall be fully revolving, and, accordingly, the Borrower may, during the foregoing period, request that the Issuing ~~Bank~~Banks Issue Letters of Credit to replace Letters of Credit which have expired or which have been drawn upon and reimbursed.

(b) ~~The~~No Issuing Bank shall~~not~~ Issue any Letter of Credit if:

(i) any order, judgment or decree of any Governmental Authority or arbitrator shall by its terms purport to enjoin or restrain the applicable Issuing Bank from Issuing such Letter of Credit, or any Requirement of Law applicable to the applicable Issuing Bank or any request or directive (whether or not having the force of law) from any Governmental Authority with jurisdiction over the applicable Issuing Bank shall prohibit, or request that the applicable Issuing Bank refrain from, the issuance of letters of credit generally or such Letter of Credit in particular or shall impose upon the applicable Issuing Bank with respect to such Letter of Credit any restriction, reserve or capital requirement (for which ~~the~~such Issuing Bank is not otherwise compensated hereunder) not in effect on the Closing Date, or shall impose upon the applicable Issuing Bank any unreimbursed loss, cost or expense which was not applicable on the Closing Date and which the applicable Issuing Bank in good faith deems material to it;

(ii) the applicable Issuing Bank has received written notice from any Lender, Administrative Agent or the Borrower, on or prior to the Business Day prior to the requested date of Issuance of such Letter of Credit, that one or more of the applicable conditions contained in Article V is not then satisfied;

(iii) the expiry date of any requested Type of Letter of Credit exceeds the earlier of (a) the expiry date set forth herein for such Type, or (b) the Expiration Date, or the amount of any requested Type of Letter of Credit exceeds the applicable L/C Sub-limit Cap after taking into account all outstanding L/C Obligations with respect to such Type of Letter of Credit;

(iv) such requested Letter of Credit is not in form and substance acceptable to ~~the~~such Issuing Bank, or the Issuance of such requested Letter of Credit shall violate any applicable policies of the applicable Issuing Bank;

(v) such Letter of Credit is for the purpose of supporting the Issuance of any letter of credit by any other Person;

(vi) such Letter of Credit is denominated in a currency other than United States Dollars; or

(vii) the amount of such requested Letter of Credit, plus the Effective Amount of all of the L/C Obligations, plus the Effective Amount of all Revolving Loans plus the Effective Amount of all Swing Line Loans exceeds the lesser of (x) the Borrowing Base Advance Cap or (y) the Committed Line, in which case the Administrative Agent shall notify the applicable Issuing Bank that there is a deficiency.

3.02 Issuance, Amendment and Renewal of Letters of Credit.

(a) Each Letter of Credit which is Issued hereunder shall be Issued upon the irrevocable written request of the Borrower pursuant to a Notice of Borrowing (Letter of Credit) substantially in the applicable form attached hereto as Exhibit B-1 (except that it shall be addressed to the applicable Issuing Bank) received by the applicable Issuing Bank and the Administrative Agent by no later than 3:00 p.m. (New York City time) on the proposed date of Issuance. Each such request for Issuance of a Letter of Credit shall be by electronic transfer or facsimile, confirmed by the close of the next Business Day in an original writing, in the form of an L/C Application, and shall specify in form and detail satisfactory to the applicable Issuing Bank and Administrative Agent: (i) the proposed date of Issuance of the Letter of Credit (which shall be a Business Day); (ii) the face amount of the Letter of Credit; (iii) the expiry date of the Letter of Credit; (iv) the name and address of the beneficiary thereof; (v) the documents to be presented by the beneficiary of the Letter of Credit in case of any drawing thereunder; (vi) the full text of any certificate to be presented by the beneficiary in case of any drawing thereunder; (vii) whether the Letter of Credit is a Standby or Documentary Letter of Credit; and (viii) such other matters as the applicable Issuing Bank may require. The applicable Issuing Bank shall promptly notify each other Lender by telecopier or electronic mail upon receipt of such Notice of Borrowing (Letter of Credit).

(b) From time to time while a Letter of Credit is outstanding and prior to the Expiration Date, subject to the terms and conditions set forth herein with respect to Issuance of Letters of Credit, the applicable Issuing Bank will, upon the written request of the Borrower received by the applicable Issuing Bank and the Administrative Agent prior to 3:00 p.m. (New York City time) on the proposed date of amendment, amend any Letter of Credit issued by it. Each such request for amendment of a Letter of Credit shall be made by electronic transfer or facsimile, confirmed by the close of the next Business Day in an original writing, made in the form of an L/C Amendment Application and shall specify in form and detail satisfactory to the applicable Issuing Bank and Administrative Agent: (i) the Letter of Credit to be amended; (ii) the proposed date of amendment of the Letter of Credit (which shall be a Business Day); (iii) the nature of the proposed amendment; and (iv) such other matters as the applicable Issuing Bank may require.

(c) Upon receipt of a Notice of Borrowing (Letter of Credit) by an Issuing Bank, such Issuing Bank will confirm with the Administrative Agent (by telephone and in writing) that the Administrative Agent has received a copy of such Notice of Borrowing (Letter of Credit) and, if not, such Issuing Bank will provide the Administrative Agent with a copy thereof. Upon receipt by such Issuing Bank of confirmation from the Administrative Agent, that the requested Letter of Credit, amendment or renewal satisfies the conditions set forth in Sections 3.01(b)(iii) and (vi), such Issuing Bank shall, on the requested date, issue a Letter of Credit for the account of the Borrower, enter into the applicable amendment, or effect the applicable renewal, as the case may be, in each case in accordance with such Issuing Bank's usual and customary business practices and subject to the other terms and conditions hereof.

(d) If any Issuing Bank shall issue, renew or amend any Letter of Credit without obtaining prior consent of the Administrative Agent (as provided in clause (c) above), such Letter of Credit (i) shall for all purposes be deemed to have been issued by such Issuing Bank solely for its own account and risk and (ii) shall not be considered a Letter of Credit outstanding under this Agreement, and no Lender shall be deemed to have any participation therein, effective as of the date of such issuance, amendment, or renewal, as the case may be, unless the Required Lenders expressly consent thereto; provided, however, that to be considered a Letter of Credit outstanding under this Agreement, the consent of all Lenders shall be required to the extent that any such issuance, amendment, or renewal is not then permitted hereunder by reason of the provisions of Sections 3.01(b)(iii) or 3.01(b)(vii).

(e) ~~(e)~~ No Letter of Credit shall be Issued which provides for automatic renewals. This Agreement shall control in the event of any conflict with any L/C-Related Document (other than any Letter of Credit).

(f) ~~(d)~~ The applicable Issuing Bank will also deliver to Administrative Agent a true and complete copy of each Letter of Credit or amendment to or renewal of a Letter of Credit Issued by it.

(g) Notwithstanding anything herein to the contrary, no Issuing Bank shall be obligated to issue any Letter of Credit if, after giving effect to the issuance of such Letter of Credit, the aggregate outstanding L/C Obligations attributed to Letters of Credit issued by such Issuing Bank exceeds such Issuing Bank's Issuance Cap, provided that subject to the terms and conditions hereof, each Issuing Bank may issue such Letters of Credit on a discretionary basis.

3.03 Risk Participations. Drawings and Reimbursements.

(a) Immediately upon the Issuance of each Letter of Credit Issued by the applicable Issuing Bank, each Lender shall be deemed to, and hereby irrevocably and unconditionally agrees to, purchase from ~~the~~such Issuing Bank a participation in such Letter of Credit and each drawing thereunder in an amount equal to the product of (i) the Pro Rata Share of such Lender, times (ii) the maximum amount available to be drawn under such Letter of Credit and the amount of such drawing. For purposes of Section 2.01, each Issuance of a Letter of Credit shall be deemed to utilize the Committed Line Portion of each Lender by an amount equal to the amount of such participation.

(b) In the event of any request for a drawing under a Letter of Credit Issued by ~~the~~any Issuing Bank by the beneficiary or transferee thereof, ~~the~~such Issuing Bank will promptly notify the Borrower. Any notice given by ~~the~~an Issuing Bank or Administrative Agent pursuant to this Subsection 3.03(b) may be oral if immediately confirmed in writing (including by facsimile); provided that the lack of such an immediate confirmation shall not affect the conclusiveness or binding effect of such notice. The Borrower shall reimburse the applicable Issuing Bank prior to 5:00 p.m. (New York City time), on each date that any amount is paid by ~~the~~such Issuing Bank under any Letter of Credit (each such date, an "Honor Date"), in an amount equal to the amount so paid by ~~the~~such Issuing Bank. In the event the Borrower fails to reimburse the applicable Issuing Bank for the full amount of any drawing under any Letter of Credit, by 5:00 p.m. (New York City time) on the Honor Date, ~~the~~such Issuing Bank will promptly notify Administrative Agent and Administrative Agent will promptly notify each Lender thereof, and Borrower shall be deemed to have requested that Revolving Loans be made by the Lenders to be disbursed to ~~the~~such Issuing Bank not later than one (1) Business Day after the Honor Date under such Letter of Credit, subject to the amount of the unutilized portion of the Borrowing Base Line.

(c) Each Lender shall upon any notice pursuant to Subsection 3.03(b) make available to Administrative Agent for the account of the applicable Issuing Bank an amount in United States Dollars and in immediately available funds equal to its applicable Pro Rata Share of the amount of the drawing, whereupon the participating Lenders shall (subject to Subsection 3.03(d)) each be deemed to have made a Revolving Loan to the Borrower in that amount. If any Lender so notified fails to make available to Administrative Agent for the account of the applicable Issuing Bank the amount of such Lender's Pro Rata Share of the amount of the drawing, by no later than 3:00 p.m. (New York City time) on the Business Day following the Honor Date, then interest shall accrue on such Lender's obligation to make such payment, from the Honor Date to the date such Lender makes such payment, at a rate per annum equal to the Federal Funds Rate in effect from time to time during such period. Administrative Agent will promptly give notice of the occurrence of the Honor Date, but failure of Administrative Agent to give any such notice on the Honor Date or in sufficient time to enable any Lender to effect such payment on such date shall not relieve such Lender from its obligations under this Section 3.03.

(d) With respect to any unreimbursed drawing that is not converted into Revolving Loans in whole or in part for any reason, the Borrower shall be deemed to have incurred from the applicable Issuing Bank an L/C Borrowing in United States Dollars, which L/C Borrowing shall be due and payable on demand (together with interest) and shall bear interest at a rate per annum equal to the Default Rate, and each Lender's payment to the applicable Issuing Bank pursuant to Subsection 3.03(c) shall be deemed payment in respect of its participation in such L/C Borrowing and shall constitute an L/C Advance from such Lender in satisfaction of its participation obligation under this Section 3.03.

(e) Each Lender's obligation in accordance with this Agreement to make the Revolving Loans or L/C Advances, as contemplated by this Section 3.03. as a result of a drawing under a Letter of Credit, shall be absolute and unconditional and without recourse to the relevant Issuing Bank and shall not be affected by any circumstance, including (i) any set-off, counterclaim, recoupment, defense or other right which such Lender may have against the applicable Issuing Bank, the Borrower or any other Person for any reason whatsoever; (ii) the occurrence or continuance of a Default, an Event of Default or a Material Adverse Effect; or (iii) any other circumstance, happening or event whatsoever, whether or not similar to any of the foregoing.

3.04 Repayment of Participations.

(a) Upon (and only upon) receipt by Administrative Agent for the account of ~~the~~any Issuing Bank of immediately available funds from the Borrower (i) in reimbursement of any payment made by ~~the~~such Issuing Bank under a Letter of Credit with respect to which any Lender has paid Administrative Agent for the account of ~~the~~such Issuing Bank for such Lender's participation in the Letter of Credit pursuant to Section 3.03 or (ii) in payment of interest thereon, Administrative Agent will pay to each Lender, in the same funds as those received by Administrative Agent for the account of ~~the~~such Issuing Bank, the amount of such Lender's Pro Rata Share of such funds, and ~~the~~such Issuing Bank shall receive the amount of the Pro Rata Share of such funds of any Lender that did not so pay Administrative Agent for the account of ~~the~~such Issuing Bank.

(b) If Administrative Agent or ~~the~~any Issuing Bank is required at any time to return to the Borrower, or to a trustee, receiver, liquidator, custodian, or any official in any Insolvency Proceeding, any portion of the payments made by the Borrower to Administrative Agent for the account of ~~the~~such Issuing Bank pursuant to Subsection 3.04(a) in reimbursement of a payment made under a Letter of Credit or interest or fee thereon, each Lender shall, on demand of ~~the~~such Issuing Bank, forthwith return to Administrative Agent or ~~the~~such Issuing Bank the amount of its Pro Rata Share of any amounts so returned by Administrative Agent or ~~the~~such Issuing Bank plus interest thereon from the date such demand is made to the date such amounts are returned by such Lender to Administrative Agent or ~~the~~such Issuing Bank, at a rate per annum equal to the Federal Funds Rate in effect from time to time.

3.05 Role of the Issuing ~~Bank~~Banks.

(a) ~~The~~Each Issuing Bank and the Borrower agree that, in paying any drawing under a Letter of Credit Issued by ~~the~~such Issuing Bank, ~~the~~such Issuing Bank shall not have any responsibility to obtain any document (other than any sight draft or certificates expressly required by such Letter of Credit) or to ascertain or inquire as to the validity or accuracy of any such document or the authority of the Person executing or delivering any such document.

(b) No Administrative Agent-Related Person nor any of the respective correspondents, participants, assignees, officers, directors, employees, agents or attorneys-in-fact of ~~the~~any Issuing Bank shall be liable to any Lender for: (i) any action taken or omitted in connection herewith at the request or with the approval or deemed approval of the Lenders; (ii) any action taken or omitted in the absence of gross negligence or willful misconduct; or (iii) the due execution, effectiveness, validity or enforceability of any L/C-Related Document.

(c) The Borrower hereby assumes all risks of the acts or omissions of any beneficiary or transferee with respect to its use of any Letter of Credit; provided, however, that this assumption is not intended to, and shall not, preclude the Borrower pursuing such rights and remedies as it may have against the beneficiary or transferee at law or under any other agreement. No Administrative Agent-Related Person, nor any of the respective correspondents, participants, assignees, officers, directors, employees, agents or attorneys-in-fact of ~~the~~any Issuing Bank shall be liable or responsible for any of the matters described in clauses (a) through (g) of Section 3.06; provided, however, anything in such clauses or elsewhere herein to the contrary notwithstanding, that the Borrower may have a claim against ~~the~~any Issuing Bank, and ~~the~~any Issuing Bank may be liable to the Borrower, to the extent, but only to the extent, of any direct, as opposed to consequential or exemplary, damages suffered by the Borrower which ~~the~~such Borrower proves were caused by ~~the~~such Issuing Bank's willful misconduct or gross negligence or ~~the~~such Issuing Bank's willful failure to pay under any Letter of Credit after the presentation to it by the beneficiary of a sight draft and certificate(s) strictly complying with the terms and conditions of a Letter of Credit. In furtherance and not in limitation of the foregoing: (i) ~~the~~each Issuing Bank may accept documents that appear on their face to be in order, without responsibility for further investigation, regardless of any notice or information to the contrary; and (ii) ~~the~~no Issuing Bank shall ~~not~~ be responsible for the validity or sufficiency of any instrument transferring or assigning or purporting to transfer or assign a Letter of Credit or the rights or benefits thereunder or proceeds thereof, in whole or in part, which may prove to be invalid or ineffective for any reason.

3.06 Obligations Absolute.

The Obligations of the Borrower under this Agreement and any L/C-Related Document to reimburse the applicable Issuing Bank for a drawing under a Letter of Credit, and to repay any L/C Borrowing and any drawing under a Letter of Credit converted into Revolving Loans, shall be unconditional and irrevocable, and shall be paid strictly in accordance with the terms of this Agreement and each such other L/C-Related Document under all circumstances, including the following:

(a) any lack of validity or enforceability of this Agreement or any L/C-Related Document;

(b) any change in the time, manner or place of payment of, or in any other term of, all or any of the Obligations of the Borrower in respect of any Letter of Credit or any other amendment or waiver of or any consent to departure from all or any of the L/C-Related Documents;

(c) the existence of any claim, set-off, defense or other right that the Borrower may have at any time against any beneficiary or any transferee of any Letter of Credit (or any Person for whom any such beneficiary or any such transferee may be acting), the applicable Issuing Bank or any other Person, whether in connection with this Agreement, the transactions contemplated hereby or by the L/C-Related Documents or any unrelated transaction;

(d) any draft, demand, certificate or other document presented under any Letter of Credit proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect; or any loss or delay in the transmission or otherwise of any document required in order to make a drawing under any Letter of Credit;

(e) any payment by the applicable Issuing Bank under any Letter of Credit against presentation of a draft or certificate that does not strictly comply with the terms of any Letter of Credit; or any payment made by the applicable Issuing Bank under any Letter of Credit to any Person purporting to be a trustee in bankruptcy, debtor-in-possession, assignee for the benefit of creditors, liquidator, receiver or other representative of or successor to any beneficiary or any transferee of any Letter of Credit, including any arising in connection with any Insolvency Proceeding;

(f) any exchange, release or non-perfection of any collateral, or any release or amendment or waiver of or consent to departure from any other guarantee, for all or any of the Obligations of the Borrower in respect of any Letter of Credit; or

(g) any other circumstance or happening whatsoever, whether or not similar to any of the foregoing, including any other circumstance that might otherwise constitute a defense available to, or a discharge of, the Borrower.

Notwithstanding anything to the contrary in this Section ~~3.06, the~~ 3.06 or otherwise, no Issuing Bank shall ~~not~~ be excused from liability to Borrower to the extent of any direct damages (as opposed to consequential, indirect and punitive damages, claims in respect of which (against any Issuing Bank, the Administrative Agent or any Lender) are hereby waived by Borrower) suffered by Borrower that are caused by any of ~~the~~such Issuing Bank's gross negligence or willful misconduct when determining whether drafts and other documents presented under a Letter of Credit comply with the terms thereof, provided, however, that the parties hereto expressly agree that:

(i) the Issuing ~~Bank~~Banks may accept documents that appear on their face to be in substantial compliance with the terms of a Letter of Credit without responsibility for further investigation and may make payment upon presentation of documents that appear on their face to be in substantial compliance with the terms of such Letter of Credit.

(ii) the Issuing ~~Bank~~Banks shall have the right, in its sole discretion, to decline to accept documents and to make such payment if such documents are not in strict compliance with the terms of such Letter of Credit; and

(iii) this sentence shall establish the standard of care to be exercised by the Issuing ~~Bank~~Banks when determining whether drafts and other documents presented under a Letter of Credit comply with the terms thereof (and the parties hereto hereby waive, to the extent permitted by applicable law, any standard of care inconsistent with the foregoing).

3.07 Cash Collateral Pledge.

Upon the request of Administrative Agent, (i) if ~~the~~any Issuing Bank has honored any full or partial drawing request on any Letter of Credit and such drawing has resulted in an L/C Borrowing hereunder, (ii) if, as of the Expiration Date, any Letters of Credit may for any reason remain outstanding and partially or wholly undrawn, (iii) if, at any time the outstanding aggregate Face Amount of any Letters of Credit shall exceed any L/C Sublimit Cap applicable to such Letters of Credit, or (iv) upon an Event of Default, the Borrower shall immediately Cash Collateralize the L/C Obligations in an amount equal to such L/C Obligations. Upon the occurrence of the circumstances described in Section 2.05 requiring the Borrower to Cash Collateralize Letters of Credit, then, the Borrower shall immediately Cash Collateralize the L/C Obligations in an amount equal to the applicable excess.

3.08 Letter of Credit Fees.

(a) The Borrower shall pay to the ~~Issuing Bank~~Administrative Agent for the pro rata benefit of each of the Lenders purchasing a participation interest therein pursuant to Section 3.03(a), a letter of credit commission (the "L/C Commission") in an amount equal to (i) a fee calculated at rate per annum equal to ~~the Applicable Margin then in effect~~2.75% multiplied by the average daily Face Amount of any outstanding Standby L/C during the period from and including the date of Issuance through and including the expiry date payable monthly in arrears on the last day of each month and (ii) ~~0.125~~0.25% flat per quarter or part thereof on the Face Amount of any Documentary L/C payable in advance upon the Issuance thereof, subject to a minimum Issuance fee of $500 with respect to any Letter of Credit.

(b) The Borrower shall pay to the ~~Issuing Bank~~Administrative Agent from time to time for the negotiation of any Letter of Credit for the account of the applicable Issuing Bank and the pro rata benefit of each of the Lenders having purchased a participation therein, a fee in the amount of 0.10% flat on the Face Amount of any such Letter of Credit, subject to a minimum fee of $250 with respect to each such Letter of Credit.

(c) The Borrower shall pay to the applicable Issuing Bank from time to time for the amendment of the text of any Letter of Credit for the account of ~~the~~such Issuing Bank, a fee in the amount of $150.

(d) The Borrower shall pay to the Issuing ~~Bank~~Banks such other fees as provided for in separate letter of credit fee letters.

(e) All fees shall be fully earned when paid and shall be nonrefundable.

3.09 Uniform Customs and Practice and International Standby Practices.

Unless otherwise expressly agreed by the applicable Issuing Bank and the Borrower, when a Letter of Credit is issued, the rules of: (a) The Uniform Customs and Practice for Documentary Credits as published by the International Chamber of Commerce ("UCP"), or (b) The International Standby Practices (ISP) 98, also as published by the International Chamber of Commerce, each as most recently amended, modified or supplemented at the time of issuance of any Letter of Credit shall (unless otherwise expressly provided in the Letters of Credit) apply to the Letters of Credit.

3.10 References to Issuing Bank.

(a) Except as otherwise expressly set forth therein, all references to "the Issuing Bank" in the Loan Documents (other than this Agreement) shall be a reference to the Issuing Bank that Issued the applicable Letter of Credit or all Issuing Banks, as the context may require.

(b) The references to "the Issuing Bank" in the definitions of "Documentary L/C", "Face Amount", "L/C Amendment Application", "L/C Application", and "L/C Related Documents", the final three references thereto in subsection 10.01, and the fourth reference thereto in subsection 11.07(h), shall each be a reference to "the applicable Issuing Bank".

(c) The references to "the Issuing Bank" in the definition of "Cash Collateralize" and "Letters of Credit", and in subsections 2.02, 2.14, 10.01 (other than the final three references), 11.01, 11.02, 11.05 and 11.07(b) shall each be reference to "each Issuing Bank".

(d) The reference to "the Issuing Bank" in the definition of "Commitment Effective Date" shall be a reference to "Fortis Bank SA/NV, New York Branch, as an Issuing Bank".

(e) The first reference to "the Issuing Bank" in subsection 11.07(h), the second reference thereto in subsection 10.05 and the reference thereto in Section 9.02 shall each be a reference to "any Issuing Bank" and the other references to "the Issuing Bank" in subsection 11.07(h) (other than the fourth reference) shall be a reference to "an Issuing Bank".

Exhibit 10.5

AMENDED AND RESTATED CREDIT AGREEMENT

THIS AMENDED AND RESTATED CREDIT AGREEMENT (this "Agreement") is effective as of July 31, 2007 between INTERNATIONAL ASSETS HOLDING CORPORATION, a Delaware corporation ("IAHC"), INTL ASSETS, INC., a Florida corporation and INTL COMMODITIES, INC., a Delaware corporation ("INTL Commodities") (all of the foregoing collectively referred to as the "Borrowers") and BANK OF AMERICA, N.A., a national banking association (the "Lender").

R E C I T A L S

The Lender has established a revolving credit facility pursuant to which the Lender agreed to make advances to the Borrowers from time to time in an aggregate principal amount not to exceed Twenty Five Million Dollars ($25,000,000).

The Borrowers have asked the Lender to amend and restate that certain Credit Agreement dated as of September 15, 2005 between the Lender and the Borrowers, as amended by that certain First Amendment to Credit Agreement dated as of July 6, 2006, and that certain Second Amendment to Credit Agreement dated as of December 8, 2006, as amended by that certain March 2, 2007 Request for Guidance Line Advance (as the same may from time to time be amended, restated, supplemented, or otherwise modified, the "Original Credit Agreement"), and the Lender has agreed to do so pursuant to this Agreement and the documents called for herein, subject to and upon the terms and conditions hereinafter set forth.

AGREEMENTS

SECTION 1. The Revolving Credit Facility.

1.1. Definitions. All capitalized terms used herein and not otherwise defined shall have the following meanings:

"Advances" shall mean all advances under the Revolving Credit Facility.

"Applicable Margin" shall mean 2.40% per annum.

"AutoBorrow Service Agreement" means an AutoBorrow Service Agreement in effect from time to time between the Borrowers and the Lender.

"Board" means the Board of Governors of the Federal Reserve System of the United States.

"Borrowers" shall have the meaning set forth in the recitals above.

“Breakage Fees” means an amount equal to any net loss or out-of-pocket expenses which the Lender may sustain or incur (including, without limitation, any net loss or expense incurred by reason of the liquidation or re-employment of deposits or other funds acquired by the Lender to fund or maintain the Advances, or any swap breakage incurred in connection with any Hedge Agreement), as reasonably determined by the Lender, as a result of any prepayment of any the Advances.

“Business Day” shall mean any day other than Saturday, Sunday or other day on which commercial banks in the Commonwealth of Virginia are authorized to close.

“Capital Lease” means any lease that has been or should be capitalized on the books of the lessee in accordance with GAAP.

“Capital Stock” means corporate stock and any and all securities, shares, partnership interests, limited partnership interests, limited liability company interests, membership interests, equity interests, participations, rights or other equivalents (however designated) of corporate stock or any of the foregoing issued by any entity (whether a corporation, a partnership, a limited liability company or another entity) and includes, without limitation, securities convertible into Capital Stock and rights or options to acquire Capital Stock.

