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

Form 10-QSB

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

For the quarterly period ended June 30, 2002

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

Commission File Number 33-70334-A

INTERNATIONAL ASSETS HOLDING CORPORATION

(Exact name of small business issuer as specified in its charter)

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

220 East Central Parkway, Suite 2060
Altamonte Springs, FL 32701

(Address of principal executive offices)

(407) 741-5300

(Issuer's telephone number)

NA

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

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

The number of shares outstanding of Common Stock was 2,375,575 as of August 7, 2002.

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

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INTERNATIONAL ASSETS HOLDING CORPORATION AND SUBSIDIARIES
Condensed Consolidated Balance Sheets
(Unaudited)

Assets	June 30, 2002	September 30, 2001
Cash	$ 100,442	$ 136,688
Cash and cash equivalents, deposited with clearing organization	1,932,122	874,613
Receivable from clearing organization, net	938,510	934,764
Other receivables	3,172	23,429
Loans to officers	112,687	126,541
Securities owned, at market value	10,413,427	6,011,939
Deferred income tax asset, net	540,766	1,397,489
Property and equipment, at cost:		
Equipment, furniture and leasehold improvements	590,685	1,307,461
Less accumulated depreciation and amortization	(419,527)	(944,502)
Net property and equipment	171,158	362,959
Software development, net of accumulated amortization of $686,038 at June 2002 and $491,995 at September 2001	359,759	553,802
Prepaid expenses and other assets, net of accumulated amortization of $2,000 at June 2002 and $177,000 at September 2001	108,522	311,474
Total assets	$ 14,680,565	$ 10,733,698

See accompanying notes to condensed consolidated financial statements.

INTERNATIONAL ASSETS HOLDING CORPORATION AND SUBSIDIARIES
Condensed Consolidated Balance Sheets, Continued
(Unaudited)

Liabilities and Stockholders' Equity	June 30, 2002	September 30, 2001
Liabilities:		
Foreign currency sold, but not yet purchased	$ 1,877	$ 208,092
Securities sold, but not yet purchased, at market value	10,367,845	5,313,641
Accounts payable	136,709	312,673
Accrued employee compensation and benefits	82,537	307,500
Accrued expenses	118,765	139,094
Payable to Joint Venture	-	2,032
Other liabilities	43,547	7,779
Total liabilities	10,751,280	6,290,811
Stockholders' equity:		
Preferred stock, $.01 par value. Authorized 5,000,000 shares; issued and outstanding -0- shares	-	-
Common stock, $.01 par value. Authorized 8,000,000 shares; issued and outstanding 2,375,575 shares at June 2002 and 2,294,376 shares at September 2001	23,756	22,944
Additional paid-in capital	8,026,131	7,945,161
Accumulated deficit	(4,120,602)	(3,525,218)
Total stockholders' equity	3,929,285	4,442,887
Total liabilities and stockholders' equity	$ 14,680,565	$ 10,733,698

See accompanying notes to condensed consolidated financial statements.

INTERNATIONAL ASSETS HOLDING CORPORATION AND SUBSIDIARIES
Condensed Consolidated Statements of Operations
For the Nine Months Ended June 30, 2002 and 2001
(Unaudited)

	2002	2001
Revenues:		
Net dealer inventory and investment gains	$ 2,956,210	888,224
Commissions (note 2)	406,175	2,492,643
Management and investment advisory fees (note 2)	6,292	81,516
Interest and dividends	154,127	183,521
Loss from joint venture	-	(20,353)
Other	19,829	2,149
Total revenues	3,542,633	3,627,700
Expenses:		
Compensation and benefits	$ 1,554,104	3,688,838
Clearing and related expenses	1,323,578	956,685
Promotion	170,465	619,903
Occupancy and equipment rental	308,341	382,490
Communications	77,418	211,191
Interest and dividends	150,690	56,032
Professional fees	368,110	184,606
Insurance	99,940	147,601
Depreciation and amortization	284,357	383,513
Technology	40,890	164,865
Other expenses	173,133	324,542
Total expenses	4,551,026	7,120,266
Loss before gain on sale of retail activity and income taxes	(1,008,393)	(3,492,566)
Gain on sale of retail activity (note 2)	413,009	0
Loss before income taxes	(595,384)	(3,492,566)
Income tax benefit	-	(1,269,838)
Net loss	$ (595,384)	(2,222,728)
Loss per share:		
Basic	$ (0.25)	(1.00)
Diluted	$ (0.25)	(1.00)
Weighted average number of common shares outstanding:		
Basic	2,353,467	2,225,479
Diluted	2,353,467	2,225,479

See accompanying notes to condensed consolidated financial statements.