“Closing Date” means the date on which all conditions to closing as set forth in Section 2.1 of the Credit Agreement are satisfied.

“Credit Facilities” shall mean the Revolving Credit Facility and any other credit facilities established subsequently hereto.

“Default” shall have the meaning set forth in Section 6 of this Agreement.

“Default Rate” shall mean a floating and fluctuating per annum rate of interest calculated by adding the sum of three percent (3.0%) to the rate of interest then in effect.

“Domestic Loan Parties” shall mean, collectively, the Borrowers and the Guarantor.

“EBITDA” shall mean (a) net income, after income tax, (b) less income or plus loss from discontinued operations and extraordinary items, (c) plus interest expense on all operations, (d) plus taxes, (e) plus depreciation, and (f) plus amortization, calculated on trailing twelve-month basis; provided, however, that to the extent that any portion of the commodity inventory of the Company and its subsidiaries is valued pursuant to GAAP at the end of any period at the lower of cost or market value, then the EBITDA for such period will be increased by the amount of any unrealized gains which the Company or any of its subsidiaries would have recognized if such commodity inventory had been valued at market value in accordance with GAAP.

“Enforcement Costs” shall mean all reasonable expenses, charges, recordation or other taxes, costs and fees (including reasonable attorneys’ fees and expenses) of any nature whatsoever advanced, paid or incurred by or on behalf of the Lender in connection with (a) the collection or enforcement of this Agreement or any of the other Financing Documents, and (b) the exercise by the Lender of any rights or remedies available to it under the provisions of this Agreement, or any of the other Financing Documents.

“Environmental Laws” shall mean all laws, statutes, rules, regulations or ordinances which relate to Hazardous Materials and/or the protection of the environment or human health.

“ERISA” shall mean the Employee Retirement Income Security Act of 1974.

“Event of Default” shall have the meaning set forth in Section 6 of this Agreement.

“Financing Documents” shall mean this Agreement, the Note, the Negative Pledge, any Hedge Agreement and any other instrument, document or agreement now or hereafter executed, delivered or furnished by the Borrowers or any other person evidencing, guaranteeing, securing or in connection with this Agreement or all or any part of the Credit Facilities.

“FINRA” means the Financial Industry Regulatory Authority.

“FOCUS Report” shall mean the Financial and Operational Combined Uniform Single Report required to be filed on a monthly or quarterly basis, as the case may be, with FINRA, or any report that is required in lieu of such report.

“GAAP” shall mean generally accepted accounting principles.

“Gainvest Subsidiaries” shall mean the following Subsidiaries of the Borrowers formed before, on or after the Closing Date: Gainvest Asset Management Limited; Gainvest Uruguay Asset Management SA; Gainvest SA Sociedad Gerente de Fondos Comunes de Inversion; Gainvest Argentina Asset Management SA; and Gainvest do Brasil Asset Management Ltda.

“Guarantee-exempt Subsidiary” shall have the meaning set forth in Section 5.18.

“Guarantor” shall mean INTL Trading, Inc., a Florida corporation.

“Guaranty” shall mean the Limited Guaranty of the Guarantor of even date herewith, as the same may be amended, modified or supplemented from time to time.

“Hazardous Materials” shall mean hazardous wastes, hazardous substances, toxic chemicals and substances, oil and petroleum products and their by-products, radon, asbestos, pollutants or contaminants.

“Hedge Agreement” means any agreement between any of the Borrowers and the Lender or any affiliate of the Lender now existing or hereafter entered into, which provides for an interest rate, credit, commodity or equity swap, cap, floor, collar, forward foreign exchange transaction, currency swap, cross-currency rate swap, currency option, or any similar transaction or any combination of, or option with respect to, these or similar transactions, for the purpose of hedging the Borrowers’ exposure to fluctuations in interest or exchange rates, loan, credit, exchange, security or currency valuations or commodity prices.

“Interest Coverage Ratio” means the ratio of EBITDA to interest expense.

“Interest Payment Date” shall have the meaning set forth in Section 1.2(d).

"Interest Rate Change Date" shall mean the first day of each one month period.

"Letter of Credit" shall mean any letter of credit issued by the Lender for the account of the Borrowers under the Revolving Credit Facility.

"Letter of Credit Agreement" means an Application and Agreement for Letter of Credit on the Lender's standard form, as such form may be revised by the Lender in its discretion at any time and from time to time hereafter.

"Letter of Credit Exposure" means at any time the sum of (x) the undrawn amount of all Letters of Credit outstanding at such time, and (y) all Letter of Credit Obligations outstanding at such time.

"Letter of Credit Fees" shall have the meaning set forth in Section 1.2(j) of this Agreement, and shall be equal to the Applicable Margin.

"Letter of Credit Obligations" means, collectively, (i) the amount of each draft drawn under or purporting to be drawn under a Letter of Credit, (ii) the amount of any and all charges, reasonable costs and expenses (including, without limitation, reasonable attorneys' fees and expenses) which the Lender may charge, pay or incur for drawings under a Letter of Credit, transfers of a Letter of Credit, amendments to and extensions of a Letter of Credit and for the prosecution or defense of any action arising out of or in connection with any Letter of Credit, including, without limitation, any action to enjoin full or partial payment of any draft drawn under or purporting to be drawn under any Letter of Credit, including, but not limited to, Letter of Credit Fees, (iii) interest on all amounts payable under (i) and (ii) above from the date due until paid in full at a per annum rate of interest equal at all times to the Default Rate.

"Lender" shall mean Bank of America, N.A., a national banking association.

"Libor-Based Rate" shall mean a per annum rate of interest equal at all times to the sum of the LIBOR Rate plus the Applicable Margin. The Libor-Based Rate shall change immediately and contemporaneously with each change in the LIBOR Rate.

"LIBOR Rate" means, at any time, the rate of interest equal to the rate per annum (rounded upwards to the nearest 1/100 of one percent) equal to the British Bankers Association LIBOR Rate ("BBA LIBOR"), as published by Reuters (or other commercially available source providing quotations of BBA LIBOR as selected by the Lender from time to time) as determined for each Interest Rate Change Date at approximately 11:00 a.m. London time two (2) Business Days prior to the Interest Rate Change Date, for U.S. Dollar deposits (for delivery on the first day of such interest period) with a term of one month, as adjusted from time to time in the Lender's sole discretion for Reserve Requirements, deposit insurance assessment rates and other regulatory costs. If such rate is not available at such time for any reason, then the rate for that interest period will be determined by such alternate method as reasonably selected by the Lender.

"Loan Party" shall mean any Borrower or any Guarantor.

"London Banking Day" means a day on which the Lender's London Banking Center is open for business and dealing in offshore dollars.

"Net Worth" means the gross fair market value of total assets less total liabilities, including but not limited to estimated taxes on asset appreciation and any reserves or offsets against assets, paid-in capital or IAHC's conversion of any of IAHC's convertible debt into equity, but excluding the non-current portion of any liabilities subordinated in payment to the Borrowers' obligations to the Lender provided, however, that to the extent that any portion of the commodity inventory of IAHC and its subsidiaries is valued pursuant to GAAP at the end of any period at the lower of cost or market value, then the Net Worth at the end of such period will be increased by the amount of any unrealized gains, after a notional tax charge, which IAHC or any of its subsidiaries would have recognized if such commodity inventory had been valued at market value in accordance with GAAP.

"Negative Pledge" shall have the meaning set forth in Section 1.4 (e) hereof.

"Note" shall mean the $25,000,000 Third Amended and Restated Revolving Loan Note made by the Borrowers and payable to the order of the Lender.

"Obligations" shall mean all present and future indebtedness, liabilities and obligations of any kind and nature whatsoever of the Borrowers to the Lender both now existing and hereafter arising including, without limitation, obligations arising under, as a result of, on account of, or in connection with, this Agreement and any and all amendments, restatements, supplements and modifications hereof made at any time and from time to time hereafter, the Note, any and all extensions, renewals or replacements thereof, amendments thereto and restatements or modifications thereof made at any time or from time to time hereafter, the Letter of Credit Agreements, or the other Financing Documents, including, without limitation, future advances, principal, interest, indemnities, fees, late charges, Letter of Credit Exposure, enforcement costs and other costs and expenses whether direct, contingent, joint, several, matured or unmatured, and the indebtedness owed under any Hedge Agreement, including, without limitation, any master agreement relating to or governing any or all of the foregoing and any related schedule or confirmation, each as amended from time to time.

"PBGC" shall mean the Pension Benefit Guaranty Corporation or its successor entity.

"Permitted Liens" shall mean liens permitted pursuant to Section 5 of this Agreement.

"Person" shall mean any natural person, individual, company, corporation, partnership, joint venture, unincorporated association, government or political subdivision or agency thereof, or any other entity of whatever nature.

"Personal Property" shall mean all of the Borrowers' personal property, both now owned and hereafter acquired.

"Plan" shall mean any pension, employee benefit, multi-employer, profit sharing, savings, stock bonus or other deferred compensation plan.

"Prime Based Rate" shall mean a floating and fluctuating per annum rate of interest equal at all times to the sum of the Prime Rate plus one percent (1%).

"Prime Rate" shall mean the floating and fluctuating per annum rate of interest of the Lender at any time and from time to time established and declared by the Lender in its sole and absolute discretion as its prime rate, and does not necessarily represent the lowest rate of interest charged by the Lender to borrowers.

"Reserve Requirements" means the maximum rate (expressed as a decimal) at which reserves (including any marginal, supplemental, emergency or other reserves) are required to be maintained under Regulation D of the Federal Reserve Board or otherwise by any statute or regulation applicable to the class of commercial banks which includes the Lender.

"Revolving Credit Account" shall mean the loan account maintained by the Lender with respect to advances, repayments and prepayments of Advances, the accrual and payment of interest on Advances and all other amounts and charges owing to the Lender in connection with Advances.

"Revolving Credit Amount" shall mean the amount of Twenty Five Million Dollars ($25,000,000).

"Revolving Credit Expiration Date" shall mean July 31, 2008, or such later date as to which the Lender shall, in its discretion, agree to extend the Revolving Credit Expiration Date.

"Revolving Credit Exposure" shall mean, at any time, the sum of the aggregate principal amount of outstanding Advances plus the Letter of Credit Exposure.

"Revolving Credit Facility" shall mean the revolving credit facility established pursuant to Section 1.2 hereof in a maximum principal amount at any one time outstanding equal to the Revolving Credit Amount, made available to the Borrowers pursuant to this Agreement.

"Subsidiary" means an entity of which the Borrowers directly or indirectly own or control securities or other ownership interests representing more than 50% of the ordinary voting power thereof.

"Total Assets" shall mean current and long term assets presented in accordance with GAAP.

1.2. Revolving Credit Facility.

(a) Advances and Letters of Credit. Subject to and upon the provisions of this Agreement and relying upon the representations and warranties herein set forth, the Lender agrees at any time and from time to time to make Advances to the Borrowers and issue Letters of Credit for the account of the Borrowers from the date hereof until the earlier of the Revolving Credit Expiration Date or the date on which this Revolving Credit Facility is terminated pursuant to Section 7 hereof, in an aggregate principal amount at any time outstanding not to exceed the Revolving Credit Amount.

In no event shall the Lender be obligated to make an Advance hereunder if a Default shall have occurred and be continuing. Unless sooner terminated pursuant to other provisions of this Agreement, this Revolving Credit Facility and the obligation of the Lender to make Advances hereunder shall automatically terminate on the Revolving Credit Expiration Date without further action by, or notice of any kind from, the Lender. Within the limitations set forth herein and subject to the provisions of this Agreement, the Borrowers may borrow, repay and reborrow under this Revolving Credit Facility. The fact that there may be no Advances or Letters of Credit outstanding at any particular time shall not affect the continuing validity of this Agreement.

(b) Use of Proceeds of Advances. The proceeds of the Advances shall be used for working capital financing needs.

(c) Liability of Lender. Lender shall in no event be responsible or liable to any person other than Borrowers for the disbursement of or failure to disburse the Advances or any part thereof.

(d) Interest on Advances. Except for any period during which an Event of Default shall have occurred and be continuing, the Borrowers shall pay interest (calculated on a daily basis) on the unpaid principal balance of the Advances until maturity (whether by acceleration, extension or otherwise) at a per annum rate of interest equal at all times to the Libor-Based Rate in effect from time to time.

After maturity, or during any period in which an Event of Default exists and remains continuing, the unpaid principal balance of the Advances shall bear interest at a rate equal to the Default Rate.

Notwithstanding any other provision of this Agreement, if the Lender determines (which determination shall be conclusive) (i) that any applicable law, rule, or regulation, or any change in the interpretation of any such law, rule, or regulation shall make it unlawful or impossible for the Lender to charge or collect interest at the Libor-Based Rate, or (ii) that quotations of interest rates for the relevant deposits referred to in the definition of the Libor-Based Rate are not being provided in the relevant amounts or for the relevant maturities, then upon notice from the Lender to the Borrowers, the entire outstanding principal balance of the Revolving Credit Facility shall bear interest at the Prime-Based Rate.

Until the maturity of the Revolving Credit Facility, all accrued and unpaid interest on all Advances shall be paid monthly on the first day of each month (each, an “Interest Payment Date”).

If not sooner paid, the entire outstanding principal balance of the Advances, together with all accrued and unpaid interest thereon, shall be due and payable on the Revolving Credit Expiration Date.

(e) Revolving Credit Note; Revolving Credit Account. The Borrowers’ obligation to pay the Advances with interest shall be evidenced by the Revolving Credit Note. The Lender will maintain the Revolving Credit Account with respect to advances, repayments and prepayments of Advances, the accrual and payment of interest on Advances and all other

amounts and charges owing to the Lender in connection with Advances. Except for demonstrable error, the Revolving Credit Account shall be conclusive as to all amounts owing by the Borrowers to the Lender in connection with and on account of Advances.

(f) Voluntary Prepayments; Voluntary Termination. Within the limitations set forth herein and subject to the provisions of this Agreement, the Borrowers may prepay any Advance in whole or in part, from time to time without premium or penalty (provided, however, that in the event that the Borrowers enter into any Hedge Agreement, any prepayment will be subject to payment of Breakage Costs as set forth therein). Any permitted prepayment need not be accompanied by payment of interest on the amount prepaid except, that any prepayment of Advances which constitutes a final payment of all Advances shall be accompanied by payment of all interest thereon accrued through the date of prepayment.

(g) AutoBorrow. Notwithstanding anything contained herein to the contrary, so long as the Borrowers opt to use the Lender's "AutoBorrow" program and has executed and delivered to the Lender an AutoBorrow Service Agreement (which AutoBorrow Service Agreement remains in full force and effect), all Advances to be made hereunder shall be made in accordance with, and all interest accrued on such Advances and all repayments of such Advances shall be payable at the times and in the manner provided for in, the AutoBorrow Service Agreement. To the extent that any of the provisions of Section 1.2(a) through 1.2(f) hereof are inconsistent with provisions of the AutoBorrow Service Agreement, the provisions of the AutoBorrow Service Agreement shall govern. Any Advances made to the Borrowers under the AutoBorrow Service Agreement shall nonetheless be deemed to be an Advance hereunder, subject to all other terms hereof.

(h) Terms of Letters of Credit. Each Letter of Credit shall (i) be a commercial Letter of Credit or a standby Letter of Credit, (ii) be opened pursuant to a Letter of Credit Agreement duly executed and delivered to the Lender by the Borrowers prior to the issuance of such Letter of Credit, (iii) expire on the later to occur of (a) one year from the date of issuance or (b) the Revolving Credit Expiration Date, (iv) be in an amount not less than $2,500, (v) be issued in the ordinary course of the Borrowers' business, and (vi) be issued in accordance with the Lender's then current practices relating to the issuance of letters of credit. All powers, right, remedies and provisions set forth in any Letter of Credit Agreement shall be in addition to those set forth herein. In the event of any conflict between the provisions of this Agreement and the provisions of any Letter of Credit Agreement, the provisions of this Agreement shall prevail and control unless expressly provided otherwise herein or in the Letter of Credit Agreement.

(i) Procedures for Letters of Credit. The Borrowers shall give the Lender written notice of its (or their) request for a Letter of Credit at least three (3) Business Days prior to the date on which the Letter of Credit is to be opened by delivering to the Lender a duly executed Letter of Credit Agreement in form and content acceptable to the Lender setting forth (i) the face amount of the Letter of Credit, (ii) the name and address of the beneficiary of the Letter of Credit, (iii) whether the Letter of Credit is irrevocable or revocable, (iv) whether the Letter of Credit requested is a standby or commercial Letter of Credit, (v) the date the Letter of Credit is to be opened and the date the Letter of Credit is to expire, (vi) the purpose of the Letter of Credit, (vii) the terms and conditions for any draws under the Letter of Credit, and (viii) such other information as the Lender may reasonably deem to be necessary or desirable.

(j) Letter of Credit Fees. The Borrowers shall pay to the Lender a letter of credit fee equal to the greater of (a) the Applicable Margin or (b) $500.00, payable in advance on or before the date of issuance and on each anniversary thereof plus the Lender's then standard fee for the issuance, negotiation, processing and administration of letters of credit of the same type as the Letter of Credit.

(k) Agreement to Pay Letter of Credit Obligations. The Borrowers shall pay to the Lender the Letter of Credit Obligations when due; provided, however, that (a) so long as the Borrowers have availability under the Revolving Credit Facility, the Lender may, and is hereby authorized to, make Working Capital Advances to itself to pay when due any or all Letter of Credit Obligations incurred in connection with Letters of Credit. The Lender may maintain on its books a letter of credit account (the "Letter of Credit Account") with respect to the Letter of Credit Obligations paid and payable from time to time hereunder. Except for demonstrable error, the Letter of Credit Account shall be conclusive as to all amounts owing by the Borrowers to the Lender in connection with and on account of the Letter of Credit Obligations. From the date due until paid in full, all Letter of Credit Obligations shall bear interest at the Default Rate.

(l) Agreement to Pay Absolute. The obligation of the Borrowers to pay Letter of Credit Obligations set forth above shall be absolute and unconditional and irrespective of (i) any lack of validity or enforceability of any Letter of Credit, (ii) the existence of any claim, setoff, defense or other right which any or all of the Borrowers may at any time have against the beneficiary under any Letter of Credit or the Lender, (iii) any draft or other document presented under a Letter of Credit proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue provided that payment by the Lender under such Letter of Credit against presentation of such draft shall not have constituted gross negligence or willful misconduct, and (v) any other events or circumstances whatsoever, whether or not similar to any of the foregoing provided that the payment by the Lender under the Letter of Credit shall not have constituted gross negligence or willful misconduct of the Lender.

(m) Commitment Fee. In consideration for the agreements of the Lender as set forth herein, Borrowers agree to pay to the Lender at closing a commitment fee of $40,000, which fee shall be deemed earned upon its receipt by the Lender.

1.3. Additional Provisions.

(a) Interest Calculation. All interest and fees payable under the provisions of this Agreement or the Note shall be computed on the basis of actual number of days elapsed over a year of 360 days.

(b) Late Charges. If the Borrowers fail to make any payment of principal, interest, prepayments, fees or any other amount becoming due pursuant to the provisions of this Agreement or the Note (other than the final principal payment due upon maturity), within fifteen (15) days of the date due and payable, the Borrowers shall pay to the Lender a late charge equal

to five percent (5%) of the amount of such payment. Such 15-day period shall not be construed in any way to extend the due date of any such payment. Late charges are imposed for the purpose of defraying the Lender's expenses incident to the handling of delinquent payments, and are in addition to, and not in lieu of, the exercise by the Lender of any rights and remedies hereunder or under applicable laws and any fees and expenses of any agents or attorneys which the Lender may employ upon the occurrence of an Event of Default.

(c) Payments. Whenever any payment to be made by the Borrowers under the provisions of this Agreement, the Note or the Letter of Credit Agreements is due on a day which is not a Business Day, the due date thereof shall be extended to the next succeeding Business Day and, in the case of any payment which bears interest, such extension of time shall be included in computing interest on such payment. All payments of principal, interest, fees or other amounts to be made by the Borrowers under the provisions of this Agreement or the Note shall be paid without set-off or counterclaim to the Lender at the Lender's office at 1101 Wooton Parkway, 4th Floor, Rockville, Maryland 20852, in lawful money of the United States of America in immediately available funds.

(d) Interest On Overdue Amounts, If the principal of or interest on, the Note or any other amount required to be paid to the Lender hereunder or under the Note is not paid within fifteen (15) days after the date when the same becomes due and payable, whether by acceleration or otherwise, the Borrowers shall on demand from time to time pay to the Lender interest on such principal, interest or other amount from the date due until the date of payment (after as well as before any judgment) at a rate per annum equal to the Default Rate.

(e) Collateral and Subsidiary Obligations. (l) In order to secure the full and punctual payment of the Obligations in accordance with the terms thereof, and to secure the performance of this Agreement and the other Financing Documents, the Borrowers (or any intermediate Subsidiary which is itself a Guarantee-exempt Subsidiary that holds the Capital Stock of another Guarantee-exempt Subsidiary) shall concurrently herewith pledge and assign to the Lender, and grant to the Lender a continuing lien and security interest in and to 66% of the issued and outstanding Capital Stock of the Guarantee-exempt Subsidiaries (or, if the Borrowers' ownership interest in such Subsidiary is less than 66%, all Capital Stock of such Foreign Subsidiary). Notwithstanding the foregoing, IAHC shall not be obligated to comply with the provisions of this subsection with respect to their ownership of the Capital Stock of INTL Consilium, LLC, a joint venture in which IAHC owns 50.1% of the Capital Stock nor INTL Commodities DMCC, a joint venture in which IAHC owns 50% of the Capital Stock.

(2) The security interests required to be granted pursuant to this Section shall be granted pursuant to such security documentation as is reasonably satisfactory in form and substance to Lender (the "Additional Financing Documents") and shall constitute valid and enforceable perfected security interests prior to the rights of all third Persons and subject to no other liens except liens permitted hereunder. The Additional Financing Documents and other instruments related thereto shall be duly recorded or filed in such manner and in such places and at such times as are required by law to establish, perfect, preserve and protect the liens, in favor of the Lender, granted pursuant to the Additional Financing Documents and, all taxes, fees and other charges payable in connection therewith shall be paid in full by the Borrowers. At the time

of the execution and delivery of Additional Financing Documents, the Borrowers shall cause to be delivered to Lender such agreements, opinions of counsel, and other related documents as may be reasonably requested by the Lender to assure it that this Section has been complied with.

(3) Confirmation of Negative Pledge on Personal Property and Real Estate. The Borrowers and each Guarantee-exempt Subsidiary agree to execute concurrently herewith a Joinder and Confirmation in form and substance satisfactory to the Lender with respect to the Negative Pledge and Covenant Not to Encumber Agreement (the "Negative Pledge") previously executed with respect to their Personal Property and real property.

(f) Automatic Debit. To ensure timely payment of all interest and other sums due hereunder, the Borrowers hereby authorize and instruct the Lender to either (i) debit, on the due date thereof, the Borrower's demand deposit account no. 003933343983 maintained at the Lender for the amount then due, or (ii) at the Lender's option, cause an Advance to be made sufficient to pay the amount then due.

1.4 The Borrowers' Representatives. Each of the Borrowers hereby represents and warrants to the Lender that each of them will derive benefits, directly and indirectly, from the proceeds of each Advance and Letter of Credit, both in its separate capacity and as a member of the integrated business to which each of the Borrowers belong. For administrative convenience, IAHC is hereby irrevocably appointed by each of the Borrowers as agent for each of the Borrowers for the purpose of requesting Advances and Letters of Credit hereunder from the Lender, receiving the proceeds of Advances and disbursing the proceeds of Advances among the Borrowers. In its capacity as such agent, IAHC shall have the power and authority through its authorized officer or officers to (i) endorse any check for the proceeds of any Advance for and on behalf of each of the Borrowers and in the name of each of the Borrowers, and (ii) instruct the Lender to credit the proceeds of any Advance directly to a banking account of any of the Borrowers. By reason of the foregoing, the Lender is hereby irrevocably authorized by each of the Borrowers to make Advances to the Borrowers and issue Letters of Credit for the account of the Borrowers pursuant to this Agreement upon the request of any one of the persons who is authorized to do so under the provisions of any applicable corporate resolutions of IAHC. The Lender assumes no responsibility or liability for any errors, mistakes and/or discrepancies in any oral, telephonic, written or other transmissions of any instructions, orders, requests and confirmations between the Lender and any one or more of the Borrowers in connection with any Advance, Letter of Credit or other transaction pursuant to the provisions of this Agreement, except for acts of gross negligence and/or willful misconduct.

SECTION 2. Conditions Precedent.

2.1. Initial Advance or Letter of Credit. The Lender shall not be required to make the initial Advance, or issue an initial Letter of Credit hereunder, whichever occurs first, unless the following conditions precedent have been satisfied in a manner reasonably acceptable to the Lender and its counsel:

(a) Borrowers' Organizational Documents. The Lender shall have received with respect to each of the entities comprising the Borrowers, (i) a copy, certified as of a recent date by the jurisdiction of the Borrower's state or country of organization of such Borrower, of the Borrower's Charter and Bylaws, and all amendments thereto, (ii) to the extent available, a Certificate of Good Standing (or similar document) for such Borrower issued by the jurisdiction of the Borrower's state or country of organization, and (iii) a copy, certified to the Lender as true and correct as of the date hereof by such Borrower, of the resolutions of the Borrowers authorizing the execution and delivery of this Agreement and the other Financing Documents to which the Borrowers are a party and designating by name and title the officers of the Borrowers who are authorized to sign this Agreement and such other Financing Documents for and on behalf of the Borrowers and to make the borrowings hereunder.

(b) Lists of Locations, Etc. The Borrowers shall have delivered to the Lender a list showing the street address, city or county and state of the Borrowers, chief executive office and of any other location where the Borrowers conducts or has a place of business;

(c) Insurance. The Borrowers shall have delivered to the Lender copies of such insurance policies as the Lender shall reasonably require;

(d) Searches. The Lender shall have received the results of a search by an attorney or company satisfactory to the Lender of the Uniform Commercial Code filings with respect to the Borrowers in their jurisdiction of organization or in which any Personal Property is or will be located, accompanied by copies of such filings, if any, and evidence satisfactory to the Lender that any security interest or other lien indicated in any such filing has or will be released or is permitted by the Lender;

(e) Opinions. The Lender shall have received the written opinion of counsel of the Borrowers reasonably satisfactory in form and content to the Lender, opining, among other things, that the Borrowers are duly organized, validly existing and in good standing, that the Financing Documents executed and delivered by the Borrowers have been duly authorized by all requisite corporate action, and that the Financing Documents executed and delivered by the Borrowers constitute the legal, valid, binding, and enforceable obligations of the Borrowers, enforceable against the Borrowers in accordance with the terms thereof, subject to customary exceptions and limitations reasonably acceptable to the Lender.

(f) Financing Documents. The Lender shall have received each of the Financing Documents required by the Lender to be executed and delivered prior to the making of the initial Advance.

(g) Due Diligence. The Lender shall have received and reviewed such financial information and other due diligence reports as the Lender shall reasonably require.

(h) Additional Documents. The Borrowers shall have furnished in form and content acceptable to the Lender any additional documents, agreements, certifications, record searches, insurance policies or opinions which the Lender may reasonably deem necessary or desirable.

2.2 All Advances and Letters of Credit. No Advances, including the initial Advance, shall be made, and no Letter of Credit shall be issued, until compliance to the satisfaction of the Lender with all of the following conditions at the time of and with respect to each Advance or Letter of Credit:

(a) Representations and Warranties. No representation or warranty made in or in connection with this Agreement and the other Financing Documents shall be untrue, incorrect or incomplete in all material respects on and as of the date of any Advance or Letter of Credit as if made on such date; and

(b) Event of Default or Default. No Event of Default or Default shall have occurred and be continuing.

SECTION 3. Representations and Warranties. The Borrowers represent and warrant to the Lender that, except as specifically set forth on Schedule 3 attached hereto, the following statements are true, correct and complete as of the date hereof and as of each date any Advance is to be made or any Letter of Credit is to be issued hereunder:

3.1. Authority, Etc. The Borrowers are duly organized and in good standing under the laws of their state or country of incorporation, and are qualified to do business in all states where the Borrowers do business. The Borrowers have the full power and authority to execute, deliver and perform this Agreement and the other Financing Documents to which the Borrowers are a party. Neither such execution, delivery and performance, nor compliance by the Borrowers with the provisions of this Agreement and of the other Financing Documents to which the Borrowers are a party will conflict with or result in a breach or violation of the Borrowers' certificates of formation, articles of organization or operating agreement, or any judgment, order, regulation, ruling or law to which the Borrowers are subject or any contract or agreement to which the Borrowers are a party or to which the Borrowers' assets and properties is subject, or constitute a default thereunder. The execution, delivery and performance of this Agreement and all other Financing Documents to which the Borrowers are a party have been duly authorized and approved by all necessary action by the Borrowers and constitute the legal, valid and binding obligations of the Borrowers, enforceable in accordance with their terms except as enforceability may be limited by bankruptcy, insolvency or similar laws affecting the enforcement of creditors' rights generally.

3.2. Litigation. There is no litigation or proceeding pending or, to the knowledge of any representative of the Borrowers signing this Agreement on behalf of the Borrowers, threatened against or affecting the Borrowers which might materially adversely affect the business, financial condition or operations of the Borrowers or the ability of the Borrowers to perform and comply with this Agreement or the other Financing Documents to which the Borrowers are a party.

3.3. No Subsidiaries. Other than IAHC's interest in (i) the Domestic Loan Parties other than IAHC, (ii) the Guarantee-exempt Subsidiaries, (iii) INTL Consilium, LLC, a joint venture in which IAHC owns 50.1% (iv) INTL Commodities DMCC, a joint venture in which

IAHC owns 50%, the Borrowers do not directly or indirectly own or control securities or other ownership interests in any corporation, partnership, association, organization or other business entity representing more than 50% of the ordinary voting power thereof. This information will be updated in writing by the Borrowers as of the date of the formation or acquisition of each new Subsidiary.

3.4. Financial Condition. The Borrowers have heretofore furnished to the Lender certain financial statements. Such financial statements and all other financial statements and information furnished or to be furnished to the Lender hereunder have been and will be prepared in accordance with generally accepted accounting principles (subject to year-end adjustments and the omission of footnote information) and fairly present the financial condition of the Borrowers as of the dates thereof and the results of the Borrowers' operations for the periods covered thereby. No material adverse change in the business, financial condition, prospects or operations of the Borrowers has occurred since the date of such financial statements. The Borrowers does not have any indebtedness or liabilities other than that reflected on such financial statements or expressly permitted by the provisions of this Agreement, and accounts payable incurred in the ordinary course of business since the date of such financial statements. The Borrowers are not in default under any obligation for borrowed money.

3.5. Taxes. The Borrowers have filed all federal, state and local income, excise, property and other tax returns which are required to be filed and have paid all taxes as shown on such returns or assessments received by the Borrowers (including, without limitation, all F.I.C.A. payments and withholding taxes, if appropriate), except for such taxes, if any, as are being contested in good faith and as to which adequate reserves have been provided. No tax liens have been filed and no claims are being asserted with respect to such taxes or assessments.

3.6. Borrowers' Name. The correct legal name of the Borrowers are those specified on the signature page of this Agreement. The Borrowers have conducted business under their legal name since their date of formation. The Borrowers do not do business under any trade or fictitious names.

3.7. Compliance with Laws. (a) To the knowledge of the Borrowers, Borrowers are not in violation of any applicable federal, state or local law, statute, rule, regulation or ordinance and has not received any notice of, and is not the subject of, any investigation or complaint alleging that the Borrowers or any other property owned, leased, operated or used by the Borrowers are in violation of any such law, statute, rule, regulation or ordinance, including, without limitation, Environmental Laws other than violations that will not have a material adverse effect on the business, operations or financial condition of the Borrowers.

(b) To the actual knowledge of the Borrowers, no Hazardous Materials have been used, located, installed, spilled, treated, released or stored on, under or from any property in or on which the Borrowers conducts its operations except for those which have been handled in a manner not prohibited by applicable Environmental Laws or which will not have a material adverse effect on the business, operations or financial condition of the Borrowers.

3.8. Federal Reserve Board Regulations. No part of the proceeds of the Advances will be used for any purpose which entails a violation of Regulations U, T or X of the Board of Governors of the Federal Reserve System of the United States (the "Board").

3.9. ERISA. No Plan maintained by the Borrowers or any trade or business group with which the Borrowers are affiliated subject to the requirements of ERISA has been terminated, no lien exists against the Borrowers in favor of the PBGC, and no "reportable event" (as such term is defined in ERISA) has occurred with respect to any such Plan. The Borrowers have not incurred any "accumulated funding deficiency" within the meaning of ERISA or any liability to the PBGC in connection with any Plan. Borrowers do not have any withdrawal or other liability (absolute, contingent or otherwise) with respect to any multi-employer plan as defined by Section 3(37) of ERISA. The Borrowers have complied with in all material respects all provisions of ERISA and with all provisions of any Plan sponsored, maintained by, or contributed to, by the Borrowers.

3.10. Licenses, etc. The Borrowers have obtained and now hold all material licenses, permits, franchises, patents, trademarks, copyrights and trade names which are necessary to the conduct of the business of the Borrowers as now conducted free of any conflict with the rights of any other person.

3.11. Labor Matters. Except as disclosed in writing to the Lender, the Borrowers are not subject to any collective bargaining agreements or any agreements, contracts, decrees or orders requiring the Borrowers to recognize, deal with or employ any persons organized as a collective bargaining unit or other form of organized labor. There are no strikes or other material labor disputes pending or, to the knowledge of the Borrowers, threatened against the Borrowers. The Borrowers have complied in all material respects with the Fair Labor Standards Act.

3.12. Accuracy of Information. To the knowledge of the Borrowers, no information, exhibit, report, statement, certificate or document furnished by the Borrowers to the Lender in connection with this Agreement or the other Financing Documents or the negotiation thereof contains any material misstatement of fact or omitted to state a material fact or any fact necessary to make the statements contained herein or therein not misleading.

SECTION 4. Affirmative Covenants. The Borrowers covenant and agree with the Lender that so long as any of the Obligations (or commitments therefor) shall be outstanding:

4.1. Payment of Obligations. The Borrowers shall punctually pay the principal of and interest on the Advances and the other Obligations, at the times and places, in the manner and in accordance with the terms of this Agreement, the Note and the other Financing Documents.

4.2. Financial Statements and Other Reports. The Borrowers will be required to maintain at all times a system of accounting established and administered in accordance with sound business practices, and will deliver, or cause to be delivered, to the Lender (in form and substance satisfactory to the Lender in all respects):

(a) Annual Financial Statements. Within one hundred twenty (120) days of the end of each fiscal year of the Borrowers, the annual consolidated and consolidating (if applicable) financial statement of IAHC (including statements of financial condition, income, profits and loss, cash flows and changes in members' equity) audited by independent certified public accountants reasonably satisfactory to the Lender, prepared in accordance with GAAP;

(b) Quarterly Financial Statements. Within forty-five (45) days after the end of each calendar quarter, the consolidated and consolidating balance sheets and income statements of IAHC prepared by an authorized financial officer of the Borrowers and showing the financial condition (including statements of financial condition, income, profits and loss, cash flows and changes in members' equity) of IAHC as of the end of such quarter and the results of operations of IAHC from the beginning of the current calendar year of IAHC to the end of such quarter, prepared in accordance with GAAP;

(c) ERISA Reports. Promptly after filing, a copy of each annual report filed in respect of any Plan subject to ERISA.

(d) Monthly FOCUS Reports. Within two (2) days after its filing with FINRA, the monthly FOCUS report for the Guarantor, if not sooner provided directly to the Lender by the Guarantor.

(e) Other Information. Promptly upon request of the Lender such other information, reports or documents respecting the business, properties, operation or financial condition of the Borrowers as the Lender may at any time and from time to time reasonably request.

4.3. Conduct of Business and Maintenance of Existence. The Borrowers shall continue to engage in business of the same general type as now being conducted by the Borrowers, and do and cause to be done all things necessary to maintain and keep in full force and effect its corporate or limited liability company existence (as applicable) in good standing in each jurisdiction in which it conducts business.

4.4. Compliance with Laws.

(a) The Borrowers shall comply in all material respects with all laws, statutes, ordinances, orders, rules or regulations applicable to the Borrowers or to any other property owned, leased, operated or used by the Borrowers, including, without limitation, Environmental Laws.

(b) The Borrowers will not use, locate, install, spill, treat, release or store Hazardous Materials on, under or from any property owned, leased, operated or used by the Borrowers unless such Hazardous Materials are handled in a manner not prohibited by applicable Environmental Laws and are handled in a manner and in such quantities that would not constitute a hazard to the environment or human health and safety or subject the Borrowers to any prosecution or material liability in connection therewith. The Borrowers will dispose of all Hazardous Materials only at facilities and/or with carriers that maintain governmental permits

under applicable Environmental Laws. The Borrowers shall promptly, at the cost and expense of the Borrowers, take all action necessary or required by Environmental Laws to remedy or correct any violation of Environmental Laws by the Borrowers, or by any other property owned, leased, used or operated by the Borrowers.

4.5. Payment of Liabilities and Taxes. The Borrowers shall pay, when due, all of their indebtedness and liabilities, and pay and discharge promptly all taxes, assessments and governmental charges and levies (including, without limitation, F.LC.A. payments and withholding taxes) upon the Borrowers or upon the Borrowers, income, profits or property, except to the extent the amount or validity thereof is contested in good faith by appropriate proceedings so long as adequate reserves have been set aside therefor.

4.6. Contractual Obligations. The Borrowers shall comply with any agreement or undertaking to which the Borrowers are a party and maintain in full force and effect all contracts and leases to which the Borrowers are or become a party unless the failure to do so would not have a material adverse effect on the business, operation, properties or financial condition of the Borrowers.

4.7. Insurance. The Borrowers shall maintain with financially sound, well rated and reputable insurance companies insurance in such amounts and covering such risks as is consistent with sound business practice, and in any event as is ordinarily and customarily carried by companies similarly situated and in the same or similar businesses as the Borrowers. The Borrowers will pay, when due, all premiums on such insurance and will furnish to the Lender, upon request, evidence of payment of such premiums and other information as to the insurance carried by the Borrowers. Such insurance shall include, as applicable and without limitation, (a) comprehensive fire and extended coverage insurance on the physical assets and properties of the Borrowers against such risks, with such loss deductible amounts and in such amounts not less than those which may be satisfactory to the Lender but in all events conforming to prudent business practices and in such minimum amounts that the Borrowers will not be deemed a co-insurer under applicable insurance laws, regulations, policies and practices, and (b) public liability insurance against claims for personal injury or death or property damage occurring upon, in, about or in connection with the use of any properties owned, occupied or controlled by the Borrowers, and (c) worker’s compensation insurance (as applicable).

4.8. Inspection. The Borrowers shall permit the Lender, by its representatives and agents, to inspect any of the properties, books and financial records of the Borrowers, to examine and make copies of the books of accounts and other financial records of the Borrowers, and to discuss the affairs, finances and accounts of the Borrowers with, and to be advised as to the same by, the Borrowers (or its representatives) at such reasonable times and intervals as the Lender may designate.

4.9. Notice. Promptly give written notice to the Lender of (a) the occurrence of any Default or Event of Default or any event, development or circumstance which might materially adversely effect the business, operations, properties or financial condition of the Borrowers, (b) any litigation instituted or threatened against the Borrowers or any judgment against the Borrowers where claims against the Borrowers exceed $50,000 and are not covered in full by insurance, and (c) the occurrence of any “reportable event” within the meaning of ERISA or any assertion of liability of the Borrowers by the PBGC.

SECTION 5. Financial and Negative Covenants. The Borrowers covenant and agree with the Lender that so long as any of the Obligations (or commitments therefor) shall be outstanding:

5.1. Minimum Working Capital. The Borrowers shall maintain (on a consolidated basis with the Guarantee-exempt Subsidiaries) current assets in excess of current liabilities of at least Twenty Million Dollars ($20,000,000). This calculation shall not include amounts associated with the Trust Certificates and Total Return Swap as the same are described in footnote 13 of IAHC's December 31, 2006 10-Q SEC filing and in similar notes in subsequent filings.

5.2 Minimum Net Worth. The Borrowers shall maintain (on a consolidated basis including the Guarantee-exempt Subsidiaries) minimum Net Worth of Thirty Five Million Dollars ($35,000,000) provided, however, that such figure shall permanently increase (on a dollar-for-dollar basis) upon any increase in Net Worth by virtue of paid-in capital or IAHC's conversion of any of IAHC's convertible debt into equity.

5.3 Interest Coverage Ratio. The Borrowers shall maintain (on a consolidated basis with the Guarantee-exempt Subsidiaries) an Interest Coverage Ratio of at least 1.5 to 1.0, except to the extent that the Lender waives such covenant in writing as a result of a particular non-recurring item.

5.4 Minimum EBITDA. The Borrowers shall maintain (on a consolidated basis with the Guarantee-exempt Subsidiaries) minimum EBITDA of not less than Ten Million Dollars ($10,000,000) on a rolling four-quarter basis, as measured quarterly.

5.5 Minimum Net Worth Attributable to Domestic Loan Parties Only. The Borrowers shall maintain consolidated Net Worth attributable to the Domestic Loan Parties only (i.e., excluding consolidated Net Worth attributable to the Guarantee-exempt Subsidiaries) of not less than $18,000,000, provided, however that the Borrowers' investments in the Guarantee-exempt Subsidiaries shall be counted at cost for the purposes of measuring compliance with this covenant.

5.6 Restricted Payments. No Borrower shall, and no Borrower shall permit any Subsidiary of the Borrower to, make any loan, advance or payment, direct or indirect, of any kind, to the Guarantor or to any officer, director or shareholder of the Guarantor, exclusive of (i) reasonable compensation paid to officers or directors of the Borrowers who are also officers and directors of the Guarantor (ii) payments to the Guarantor by IAHC in the ordinary course of business to cover salaries, bonuses, expenses, and taxes of the Guarantor, provided, however, that no balances arising from such ordinary course of business transactions shall remain unpaid for longer than sixty (60) days and (iii) payments made to (or investments made in) the Guarantor done with the prior written approval of the Lender.

5.7. Indebtedness. Other than in the ordinary course of the Borrowers' businesses, including without limitation its trading and market making businesses, and those lines of business acquired or developed by the Borrowers through merger, acquisition or otherwise (provided that such acquisitions otherwise comply with the terms and conditions of this Agreement) the Borrowers shall not create, incur, assume or permit to exist any indebtedness (including Capital Leases) except (a) indebtedness to the Lender, (b) other indebtedness or lines of credit existing on the date hereof or expressly permitted by the provisions hereof or the Negative Pledge, (c) indebtedness incurred by the endorsement of negotiable instruments for deposit or collection in the ordinary course of business, (d) indebtedness incurred in the ordinary course of business which is unsecured and consists of open accounts extended by suppliers on normal trade terms in connection with the purchase of goods and services, (e) Capital Leases providing for payments not in excess of $100,000 per annum, (f) indebtedness, congruent with the Borrowers' businesses, secured by transaction-specific collateral, provided the Lender is provided with prior written notice of the same, (g) *specifically excluding the Guarantor,* inter-Borrower (and inter-Subsidiary) indebtedness except as specifically permitted by this Agreement, and (h) debt fully and unconditionally subordinated to the Obligations upon terms and conditions satisfactory to the Lender, unless otherwise agreed to in writing by the Lender.

5.8. Liens. Other than in the ordinary course of the Borrowers' businesses, including without limitation its trading and market making businesses, and those lines of business acquired or developed by the Borrowers through merger, acquisition or otherwise (provided that such acquisitions otherwise comply with the terms and conditions of this Agreement), the Borrowers shall not create, incur, assume or permit to exist any lien, security interest or encumbrance of any nature whatsoever on the Borrowers' property or assets, both now owned and hereafter acquired, except for (a) any lien or security interest hereafter securing all or any part of the Obligations, (b) any lien, security interest or encumbrance existing on the date hereof which was immediately prior hereto disclosed to, and approved by, the Lender in writing, (including those created to secure the obligations of Global Currencies to the Lender), (c) any lien, security interest or other encumbrance subsequently approved by the Lender in writing after the date hereof, (d) liens for taxes not delinquent or for taxes being diligently contested by Borrowers in good faith and for which adequate reserves are maintained, (e) mechanic's, artisan's, materialmen's or other similar liens arising in the ordinary course of business, and (f) any deposit of funds made in the ordinary course of business to secure obligations of the Borrowers under workers compensation laws or similar laws or to secure public or statutory obligations in connection with bids, tenders, contracts, leases, or subleases. Any lien, security interest or encumbrance permitted by this subsection is called a "Permitted Lien."

5.9. Loans and Investments. Except as restricted pursuant to Section 5.6 herein, other than in the ordinary course of the Borrowers' businesses, including without limitation its trading and market making businesses, and those lines of business acquired or developed by the Borrowers through merger, acquisition or otherwise (provided that such acquisitions otherwise comply with the terms and conditions of this Agreement), the Borrowers shall not make or permit to remain outstanding any loan or advance to, provide any guaranty for, or make or own any investment in, any person in excess of $100,000, unless otherwise agreed to in writing by the Lender.

5.10. Mergers, Acquisitions, Etc. Except as agreed to in advance, in writing by the Lender, the Borrowers shall not enter into any merger or consolidation or acquire or purchase all or substantially all of the assets, properties or stock or ownership interests of any other person having a transactional value in excess of $2,500,000 without the prior written consent of the Lender, except that the Borrowers may form or acquire subsidiaries if such subsidiaries become jointly and severally liable hereunder, all upon terms and conditions satisfactory to the Lender.

5.11 Sale of Assets and Liquidation. Other than in the ordinary course of their businesses, the Borrowers shall not sell, lease or otherwise dispose of, in one transaction or a series of transactions, all or any substantial part of its business, assets or properties, or take any action to liquidate, dissolve or wind up the Borrowers or their business.

5.12. Change of Business. The Borrowers shall not enter into any business other than the financial services business without the consent of the Lender.

5.13. Change of Name, Location, Etc. The Borrowers shall not (a) change their legal name, identity, structure or jurisdiction of organization, (b) change the location of their chief executive office or their chief place of business, (c) change the location where they keep their records, or (d) open a new place of business, unless the Borrowers shall have given the Lender prior written notice thereof.

5.14. Fiscal year. The Borrowers shall not change their fiscal year.

5.15. Affiliates. The Borrowers shall not enter into or participate in any transaction with an affiliate except on terms and at rates no more favorable than those which would have prevailed in an arm's length transaction between unrelated third parties.

5.16. ERISA. The Borrowers shall not engage in any "prohibited transaction" (as such term is defined by ERISA), incur any "accumulated funding deficiency" (as such term is defined by ERISA) whether or not waived, or terminate any Plan in a manner which could result in the imposition of a lien on any property of the Borrowers pursuant to the provisions of ERISA.

5.17. Sale and Leaseback. Enter into any arrangement whereby a Borrower sells or transfers all or a substantial part of its fixed assets then owned by it and thereupon, or within one (1) year thereafter, rents or leases the assets so sold or transferred from the purchaser or transferee (or their respective successors and assigns).

5.18 Obligations of Subsidiaries. The Borrowers will cause each of their Subsidiaries, whether owned as of the Closing Date or thereafter organized or created, to (i) jointly and severally promise to repay the Obligations, whether by Joinder Agreement or otherwise, or (ii) guarantee the payment and performance of the Obligations pursuant to written guaranties of payment in form and substance satisfactory to the Lender in the Lender's sole discretion unless (i) such Subsidiaries are forbidden by operation of law to execute such a Guaranty or (ii) the effect of such Subsidiaries executing such a Guaranty would result in material adverse tax consequences and such prohibition or material adverse tax consequences have been documented in a writing (such as an opinion of counsel or other documentation) satisfactory in form and

content to the Lender in the Lender's discretion, for each Subsidiary seeking such exemption unless such requirement is waived in writing by the Lender (each, a "Guarantee-exempt Subsidiary"); provided, however, that notwithstanding anything to the contrary in the foregoing, all of IAHC's foreign Subsidiaries as of the Closing Date, as well as five additional subsidiaries intended to be formed before, on, or shortly after the Closing Date (namely, INTL Asia Pte. Ltd., INTL Netherlands B.V. ("INTL Netherlands"), INTL Capital Ltd., INTL Commodities Mexico S de RL de CV, INTL Global Currencies (Asia) Ltd, INTL Capital and Treasury Global Ltd. (Nigeria)) shall each be deemed a "Guarantee-exempt Subsidiary" for all purposes under this Agreement. Similarly, the Gainvest Subsidiaries shall each be deemed a "Guarantee-exempt Subsidiary" for all purposes under this Agreement. Finally, the Guaranty executed by the Guarantor concurrently herewith complies with the requirements of this Section 5.18.

5.19. Pledge of Capital Stock in Guarantee-exempt Subsidiaries/Confirmation of Negative Pledge. Contemporaneously herewith, and thereafter with respect to the creation or acquisition of any Subsidiary of the Borrower after the Closing Date becomes a Guarantee-exempt Subsidiary, IAHC shall, with respect to Capital Stock in any Guarantee-exempt Subsidiary held by it, grant or cause to be granted to the Lender by appropriate Pledge and Security Agreement, a perfected, first priority security interest in sixty six percent (66%) of the voting Capital Stock of such Subsidiary (or, if IAHC's ownership interest in such Subsidiary is less than 66%, all Capital Stock of such Guarantee-exempt Subsidiary) and shall deliver all certificated Capital Stock so pledged to the Lender. Similarly, INTL Netherlands shall, with respect to Capital Stock in any Guarantee-exempt Subsidiary held by it, grant or cause to be granted to the Lender by appropriate Pledge and Security Agreement a security interest in sixty six percent (66%) of the voting Capital Stock of such Subsidiary (or, if INTL Netherland's ownership interest in such Subsidiary is less than 66%, all Capital Stock of such Guarantee-exempt Subsidiary) and shall deliver all certificated Capital Stock so pledged to the Lender. Finally, INTL Commodities shall, with respect to Capital Stock in any Guarantee-exempt Subsidiary held by it, grant or cause to be granted to the Lender by appropriate Pledge and Security Agreement a security interest in sixty six percent (66%) of the voting Capital Stock of such Subsidiary (or, if INTL Netherland's ownership interest in such Subsidiary is less than 66%, all Capital Stock of such Guarantee-exempt Subsidiary) and shall deliver all certificated Capital Stock so pledged to the Lender. Each Guarantee-exempt Subsidiary shall, contemporaneously herewith, execute in favor of the Lender a Joinder and Confirmation Agreement with respect to the Negative Pledge in form and substance satisfactory to the Lender.