INTERNATIONAL ASSETS HOLDING CORPORATION AND SUBSIDIARIES
Condensed Consolidated Statements of Operations
For the Three Months Ended June 30, 2002 and 2001
(Unaudited)

	2002	2001
Revenues:		
Net dealer inventory and investment gains	$ 1,132,822	421,320
Commissions (note 2)	1,675	724,448
Management and investment advisory fees (note 2)	0	5,613
Interest and dividends	109,935	68,675
Other	555	3,435
Total revenues	1,244,987	1,223,491
Expenses:		
Compensation and benefits	425,576	1,229,205
Clearing and related expenses	442,557	410,464
Promotion	76,723	141,080
Occupancy and equipment rental	74,684	123,564
Communications	17,521	70,791
Interest and dividends	123,229	40,147
Professional fees	199,352	54,939
Insurance	30,137	47,236
Depreciation and amortization	86,884	148,878
Technology	2,351	45,935
Other expenses	40,565	84,282
Total expenses	1,519,579	2,396,521
Loss before income taxes	(274,592)	(1,173,030)
Income tax benefit	0	(432,667)
Net loss	$ (274,592)	(740,363)
Loss per share:		
Basic	$ (0.12)	$ (0.33)
Diluted	$ (0.12)	$ (0.33)
Weighted average number of common shares outstanding:		
Basic	2,375,575	2,239,725
Diluted	2,375,575	2,239,725

See accompanying notes to condensed consolidated financial statements.

INTERNATIONAL ASSETS HOLDING CORPORATION AND SUBSIDIARIES
Condensed Consolidated Statements of Cash Flows
For the Nine Months Ended June 30, 2002 and 2001
(Unaudited)

	2002	2001
Cash flows from operating activities:		
Net loss	$ (595,384)	(2,222,728)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Depreciation and amortization	284,357	383,513
Deferred income taxes	856,723	(1,337,791)
Gain on sale of retail activity	(413,009)	-
Disposal of property and equipment included in gain on sale of retail activity	139,024	-
Non-cash compensation	-	198,657
Loss on disposals of property and equipment	491	
Loss from Joint Venture	-	20,353
Tax benefit from disqualifying dispositions of incentive stock options	-	11,001
Cash provided by (used in) changes in:		
Receivable from clearing organization, net	(3,746)	(729,335)
Other receivables	14,717	47,674
Securities owned, at market value	(4,401,488)	(6,938,035)
Income taxes receivable	-	452,032
Prepaid expenses and other assets	202,952	31,586
Foreign currency sold, but not yet purchased	(206,215)	444,544
Securities sold, but not yet purchased, at market value	5,054,204	7,687,203
Payable to clearing organization, net	-	(24,330)
Accounts payable	(175,964)	(142,711)
Accrued employee compensation and benefits	(224,963)	(852,581)
Accrued expenses	(20,329)	(74,936)
Payable to Joint Venture	(2,032)	308
Other liabilities	35,768	(60,612)
Net cash provided by (used in) operating activities	545,106	(3,106,188)
Cash flows from investing activities:		
Proceeds from sale of retail activity	827,240	-
Cost of total assets on sale of retail activity	(414,231)	-
Collections from loans to officers	19,394	88,223
Costs of additional property, equipment and software development	(38,028)	(557,421)
Net cash provided by (used in) investing activities	394,375	(469,198)

(continued)

INTERNATIONAL ASSETS HOLDING CORPORATION AND SUBSIDIARIES
Condensed Consolidated Statements of Cash Flows, Continued
For the Nine Months Ended June 30, 2002 and 2001
(Unaudited)

	2002	2001
Cash flows from financing activities:		
Exercise of employee stock options	1,782	-
Sale of common stock with sale of retail activity	80,000	-
Net cash provided by financing activities	81,782	-
Net increase (decrease) in cash and cash equivalents	1,021,263	(3,575,386)
Cash and cash equivalents at beginning of period	1,011,301	5,271,859
Cash and cash equivalents at end of period	$ 2,032,564	1,696,473
Supplemental disclosure of cash flow information:		
Cash paid for interest	$ 1,745	2,265
Supplemental disclosure of noncash financing activities:		
During the nine months ended June 30, 2001 the Company paid for the following transactions by issuance of common stock:		
Software development services, 12,283 common shares	$ -	70,020
Employee bonus compensation, 15,000 common shares	$ -	35,000
Purchase promissory note due by an officer, 57,625 common shares	$ -	163,657