SECTION 6. Events of Default. The occurrence of any one or more of the following events shall constitute a default under the provisions of this Agreement, and the term "Event of Default" shall mean, whenever it is used in this Agreement, any one or more of the following events (and the term "Default" as used herein means one or more of the following events, whether or not any requirement for the giving of notice, the lapse of time, or both has been satisfied):

6.1. Payment of Obligations. The failure of the Borrowers to pay any of the Obligations as and when the same becomes due and payable in accordance with the provisions of this Agreement, the Note and/or any of the other Financing Documents, whether at the due date thereof or at a date fixed for prepayment thereof or by acceleration thereof;

6.2. Perform, etc. Certain Provisions of this Agreement. The failure of the Borrowers to perform, observe or comply with any of the provisions of Section 5 of this Agreement;

6.3. Perform, etc. Other Provisions of This Agreement. The failure of the Borrowers to perform, observe or comply with any of the provisions of this Agreement other than those covered by Sections 6.1 and 6.2 above, and such failure is not cured to the satisfaction of the Lender within a period of thirty (30) days after the date of written notice thereof by the Lender to the Borrowers, unless such failure is capable of being cured and Borrowers are diligently pursuing such a cure;

6.4. Representations and Warranties. If any representation and warranty contained herein or any statement or representation made in any certificate or any other written information at any time given by or on behalf of any Loan Party or furnished in connection with this Agreement or any of the other Financing Documents shall prove to be false, incorrect or misleading in any material respect on the date as of which made, and any such representation or warranty which, in the reasonable opinion of the Lender, is capable of being cured is not cured to the satisfaction of the Lender within thirty (30) days after the date of written notice thereof by the Lender to the Borrowers;

6.5. Default under Other Financing Documents. The occurrence of a default (as defined and described therein) under the provisions of the Note or any of the other Financing Documents (including, without limitation, the Negative Pledge) which is not cured within applicable cure periods, if any;

6.6. Liquidation, Termination, Dissolution, etc. If any Loan Party shall liquidate, dissolve or terminate its existence;

6.7. Default under Other Indebtedness. If any Loan Party shall default in any payment of (a) any indebtedness owing to the Lender, or (b) an indebtedness in excess of $50,000 owing to any other party beyond the period of grace, if any, provided in the instrument or agreement under which such indebtedness was created, or default in the observance or performance of any other agreement or condition relating to any such indebtedness or contained in any instrument or agreement evidencing, securing or relating thereto, or any other event shall occur the effect of which default or other event is to cause or to permit the holder or holders of such indebtedness or beneficiary or beneficiaries of such indebtedness (or a trustee or agent on behalf of such holder or holders or beneficiary or beneficiaries) to cause, with the giving of notice, if required, such indebtedness to become due prior to its stated maturity;

6.8. Attachment. The issuance of any attachment or garnishment against property or credits of any Loan Party for an amount in excess, singly or in the aggregate, of $50,000, which shall not have been vacated, discharged, stayed or bonded pending appeal within 30 days after the issuance thereof;

6.9. Judgments. One or more judgments or decrees shall be entered against any Loan Party involving in the aggregate a liability in excess of $50,000, and all such judgments or decrees shall not have been vacated, discharged, stayed or bonded pending appeal within 30 days after the entry thereof;

6.10. Inability to Pay Debts, etc. If any Loan Party shall admit its inability to pay its debts as they mature or shall make any assignment for the benefit of any of its creditors;

6.11. Bankruptcy. If proceedings in bankruptcy, or for reorganization of any Loan Party, or for the readjustment of any of the Borrowers' debts, under the United States Bankruptcy Code (as amended) or any part thereof, or under any other applicable laws, whether state or federal, for the relief of debtors, now or hereafter existing, shall be commenced against or by any Loan Party and, except with respect to any such proceedings instituted by any Loan Party, shall not be discharged within forty-five (45) days of their commencement;

6.12. Receiver, etc. A receiver or trustee shall be appointed for any Loan Party or for any substantial part of any Loan Party' assets, or any proceedings shall be instituted for the dissolution or the full or partial liquidation of any Loan Party and, except with respect to any such appointments requested or instituted by any Loan Party, such receiver or trustee shall not be discharged within forty-five (45) days of his or her appointment, and, except with respect to any such proceedings instituted by any Loan Party, such proceedings shall not be discharged within forty-five (45) days of their commencement;

6.13. Change in Ownership or Control. The majority ownership or voting control of any Loan Party are directly or indirectly sold, assigned, transferred, encumbered or otherwise conveyed without the prior written consent of the Lender, which consent shall not be unreasonably withheld;

6.14. Financial Condition. The occurrence of any change in the financial condition of any Loan Party which in the good faith judgment of the Lender is materially adverse, and any such change is not cured to the reasonable satisfaction of the Lender within thirty (30) days after the date of written notice thereof by the Lender to the Borrowers; and

6.15 Default Under Guaranty. The occurrence of any default under the Guaranty.

SECTION 7. Rights and Remedies.

7.1. Rights and Remedies. If any Event of Default shall occur and be continuing, the Lender may (i) declare the Credit Facilities hereunder and any obligation or commitment of the Lender hereunder to make Advances to or issue Letters of Credit for the account of the Borrowers to be terminated, whereupon the same shall forthwith terminate, and (ii) declare the unpaid principal amount of the Note, together with accrued and unpaid interest thereon, and all other Obligations then outstanding to be immediately due and payable, whereupon the same shall become and be forthwith due and payable by the Borrowers to the Lender, without presentment, demand, protest or notice of any kind, all of which are expressly waived by the Borrowers; provided that in the case of any Event of Default referred to in Sections 6.11 or 6.12 above, the Credit Facilities hereunder and any obligation or commitment of the Lender hereunder to make

Advances to, or issue Letters of Credit for the account of, the Borrowers shall immediately and automatically terminate and the unpaid principal amount of the Note, together with accrued and unpaid interest thereon, and all other Obligations then outstanding shall be automatically and immediately due and payable by the Borrowers to the Lender without notice, presentment, demand, protest or other action of any kind, all of which are expressly waived by the Borrowers.

Upon the occurrence and during the continuation of any Event of Default, then in each and every case, the Lender shall be entitled to exercise in any jurisdiction in which enforcement thereof is sought, the rights and remedies available to the Lender under the other provisions of this Agreement and the other Financing Documents.

7.2. Default Rate. Notwithstanding the entry of any decree, order, judgment or other judicial action, upon the occurrence of an Event of Default hereunder, the unpaid principal amount of the Note and all other monetary Obligations outstanding or becoming outstanding while such Event of Default exists shall bear interest from the date of such Event of Default until such Event of Default has been cured to the satisfaction of the Lender, at a floating and fluctuating per annum rate of interest equal at all times to the Default Rate, irrespective of whether or not as a result thereof, the Note or any of the Obligations has been declared due and payable or the maturity thereof accelerated. The Borrowers shall on demand from time to time pay such interest to the Lender and the same shall be a part of the Obligations hereunder.

7.3. Liens, Set-Off. As security for the payment of the Obligations and the performance of the Financing Documents, the Borrowers hereby grant to the Lender a continuing security interest and lien on, in and upon all indebtedness owing to, and all deposits (general or special), credits, balances, monies, securities and other property of, the Borrowers and all proceeds thereof, both now and hereafter held or received by, in transit to, or due by, the Lender. In addition to, and without limitation of, any rights of the Lender under applicable laws, if the Borrowers becomes insolvent, however evidenced, or any Event of Default occurs, the Lender may at any time and from time to time thereafter, without notice to the Borrowers, set-off, hold, segregate, appropriate and apply at any time and from time to time thereafter all such indebtedness, deposits, credits, balances (whether provisional or final and whether or not collected or available), monies, securities and other property toward the payment of all or any part of the Obligations in such order and manner as the Lender in its sole discretion may determine and whether or not the Obligations or any part thereof shall then be due or demand for payment thereof made by the Lender.

7.4. Enforcement Costs. The Borrowers agree to pay to the Lender on demand (a) all Enforcement Costs paid, incurred or advanced by or on behalf of the Lender including, without limitation, reasonable attorneys' fees, costs and expenses, and (b) interest on such Enforcement Costs from the date payment for the same is demanded until paid in full at a per annum rate of interest equal at all times to the Default Rate. All Enforcement Costs, with interest as above provided, shall be a part of the Obligations hereunder.

7.5 Application of Proceeds. Following any Event of Default, any proceeds of the collection of the Obligations will be applied by the Lender to the payment of Enforcement Costs, and any balance of such proceeds (if any) will be applied by the Lender to the payment of the remaining Obligations (whether then due or not), at such time or times and in such order and manner of application as the Lender may from time to time in its sole discretion determine.

7.6. Remedies, etc. Cumulative. Each right, power and remedy of the Lender as provided for in this Agreement or in the other Financing Documents or now or hereafter existing under applicable laws or otherwise shall be cumulative and concurrent and shall be in addition to every other right, power or remedy provided for in this Agreement or in the other Financing Documents or now or hereafter existing under applicable laws or otherwise, and the exercise or beginning of the exercise by the Lender of any one or more of such rights, powers or remedies shall not preclude the simultaneous or later exercise by the Lender of any or all such other rights, powers or remedies.

7.7. No Waiver, Etc. No failure or delay by the Lender to insist upon the strict performance of any term, condition, covenant or agreement of this Agreement or of the other Financing Documents, or to exercise any right, power or remedy consequent upon a breach thereof, shall constitute a waiver of any such term, condition, covenant or agreement or of any such breach, or preclude the Lender from exercising any such right, power or remedy at any later time or times. By accepting payment after the due date of any amount payable under this Agreement or under any of the other Financing Documents, the Lender shall not be deemed to waive the right either to require prompt payment when due of all other amounts payable under this Agreement or under any of the other Financing Documents, or to declare an Event of Default for failure to effect such prompt payment of any such other amount. The payment by the Borrowers or any other person and the acceptance by the Lender of any amount due and payable under the provisions of this Agreement or the other Financing Documents at any time during which an Event of Default exists shall not in any way or manner be construed as a waiver of such Event of Default by the Lender or preclude the Lender from exercising any right of power or remedy consequent upon such Event of Default.

7.8. Liquidation of Guarantor. If any Event of Default shall occur and be continuing, IAHC shall, immediately upon the dispatch of written notice to it from the Lender, liquidate the Guarantor, by either selling all of the Capital Stock of the Guarantor or liquidating all of the assets of the Guarantor (after complying with applicable regulations), and promptly (in no event later than five (5) business days of receipt of same by IAHC) remit all of the net proceeds thereof to the Lender for application against the Obligations as a permanent dollar-for-dollar reduction in the Revolving Credit Amount. IAHC hereby authorizes and warrants that upon its failure to commence such liquidation, the Lender shall immediately thereafter be entitled to specific performance of this provision, which is a material inducement to the Lender’s commitment to lend as set forth herein.

7.9 Arbitration.

(a) This paragraph concerns the resolution of any controversies or claims between the parties, whether arising in contract, tort or by statute, including but not limited to controversies or claims that arise out of or relate to: (i) this Agreement (including any renewals, extensions or modifications); or (ii) any document related to this Agreement (collectively a “Claim”). For the purposes of this arbitration provision only, the term “parties” shall include any parent corporation, subsidiary or affiliate of the Lender involved in the servicing, management or administration of any obligation described or evidenced by this Agreement.

(b) At the request of any party to this Agreement, any Claim shall be resolved by binding arbitration in accordance with the Federal Arbitration Act (Title 9, U.S. Code) (the “Act”). The Act will apply even though this Agreement provides that it is governed by the law of a specified state. The arbitration will take place on an individual basis without resort to any form of class action.

(c) Arbitration proceedings will be determined in accordance with the Act, the then-current rules and procedures for the arbitration of financial services disputes of the American Arbitration Association or any successor thereof (“AAA”), and the terms of this paragraph. In the event of any inconsistency, the terms of this paragraph shall control. If AAA is unwilling or unable to (i) serve as the provider of arbitration or (ii) enforce any provision of this arbitration clause, any party to this agreement may substitute another arbitration organization with similar procedures to serve as the provider of arbitration.

(d) The arbitration shall be administered by AAA and conducted in Washington, D.C. All Claims shall be determined by one arbitrator; however, if Claims exceed Five Million Dollars ($5,000,000), upon the request of any party, the Claims shall be decided by three arbitrators. All arbitration hearings shall commence within ninety (90) days of the demand for arbitration and close within ninety (90) days of commencement and the award of the arbitrator(s) shall be issued within thirty (30) days of the close of the hearing. However, the arbitrator(s), upon a showing of good cause, may extend the commencement of the hearing for up to an additional sixty (60) days. The arbitrator(s) shall provide a concise written statement of reasons for the award. The arbitration award may be submitted to any court having jurisdiction to be confirmed, judgment entered and enforced.

(e) The arbitrator(s) will give effect to statutes of limitation in determining any Claim and may dismiss the arbitration on the basis that the Claim is barred. For purposes of the application of the statute of limitations, the service on AAA under applicable AAA rules of a notice of Claim is the equivalent of the filing of a lawsuit. Any dispute concerning this arbitration provision or whether a Claim is arbitrable shall be determined by the arbitrator(s). The arbitrator(s) shall have the power to award reasonable legal fees pursuant to the terms of this Agreement.

(f) This paragraph does not limit the right of any party to: (i) exercise self-help remedies, such as but not limited to, setoff; (ii) initiate judicial or non-judicial foreclosure against any real or personal property collateral; (iii) exercise any judicial or power of sale rights, or (iv) act in a court of law to obtain an interim remedy, such as but not limited to, specific performance, injunctive relief, writ of possession or appointment of a receiver, or additional or supplementary remedies.

(g) The filing of a court action is not intended to constitute a waiver of the right of any party, including the suing party, thereafter to require submittal of the Claim to arbitration.

(h) By agreeing to binding arbitration, the parties irrevocably and voluntarily waive any right they may have to a trial by jury in respect of any Claim. Furthermore, without intending in any way to limit this agreement to arbitrate, to the extent any Claim is not arbitrated, the parties irrevocably and voluntarily waive any right they may have to a trial by jury in respect of such Claim. This provision is a material inducement for the parties entering into this Agreement.

SECTION 8. Miscellaneous.

8.1. Course of Dealing; Amendment. No course of dealing between the Lender and the Borrowers shall be effective to amend, modify or change any provision of this Agreement or the other Financing Documents. The Lender shall have the right at all times to enforce the provisions of this Agreement and the other Financing Documents in strict accordance with the provisions hereof and thereof, notwithstanding any conduct or custom on the part of the Lender in refraining from so doing at any time or times. The failure of the Lender at any time or times to enforce its rights under such provisions, strictly in accordance with the same, shall not be construed as having created a custom in any way or manner contrary to specific provisions of this Agreement or the other Financing Documents or as having in any way or manner modified or waived the same. This Agreement and the other Financing Documents to which the Borrowers are a party may not be amended, modified, or changed in any respect except by an agreement in writing signed by the Lender and the Borrowers.

8.2. Waiver of Default. The Lender may, at any time and from time to time, execute and deliver to the Borrowers a written instrument waiving, on such terms and conditions as the Lender may specify in such written instrument, any of the requirements of this Agreement or of the other Financing Documents or any Event of Default or Default and its consequences, provided, that any such waiver shall be for such period and subject to such conditions as shall be specified in any such instrument. In the case of any such waiver, the Borrowers and the Lender shall be restored to their former positions prior to such Event of Default or Default and shall have the same rights as they had hereunder. No such waiver shall extend to any subsequent or other Event of Default or Default, or impair any right consequent thereto and shall be effective only in the specific instance and for the specific purpose for which given.

8.3. Notices. All notices, requests and demands to or upon the parties to this Agreement shall be deemed to have been given or made when delivered by hand, or when received after being deposited in the mail, postage prepaid by registered or certified mail, return receipt requested, one day after being sent by reputable overnight delivery service, or, in the case of notice by telegraph, telex or facsimile transmission, when properly transmitted, addressed as follows or to such other address as may be hereafter designated in writing by one party to the other:

If to any Loan Party:

International Assets Holding Corporation
220 E. Central Parkway, Suite 2060
Attention: Brian Sephton
Altamonte Springs, Florida 32701
Telephone Number: (407) 741-5309

With a copy to:

International Assets Holding Corporation
708 Third Avenue
New York, NY 10017
Attention: Scott Branch
Telephone: (212) 485-3511
Facsimile No. (212) 485-3505

Lender: Bank of America, N.A.
8300 Greensboro Drive, Mezzanine Level
McLean, Virginia 22102
Attention: Matthew Beardall
Facsimile No.: (703) 761-8118

With a copy to:

Ober, Kaler Grimes & Shriver,
A Professional Corporation
1401 H Street, N.W.
Washington, D.C. 20005
Attention: Nikolaus F. Schandlbauer, Esquire
Telephone No.: 202-326-5016
Telecopy No.: 202-408-0640

except in cases where it is expressly herein provided that such notice, request or demand is not effective until received by the party to whom it is addressed.

8.4. Right to Perform. If the Borrowers shall fail to make any payment or to otherwise perform, observe or comply with the provisions of this Agreement or any of the other Financing Documents, then and in each such case, the Lender may (but shall be under no obligation whatsoever to) without notice to or demand upon the Borrowers remedy any such failure by advancing funds or taking such action as it deems appropriate for the account and at the expense of the Borrowers. The advance of any such funds or the taking of any such action by the Lender shall not be deemed or construed to cure an Event of Default or waive performance by the Borrowers of any provisions of this Agreement. The Borrowers shall pay to the Lender on demand, together with interest thereon from the date of such demand until paid in full at a per annum rate of interest equal at all times to the Default Rate, any such funds so advanced by the Lender and any costs and expenses advanced or incurred by or on behalf of the Lender in taking any such action, all of which shall be a part of the Obligations hereunder.

8.5. Costs and Expenses. The Borrowers agree to pay to the Lender on demand all such reasonable fees, recordation and other taxes, costs and expenses of whatever kind and nature, including reasonable attorney's fees and disbursements, which the Lender may incur or which are payable in connection with the closing and the administration of the Credit Facilities,

including, without limitation, the preparation of this Agreement and the other Financing Documents, the recording or filing of any and all of the Financing Documents and obtaining lien searches. All such fees, costs, recordation and other taxes shall be a part of the Obligations hereunder.

8.6. Consent to Jurisdiction. If for any reason the arbitration provisions of this Agreement are not given effect, the Borrowers irrevocably (a) consent and submit to the jurisdiction and venue of any state or federal court sitting in the Commonwealth of Virginia over any suit, action or proceeding arising out of or relating to this Agreement or any of the other Financing Documents, (b) waive, to the fullest extent permitted by law, any objection that the Borrowers may now or hereafter have to the laying of the venue of any such suit, action or proceeding brought in any such court and any claim that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum, and (c) consent to the service of process in any such suit, action or proceeding in any such court by the mailing of copies of such process to the Borrowers by certified or registered mail at the Borrowers' address set forth herein for the purpose of giving notice.

8.7. WAIVER OF JURY TRIAL. THE BORROWERS AND THE LENDER HEREBY VOLUNTARILY AND INTENTIONALLY WAIVE ANY RIGHT THEY MAY HAVE TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING OR LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THE CREDIT FACILITIES, THIS AGREEMENT OR ANY OF THE OTHER FINANCING DOCUMENTS IN FAVOR OF THE ARBITRATION CLAUSE SET FORTH HEREIN.

8.8. Certain Definitional Provisions. All terms defined in this Agreement shall have such defined meanings when used in any of the other Financing Documents. Accounting terms used in this Agreement shall have the respective meanings given to them under generally accepted accounting principles in effect from time to time in the United States of America. The words "hereof, "herein" and "hereunder" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement. As used herein, the singular number shall include the plural, the plural, the singular and the use of the masculine, feminine or neuter gender shall include all genders, as the context may require. Unless otherwise defined herein, all terms used herein which are defined by the Uniform Commercial Code shall have the same meanings as assigned to them by the Uniform Commercial Code unless and to the extent varied by this Agreement.

8.9. Severability. The invalidity, illegality or unenforceability of any provision of this Agreement shall not affect the validity, legality or enforceability of any of the other provisions of this Agreement which shall remain effective.

8.10. Survival. All representations, warranties and covenants contained among the provisions of this Agreement shall survive the execution and delivery of this Agreement and all other Financing Documents.

8.11. Binding Effect. This Agreement and all other Financing Documents shall be binding upon and inure to the benefit of the Borrowers and the Lender and their respective personal representatives, successors and assigns, except that the Borrowers shall not have the right to assign its rights hereunder or any interest herein without the prior written consent of the Lender.

8.12. Applicable Law and Time of Essence. This Agreement and the rights and obligations of the parties hereunder shall be construed and interpreted in accordance with the laws of the Commonwealth of Virginia, both in interpretation and performance. Time is of the essence in connection with all obligations of the Borrowers hereunder and under any of the other Financing Documents.

8.13. Duplicate Originals and Counterparts. This Agreement may be executed in any number of duplicate originals or counterparts, each of such duplicate originals or counterparts shall be deemed to be an original and all taken together shall constitute but one and the same instrument.

8.14. Headings. Section and subsection headings in this Agreement are included herein for convenience of reference only, shall not constitute a part of this Agreement for any other purpose and shall not be deemed to affect the meaning or construction of any of the provisions hereof.

8.15 Joint and Several Liability, Etc. The Borrowers shall be jointly and severally liable for the payment and performance of the Obligations. The Lender may, without notice to or consent of any of the Borrowers and with or without consideration, release, discharge, compromise or settle with, waive, grant indulgences to, proceed against or otherwise deal with, any of the Borrowers without in any way affecting, limiting, modifying, discharging or releasing any of the obligations and liabilities under this Agreement or any other Financing Documents of the other Borrowers. Each of the Borrowers consents and agrees that (a) the Lender shall be under no obligation to marshall any assets in favor of such Borrower or against or in payment of any or all of the obligations and liabilities of such Borrower under this Agreement or any of the other Financing Documents, (b) any rights such Borrower may have against the other Borrowers for contribution, exoneration from payment or otherwise, in respect of any amounts paid by such Borrower pursuant to any of the Financing Documents or which continue to be owing pursuant to any of the Financing Documents, shall be postponed until the Obligations have been indefeasibly paid in full and no commitments therefor are outstanding and (c) the Lender may enforce and collect the obligations and liabilities of such Borrower hereunder or under the other Financing Documents irrespective of any attempt, pursuit, enforcement or exhaustion of any rights and remedies the Lender may at any time have to collect the obligations and liabilities hereunder or under the other Financing Documents of the other Borrowers.

8.16 Amendment and Restatement of Original Credit Agreement. This Agreement is an agreement amending and restating the provisions of the Original Credit Agreement. The Borrowers agree that it is their intention that nothing in this Agreement shall be construed to extinguish, release or discharge, or constitute, create or effect a novation of or an agreement to extinguish any of their obligations under the Original Credit Agreement. In the event of any conflict between the provisions of this Agreement and the Original Credit Agreement, the provisions of this Agreement shall take precedence and govern.

[remainder of page left intentionally blank – signature pages to follow]

IN WITNESS WHEREOF, each of the parties hereto have executed and delivered this Agreement under their respective seals as of the day and year first written above.

WITNESS:

/s/ Diana Guzman
(SEAL)

INTERNATIONAL ASSETS
HOLDING CORPORATION

By: /s/ Sean O'Connor
Printed Name: Sean O'Connor
Title: CEO

WITNESS:

/s/ Diana Guzman
(SEAL)

INTERNATIONAL ASSETS
HOLDING CORPORATION

By: /s/ Scott Branch
Printed Name: Scott Branch
Title: President

WITNESS:

/s/ Diana Guzman
(SEAL)

INTL ASSETS, INC.

By: /s/ Sean O'Connor
Printed Name: Sean O'Connor
Title: CEO

WITNESS:

/s/ Diana Guzman
(SEAL)

INTL COMMODITIES, INC.

By: /s/ Sean O'Connor
Printed Name: Sean O'Connor
Title: CEO

WITNESS:

/s/ Gail W. Jones
(SEAL)

BANK OF AMERICA, N.A.

By: /s/ Michael D. Brannan
Michael D. Brannan
Senior Vice President

Schedule 3

Exceptions to Borrowers' Representations and Warranties

FIRST AMENDMENT
TO AMENDED AND RESTATED CREDIT AGREEMENT

THIS FIRST AMENDMENT TO AMENDED AND RESTATED CREDIT AGREEMENT (this "Amendment") is made as of July 29, 2008, by and among INTERNATIONAL ASSETS HOLDING CORPORATION, a Delaware corporation ("IAHC"), INTL ASSETS, INC., a Florida corporation, and INTL COMMODITIES, INC., a Delaware corporation (together with IAHC, the "Borrowers") and BANK OF AMERICA, N.A., a national banking association (the "Lender").

Recitals

Pursuant to that certain Amended and Restated Credit Agreement dated as of July 31, 2007, between the Lender and the Borrowers (as the same may from time to time be amended, restated, supplemented, or otherwise modified, the "Credit Agreement"), the Lender established a revolving credit facility pursuant to which the Lender agreed to make advances to the Borrowers from time to time in an aggregate principal amount not to exceed Twenty Five Million Dollars ($25,000,000).

The Borrowers have now asked the Lender to increase the Revolving Credit Amount to Thirty Five Million Dollars ($35,000,000) and extend the Revolving Credit Expiration Date for one year. The Lender has agreed to do so, provided the parties hereto execute and deliver this Amendment and all of the documents called for by this Amendment, among other things.

Agreement

NOW THEREFORE, in consideration of the premises and in order to induce the Lender to amend the Credit Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Terms Defined. Unless otherwise defined or stated in this Amendment, each capitalized term used in this Amendment has the meaning given to such term in the Credit Agreement (as amended by this Amendment).

2. Amendments to Credit Agreement. The Credit Agreement is, effective as of the date hereof, hereby amended as follows:

The following definitions set forth in ***Section 1.1.*** of the Credit Agreement are hereby amended and restated to read as follows:

"Note" shall mean the $35,000,000 Fourth Amended and Restated Revolving Loan Note made by the Borrowers and payable to the order of the Lender.

"Revolving Credit Amount", shall mean the amount of Thirty Five Million Dollars ($35,000,000).

"Revolving Credit Expiration Date" shall mean December 31, 2009, or such later date as to which the Lender shall, in its discretion, agree to extend the Revolving Credit Expiration Date.

Section 4.2 of the Credit Agreement shall be amended to add the following new subsection (f) at the end thereof:

(f) Compliance Certificates. Concurrent with the delivery of the financial statements described in Sections (a) and (b) above, a written certification, signed by an authorized financial officer of the Borrowers, to the effect that such officer has no knowledge of the existence of any Defaults under the Financing Documents or if such officer has knowledge of the existence of an Event of Default, a statement as to the nature thereof and the action which the Borrowers propose to take with respect thereto. Such written certification shall include the calculations made by the Borrowers to determine compliance by the Borrowers with each of the financial covenants set forth herein as of the date of the financial statements delivered therewith.

Section 5.1 of the Credit Agreement shall be replaced in its entirety by the following new Section 5.1:

5.1. Minimum Working Capital. The Borrowers shall maintain (on a consolidated basis with the Guarantee-exempt Subsidiaries) current assets in excess of current liabilities of at least Thirty Five Million Dollars ($35,000,000).

Section 5.2 of the Credit Agreement shall be replaced in its entirety by the following new Section 5.2:

5.2 Minimum Net Worth. The Borrowers shall maintain (on a consolidated basis including the Guarantee-exempt Subsidiaries) minimum Net Worth of Fifty Million Dollars ($50,000,000) provided, however, that such figure shall permanently increase (on a dollar-for-dollar basis) upon any increase in Net Worth by virtue of paid-in capital or IAHC's conversion of any of IAHC's convertible debt into equity.

Section 5.3 of the Credit Agreement shall be replaced in its entirety by the following new Section 5.3:

5.3 Interest Coverage Ratio. The Borrowers shall maintain (on a consolidated basis with the Guarantee-exempt Subsidiaries) an Interest Coverage Ratio of at least 1.75 to 1.0, except to the extent that the Lender waives such covenant in writing as a result of a particular non-recurring item.

Section 5.4 of the Credit Agreement shall be replaced in its entirety by the following new Section 5.4:

5.4 Minimum EBITDA. The Borrowers shall maintain (on a consolidated basis with the Guarantee-exempt Subsidiaries) minimum EBITDA of not less than Twenty Million Dollars ($20,000,000) on a rolling four-quarter basis, as measured quarterly.

Section 5.5 of the Credit Agreement shall be replaced in its entirety by the following new Section 5.5:

5.5 Minimum Net Worth Attributable to Domestic Loan Parties Only. The Borrowers shall maintain consolidated Net Worth attributable to the Domestic Loan Parties only (i.e., excluding consolidated Net Worth attributable to the Guarantee-exempt Subsidiaries) of not less than Thirty Million Dollars ($30,000,000), provided, however that the Borrowers' investments in the Guarantee-exempt Subsidiaries shall be counted at cost for the purposes of measuring compliance with this covenant.

3. Upfront Fee. In consideration for the agreements of the Lender as set forth herein, the Borrowers agree to pay to the Lender, upon execution hereof, an upfront fee of Seventy Five Thousand Dollars ($75,000.00), which fee is hereby deemed to be earned upon its receipt by the Lender.

4. Conditions Precedent/Closing and Post-Closing Deliverables. The effectiveness of this Amendment is subject to the satisfaction of each of the following conditions precedent, all of which conditions precedent must be satisfied on or before the date of this Amendment, unless a specific date is set forth for the delivery of such:

(a) The Lender shall have received this Amendment executed by the parties hereto, and all fees and expenses called for herein or incurred in connection with the preparation and execution of this Amendment including, without limitation the foregoing upfront fee and all of the attorneys' fees, costs and expenses incurred by the Lender in connection herewith;

(b) The Lender shall have received the stock certificates for the following entities:

(I) INTL Holding (UK) Ltd. (by August 8,2008);

(II) INTL Global Currencies Ltd. (by August 8, 2008);

(III) INTL Global Currencies (Asia) Ltd. (Hong Kong);

(IV) Gainvest Argentina Asset Management SA;

(V) Gainvest SA Sociedad Gerente de FCI;

(VI) INTL Gainvest Capital Uruguay SA (with the new and final certificate to be delivered within 20 days of its certification);

(VII) Gainvest Asset Management Limited;

(VIII) INTL Capital and Treasury Global Services Ltd. (by September 30, 2008);

(IX) INTL Capital Ltd. (by September 30, 2008);

(X) INTL Commodities DMCC (by September 30, 2008); and

(XI) INTL Consilium LLC (by September 30, 2008).

(c) The Lender shall have received all of the items set forth on the "Closing Index" circulated concurrently herewith unless the production of such item shall have been waived, in writing, by the Lender or shall have become the subject of a "Post Closing Agreement" between the Borrowers and the Lender; and

(d) No Default or Event of Default shall have occurred and be continuing.

5. Representations and Warranties. In order to induce the Lender to enter into this Amendment, the Borrowers hereby represent and warrant to the Lender that as of the date hereof (a) the execution, delivery and performance of this Amendment has been authorized by all requisite corporate action on the part of the Borrowers and will not violate any of the Borrowers' organizational documents or bylaws; (b) no Default of Event or Default exists under the provisions of the Financing Documents which has not been waived by the Lender in writing, (c) all of the representations and warranties of the Borrowers as set forth in the Financing Documents are true and correct on the date hereof as if the same were made on the date hereof, (d) no material adverse change has occurred in the business, financial condition, prospects or operations of the Borrowers since the date of the most recent financial statements of the Borrowers furnished to the Lender in accordance with the provisions of the Financing Documents, and (e) this Amendment constitutes the legal, valid and binding obligation of the Borrowers, enforceable in accordance with its terms. If any of the foregoing representations and warranties shall prove to be false, incorrect or misleading in any material respect, the Lender may, in its absolute and sole discretion, declare that a default has occurred and exists under the provisions of the Financing Documents, and the Lender shall be entitled to all of the rights and remedies set forth in the Financing Documents as the result of the occurrence of such default.

6. Ratification and No Novation. The Borrowers hereby ratify and confirm all of their obligations, liabilities and indebtedness under the provisions of the Note, the Credit Agreement, and the other Financing Documents, as the same may be amended and modified by this Amendment. The Lender and the Borrowers agree that it is their intention that nothing herein shall be construed to extinguish, release or discharge or constitute, create or effect a novation of, or an agreement to extinguish, (a) any of the obligations, indebtedness and liabilities of the Borrowers or any other party under the provisions of the Financing Documents, or (b) any negative pledge to the Lender. The Borrowers agree that all of the provisions of the Note, the Credit Agreement, and the other Financing Documents shall remain and continue in full force and effect as the same may be modified and amended by this Amendment. In the event of any conflict between the provisions of this Amendment and the provisions of the Financing Documents, the provisions of this Amendment shall control.

7. Binding Effect. This Amendment shall be binding upon and inure to the benefit of the Lender, the Borrowers, and their respective successors and assigns.

[remainder of page left intentionally blank – signature lines follow]

IN WITNESS WHEREOF, the parties hereto have each caused this Amendment to be executed and sealed, the day and year first above written.

BORROWERS:

WITNESS:

/s/ Diana Guzman

INTERNATIONAL ASSETS HOLDING CORPORATION

By: /s/ Sean O'Connor (SEAL)
Printed Name: Sean O'Connor
Title: Chief Executive Officer

WITNESS:

/s/ Diana Guzman

INTERNATIONAL ASSETS HOLDING CORPORATION

By: /s/ Scott Branch (SEAL)
Printed Name: Scott Branch
Title: President

WITNESS:

/s/ Diana Guzman

INTL ASSETS, INC.

By: /s/ Scott Branch (SEAL)
Printed Name: Scott Branch
Title: President

WITNESS:

/s/ Diana Guzman

INTL COMMODITIES, INC.

By: /s/ Scott Branch (SEAL)
Printed Name: Scott Branch
Title: President

LENDER:

BANK OF AMERICA, N.A.,
A national banking association

By: /s/ Michael D. Brannan (SEAL)
Michael D. Brannan
Senior Vice President

Exhibit 10.7

CREDIT AND SECURITY AGREEMENT

THIS CREDIT AND SECURITY AGREEMENT (this "Agreement") is made as of December 8, 2006 between INTL GLOBAL CURRENCIES LIMITED, a corporation organized under the laws of the United Kingdom (the "Borrower") and BANK OF AMERICA, N.A., a national banking association (the "Lender").

R E C I T A L S

Pursuant to that certain Promissory Note dated as of January 18, 2005, the Lender established a revolving credit facility in favor of the Borrower pursuant to which the Lender agreed to make advances to the Borrowers from time to time in an aggregate principal amount not to exceed Ten Million Dollars ($10,000,000) at any one time outstanding.

The Borrower has requested that the Lender document an increase in its borrowing ability in the form of a revolving credit facility pursuant to which the Lender will make advances to the Borrower from time to time in an aggregate principal amount not to exceed Twenty Million Dollars ($20,000,000) at any one time outstanding. The Lender has agreed to make this credit facility available to the Borrower, subject to and upon the terms and conditions hereinafter set forth.

AGREEMENTS

SECTION 1. The Revolving Credit Facility.

1.1. Definitions. All capitalized terms used herein and not otherwise defined shall have the following meanings:

"Account Debtor" means any Person who may become obligated to the Borrower under, with respect to, or on account of, an Account, Chattel Paper or General Intangibles (including a payment intangible).

"Accounts" shall have the meaning given to such term in the UCC.

"Advances" shall mean all advances made by the Lender to the Borrower under the Revolving Credit Facility.

"Applicable Margin" shall mean 2.40% per annum, or 240 basis points.

"AutoBorrow Service Agreement" means an AutoBorrow Service Agreement in effect from time to time between the Borrower and the Lender.

"Board" means the Board of Governors of the Federal Reserve System of the United States.

"Borrower" shall have the meaning set forth in the recitals above.

"Breakage Fees" means an amount equal to any net loss or out-of-pocket expenses which the Lender may sustain or incur (including, without limitation, any net loss or expense incurred by reason of the liquidation or re-employment of deposits or other funds acquired by the Lender to fund or maintain the Advances, or any swap breakage incurred in connection with any Hedge Agreement), as reasonably determined by the Lender, as a result of any prepayment of any the Advances.

"Business Day" shall mean any day other than Saturday, Sunday or other day on which commercial banks in the Commonwealth of Virginia are authorized to close.

"Business Premises" means the chief executive office of the Borrower.

"Capital Lease" means any lease that has been or should be capitalized on the books of the lessee in accordance with GAAP.

"Chattel Paper" shall have the meaning given to such term in the UCC.

"Closing Date" means the date on which all conditions to closing as set forth in Section 2.1 of the Credit Agreement are satisfied.

"Collateral" shall mean all of the Borrower's personal property, both now owned and hereafter acquired, including, insofar as any of the following are applicable, but not limited to:

(a) Accounts, including all collateral security of any kind given to any Account Debtor or other Person with respect to any Account;

(b) As-extracted collateral;

(c) Chattel Paper;

(d) Commodity Accounts;

(e) Commodity Contracts;

(f) Deposit Accounts;

(g) Documents;

(h) Equipment;

(i) Farm Products;

(j) Fixtures;

(k) General Intangibles, including, but not limited to, (i) all patents, and all unpatented or unpatentable inventions; (ii) all trademarks, service marks, and trade names; (iii) all copyrights and literary rights; (iv) all computer software programs; (v) all mask works of semiconductor chip products; (vi) all trade secrets, proprietary information, customer lists, manufacturing, engineering and production plans, drawings, specifications, processes and systems;

(l) Goods, and all accessions thereto and goods with which the Goods are commingled;

(m) Health Care Insurance Receivables;

(n) Instruments;

(o) Inventory;

(p) Investment Property;

(q) Letter-of-Credit Rights;

(r) Payment Intangibles;

(s) Promissory Notes;

(t) Software;

(u) The commercial tort claims specifically described on Schedule 1.1.

(v) Letters patent, applications for letters patent, trademarks, applications for trademarks, service marks, trade names, and copyrights, whether registered or unregistered, together with all royalties, fees, and other payments made or to be made with respect to any of the foregoing, and all rights, interests, claims, and demands that the Borrower has or may have and existing and future profits and damages for past or future infringement thereof; and

(w) all proceeds and products of any of the foregoing.

"Collection Account" shall mean the collection account established pursuant to this Agreement.

"Commodity Accounts" shall have the meaning given to such term in the UCC.

"Commodity Contracts" shall have the meaning given to such term in the UCC.

"Credit Facilities" shall mean the Revolving Credit Facility and any other credit facilities established subsequently hereto.

"Default" shall have the meaning set forth in Section 6 of this Agreement.

"Default Rate" shall mean a floating and fluctuating per annum rate of interest calculated by adding the sum of three percent (3.0%) to the rate of interest then in effect.

"Deposit Accounts" shall have the meaning given to such term in the UCC.

"Documents" shall have the meaning given to such term in the UCC.

"EBITDA" shall mean net income before taxes, interest expense, depreciation and amortization, as calculated on a rolling four quarter basis.

"Enforcement Costs" shall mean all reasonable expenses, charges, recordation or other taxes, costs and fees (including reasonable attorneys' fees and expenses) of any nature whatsoever advanced, paid or incurred by or on behalf of the Lender in connection with (a) the collection or enforcement of this Agreement or any of the other Financing Documents, and (b) the creation, perfection, maintenance, preservation, defense, protection, realization upon, disposition, collection, sale or enforcement of all or any part of the Collateral, and (c) the exercise by the Lender of any rights or remedies available to it under the provisions of this Agreement, or any of the other Financing Documents.

"Environmental Laws" shall mean all laws, statutes, rules, regulations or ordinances which relate to Hazardous Materials and/or the protection of the environment or human health.

"Equipment" shall mean all of the Borrower's equipment, as such term is defined by the Uniform Commercial Code, together with all additions, parts, fittings, accessories, special tools, attachments, and accessions now and hereafter affixed thereto and/or used in connection therewith, and all replacements thereof and substitutions therefor.

"ERISA" shall mean the Employee Retirement Income Security Act of 1974.

"Event of Default" shall have the meaning set forth in Section 6 of this Agreement.

"Farm Products" shall have the meaning given to such term in the UCC.

"Financing Documents" shall mean this Agreement, the Note, any Hedge Agreement and any other instrument, document or agreement now or hereafter executed, delivered or furnished by the Borrower or any other person evidencing, guaranteeing, securing or in connection with this Agreement or all or any part of the Credit Facilities.

"Fixtures" shall have the meaning given to such term in the UCC.

"GAAP" shall mean generally accepted accounting principles in the United States of America.

"General Intangibles" shall mean all of the Borrower's general intangibles, as such meaning is defined by the Uniform Commercial Code, together with all of the Borrower's letters patent, applications for letters patent, trademarks, applications for trademarks, service marks, trade names and copyrights, whether registered or unregistered, together with all goodwill of the business of the Borrower relating thereto, any and all reissues, extensions, divisions or continuations thereof, all royalties, fees and other payments made or to be made to the Borrower with respect thereto, and all rights, interests, claims and demands that the Borrower has or may have in existing and future profits and damages for past and future infringements thereof.

"Goods" shall have the meaning given to such term in the UCC.

"Guarantor" means International Assets Holding Corporation, a Delaware corporation, the guarantor of the obligations of the Borrower under the Revolving Credit Facility.

"Guaranty" shall mean that certain Guaranty executed and delivered by the Guarantor concurrently herewith in respect to the obligations of the Borrower under the Revolving Credit Facility.

"Hazardous Materials" shall mean hazardous wastes, hazardous substances, toxic chemicals and substances, oil and petroleum products and their by-products, radon, asbestos, pollutants or contaminants.

"Health Care Insurance Receivables" shall have the meaning given to such term in the UCC.

"Hedge Agreement" means any agreement between the Borrower and the Lender or any affiliate of the Lender now existing or hereafter entered into, which provides for an interest rate, credit, commodity or equity swap, cap, floor, collar, forward foreign exchange transaction, currency swap, cross-currency rate swap, currency option, or any similar transaction or any combination of, or option with respect to, these or similar transactions, for the purpose of hedging the Borrower's exposure to fluctuations in interest or exchange rates, loan, credit, exchange, security or currency valuations or commodity prices.

"Instruments" shall have the meaning given to such term in the UCC.

"Interest Coverage Ratio" means the ratio of EBITDA to interest expense.

"Interest Payment Date" shall have the meaning set forth in Section 1.2(d).

"Interest Rate Change Date" shall mean the first day of each one month period.

"Inventory" shall mean all of the Borrower's now owned and hereafter acquired inventory as such term is defined by the Uniform Commercial Code, wherever located and however constituted, including, without limitation, raw materials, work and goods in process, finished goods, goods or inventory returned or repossessed or stopped in transit, supplies, packaging, shipping and other materials, all other goods, merchandise and personal property used or consumed in the business of the Borrower, and all documents and documents of title relating to any of the foregoing.

"Investment Property" shall have the meaning given to such term in the UCC.

"Letter of Credit Rights" shall have the meaning given to such term in the UCC.

"Lender" shall mean Bank of America, N.A., a national banking association.

"Libor-Based Rate" shall mean a per annum rate of interest equal at all times to the sum of the LIBOR Rate plus the Applicable Margin. The Libor-Based Rate shall change immediately and contemporaneously with each change in the LIBOR Rate.

"LIBOR Rate" means, at any time, the rate of interest equal to the rate per annum (rounded upwards to the nearest 1/100 of one percent) equal to the British Bankers Association LIBOR Rate ("BBA LIBOR"), as published by Reuters (or other commercially available source providing quotations of BBA LIBOR as selected by the Lender from time to time) as determined for each Interest Rate Change Date at approximately 11:00 a.m. London time two (2) Business Days prior to the Interest Rate Change Date, for U.S. Dollar deposits (for delivery on the first day of such interest period) with a term of one month, as adjusted from time to time in the Lender's sole discretion for Reserve Requirements, deposit insurance assessment rates and other regulatory costs. If such rate is not available at such time for any reason, then the rate for that interest period will be determined by such alternate method as reasonably selected by the Lender.

"London Banking Day" means a day on which the Lender's London Banking Center is open for business and dealing in offshore dollars.

"Note" shall mean the Amended and Restated Revolving Credit Note of even date herewith in the face amount of Twenty Million Dollars ($20,000,000) from the Borrower made payable to the order of the Lender.

"Obligations" shall mean all present and future indebtedness, liabilities and obligations of any kind and nature whatsoever of the Borrower to the Lender both now existing and hereafter arising including, without limitation, obligations arising under, as a result of, on account of, or in connection with, this Agreement and any and all amendments, restatements, supplements and modifications hereof made at any time and from time to time hereafter, the Note, any and all extensions, renewals or replacements thereof, amendments thereto and restatements or modifications thereof made at any time or from time to time hereafter, or the other Financing Documents, including, without limitation, future advances, principal, interest, indemnities, fees, late charges, enforcement costs and other costs and expenses whether direct, contingent, joint, several, matured or unmatured, and the indebtedness owed under any Hedge Agreement, including, without limitation, any master agreement relating to or governing any or all of the foregoing and any related schedule or confirmation, each as amended from time to time.

"Payment Intangibles" shall have the meaning given to such term in the UCC.

"PBGC" shall mean the Pension Benefit Guaranty Corporation or its successor entity.

"Permitted Liens" shall mean liens permitted pursuant to Section 5 of this Agreement.

"Person" shall mean any natural person, individual, company, corporation, partnership, joint venture, unincorporated association, government or political subdivision or agency thereof, or any other entity of whatever nature.

"Personal Property" shall mean all of the Borrower's personal property, both now owned and hereafter acquired.

"Plan" shall mean any pension, employee benefit, multi-employer, profit sharing, savings, stock bonus or other deferred compensation plan.

"Prime Based Rate" shall mean a floating and fluctuating per annum rate of interest equal at all times to the Prime Rate plus one percent (1%).

"Prime Rate" shall mean the floating and fluctuating per annum rate of interest of the Lender at any time and from time to time established and declared by the Lender in its sole and absolute discretion as its prime rate, and does not necessarily represent the lowest rate of interest charged by the Lender to borrowers.

"Promissory Notes" shall have the meaning given to such term in the UCC.

“Receivables” shall mean all present and future accounts, contract rights, chattel paper, documents and instruments as such terms are defined by the Uniform Commercial Code, including, without limitation, all present and future rights of the Borrower to payment for, or monetary obligations owed to the Borrower on account of, goods or other property sold or leased by the Borrower or services rendered by the Borrower or loans or extensions of credit made or granted by the Borrower, whether or not such rights or monetary obligations are earned by performance and whether due or to become due.

“Reserve Requirements” means the maximum rate (expressed as a decimal) at which reserves (including any marginal, supplemental, emergency or other reserves) are required to be maintained under Regulation D of the Federal Reserve Board or otherwise by any statute or regulation applicable to the class of commercial banks which includes the Lender.

“Revolving Credit Account” shall mean the loan account maintained by the Lender with respect to advances, repayments and prepayments of Advances, the accrual and payment of interest on Advances and all other amounts and charges owing to the Lender in connection with Advances.

“Revolving Credit Amount” shall mean the amount of Twenty Million Dollars ($20,000,000).

“Revolving Credit Expiration Date” shall mean March 31, 2008, or such later date as to which the Lender shall, in its discretion, agree to extend the Revolving Credit Expiration Date.

“Revolving Credit Exposure” shall mean, at any time, the sum of the aggregate principal amount of outstanding Advances.

“Revolving Credit Facility” shall mean the revolving credit facility established pursuant to Section 1.2 hereof in a maximum principal amount at any one time outstanding equal to the Revolving Credit Amount, made available to the Borrower pursuant to this Agreement.

“Software” shall have the meaning given to such term in the UCC.

“Subordinated Debt” shall mean debt of the Borrower, the payment of which subordinated to the repayment of the Advances on terms satisfactory to the Lender in its sole discretion.

“Subsidiary” means an entity of which the Borrower directly or indirectly owns or control securities or other ownership interests representing more than 50% of the ordinary voting power thereof.

“Subsidiary Guaranty” means each guaranty agreement executed and delivered by each Subsidiary of the Borrower to the Lender, in form and substance satisfactory to the Lender in all respects.

“Subsidiary Security Agreement” means each security agreement executed and delivered by each Subsidiary of the Borrower to the Lender, in form and substance satisfactory to the Lender in all respects.

"U.K. Security Agreement" shall mean that certain Fixed and Floating Security Document, dated as of March 11, 2005, as the same may be further amended, modified, supplemented, renewed, extended or restated from time to time.

1.2. Revolving Credit Facility.

(a) Advances. Subject to and upon the provisions of this Agreement and relying upon the representations and warranties herein set forth, the Lender agrees at any time and from time to time to make Advances to the Borrower from the date hereof until the earlier of the Revolving Credit Expiration Date or the date on which this Revolving Credit Facility is terminated pursuant to Section 7 hereof, in an aggregate principal amount at any time outstanding not to exceed the Revolving Credit Amount.

In no event shall the Lender be obligated to make an Advance hereunder if a Default shall have occurred and be continuing. Unless sooner terminated pursuant to other provisions of this Agreement, this Revolving Credit Facility and the obligation of the Lender to make Advances hereunder shall automatically terminate on the Revolving Credit Expiration Date without further action by, or notice of any kind from, the Lender. Within the limitations set forth herein and subject to the provisions of this Agreement, the Borrower may borrow, repay and reborrow under this Revolving Credit Facility. The fact that there may be no Advances outstanding at any particular time shall not affect the continuing validity of this Agreement.

(b) Use of Proceeds of Advances. The proceeds of the Advances shall be used solely for the purpose of covering timing differences attendant to the Borrower's foreign currency trading business, and not for working capital or any other purpose.

(c) Liability of Lender. Lender shall in no event be responsible or liable to any person other than Borrower for the disbursement of or failure to disburse the Advances or any part thereof.

(d) Interest on Advances. Except for any period during which an Event of Default shall have occurred and be continuing, the Borrower shall pay interest (calculated on a daily basis) on the unpaid principal balance of the Advances until maturity (whether by acceleration, extension or otherwise) at a per annum rate of interest equal at all times to the Libor-Based Rate in effect from time to time.

After maturity, or during any period in which an Event of Default exists and remains continuing, the unpaid principal balance of the Advances shall bear interest at a rate equal to the Default Rate.

Notwithstanding any other provision of this Agreement, if the Lender determines (which determination shall be conclusive) (i) that any applicable law, rule, or regulation, or any change in the interpretation of any such law, rule, or regulation shall make it unlawful or impossible for the Lender to charge or collect interest at the Libor-Based Rate, or (ii) that quotations of interest rates for the relevant deposits referred to in the definition of the Libor-Based Rate are not being provided in the relevant amounts or for the relevant maturities, then upon notice from the Lender to the Borrower, the entire outstanding principal balance of the Revolving Credit Facility shall bear interest at the Prime-Based Rate.

Until the maturity of the Revolving Credit Facility, all accrued and unpaid interest on all Advances shall be paid monthly on the first day of each month (each, an "Interest Payment Date").

If not sooner paid, the entire outstanding principal balance of the Advances, together with all accrued and unpaid interest thereon, shall be due and payable on the Revolving Credit Expiration Date.