(1) Basis of Presentation

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with the instructions and requirements of Form 10-QSB and, therefore, do not include all information and footnotes necessary for a fair presentation of financial position, results of operations, and cash flows in conformity with accounting principles generally accepted in the United States of America. In the opinion of Management, such financial statements reflect all adjustments (consisting of normal recurring items) necessary for a fair statement of the results of operations, cash flows and financial position for the interim periods presented. Operating results for the interim periods are not necessarily indicative of the results that may be expected for the full year. These condensed consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended September 30, 2001, filed on Form 10-KSB (SEC File Number 33-70334-A).

Current Subsidiaries:

As used in this Form 10-QSB, the term "Company" refers, unless the context requires otherwise, to International Assets Holding Corporation and its four wholly owned subsidiaries; INTLTRADER.COM, INC. ("ITCI"), International Asset Management Corp. ("IAMC"), International Financial Products, Inc. ("IFP") and OffshoreTrader.com Ltd. ("OTCL"). All significant intercompany balances and transactions have been eliminated in consolidation.

Former Subsidiaries and Joint Venture Sold in December 2001:

On November 1, 2001 International Assets Advisory Corporation entered into a merger with IAAC, LLC, a wholly owned subsidiary of International Assets Holding Corporation. IAAC, LLC was a Florida limited liability company formed by International Assets Holding Corporation in July 2001 for the purpose of the anticipated merger that occurred on November 1, 2001. IAAC, LLC was the surviving entity of the merger. Upon effectiveness of the merger, the name of the surviving entity became International Assets Advisory, LLC. The Company sold all of its membership interests in International Assets Advisory, LLC on December 13, 2001.

On November 1, 2001 Global Assets Advisors, Inc. entered into a merger with Global Assets Advisors, LLC, a wholly owned subsidiary of International Assets Holding Corporation. Global Assets Advisors, LLC was a Florida limited liability company formed by International Assets Holding Corporation in July 2001 for the purpose of the anticipated merger that occurred on November 1, 2001. Global Assets Advisors, LLC was the surviving entity of the merger. The Company sold all of its membership interests in Global Assets Advisors, LLC on December 13, 2001.

On December 13, 2001 the Company sold its 50% interest in International Assets New York, LLC, a 50/50 Joint Venture with Lakeside Investments, LLC of New York.

(2) Sale of Certain Operations

On December 13, 2001 the Company sold its two wholly-owned subsidiaries, International Assets Advisory, LLC and Global Assets Advisors, LLC, and its 50% membership interest in International Assets New York, LLC (IANY) to Lakeside Assets, LLC. In connection with the disposition transaction, Lakeside Assets, LLC also purchased 80,000 shares of the Company's common stock. The Company received total proceeds of $907,240 for these sale transactions. The Company allocated $827,240 of the proceeds to the sale of the two wholly owned subsidiaries and the 50% interest in IANY. The Company allocated $80,000 of the proceeds to the sale of common shares. The Company had a book basis of $414,231 related to the sale of the two wholly owned subsidiaries and IANY. The $413,009 gain on sale of retail activity recorded in December 2001 was determined by deducting the book basis of $414,231 from the sales proceeds of $827,240.

Commission revenues from retail private client securities brokerage activity amounted to $406,175 and $2,492,643 for the nine months ended June 30, 2002 and 2001, respectively and $1,675 and $724,448 for the three months ended June 30, 2002 and 2001, respectively. Though certain costs associated with this activity are distinct and clearly identifiable; many are not and management has not historically operated, monitored or specifically allocated expenses to this activity in such a manner as to determine profitability by activity. In the same sale transaction, International Assets Holding Corporation agreed to sell its money management activity, which had revenues from management and investment advisory fees of $6,292 and $81,516 for the nine months ended June 30, 2002 and 2001, respectively and $5,613 for the three months ended June 30, 2001. The money management activity was primarily related and tied into the retail private client activity including the same sales staffing, operations and research support. It was separated for purposes of securities licensing and regulation.

(3) Related Party Transactions

On February 1, 2002 the Company executed a contract for investor relations services from an outside firm that is owned and managed by a cousin of the CEO of the Company. The contract is for a term of six months at a cost of $5,000 per month plus reimbursement for reasonable expenses related to the performance of the service contract.