(e) Revolving Credit Note; Revolving Credit Account. The Borrower's obligation to pay the Advances with interest shall be evidenced by the Revolving Credit Note. The Lender will maintain the Revolving Credit Account with respect to advances, repayments and prepayments of Advances, the accrual and payment of interest on Advances and all other amounts and charges owing to the Lender in connection with Advances. Except for demonstrable error, the Revolving Credit Account shall be conclusive as to all amounts owing by the Borrower to the Lender in connection with and on account of Advances.

(f) Voluntary Prepayments; Voluntary Termination. Within the limitations set forth herein and subject to the provisions of this Agreement, the Borrower may prepay any Advance in whole or in part, from time to time without premium or penalty (provided, however, that in the event that the Borrower enters into any Hedge Agreement, any prepayment will be subject to payment of Breakage Costs as set forth therein). Any permitted prepayment need not be accompanied by payment of interest on the amount prepaid except, that any prepayment of Advances which constitutes a final payment of all Advances shall be accompanied by payment of all interest thereon accrued through the date of prepayment.

(g) AutoBorrow. Notwithstanding anything contained herein to the contrary, so long as the Borrower opts to use the Lender's "AutoBorrow" program and has executed and delivered to the Lender an AutoBorrow Service Agreement (which AutoBorrow Service Agreement remains in full force and effect), all Advances to be made hereunder shall be made in accordance with, and all interest accrued on such Advances and all repayments of such Advances shall be payable at the times and in the manner provided for in, the AutoBorrow Service Agreement. To the extent that any of the provisions of Section 1.2(a) through 1.2(f) hereof are inconsistent with provisions of the AutoBorrow Service Agreement, the provisions of the AutoBorrow Service Agreement shall govern. Any Advances made to the Borrower under the AutoBorrow Service Agreement shall nonetheless be deemed to be an Advance hereunder, subject to all other terms hereof.

1.3 Additional Provisions.

(a) Interest Calculation. All interest and fees payable under the provisions of this Agreement or the Note shall be computed on the basis of actual number of days elapsed over a year of 360 days.

(b) Late Charges. If the Borrower fails to make any payment of principal, interest, prepayments, fees or any other amount becoming due pursuant to the provisions of this Agreement or the Note (other than the final principal payment due upon maturity), within fifteen (15) days of the date due and payable, the Borrower shall pay to the Lender a late charge equal to five percent (5%) of the amount of such payment. Such 15-day period shall not be construed in any way to extend the due date of any such payment. Late charges are imposed for the purpose of defraying the Lender's expenses incident to the handling of delinquent payments, and are in addition to, and not in lieu of, the exercise by the Lender of any rights and remedies hereunder or under applicable laws and any fees and expenses of any agents or attorneys which the Lender may employ upon the occurrence of an Event of Default.

(c) Payments. Whenever any payment to be made by the Borrower under the provisions of this Agreement or the Note is due on a day which is not a Business Day, the due date thereof shall be extended to the next succeeding Business Day and, in the case of any payment which bears interest, such extension of time shall be included in computing interest on such payment. All payments of principal, interest, fees or other amounts to be made by the Borrower under the provisions of this Agreement or the Note shall be paid without set-off or counterclaim to the Lender at the Lender's office at 1101 Wooton Parkway, 4th Floor, Rockville, Maryland 20852, in lawful money of the United States of America in immediately available funds.

(d) Interest On Overdue Amounts. If the principal of or interest on, the Note or any other amount required to be paid to the Lender hereunder or under the Note is not paid within fifteen (15) days after the date when the same becomes due and payable, whether by acceleration or otherwise, the Borrower shall on demand from time to time pay to the Lender interest on such principal, interest or other amount from the date due until the date of payment (after as well as before any judgment) at a rate per annum equal to the Default Rate.

(e) Collateral.

(1) In order to secure the full and punctual payment of the Obligations in accordance with the terms thereof, and to secure the performance of this Agreement and the other Financing Documents, the Borrower (i) ratifies and confirms all of its obligations under the U.K. Security Agreement, and agrees that the U.K. Security Agreement remains the valid and binding obligation of the Borrower, enforceable in accordance with its stated terms and, in addition, and (ii) as a supplement thereto, hereby pledges and assigns to the Lender, and grants to the Lender a continuing lien and security interest in and to the Collateral, both now owned and existing and hereafter created, acquired and arising and regardless of where located.

(2) Any future Subsidiary shall (within ten (10) business days after the Borrower's acquisition or creation thereof) execute and deliver a Subsidiary Guaranty, a Subsidiary Security Agreement, together with such financing statements and other related documents and instruments as the Lender shall require in order to create, perfect, or protect the security interests described therein.

(f) Automatic Debit. To ensure timely payment of all interest and other sums due hereunder, the Borrower hereby authorizes and instructs the Lender to either (i) debit, on the due date thereof, demand deposit account no. 3921313844 maintained at the Lender for the amount then due, or (ii) at the Lender's option, cause an Advance to be made sufficient to pay the amount then due.

SECTION 2. Conditions Precedent.

2.1. Initial Advance. The Lender shall not be required to make the initial Advance, unless the following conditions precedent have been satisfied in a manner reasonably acceptable to the Lender and its counsel:

(a) Borrower's Organizational Documents. The Lender shall have received (i) a copy, certified as of a recent date by the jurisdiction of the Borrower's state or country of organization of the Borrower, of the Borrower's Charter and Bylaws, and all amendments thereto, (ii) to the extent available, a Certificate of Good Standing (or similar document) for such Borrower issued by the jurisdiction of the Borrower's state or country of organization, and (iii) a copy, certified to the Lender as true and correct as of the date hereof by such Borrower, of the resolutions of the Borrower authorizing the execution and delivery of this Agreement and the other Financing Documents to which the Borrower are a party and designating by name and title the officers of the Borrower who are authorized to sign this Agreement and such other Financing Documents for and on behalf of the Borrower and to make the borrowings hereunder.

(b) Lists of Locations, Etc. The Borrower shall have delivered to the Lender a list showing the street address, city or county and state of the Borrower's chief executive office and of any other location where the Borrower conducts or has a place of business;

(c) Insurance. The Borrower shall have delivered to the Lender copies of such insurance policies as the Lender shall reasonably require;

(d) Searches. The Lender shall have received the results of a search by an attorney or company satisfactory to the Lender of the Uniform Commercial Code filings with respect to the Borrower in their jurisdiction of organization or in which any Personal Property is or will be located, accompanied by copies of such filings, if any, and evidence satisfactory to the Lender that any security interest or other lien indicated in any such filing has or will be released or is permitted by the Lender;

(e) Opinions. The Lender shall have received the written opinion of counsel of the Borrower reasonably satisfactory in form and content to the Lender, opining, among other things, that the Borrower are duly organized, validly existing and in good standing, that the Financing Documents executed and delivered by the Borrower has been duly authorized by all requisite corporate action, and that the Financing Documents executed and delivered by the Borrower constitute the legal, valid, binding, and enforceable obligations of the Borrower, enforceable against the Borrower in accordance with the terms thereof, subject to customary exceptions and limitations reasonably acceptable to the Lender.

(f) Financing Documents. The Lender shall have received each of the Financing Documents required by the Lender to be executed and delivered prior to the making of the initial Advance.

(g) Due Diligence. The Lender shall have received and reviewed such financial information and other due diligence reports as the Lender shall reasonably require.

(h) Additional Documents. The Borrower shall have furnished in form and content acceptable to the Lender any additional documents, agreements, certifications, record searches, insurance policies or opinions which the Lender may reasonably deem necessary or desirable.

2.2 All Advances. No Advances, including the initial Advance, shall be made, until compliance to the satisfaction of the Lender with all of the following conditions at the time of and with respect to each Advance:

(a) Representations and Warranties. No representation or warranty made in or in connection with this Agreement and the other Financing Documents shall be untrue, incorrect or incomplete in all material respects on and as of the date of any Advance as if made on such date, specifically including without limitation the Borrower's representation and warranty as to the purpose of each Advance as set forth in Section 3.13 hereof; and

(b) Event of Default or Default. No Event of Default or Default shall have occurred and be continuing.

SECTION 3. Representations and Warranties. The Borrower represents and warrants to the Lender that, except as specifically set forth on Schedule 3 attached hereto, the following statements are true, correct and complete as of the date hereof and as of each date any Advance is to be made hereunder:

3.1. Authority, Etc. The Borrower is duly organized and in good standing under the laws of their state or country of incorporation, and are qualified to do business in all states where the Borrower does business. The Borrower has the full power and authority to execute, deliver and perform this Agreement and the other Financing Documents to which the Borrower is a party. Neither such execution, delivery and performance, nor compliance by the Borrower with the provisions of this Agreement and of the other Financing Documents to which the Borrower is a party will conflict with or result in a breach or violation of the Borrower's certificates of formation, articles of organization or operating agreement, or any judgment, order, regulation, ruling or law to which the Borrower is subject or any contract or agreement to which the Borrower is a party or to which the Borrower's assets and properties is subject, or constitute a default thereunder. The execution, delivery and performance of this Agreement and all other Financing Documents to which the Borrower is a party have been duly authorized and approved by all necessary action by the Borrower and constitutes the legal, valid and binding obligations of the Borrower, enforceable in accordance with their terms except as enforceability may be limited by bankruptcy, insolvency or similar laws affecting the enforcement of creditors' rights generally.

3.2. Litigation. There is no litigation or proceeding pending or, to the knowledge of any representative of the Borrower signing this Agreement on behalf of the Borrower, threatened against or affecting the Borrower which might materially adversely affect the business, financial condition or operations of the Borrower or the ability of the Borrower to perform and comply with this Agreement or the other Financing Documents to which the Borrower is a party.

3.3. No Subsidiaries. The Borrower does not directly or indirectly own or control securities or other ownership interests in any corporation, partnership, association, organization or other business entity representing more than 50% of the ordinary voting power thereof. This information will be updated in writing by the Borrower as of the date of the formation or acquisition of each new Subsidiary.

3.4. Financial Condition. The Borrower has heretofore furnished to the Lender certain financial statements. Such financial statements and all other financial statements and information furnished or to be furnished to the Lender hereunder have been and will be prepared in accordance with generally accepted accounting principles (subject to year-end adjustments and the omission of footnote information) and fairly present the financial condition of the Borrower as of the dates thereof and the results of the Borrower's operations for the periods covered thereby. No material adverse change in the business, financial condition, prospects or operations of the Borrower has occurred since the date of such financial statements. The Borrower does not have any indebtedness or liabilities other than that reflected on such financial statements or expressly permitted by the provisions of this Agreement, and accounts payable incurred in the ordinary course of business since the date of such financial statements. The Borrower is not in default under any obligation for borrowed money.

3.5. Taxes. The Borrower has filed all federal, state and local income, excise, property and other tax returns which are required to be filed and have paid all taxes as shown on such returns or assessments received by the Borrower (including, without limitation, all F.I.C.A. payments and withholding taxes, if appropriate), except for such taxes, if any, as are being contested in good faith and as to which adequate reserves have been provided. No tax liens have been filed and no claims are being asserted with respect to such taxes or assessments.

3.6. Borrower's Name. The correct legal name of the Borrower is those specified on the signature page of this Agreement. The Borrower has conducted business under their legal name since their date of formation. The Borrower does not do business under any trade or fictitious names.

3.7. Compliance with Laws. (a) To the knowledge of the Borrower, Borrower is not in violation of any applicable federal, state or local law, statute, rule, regulation or ordinance and has not received any notice of, and is not the subject of, any investigation or complaint alleging that the Borrower or any other property owned, leased, operated or used by the Borrower is in violation of any such law, statute, rule, regulation or ordinance, including, without limitation, Environmental Laws other than violations that will not have a material adverse effect on the business, operations or financial condition of the Borrower.

(b) To the actual knowledge of the Borrower, no Hazardous Materials have been used, located, installed, spilled, treated, released or stored on, under or from any property in or on which the Borrower conducts its operations except for those which have been handled in a manner not prohibited by applicable Environmental Laws or which will not have a material adverse effect on the business, operations or financial condition of the Borrower.

3.8. Federal Reserve Board Regulations. No part of the proceeds of the Advances will be used for any purpose which entails a violation of Regulations U, T or X of the Board of Governors of the Federal Reserve System of the United States (the "Board").

3.9. ER1SA. No Plan maintained by the Borrower or any trade or business group with which the Borrower is affiliated subject to the requirements of ERISA has been terminated, no lien exists against the Borrower in favor of the PBGC, and no "reportable event" (as such term is defined in ERISA) has occurred with respect to any such Plan. The Borrower has not incurred any "accumulated funding deficiency" within the meaning of ERISA or any liability to the PBGC in connection with any Plan. Borrower doeses not have any withdrawal or other liability (absolute, contingent or otherwise) with respect to any multi-employer plan as defined by Section 3(37) of ERISA. The Borrower has complied with in all material respects all provisions of ERISA and with all provisions of any Plan sponsored, maintained by, or contributed to, by the Borrower.

3.10. Licenses, etc. The Borrower has obtained and now hold all material licenses, permits, franchises, patents, trademarks, copyrights and trade names which are necessary to the conduct of the business of the Borrower as now conducted free of any conflict with the rights of any other person.

3.11. Labor Matters. Except as disclosed in writing to the Lender, the Borrower is not subject to any collective bargaining agreements or any agreements, contracts, decrees or orders requiring the Borrower to recognize, deal with or employ any persons organized as a collective bargaining unit or other form of organized labor. There are no strikes or other material labor disputes pending or, to the knowledge of the Borrower, threatened against the Borrower. The Borrower has complied in all material respects with the Fair Labor Standards Act.

3.12. Accuracy of Information. To the knowledge of the Borrower, no information, exhibit, report, statement, certificate or document furnished by the Borrower to the Lender in connection with this Agreement or the other Financing Documents or the negotiation thereof contains any material misstatement of fact or omitted to state a material fact or any fact necessary to make the statements contained herein or therein not misleading.

3.13. Purpose of Advance. Each Advance requested by the Borrower is for the sole purpose of covering short-term (i.e. less than 5 Business Days) timing difference on foreign currency trades attributable to the clearing process, and not for working capital or any other purpose.

3.14. Title to Properties and Collateral. The Borrower has good and marketable title to all of the Borrower's assets and properties, including, without limitation, the Collateral, and such assets and properties are subject to no liens, security interests or other encumbrances except for those of the Lender or other Permitted Liens.

3.15. Controlling Interests: Bank Secrecy Act, Etc. (a) No person who owns a controlling interest in or otherwise controls the Borrower is (i) listed on the Specially Designated Nationals and Blocked Persons List maintained by the Office of Foreign Assets Control ("OFAC"), Department of the Treasury, and/or any similar lists maintained by OFAC pursuant to any statute, execution order, or regulation, or (ii) a Person designated under Section 1(b), (c) or (d) of Execution Order No. 13224 (September 23, 2001), any related enabling legislation, or any similar executive orders, and (b) Borrower is in compliance with all Bank Secrecy Act ("BSA") laws, regulations, and government guidance on BSA compliance and on the prevention and detection of money laundering violations.

SECTION 4. Affirmative Covenants. The Borrower covenants and agrees with the Lender that so long as any of the Obligations (or commitments therefor) shall be outstanding:

4.1. Payment of Obligations. The Borrower shall punctually pay the principal of and interest on the Advances and the other Obligations, at the times and places, in the manner and in accordance with the terms of this Agreement, the Note and the other Financing Documents.

4.2. Financial Statements and Other Reports. The Borrower will be required to maintain at all times a system of accounting established and administered in accordance with sound business practices, and will deliver, or cause to be delivered, to the Lender (in form and substance satisfactory to the Lender in all respects):

(a) Annual Financial Statements. Within one hundred twenty (120) days of the end of each fiscal year of IAHC (or as otherwise required by the SEC), the annual consolidated (if applicable) financial statement of IAHC (including statements of financial condition, income, profits and loss, cash flows and changes in members' equity) audited by independent certified public accountants reasonably satisfactory to the Lender, prepared in accordance with GAAP;

(b) Quarterly Financial Statements. Within forty-five (45) days after the end of each calendar quarter, the consolidated balance sheets and income statements of IAHC prepared by an authorized financial officer of the Borrower and showing the financial condition (including statements of financial condition, income, profits and loss, cash flows and changes in members' equity) of IAHC as of the end of such quarter and the results of operations of IAHC from the beginning of the current calendar year of IAHC to the end of such quarter, prepared in accordance with GAAP;

(c) ERISA Reports. Promptly after filing, a copy of each annual report filed in respect of any Plan subject to ERISA.

(d) Other Information. Promptly upon request of the Lender such other information, reports or documents respecting the business, properties, operation or financial condition of the Borrower as the Lender may at any time and from time to time reasonably request.

4.3. Conduct of Business and Maintenance of Existence. The Borrower shall continue to engage in business of the same general type as now being conducted by the Borrower, and do and cause to be done all things necessary to maintain and keep in full force and effect its corporate existence in good standing in each jurisdiction in which it conducts business.

4.4. Compliance with Laws.

(a) The Borrower shall comply in all material respects with all laws, statutes, ordinances, orders, rules or regulations applicable to the Borrower or to any other property owned, leased, operated or used by the Borrower, including, without limitation, Environmental Laws.

(b) The Borrower will not use, locate, install, spill, treat, release or store Hazardous Materials on, under or from any property owned, leased, operated or used by the Borrower unless such Hazardous Materials are handled in a manner not prohibited by applicable Environmental Laws and are handled in a manner and in such quantities that would not constitute a hazard to the environment or human health and safety or subject the Borrower to any prosecution or material liability in connection therewith. The Borrower will dispose of all Hazardous Materials only at facilities and/or with carriers that maintain governmental permits under applicable Environmental Laws. The Borrower shall promptly, at the cost and expense of the Borrower, take all action necessary or required by Environmental Laws to remedy or correct any violation of Environmental Laws by the Borrower, or by any other property owned, leased, used or operated by the Borrower.

4.5. Payment of Liabilities and Taxes. The Borrower shall pay, when due, all of their indebtedness and liabilities, and pay and discharge promptly all taxes, assessments and governmental charges and levies (including, without limitation, F.I.C.A. payments and withholding taxes) upon the Borrower or upon the Borrower's income, profits or property, except to the extent the amount or validity thereof is contested in good faith by appropriate proceedings so long as adequate reserves have been set aside therefor.

4.6. Contractual Obligations. The Borrower shall comply with any agreement or undertaking to which the Borrower is a party and maintain in full force and effect all contracts and leases to which the Borrower is or become a party unless the failure to do so would not have a material adverse effect on the business, operation, properties or financial condition of the Borrower.

4.7. Insurance. The Borrower shall maintain with financially sound, well rated and reputable insurance companies insurance in such amounts and covering such risks as is consistent with sound business practice, and in any event as is ordinarily and customarily carried by companies similarly situated and in the same or similar businesses as the Borrower. The

Borrower will pay, when due, all premiums on such insurance and will furnish to the Lender, upon request, evidence of payment of such premiums and other information as to the insurance carried by the Borrower. Such insurance shall include, as applicable and without limitation, (a) comprehensive fire and extended coverage insurance on the physical assets and properties of the Borrower against such risks, with such loss deductible amounts and in such amounts not less than those which may be satisfactory to the Lender but in all events conforming to prudent business practices and in such minimum amounts that the Borrower will not be deemed a co-insurer under applicable insurance laws, regulations, policies and practices, and (b) public liability insurance against claims for personal injury or death or property damage occurring upon, in, about or in connection with the use of any properties owned, occupied or controlled by the Borrower, and (c) worker's compensation insurance (as applicable).

4.8. Inspection. The Borrower shall permit the Lender, by its representatives and agents, to inspect any of the properties, books and financial records of the Borrower, to examine and make copies of the books of accounts and other financial records of the Borrower, and to discuss the affairs, finances and accounts of the Borrower with, and to be advised as to the same by, the Borrower (or its representatives) at such reasonable times and intervals as the Lender may designate.

4.9. Notice. Promptly give written notice to the Lender of (a) the occurrence of any Default or Event of Default or any event, development or circumstance which might materially adversely effect the business, operations, properties or financial condition of the Borrower, (b) any litigation instituted or threatened against the Borrower or any judgment against the Borrower where claims against the Borrower exceed $50,000 and are not covered in full by insurance, and (c) the occurrence of any "reportable event" within the meaning of ERISA or any assertion of liability of the Borrower by the PBGC.

4.10. Collection of Accounts. The Borrower shall, subject to the provisions of Section 4.14 hereof, collect its Accounts only in the ordinary course of business, and shall not, except in the ordinary course of its business, without the Lender's prior written consent, compromise or adjust the amount of any Account or extend the time for payment of any Account.

4.11. Further Assurances. The Borrower shall defend the security interest and lien of the Lender on the Collateral against all persons and against all security interests and liens on the Collateral adverse to those of the Lender. The Borrower will, from time to time, at the expense of the Borrower, execute, deliver, acknowledge and cause to be duly filed, recorded or registered any statement, assignment, instrument, paper, agreement or other document and take any other action that from time to time may be necessary or desirable, or that the Lender may reasonably request, in order to create, preserve, continue, perfect, confirm or validate the security interest and lien of the Lender on the Collateral or to enable the Lender to obtain the full benefits of this Agreement or to exercise and enforce any of its rights, powers and remedies hereunder or under applicable laws. The Borrower shall pay all costs of, and incidental to, the filing, recording or registration of any such document as well as any recordation, transfer or other tax required to be paid in connection with any such filing, recordation or registration. The Borrower hereby covenants to save harmless and indemnify the Lender from and against any liability resulting from the failure to pay any required documentary stamps, recordation and transfer taxes and

recording costs incurred by the Lender in connection with this Agreement or the Collateral which covenant shall survive the termination of this Agreement and the payment of all other Obligations. The Borrower agrees that a carbon, photographic, photostatic or other reproduction of this Agreement or of a financing statement signed by the Borrower in connection with this Agreement shall be sufficient as a financing statement. If, in the reasonable opinion of the Lender, any Equipment is or may become a part of any real estate owned or leased by the Borrower, the Borrower will, upon the request of the Lender, furnish to the Lender in form and content satisfactory to the Lender, a landlord's waiver by the record owner of such real estate and a mortgagee's waiver by any person who has a security interest or lien on such real estate which is or may be superior to the security interest and lien of the Lender on such Equipment. If any Collateral is or becomes the subject of any registration certificate, certificate of deposit or negotiable document of title, including any warehouse receipt or bill of lading, the Borrower shall immediately deliver such document to the Lender, together with any necessary endorsement.

4.14. Collections.

(a) The Borrower shall notify and direct all account debtors promptly following written request by the Lender to make all payments on or in respect of Accounts and/or the sale or lease of Inventory (other than electronic funds transfers) directly to an account in the name of the Borrower to be maintained at the Lender (the "Collection Account"). So long as no Event of Default has occurred, the Borrower may continue to permit electronic payments to be made to the Borrower's operating accounts (collectively, the "Operating Accounts"), provided, however, that at the end of each Business Day, amounts remaining in the Operating Accounts will be swept into the Collection Account. The Borrower hereby authorizes the Lender to receive, endorse and/or deposit into the Collection Account in the name of the Lender or in the name of the Borrower any and all cash, checks, drafts and other remittances received by the Lender on or in respect of Accounts and/or the sale or lease of Inventory and the Borrower hereby waive notice of presentment, protest and non-payment of any such checks, drafts or other remittances. In the event that the Borrower directly receives any cash, checks, drafts or other remittances on or in respect of Accounts and/or the sale or lease of Inventory, the Borrower shall promptly deliver the same to the Lender for deposit to the Collection Account. Pending such deposit, the Borrower will not commingle any such cash, checks, drafts or other remittances with other funds and property but will hold them separate and apart in trust for the Lender subject to the security interests hereunder. Until such authority is terminated by the Lender pursuant to subsection (b) below, the Borrower shall have the authority to withdraw funds from the Collection Account and use the same for the Borrower's general business purposes so long as such use is not inconsistent with the provisions of this Agreement. Until an Event of Default exists or occurs, the Lender, on each Business Day, or if an AutoBorrow Service Agreement is then in effect, on each Autoborrow Business Day, will apply all finally collected funds on deposit to the Collection Account to the unpaid principal amount of Advances then outstanding.

(b) At any time while an Event of Default shall be continuing, the Lender may (1) terminate the authority of the Borrower to receive electronic payments into the Operating Accounts, whereupon all account debtors shall be directed to remit all payments directly to the Collection Account, and (2) terminate the authority of the Borrower to withdraw funds from the

Collection Account whereupon (i) the Collection Account will automatically convert into an account over which the Lender has exclusive dominion, control and power of access and withdrawal, and, for that purpose, the Lender is hereby authorized to take all appropriate actions to block the Borrower's access to the Collection Account, including without limiting the generality of the foregoing, denying electronic access and returning unpaid any checks, drafts or other instruments theretofore or thereafter issued by the Borrower and drawn upon the Collection Account, all without any liability whatsoever on the part of the Lender to the Borrower or to any other person for having done so, (ii) any cash, checks, drafts or other remittances on or in respect of Accounts and/or the sale or lease of Inventory received by the Borrower and held in trust for the Lender as above provided shall be immediately delivered to the Lender for deposit to the Collection Account in precisely the form received, except for the addition thereto of the endorsement of the Borrower where required for collection of any such checks, drafts or other remittances which endorsement the Borrower agrees to make and with respect to such checks, drafts and other remittances the Borrower waives notice of presentment, protest and non-payment and (iii) the Lender shall have the right at any time and from time to time to apply funds held by it in the Collection Account to the payment of all or any part of the Obligations, whether matured or unmatured, in such order and manner as the Lender may determine in its sole discretion.

4.15. Guarantor's Compliance with Reporting and Financial Covenants. The Borrower shall at all times cause the Guarantor promptly to comply with all of the Guarantor's obligations under the Guaranty, specifically including, without limitation, the Guarantor's obligations to honor the reporting and financial covenants set forth in Section 18 of the Guaranty, entitled "Guarantor's Covenants".

SECTION 5. Negative Covenants. The Borrower covenants and agrees with the Lender that so long as any of the Obligations (or commitments therefor) shall be outstanding:

5.1. Indebtedness. The Borrower shall not create, incur, assume or permit to exist any indebtedness (including Capital Leases) except (a) indebtedness to the Lender, (b) other indebtedness or lines of credit existing on the date hereof or expressly permitted by the provisions hereof or the Negative Pledge, (c) indebtedness incurred by the endorsement of negotiable instruments for deposit or collection in the ordinary course of business, (d) indebtedness incurred in the ordinary course of business which is unsecured and consists of open accounts extended by suppliers on normal trade terms in connection with the purchase of goods and services, (e) Capital Leases providing for payments not in excess of $100,000 per annum, (f) indebtedness, congruent with the Borrower's businesses, secured by transaction-specific collateral, provided the Lender is provided with prior written notice of the same, (g) indebtedness to any of the Borrower's affiliates in the ordinary course of business, and (h) debt fully and unconditionally subordinated to the Obligations upon terms and conditions satisfactory to the Lender.

5.2. Liens. The Borrower shall not create, incur, assume or permit to exist any lien, security interest or encumbrance of any nature whatsoever on the Borrower's property or assets, both now owned and hereafter acquired, except for (a) any lien or security interest hereafter securing all or any part of the Obligations, (b) any lien, security interest or encumbrance existing

on the date hereof which was immediately prior hereto disclosed to, and approved by, the Lender in writing, (including those created to secure the obligations of Global Currencies to the Lender), (c) any lien, security interest or other encumbrance subsequently approved by the Lender in writing after the date hereof, (d) liens for taxes not delinquent or for taxes being diligently contested by Borrower in good faith and for which adequate reserves are maintained, (e) mechanic's, artisan's, materialmen's or other similar liens arising in the ordinary course of business, and (f) any deposit of funds made in the ordinary course of business to secure obligations of the Borrower under workers compensation laws or similar laws or to secure public or statutory obligations in connection with bids, tenders, contracts, leases, or subleases. Any lien, security interest or encumbrance permitted by this subsection is called a "Permitted Lien."

5.3. Loans and Investments. The Borrower shall not make or permit to remain outstanding any loan or advance to, provide any guaranty for, or make or own any investment in, any person in excess of $100,000.

5.4 Mergers, Acquisitions, Etc. Except as agreed to in advance, in writing by the Lender, the Borrower shall not enter into any merger or consolidation or acquire or purchase all or substantially all of the assets, properties or stock or ownership interests of any other person having a transactional value in excess of $2,500,000 without the prior written consent of the Lender, except that the Borrower may form or acquire subsidiaries if such subsidiaries become jointly and severally liable hereunder and grant the collateral security interest contemplated by Section 1.3(e)(2) hereof within the time limits required thereby, all upon terms and conditions satisfactory to the Lender.

5.5. Sale of Assets and Liquidation. Other than in the ordinary course of their businesses, the Borrower shall not sell, lease or otherwise dispose of, in one transaction or a series of transactions, all or any substantial part of its business, assets or properties, or take any action to liquidate, dissolve or wind up the Borrower or its business.

5.6. Change of Business. The Borrower shall not enter into any business other than the financial services business without the consent of the Lender.

5.7. Change of Name, Location, Etc. The Borrower shall not (a) change its legal name, identity, structure or jurisdiction of organization, (b) change the location of its chief executive office or its chief place of business, (c) change the location where it keeps its records, or (d) open a new place of business, unless the Borrower shall have given the Lender prior written notice thereof.

5.8. Fiscal year. The Borrower shall not change its fiscal year.

5.9. Affiliates. The Borrower shall not enter into or participate in any transaction with an affiliate except on terms and at rates no more favorable than those which would have prevailed in an arm's length transaction between unrelated third parties.

5.10. ERISA. The Borrower shall not engage in any "prohibited transaction" (as such term is defined by ERISA), incur any "accumulated funding deficiency" (as such term is defined by ERISA) whether or not waived, or terminate any Plan in a manner which could result in the imposition of a lien on any property of the Borrower pursuant to the provisions of ERISA.

5.11. Sale and Leaseback. Enter into any arrangement whereby a Borrower sells or transfers all or a substantial part of its fixed assets then owned by it and thereupon, or within one (1) year thereafter, rents or leases the assets so sold or transferred from the purchaser or transferee (or their respective successors and assigns).

SECTION 6. Events of Default. The occurrence of any one or more of the following events shall constitute a default under the provisions of this Agreement, and the term "Event of Default" shall mean, whenever it is used in this Agreement, any one or more of the following events (and the term "Default" as used herein means one or more of the following events, whether or not any requirement for the giving of notice, the lapse of time, or both has been satisfied):

6.1. Payment of Obligations. The failure of the Borrower to pay any of the Obligations as and when the same becomes due and payable in accordance with the provisions of this Agreement, the Note and/or any of the other Financing Documents, whether at the due date thereof or at a date fixed for prepayment thereof or by acceleration thereof;

6.2. Perform, etc. Certain Provisions of this Agreement. The failure of the Borrower to perform, observe or comply with any of the provisions of Section 5 of this Agreement;

6.3. Perform, etc. Other Provisions of This Agreement. The failure of the Borrower to perform, observe or comply with any of the provisions of this Agreement other than those covered by Sections 6.1 and 6.2 above, and such failure is not cured to the satisfaction of the Lender within a period of thirty (30) days after the date of written notice thereof by the Lender to the Borrower, unless such failure is capable of being cured and Borrower is diligently pursuing such a cure;

6.4. Representations and Warranties. If any representation and warranty contained herein or any statement or representation made in any certificate or any other written information at any time given by or on behalf of the Borrower or furnished in connection with this Agreement or any of the other Financing Documents shall prove to be false, incorrect or misleading in any material respect on the date as of which made, and any such representation or warranty which, in the reasonable opinion of the Lender, is capable of being cured is not cured to the satisfaction of the Lender within thirty (30) days after the date of written notice thereof by the Lender to the Borrower;

6.5. Default under Other Financing Documents. The occurrence of a default (as defined and described therein) under the provisions of the Note, the Guaranty or any of the other Financing Documents which is not cured within applicable cure periods, if any;

6.6. Liquidation, Termination, Dissolution, etc. If the Borrower shall liquidate, dissolve or terminate their existence;

6.7. Default under Other Indebtedness. If the Borrower shall default in any payment of (a) any indebtedness owing to the Lender, including, without limitation, the indebtedness evidenced by that Credit Agreement, dated as of September 15, 2005, by and between the Lender IAHC, the Borrower, and others, as amended from time to time or (b) an indebtedness in excess of $50,000 owing to any other party beyond the period of grace, if any, provided in the instrument or agreement under which such indebtedness was created, or default in the observance or performance of any other agreement or condition relating to any such indebtedness or contained in any instrument or agreement evidencing, securing or relating thereto, or any other event shall occur the effect of which default or other event is to cause or to permit the holder or holders of such indebtedness or beneficiary or beneficiaries of such indebtedness (or a trustee or agent on behalf of such holder or holders or beneficiary or beneficiaries) to cause, with the giving of notice, if required, such indebtedness to become due prior to its stated maturity;

6.8. Attachment. The issuance of any attachment or garnishment against property or credits of any Borrower for an amount in excess, singly or in the aggregate, of $50,000, which shall not have been vacated, discharged, stayed or bonded pending appeal within 30 days after the issuance thereof;

6.9. Judgments. One or more judgments or decrees shall be entered against any Borrower involving in the aggregate a liability in excess of $50,000, and all such judgments or decrees shall not have been vacated, discharged, stayed or bonded pending appeal within 30 days after the entry thereof;

6.10. Inability to Pay Debts, etc. If any Borrower shall admit its inability to pay its debts as they mature or shall make any assignment for the benefit of any of its creditors;

6.11. Bankruptcy. If proceedings in bankruptcy, or for reorganization of any Borrower, or for the readjustment of any of the Borrower's debts, under the United States Bankruptcy Code (as amended) or any part thereof, or under any other applicable laws, whether state or federal, for the relief of debtors, now or hereafter existing, shall be commenced against or by the Borrower and, except with respect to any such proceedings instituted by the Borrower, shall not be discharged within forty-five (45) days of their commencement;

6.12. Receiver, etc. A receiver or trustee shall be appointed for any Borrower or for any substantial part of the Borrower's assets, or any proceedings shall be instituted for the dissolution or the full or partial liquidation of the Borrower and, except with respect to any such appointments requested or instituted by the Borrower, such receiver or trustee shall not be discharged within forty-five (45) days of his or her appointment, and, except with respect to any such proceedings instituted by the Borrower, such proceedings shall not be discharged within forty-five (45) days of their commencement;

6.13. Change in Ownership or Control. The majority ownership or voting control of the Borrower is directly or indirectly sold, assigned, transferred, encumbered or otherwise conveyed without the prior written consent of the Lender, which consent shall not be unreasonably withheld;

6.14. Financial Condition. The occurrence of any change in the financial condition of the Borrower which in the good faith judgment of the Lender is materially adverse, and any such change is not cured to the reasonable satisfaction of the Lender within thirty (30) days after the date of written notice thereof by the Lender to the Borrower.

SECTION 7. Rights and Remedies.

7.1. Rights and Remedies. If any Event of Default shall occur and be continuing, the Lender may (i) declare the Credit Facilities hereunder and any obligation or commitment of the Lender hereunder to make Advances to the Borrower to be terminated, whereupon the same shall forthwith terminate, and (ii) declare the unpaid principal amount of the Note, together with accrued and unpaid interest thereon, and all other Obligations then outstanding to be immediately due and payable, whereupon the same shall become and be forthwith due and payable by the Borrower to the Lender, without presentment, demand, protest or notice of any kind, all of which are expressly waived by the Borrower; provided that in the case of any Event of Default referred to in Sections 6.11 or 6.12 above, the Credit Facilities hereunder and any obligation or commitment of the Lender hereunder to make Advances to the Borrower shall immediately and automatically terminate and the unpaid principal amount of the Note, together with accrued and unpaid interest thereon, and all other Obligations then outstanding shall be automatically and immediately due and payable by the Borrower to the Lender without notice, presentment, demand, protest or other action of any kind, all of which are expressly waived by the Borrower.

Upon the occurrence and during the continuation of any Event of Default, then in each and every case, the Lender shall be entitled to exercise in any jurisdiction in which enforcement thereof is sought, the following rights and remedies, in addition to the rights and remedies available to the Lender under the other provisions of this Agreement and the other Financing Documents, the rights and remedies of a secured party under the Uniform Commercial Code and all other rights and remedies available to the Lender under applicable law, all such rights and remedies being cumulative and enforceable alternatively, successively or concurrently:

(a) The Lender shall have the right to exercise all rights available to it under the U.K. Security Agreement, without limitation.

(b) The Lender shall have the right to take possession of the Collateral, and for that purpose, so far as the Borrower may give authority therefor or to the extent permitted under applicable laws, to enter upon any premises on which the Collateral or any part thereof may be situated and remove therefrom all or any of the Collateral without any liability for suit, action or other proceeding. THE BORROWER HEREBY WAIVES ANY AND ALL RIGHTS TO PRIOR NOTICE AND TO JUDICIAL HEARING WITH RESPECT TO REPOSSESSION OF COLLATERAL, and require the Borrower, at the Borrower's expense, to assemble and deliver all or any of the Collateral to such place or places as the Lender may designate.

(c) The Lender shall have the right to operate, manage and control all or any of the Collateral (including use of the Collateral and any other property or assets of the Borrower in order to continue or complete performance of the Borrower's obligations under any contracts of

Borrower), or permit the Collateral or any portion thereof to remain idle or store the same, and collect all rents and revenues therefrom and sell, lease or otherwise dispose of any or all of the Collateral upon such terms and under such conditions as the Lender, in its sole discretion, may determine, and purchase or acquire any of the Collateral at any such sale or other disposition, all to the extent permitted by applicable law. Any purchaser or lessee of any of the Collateral so sold or leased shall hold the property so sold or leased free from any claim or right of the Borrower and the Borrower hereby waives (to the extent permitted by law) all rights of redemption, stay or appraisal with respect thereto. The Lender and the Borrower agree that commercial reasonableness and good faith require the Lender to give to the Borrower no more than five (5) days prior written notice of any public sale or other disposition of the Collateral or of the time after which any private sale or other disposition of the Collateral is to be made.

(d) The Lender shall have the right, and the Borrower hereby irrevocably designates and appoints the Lender and its designees as the attorney-in-fact of the Borrower, with power of substitution and with power and authority in the Borrower's name, the Lender's name or otherwise and for the use and benefit of the Lender (i) to notify persons obligated to make payments or other remittances on or with respect to the Collateral to make such payments and other remittances directly to the Lender, (ii) to demand, collect, sue for, take control of, compromise, settle, change the terms of, release, exchange, substitute, extend, renew or otherwise deal with, the Collateral or any person obligated on or under the Collateral in any manner as the Lender may deem advisable, (iii) to remove from any place of business of the Borrower copies of (or, if deemed by the Lender to be reasonably necessary, originals of) all records in respect of the Collateral and, at the cost and expense of the Borrower, to make use of any place of business of the Borrower as may be necessary or desirable to administer, control, collect, sell or otherwise dispose of the Collateral, (iv) to receive and endorse the Borrower's name on any checks, drafts, money orders or other instruments of payment relating to any of the Collateral, (v) to sign any proofs of claim or loss, (vi) to commence, prosecute or defend any action, suit or proceeding relating to the Collateral or the collection, enforcement or realization upon the Collateral, (vii) to adjust and compromise any claims under insurance policies, and (viii) to use, sell, assign, transfer, pledge, make any agreement with respect to or otherwise deal with any or all of the Collateral and to do all other acts and things necessary to carry out this Agreement as though the Lender were absolute owner of the Collateral. This power of attorney, being coupled with an interest, is irrevocable and all acts by the Lender and its designees pursuant thereto are hereby ratified and confirmed by the Borrower. Neither the Lender nor any of its designees shall be liable for any acts of commission or omission, nor for any error of judgment or mistake of fact or law other than acts of actual fraud or gross negligence. The provisions of this subsection shall not (x) be construed as requiring or obligating the Lender or any designee to take any action authorized hereunder and any action taken or any action not taken hereunder shall not give rise to any liability on the part of the Lender or its designees or to any defense, claim, counterclaim or offset in favor of the Borrower, (y) be construed to mean the Lender has assumed any of the obligations of the Borrower under any instrument or agreement as the Lender shall not be responsible in any way for the performance of the Borrower of any of the provisions thereof, and (z) relieve the Borrower of any of its obligations hereunder or in any way limit the exercise by the Lender of any other or further rights it may have hereunder, under the other Financing Documents, by law or otherwise.

7.2. Default Rate. Notwithstanding the entry of any decree, order, judgment or other judicial action, upon the occurrence of an Event of Default hereunder, the unpaid principal amount of the Note and all other monetary Obligations outstanding or becoming outstanding while such Event of Default exists shall bear interest from the date of such Event of Default until such Event of Default has been cured to the satisfaction of the Lender, at a floating and fluctuating per annum rate of interest equal at all times to the Default Rate, irrespective of whether or not as a result thereof, the Note or any of the Obligations has been declared due and payable or the maturity thereof accelerated. The Borrower shall on demand from time to time pay such interest to the Lender and the same shall be a part of the Obligations hereunder.

7.3. Liens, Set-Off. As security for the payment of the Obligations and the performance of the Financing Documents, the Borrower hereby grant to the Lender a continuing security interest and lien on, in and upon all indebtedness owing to, and all deposits (general or special), credits, balances, monies, securities and other property of, the Borrower and all proceeds thereof, both now and hereafter held or received by, in transit to, or due by, the Lender. In addition to, and without limitation of, any rights of the Lender under applicable laws, if the Borrower becomes insolvent, however evidenced, or any Event of Default occurs, the Lender may at any time and from time to time thereafter, without notice to the Borrower, set-off, hold, segregate, appropriate and apply at any time and from time to time thereafter all such indebtedness, deposits, credits, balances (whether provisional or final and whether or not collected or available), monies, securities and other property toward the payment of all or any part of the Obligations in such order and manner as the Lender in its sole discretion may determine and whether or not the Obligations or any part thereof shall then be due or demand for payment thereof made by the Lender.

7.4. Enforcement Costs. The Borrower agrees to pay to the Lender on demand (a) all Enforcement Costs paid, incurred or advanced by or on behalf of the Lender including, without limitation, reasonable attorneys' fees, costs and expenses, and (b) interest on such Enforcement Costs from the date payment for the same is demanded until paid in full at a per annum rate of interest equal at all times to the Default Rate. All Enforcement Costs, with interest as above provided, shall be a part of the Obligations hereunder.

7.5 Application of Proceeds. Following any Event of Default, any proceeds of the collection of the Obligations and/or the sale or disposition of the Collateral will be applied by the Lender to the payment of Enforcement Costs, and any balance of such proceeds (if any) will be applied by the Lender to the payment of the remaining Obligations (whether then due or not), at such time or times and in such order and manner of application as the Lender may from time to time in its sole discretion determine.

7.6. Remedies, etc. Cumulative. Each right, power and remedy of the Lender as provided for in this Agreement or in the other Financing Documents or now or hereafter existing under applicable laws or otherwise shall be cumulative and concurrent and shall be in addition to every other right, power or remedy provided for in this Agreement or in the other Financing Documents or now or hereafter existing under applicable laws or otherwise, and the exercise or beginning of the exercise by the Lender of any one or more of such rights, powers or remedies shall not preclude the simultaneous or later exercise by the Lender of any or all such other rights, powers or remedies.

7.7. No Waiver, Etc. No failure or delay by the Lender to insist upon the strict performance of any term, condition, covenant or agreement of this Agreement or of the other Financing Documents, or to exercise any right, power or remedy consequent upon a breach thereof, shall constitute a waiver of any such term, condition, covenant or agreement or of any such breach, or preclude the Lender from exercising any such right, power or remedy at any later time or times. By accepting payment after the due date of any amount payable under this Agreement or under any of the other Financing Documents, the Lender shall not be deemed to waive the right either to require prompt payment when due of all other amounts payable under this Agreement or under any of the other Financing Documents, or to declare an Event of Default for failure to effect such prompt payment of any such other amount. The payment by the Borrower or any other person and the acceptance by the Lender of any amount due and payable under the provisions of this Agreement or the other Financing Documents at any time during which an Event of Default exists shall not in any way or manner be construed as a waiver of such Event of Default by the Lender or preclude the Lender from exercising any right of power or remedy consequent upon such Event of Default.

7.8 Arbitration.

(a) This paragraph concerns the resolution of any controversies or claims between the parties, whether arising in contract, tort or by statute, including but not limited to controversies or claims that arise out of or relate to: (i) this Agreement (including any renewals, extensions or modifications); or (ii) any document related to this Agreement (collectively a “Claim”). For the purposes of this arbitration provision only, the term “parties” shall include any parent corporation, subsidiary or affiliate of the Lender involved in the servicing, management or administration of any obligation described or evidenced by this Agreement.

(b) At the request of any party to this Agreement, any Claim shall be resolved by binding arbitration in accordance with the Federal Arbitration Act (Title 9, U.S. Code) (the “Act”). The Act will apply even though this Agreement provides that it is governed by the law of a specified state. The arbitration will take place on an individual basis without resort to any form of class action.

(c) Arbitration proceedings will be determined in accordance with the Act, the then-current rules and procedures for the arbitration of financial services disputes of the American Arbitration Association or any successor thereof (“ AAA”), and the terms of this paragraph. In the event of any inconsistency, the terms of this paragraph shall control. If AAA is unwilling or unable to (i) serve as the provider of arbitration or (ii) enforce any provision of this arbitration clause, any party to this agreement may substitute another arbitration organization with similar procedures to serve as the provider of arbitration.

(d) The arbitration shall be administered by AAA and conducted in Washington, D.C. All Claims shall be determined by one arbitrator; however, if Claims exceed Five Million Dollars ($5,000,000), upon the request of any party, the Claims shall be decided by three

arbitrators. All arbitration hearings shall commence within ninety (90) days of the demand for arbitration and close within ninety (90) days of commencement and the award of the arbitrator(s) shall be issued within thirty (30) days of the close of the hearing. However, the arbitrators), upon a showing of good cause, may extend the commencement of the hearing for up to an additional sixty (60) days. The arbitrator(s) shall provide a concise written statement of reasons for the award. The arbitration award may be submitted to any court having jurisdiction to be confirmed, judgment entered and enforced.

(e) The arbitrator(s) will give effect to statutes of limitation in determining any Claim and may dismiss the arbitration on the basis that the Claim is barred. For purposes of the application of the statute of limitations, the service on AAA under applicable AAA rules of a notice of Claim is the equivalent of the filing of a lawsuit. Any dispute concerning this arbitration provision or whether a Claim is arbitrable shall be determined by the arbitrator(s). The arbitrator(s) shall have the power to award reasonable legal fees pursuant to the terms of this Agreement.

(f) This paragraph does not limit the right of any party to: (i) exercise self-help remedies, such as but not limited to, setoff; (ii) initiate judicial or non-judicial foreclosure against any real or personal property collateral; (iii) exercise any judicial or power of sale rights, or (iv) act in a court of law to obtain an interim remedy, such as but not limited to, injunctive relief, writ of possession or appointment of a receiver, or additional or supplementary remedies.

(g) The filing of a court action is not intended to constitute a waiver of the right of any party, including the suing party, thereafter to require submittal of the Claim to arbitration.

(h) By agreeing to binding arbitration, the parties irrevocably and voluntarily waive any right they may have to a trial by jury in respect of any Claim. Furthermore, without intending in any way to limit this agreement to arbitrate, to the extent any Claim is not arbitrated, the parties irrevocably and voluntarily waive any right they may have to a trial by jury in respect of such Claim. This provision is a material inducement for the parties entering into this Agreement.

SECTION 8. Miscellaneous.

8.1. Course of Dealing; Amendment. No course of dealing between the Lender and the Borrower shall be effective to amend, modify or change any provision of this Agreement or the other Financing Documents. The Lender shall have the right at all times to enforce the provisions of this Agreement and the other Financing Documents in strict accordance with the provisions hereof and thereof, notwithstanding any conduct or custom on the part of the Lender in refraining from so doing at any time or times. The failure of the Lender at any time or times to enforce its rights under such provisions, strictly in accordance with the same, shall not be construed as having created a custom in any way or manner contrary to specific provisions of this Agreement or the other Financing Documents or as having in any way or manner modified or waived the same. This Agreement and the other Financing Documents to which the Borrower is a party may not be amended, modified, or changed in any respect except by an agreement in writing signed by the Lender and the Borrower.

8.2. Waiver of Default. The Lender may, at any time and from time to time, execute and deliver to the Borrower a written instrument waiving, on such terms and conditions as the Lender may specify in such written instrument, any of the requirements of this Agreement or of the other Financing Documents or any Event of Default or Default and its consequences, provided, that any such waiver shall be for such period and subject to such conditions as shall be specified in any such instrument. In the case of any such waiver, the Borrower and the Lender shall be restored to their former positions prior to such Event of Default or Default and shall have the same rights as they had hereunder. No such waiver shall extend to any subsequent or other Event of Default or Default, or impair any right consequent thereto and shall be effective only in the specific instance and for the specific purpose for which given.

8.3. Notices. All notices, requests and demands to or upon the parties to this Agreement shall be deemed to have been given or made when delivered by hand, or when received after being deposited in the mail, postage prepaid by registered or certified mail, return receipt requested, one day after being sent by reputable overnight delivery service, or, in the case of notice by telegraph, telex or facsimile transmission, when properly transmitted, addressed as follows or to such other address as may be hereafter designated in writing by one party to the other:

Borrower: INTL Global Currencies Limited
c/o International Assets Holding Corporation
220 E. Central Parkway, Suite 2060
Attention: Brian Sephton
Altamonte Springs, Florida 32701
Telephone Number: (407) 741-5309

With a copy to:

International Assets Holding Corporation
708 Third Avenue
New York, NY 10017
Attention: Scott Branch
Telephone: (212)485-3511
Facsimile No. (212) 485-3505

Lender: Bank of America, N.A.
8300 Greensboro Drive, Mezzanine Level
McLean, Virginia 22102
Attention: Matthew Beardall
Facsimile No.: (703) 761-8118

With a copy to:

Ober, Kaler Grimes & Shriver,
A Professional Corporation
1401 H Street, N.W.

Washington, D.C. 20005
Attention: Nikolaus F. Schandlbauer, Esquire
Telephone No.: 202-326-5016
Telecopy No.: 202-408-0640

except in cases where it is expressly herein provided that such notice, request or demand is not effective until received by the party to whom it is addressed.

8.4. Right to Perform. If the Borrower shall fail to make any payment or to otherwise perform, observe or comply with the provisions of this Agreement or any of the other Financing Documents, then and in each such case, the Lender may (but shall be under no obligation whatsoever to) without notice to or demand upon the Borrower remedy any such failure by advancing funds or taking such action as it deems appropriate for the account and at the expense of the Borrower. The advance of any such funds or the taking of any such action by the Lender shall not be deemed or construed to cure an Event of Default or waive performance by the Borrower of any provisions of this Agreement. The Borrower shall pay to the Lender on demand, together with interest thereon from the date of such demand until paid in full at a per annum rate of interest equal at all times to the Default Rate, any such funds so advanced by the Lender and any costs and expenses advanced or incurred by or on behalf of the Lender in taking any such action, all of which shall be a part of the Obligations hereunder.

8.5. Costs and Expenses. The Borrower agrees to pay to the Lender on demand all such reasonable fees, recordation and other taxes, costs and expenses of whatever kind and nature, including reasonable attorney's fees and disbursements, which the Lender may incur or which are payable in connection with the closing and the administration of the Credit Facilities, including, without limitation, the preparation of this Agreement and the other Financing Documents, the recording or filing of any and all of the Financing Documents and obtaining lien searches. All such fees, costs, recordation and other taxes shall be a part of the Obligations hereunder.

8.6. Consent to Jurisdiction. If for any reason the arbitration provisions of this Agreement are not given effect, the Borrower irrevocably (a) consents and submits to the jurisdiction and venue of any state or federal court sitting in the Commonwealth of Virginia over any suit, action or proceeding arising out of or relating to this Agreement or any of the other Financing Documents, (b) waives, to the fullest extent permitted by law, any objection that the Borrower may now or hereafter have to the laying of the venue of any such suit, action or proceeding brought in any such court and any claim that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum, and (c) consents to the service of process in any such suit, action or proceeding in any such court by the mailing of copies of such process to the Borrower by certified or registered mail at the Borrower's address set forth herein for the purpose of giving notice.

8.7. WAIVER OF JURY TRIAL. THE BORROWERS AND THE LENDER HEREBY VOLUNTARILY AND INTENTIONALLY WAIVE ANY RIGHT THEY MAY HAVE TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING OR LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THE CREDIT FACILITIES, THIS AGREEMENT OR ANY OF THE OTHER FINANCING DOCUMENTS IN FAVOR OF THE ARBITRATION CLAUSE SET FORTH HEREIN.

8.8. Certain Definitional Provisions. All terms defined in this Agreement shall have such defined meanings when used in any of the other Financing Documents. Accounting terms used in this Agreement shall have the respective meanings given to them under generally accepted accounting principles in effect from time to time in the United States of America. The words “hereof, “herein” and “hereunder” and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement. As used herein, the singular number shall include the plural, the plural, the singular and the use of the masculine, feminine or neuter gender shall include all genders, as the context may require. Unless otherwise defined herein, all terms used herein which are defined by the Uniform Commercial Code shall have the same meanings as assigned to them by the Uniform Commercial Code unless and to the extent varied by this Agreement.

8.9. Severability. The invalidity, illegality or unenforceability of any provision of this Agreement shall not affect the validity, legality or enforceability of any of the other provisions of this Agreement which shall remain effective.

8.10. Survival. All representations, warranties and covenants contained among the provisions of this Agreement shall survive the execution and delivery of this Agreement and all other Financing Documents.

8.11. Binding Effect. This Agreement and all other Financing Documents shall be binding upon and inure to the benefit of the Borrower and the Lender and their respective personal representatives, successors and assigns, except that the Borrower shall not have the right to assign its rights hereunder or any interest herein without the prior written consent of the Lender.

8.12. Applicable Law and Time of Essence. This Agreement and the rights and obligations of the parties hereunder shall be construed and interpreted in accordance with the laws of the Commonwealth of Virginia, both in interpretation and performance. Time is of the essence in connection with all obligations of the Borrower hereunder and under any of the other Financing Documents.

8.13. Duplicate Originals and Counterparts. This Agreement may be executed in any number of duplicate originals or counterparts, each of such duplicate originals or counterparts shall be deemed to be an original and all taken together shall constitute but one and the same instrument.

8.14. Headings. Section and subsection headings in this Agreement are included herein for convenience of reference only, shall not constitute a part of this Agreement for any other purpose and shall not be deemed to affect the meaning or construction of any of the provisions hereof

[remainder of page left intentionally blank – signature pages to follow]

IN WITNESS WHEREOF, each of the parties hereto have executed and delivered this Agreement under their respective seals as of the day and year first written above.

WITNESS:

/s/ Diana Guzman

INTL GLOBAL CURRENCIES LIMITED

By: /s/ Scott Branch (SEAL)
Printed Name: Scott Branch
Title: Director

WITNESS:

/s/ C. Brucu

BANK OF AMERICA, N.A.

By: /s/ Matthew Beardall (SEAL)
Matthew Beardall
Vice President

Exhibit 10.8

FIRST AMENDMENT TO CREDIT AND SECURITY AGREEMENT

THIS FIRST AMENDMENT TO CREDIT AND SECURITY AGREEMENT (this "Amendment") is made as of February 29, 2008, by and between INTL GLOBAL CURRENCIES LIMITED, a corporation organized under the laws of the United Kingdom (the "Borrower") and BANK OF AMERICA, N.A., a national banking association (the "Lender").

Recitals

Pursuant to that certain Credit Agreement dated as of December 8, 2006 between the Lender and the Borrower (the "Credit Agreement"), the Lender established a revolving credit facility pursuant to which the Lender agreed to make advances to the Borrower from time to time in an aggregate principal amount not to exceed Twenty Million Dollars ($20,000,000) at any one time outstanding.

The Borrower has asked the Lender to amend the Credit Agreement to extend the maturity date thereof and the Lender has agreed to do so, provided the parties hereto execute and deliver this Amendment, among other things.

Agreement

NOW THEREFORE, in consideration of the premises and in order to induce the Lender to amend the Credit Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Terms Defined. Unless otherwise defined or stated in this Amendment, each capitalized term used in this Amendment has the meaning given to such term in the Credit Agreement (as amended by this Amendment).

2. Amendments to Credit Agreement. The Credit Agreement is, effective as of the date hereof, hereby amended as follows:

The following definitions set forth in ***Section 1.1***. of the Credit Agreement are hereby amended and restated to read as follows:

"Revolving Credit Expiration Date" shall mean July 31, 2008, or such later date as to which the Lender shall, in its discretion, agree to extend the Revolving Credit Expiration Date.

3. Extension Fee. The Borrower is not obligated to pay an extension fee in connection with this Amendment.

4. Conditions Precedent. The effectiveness of this Amendment is subject to the satisfaction of each of the following conditions precedent, all of which conditions precedent must be satisfied on or before February 29, 2008:

(a) The Lender shall have received this Amendment executed by the parties hereto, and all fees and expenses called for herein or incurred in connection with the preparation and execution of this Amendment including, without limitation the attorneys' fees, costs and expenses incurred by the Lender in connection herewith;

(b) The Lender shall have received the fully executed Amended and Restated Unconditional Guaranty of IAHC circulated concurrently herewith; and

(c) No Default or Event of Default shall have occurred and be continuing.

5. Representations and Warranties. In order to induce the Lender to enter into this Amendment, the Borrower hereby represent and warrant to the Lender that as of the date hereof (a) no Default of Event or Default exists under the provisions of the Financing Documents which has not been waived by the Lender in writing, (b) all of the representations and warranties of the Borrower as set forth in the Financing Documents are true and correct on the date hereof as if the same were made on the date hereof, (c) no material adverse change has occurred in the business, financial condition, prospects or operations of the Borrower since the date of the most recent financial statements of the Borrower furnished to the Lender in accordance with the provisions of the Financing Documents, and (d) this Amendment constitutes the legal, valid and binding obligation of the Borrower, enforceable in accordance with its terms. If any of the foregoing representations and warranties shall prove to be false, incorrect or misleading in any material respect, the Lender may, in its absolute and sole discretion, declare that a default has occurred and exists under the provisions of the Financing Documents, and the Lender shall be entitled to all of the rights and remedies set forth in the Financing Documents as the result of the occurrence of such default.

6. Ratification and No Novation. The Borrower hereby ratify and confirm all of their obligations, liabilities and indebtedness under the provisions of the Note, the Credit Agreement, and the other Financing Documents, as the same may be amended and modified by this Amendment. The Lender and the Borrower agree that it is their intention that nothing herein shall be construed to extinguish, release or discharge or constitute, create or effect a novation of, or an agreement to extinguish, (a) any of the obligations, indebtedness and liabilities of the Borrower or any other party under the provisions of the Financing Documents, or (b) any negative pledge to the Lender. The Borrower agree that all of the provisions of the Note, the Credit Agreement, and the other Financing Documents shall remain and continue in full force and effect as the same may be modified and amended by this Amendment. In the event of any conflict between the provisions of this Amendment and the provisions of the Financing Documents, the provisions of this Amendment shall control.

7. Binding Effect. This Amendment shall be binding upon and inure to the benefit of the Lender, the Borrower, and their respective successors and assigns.

[remainder of page left intentionally blank – signature lines follow]

IN WITNESS WHEREOF, the parties hereto have each caused this Amendment to be executed and sealed, the day and year first above written.

WITNESS:

/s/ Diana Guzman

BORROWER:

INTL GLOBAL CURRENCIES LIMITED

By: /s/ Scott J. Branch (SEAL)
Printed Name: Scott J. Branch
Title: Director

LENDER:

BANK OF AMERICA, N.A.,
A national banking association

By: /s/ Michael Brannan (SEAL)
Michael Brannan
Senior Vice President

SECOND AMENDMENT TO CREDIT AND SECURITY AGREEMENT

THIS SECOND AMENDMENT TO CREDIT AND SECURITY AGREEMENT (this "Amendment") is made as of July 29, 2008, by and between INTL GLOBAL CURRENCIES LIMITED, a corporation organized under the laws of the United Kingdom (the "Borrower") and BANK OF AMERICA, N.A., a national banking association (the "Lender").

Recitals

Pursuant to that certain Credit and Security Agreement dated as of December 8, 2006 between the Lender and the Borrower, as amended by that certain First Amendment to Credit Agreement dated as of February 29, 2008 (as the same may from time to time be amended, restated, supplemented, or otherwise modified, the "Credit Agreement"), the Lender established a revolving credit facility pursuant to which the Lender agreed to make advances to the Borrower from time to time in an aggregate principal amount not to exceed Twenty Million Dollars ($20,000,000) at any one time outstanding.

The Borrower has asked the Lender to amend the Credit Agreement to increase the Revolving Credit Amount thereunder and extend the maturity date thereof and the Lender has agreed to do so, provided the parties hereto execute and deliver this Amendment, among other things.

Agreement

NOW THEREFORE, in consideration of the premises and in order to induce the Lender to amend the Credit Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Terms Defined. Unless otherwise defined or stated in this Amendment, each capitalized term used in this Amendment has the meaning given to such term in the Credit Agreement (as amended by this Amendment).

2. Amendments to Credit Agreement. The Credit Agreement is, effective as of the date hereof, hereby amended as follows:

The following definitions set forth in ***Section 1.1.*** of the Credit Agreement are hereby amended and restated to read as follows:

"Applicable Margin" shall mean 2.25% per annum, or 225 basis points.

"Note" shall mean that certain Second Amended and Restated Revolving Loan Note in the stated amount of Twenty Five Million Dollars ($25,000,000) from the Borrower and made payable to the order of the Lender.

"Revolving Credit Amount" shall mean Twenty Five Million Dollars ($25,000,000).

"Revolving Credit Expiration Date" shall mean December 31, 2009, or such later date as to which the Lender shall, in its discretion, agree to extend the Revolving Credit Expiration Date.

Subsection 1.3(e)(1) of the Credit Agreement is hereby amended to add the following sentence at the end thereof:

"The parties intend that each of the Financing Documents shall constitute a "Finance Document" as such term is defined in the U.K. Security Agreement."

Section 4.2 of the Credit Agreement shall be amended to add the following new subsection (e) at the end thereof:

(e) Compliance Certificates. Concurrent with the delivery of the financial statements described in Sections (a) and (b) above, a written certification, signed by an authorized financial officer of the Borrower, to the effect that such officer has no knowledge of the existence of any Defaults under the Financing Documents or if such officer has knowledge of the existence of an Event of Default, a statement as to the nature thereof and the action which the Borrower proposes to take with respect thereto. Such written certification shall include the calculations made by the Borrower to determine compliance by the Borrower with each of the financial covenants set forth herein as of the date of the financial statements delivered therewith.

3. Upfront Fee. In consideration for the agreements of the Lender as set forth herein, the Borrower agrees to pay to the Lender, upon execution hereof, an upfront fee of Fifty Three Thousand Dollars ($53,000.00), which fee is hereby deemed to be earned upon its receipt by the Lender.

4. Conditions Precedent. The effectiveness of this Amendment is subject to the satisfaction of each of the following conditions precedent, all of which conditions precedent must be satisfied on or before the date of this Amendment:

(a) The Lender shall have received this Amendment executed by the parties hereto, and all fees and expenses called for herein or incurred in connection with the preparation and execution of this Amendment including, without limitation the foregoing upfront fee and all of the attorneys' fees, costs and expenses incurred by the Lender in connection herewith;

(b) The Lender shall have received the fully executed Confirmation of Amended and Restated Unconditional Guaranty of IAHC and that certain Second Amended and Restated Revolving Loan Note; and

(c) No Default or Event of Default shall have occurred and be continuing.

5. Representations and Warranties. In order to induce the Lender to enter into this Amendment, the Borrower hereby represent and warrant to the Lender that as of the date hereof (a) the execution, delivery and performance of this Amendment has been authorized by all requisite corporate action on the part of the Borrower and will not violate any of the Borrower's

organizational documents or bylaws; (b) no Default of Event or Default exists under the provisions of the Financing Documents which has not been waived by the Lender in writing, (c) all of the representations and warranties of the Borrower as set forth in the Financing Documents are true and correct on the date hereof as if the same were made on the date hereof, (d) no material adverse change has occurred in the business, financial condition, prospects or operations of the Borrower since the date of the most recent financial statements of the Borrower furnished to the Lender in accordance with the provisions of the Financing Documents, and (e) this Amendment constitutes the legal, valid and binding obligation of the Borrower, enforceable in accordance with its terms. If any of the foregoing representations and warranties shall prove to be false, incorrect or misleading in any material respect, the Lender may, in its absolute and sole discretion, declare that a default has occurred and exists under the provisions of the Financing Documents, and the Lender shall be entitled to all of the rights and remedies set forth in the Financing Documents as the result of the occurrence of such default.

6. Ratification and No Novation. The Borrower hereby ratify and confirm all of their obligations, liabilities and indebtedness under the provisions of the Note, the Credit Agreement, and the other Financing Documents, as the same may be amended and modified by this Amendment. The Lender and the Borrower agree that it is their intention that nothing herein shall be construed to extinguish, release or discharge or constitute, create or effect a novation of, or an agreement to extinguish, (a) any of the obligations, indebtedness and liabilities of the Borrower or any other party under the provisions of the Financing Documents, or (b) any negative pledge to the Lender. The Borrower agree that all of the provisions of the Note, the Credit Agreement, and the other Financing Documents shall remain and continue in full force and effect as the same may be modified and amended by this Amendment. In the event of any conflict between the provisions of this Amendment and the provisions of the Financing Documents, the provisions of this Amendment shall control.

7. Binding Effect. This Amendment shall be binding upon and inure to the benefit of the Lender, the Borrower, and their respective successors and assigns.

[remainder of page left intentionally blank – signature lines follow]

IN WITNESS WHEREOF, the parties hereto have each caused this Amendment to be executed and sealed, as of the day and year first above written.

BORROWER:

WITNESS:

INTL GLOBAL CURRENCIES LIMITED

/s/ Diana Guzman

By: /s/ Scott Branch (SEAL)
Printed Name: Scott Branch
Title: Director

LENDER:

BANK OF AMERICA, N.A.,
A national banking association

By: /s/ Michael Brannan (SEAL)
Michael Brannan
Senior Vice President

Exhibit 21.1

Entity	Place of Incorporation
IAHC Bermuda, Ltd.	Bermuda
INTL Assets, Inc.	Florida
INTL Commodities, Inc.	Delaware
INTL Sieramet LLC	Delaware
INTL Global Currencies Limited	United Kingdom
INTL Holding (U.K.) Limited	United Kingdom
INTL Trading, Inc.	Florida
INTL Capital Limited	Dubai, United Arab Emirates
INTL Commodities Mexico S de RL de CV	Mexico
INTL Asia Pte. Ltd	Singapore
INTL Commodities DMCC	Dubai, United Arab Emirates
INTL Netherlands B.V.	The Netherlands
INTL Capital and Treasury Global Services Ltd.	Nigeria
INTL Global Currencies (Asia) Ltd.	Hong Kong
INTL Capital S.A. (formerly Gainvest Argentina Asset Management S.A.)	Argentina
Gainvest S.A. Sociedad Gerente de Fondos Comunes de Inversion	Argentina
INTL Gainvest Capital Assessoria Financeria Ltda.	Brazil
INTL Gainvest Capital Uruguay S.A. (formerly Gainvest Uruguay Asset Management S.A.)	Uruguay
Gainvest Asset Management Ltd.	British Virgin Islands
Gletir S.A.	Uruguay
Companyia Inversora Bursatil Sociedad de Bolsa	Argentina
INTL Colombia Ltda	Colombia
International Assets Acquisition Corp.	Delaware

Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

The Board of Directors
International Assets Holding Corporation:

We consent to the use in this Registration Statement on Form S-4 (Registration No. x-xxxxx) of our report dated December 8, 2008, on the financial statements and internal control over financial reporting of International Assets Holding Corporation, which reports appear in the annual report on Form 10-K of International Assets Holding Corporation for the year ended September 30, 2008, and to the reference to our Firm under the caption “Experts” in the Prospectus.

Rothstein, Kass & Company, P.C.

Roseland, New Jersey
July 24, 2009

Exhibit 23.2

Consent of Independent Registered Public Accounting Firm

The Board of Directors
FCStone Group, Inc.:

We consent to the use of our report dated November 14, 2008, with respect to the consolidated statements of financial condition of FCStone Group, Inc. and subsidiaries as of August 31, 2008 and 2007, and the related consolidated statements of operations, stockholders' equity and comprehensive income, and cash flows for each of the years in the three-year period ended August 31, 2008, and the effectiveness of internal control over financial reporting as of August 31, 2008, incorporated herein by reference and to the reference to our firm under the heading "Experts" in the prospectus.

Our report dated November 14, 2008, on the consolidated financial statements contains an explanatory paragraph stating that, as discussed in Note 1 to the consolidated financial statements, in 2007 the Company adopted Statement of Financial Accounting Standards ("SFAS") No. 123R, "Share Based Payment," and as discussed in Note 9 to the consolidated financial statements, in 2008 the Company adopted the measurement date provisions of SFAS No. 158, "*Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans, an amendment of FASB Statements No. 87, 88, 106, and 132R*, and the recognition and disclosure provisions of SFAS No. 158 in 2007.

/s/ KPMG LLP

Kansas City, Missouri
July 27, 2009

Exhibit 99.4

CONSENT OF HOULIHAN LOKEY HOWARD & ZUKIN FINANCIAL ADVISORS, INC.

July 27, 2009

International Assets Holding Corporation
220 East Central Parkway, Suite 2060
Altamonte Springs, FL 32701

Re: Registration Statement on Form S-4 of International Assets Holding Corporation (File No. [ ])

Ladies and Gentlemen:

Reference is made to our opinion letter ("opinion"), dated July 1, 2009.

Our opinion was provided for the information and assistance of the Board of Directors of the Company in connection with its consideration of the transaction contemplated therein and may not be used, circulated, quoted or otherwise referred to for any other purpose, nor is it to be filed with, included in or referred to in whole or in part in any registration statement, proxy statement or any other document, except, in each instance, in accordance with our prior written consent. We understand that the Company has determined to include our opinion in the above-referenced Registration Statement.

In that regard, we hereby consent to the reference to our opinion in the above-referenced Registration Statement on Form S-4 under the captions "Summary — Opinions of Financial Advisors", "International Assets Proposal No.1 and FCStone Proposal No. 1 — The Merger — International Assets' Reasons for the Merger and Recommendation of International Assets' Board of Directors", "International Assets Proposal No. 1 and FCStone Proposal No. 1 — The Merger — Opinion of International Assets' Financial Advisors", "International Assets Proposal No.1 and FCStone Proposal No.1 — The Merger — Background of the Merger", "International Assets Proposal No. 1 and FCStone Proposal No. 1 — The Merger — Financial Projections", "Where You Can Find More Information" and to the inclusion of our opinion in the Joint Proxy Statement/Prospectus included in the Registration Statement, appearing as Annex D to such Joint Proxy Statement/Prospectus. Notwithstanding the foregoing, it is understood that our consent is being delivered solely in connection with the filing of the above-mentioned version of the Registration Statement and that our opinion is not to be used, circulated, quoted or otherwise referred to for any other purpose, nor is it to be filed with, included in or referred to in whole or in part in any registration statement (including any subsequent amendments to the above-mentioned Registration Statement), proxy statement or any other document, except, in each instance, in accordance with our prior written consent.

In giving such consent, we do not thereby admit that we are experts with respect to any part of such Registration Statement within the meaning of the term "expert" as used in, or that we come within the category of persons whose consent is required under, the Securities Act of 1933, as amended, or the rules and regulations of the Securities and Exchange Commission promulgated thereunder.

Very truly yours,

HOULIHAN LOKEY HOWARD & ZUKIN FINANCIAL ADVISORS, INC.

Exhibit 99.5

115 South LaSalle Street
35th Floor West
Chicago, IL 60603
(312) 461-7219

July 23, 2009

Board of Directors of
FCStone Group, Inc.
1251 NW Briarcliff Parkway
Kansas City MO 64116

Ladies and Gentlemen:

We hereby consent to the inclusion in the Registration Statement on Form S-4 (the "Registration Statement") of International Assets Holding Corporation, and in the Joint Proxy Statement/Prospectus of International Assets Holding Corporation and FCStone Group, Inc., which is part of the Registration Statement, relating to the proposed merger of International Assets Holding Corporation and FCStone Group, Inc., of our opinion dated July 1, 2009 appearing as Appendix E to such Joint Proxy Statement/Prospectus, and to the description of such opinion and to the references to our name contained therein under the headings "Summary—Opinions of Financial Advisors—Opinion of FCStone's Financial Advisor," "The Merger—Background of the Merger," "The Merger— FCStone's Reasons for the Merger and Recommendation of FCStone's Board of Directors" and "The Merger—Fairness Opinion of Financial Advisor to FCStone."

Notwithstanding the foregoing, it is understood that our consent is being delivered solely in connection with the filing of the Registration Statement and that our opinion is not to be used, circulated, quoted or otherwise referred to for any other purpose. In giving the foregoing consent, we do not admit that we come within the category of persons whose consent is required under Section 7 of the Securities Act of 1933, as amended (the "Securities Act"), or the rules and regulations promulgated thereunder, nor do we admit that we are experts with respect to any part of such Registration Statement within the meaning of the term "experts" as used in the Securities Act or the rules and regulations promulgated thereunder.

Very truly yours,

/s/ Anthony Humphry
BMO CAPITAL MARKETS CORP.

Exhibit 99.6

Board of Directors
International Assets Holding Corporation
220 East Central Parkway
Suite 2060
Altamonte Springs, FL 32701

Gentlemen:

The undersigned understands that International Assets Holding Corporation (the "Company") intends to appoint the undersigned as a member of the Company's board of directors. The undersigned hereby consents to be named as a director nominee in the Registration Statement on Form S-4 and to serve as a director of the Company if appointed.

Sincerely,

/s/ Paul G. Anderson
Paul G. Anderson

Exhibit 99.7

Board of Directors
International Assets Holding Corporation
220 East Central Parkway
Suite 2060
Altamonte Springs, FL 32701

Gentlemen:

The undersigned understands that International Assets Holding Corporation (the "Company") intends to appoint the undersigned as a member of the Company's board of directors. The undersigned hereby consents to be named as a director nominee in the Registration Statement on Form S-4 and to serve as a director of the Company if appointed.

Sincerely,

/s/ Brent Bunte
Brent Bunte

Exhibit 99.8

Board of Directors
International Assets Holding Corporation
220 East Central Parkway
Suite 2060
Altamonte Springs, FL 32701

Gentlemen:

The undersigned understands that International Assets Holding Corporation (the "Company") intends to appoint the undersigned as a member of the Company's board of directors. The undersigned hereby consents to be named as a director nominee in the Registration Statement on Form S-4 and to serve as a director of the Company if appointed.

Sincerely,

/s/ Jack Friedman
Jack Friedman

Exhibit 99.9

Board of Directors
International Assets Holding Corporation
220 East Central Parkway
Suite 2060
Altamonte Springs, FL 32701

Gentlemen:

The undersigned understands that International Assets Holding Corporation (the "Company") intends to appoint the undersigned as a member of the Company's board of directors. The undersigned hereby consents to be named as a director nominee in the Registration Statement on Form S-4 and to serve as a director of the Company if appointed.

Sincerely,

/s/ Daryl Henze
Daryl Henze

Exhibit 99.10

Board of Directors
International Assets Holding Corporation
220 East Central Parkway
Suite 2060
Altamonte Springs, FL 32701

Gentlemen:

The undersigned understands that International Assets Holding Corporation (the "Company") intends to appoint the undersigned as a member of the Company's board of directors. The undersigned hereby consents to be named as a director nominee in the Registration Statement on Form S-4 and to serve as a director of the Company if appointed.

Sincerely,

/s/ Bruce Krehbiel
Bruce Krehbiel

Exhibit 99.11

Board of Directors
International Assets Holding Corporation
220 East Central Parkway
Suite 2060
Altamonte Springs, FL 32701

Gentlemen:

The undersigned understands that International Assets Holding Corporation (the "Company") intends to appoint the undersigned as a member of the Company's board of directors. The undersigned hereby consents to be named as a director nominee in the Registration Statement on Form S-4 and to serve as a director of the Company if appointed.

Sincerely,

/s/ Eric Parthemore
Eric Parthemore