On August 28, 2000 the Company made a loan to a Vice President of the Company including the execution and receipt of a $66,000 promissory note due August 27, 2001. The Board of Directors of the Company has granted an extension of the due date of the promissory note to August 31, 2002. The promissory note includes interest of 6.27 percent per annum. As of June 30, 2002 the remaining principal balance of the promissory note including accrued interest is $70,178.

On January 4, 2000 the Company, after approval by the Board of Directors, made a loan to the CEO of the Company including the execution and receipt of a $250,000 promissory note due January 3, 2001. The Board of Directors of the Company granted an extension of the due date of the promissory note to December 31, 2001. At the Board of Directors meeting held on February 15, 2002 the CEO requested an extension to repay the balance by mid calendar year 2002, which request was consented to by the Board of Directors. The promissory note includes interest of 6 percent per annum. As of June 30, 2002 the remaining principal balance of the promissory note including accrued interest is $42,509. Subsequently, on August 7, 2002 the CEO repaid the entire loan balance including principal and accrued interest of $42,724.

(4) Reclassifications

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

(5) Basic and Diluted Loss Per Share

Basic loss per share for the nine months and three months ended June 30, 2002 and 2001 have been computed by dividing net loss by the weighted average number of common shares outstanding.

Diluted loss per share for the nine months and three months ended June 30, 2002 and 2001 are the same as basic loss per share because of the anti-dilutive impact of the potential common shares, due to the net loss for each of the periods. No options to purchase shares of common stock were considered in the calculation of diluted loss per share for the nine months and three months ended June 30, 2002 and 2001 because of the anti-dilutive impact of the potential common shares, due to the net loss for the periods.

For the Nine Months Ended June 30,	2002	2001
Diluted Loss Per Share		
Numerator:		
Net loss	$ (595,384)	$ (2,222,728)
Denominator:		
Weighted average number of common shares and dilutive potential common shares outstanding	2,353,467	2,225,479
Diluted loss per share	$ (0.25)	$ (1.00)

For the Three Months Ended June 30,	2002	2001
Diluted Loss Per Share		
Numerator:		
Net loss	$ (274,592)	$ (740,363)
Denominator:		
Weighted average number of common shares and dilutive potential common shares outstanding	2,375,575	2,239,725
Diluted loss per share	$ (0.12)	$ (0.33)

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

Securities owned and Securities sold, but not yet purchased at June 30, 2002 and September 30, 2001 consist of trading and investment securities at quoted market values as follows:

	Owned	Sold, but not yet purchased
June 30, 2002:		
Common stock and American Depository Receipts	1,031,688	924,123
Foreign ordinary stock paired with its respective American Depository Receipt	9,231,472	9,437,335
Corporate and municipal bonds	54,387	-
Foreign government obligations	2,246	-
Unit investment trusts, mutual funds and other investments	93,634	6,387
Total	$ 10,413,427	10,367,845
September 30, 2001:		
Common stock and American Depository Receipts	1,203,294	694,047
Foreign ordinary stock paired with its respective American Depository Receipt	4,618,006	4,619,594
Corporate and municipal bonds	68,949	-
Foreign government obligations	3,954	-
Unit investment trusts, mutual funds and other investments	117,736	-
Total	$ 6,011,939	5,313,641

(7) Receivable From and Payable to Clearing Organization

Amounts receivable from and payable to clearing organization at June 30, 2002 and September 30, 2001 consist of the following:

	Receivable	Payable
June 30, 2002:		
Open transactions, net	$ 1,004,268	-
Clearing fees and related charges payable	-	65,758
	$ 1,004,268	65,758
September 30, 2001:		
Open transactions, net	$ 926,703	-
Clearing fees and related charges payable	-	23,722
Commission income receivable	31,783	-
	$ 958,486	23,722

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

(8) Leases

The Company occupies leased office space of approximately 5,100 square feet at 220 E. Central Parkway, Altamonte Springs, Florida. The commencement date of this lease was February 1, 2002, with six months free rent, and a seven-year term to July 31, 2009.

The Company is obligated under various noncancelable operating leases for the rental of its office facilities and certain office equipment. Rent expense associated with operating leases amounted to $52,911 and $271,561 for the nine months ended June 30, 2002, and 2001, respectively. The future minimum lease payments under noncancelable operating leases are as follows:

Fiscal Year (12 month period) Ending September 30,	
2002	84,750
2003	153,900
2004	132,700
2005	132,700
2006	132,200
Thereafter	318,600
Total future minimum lease payments	$954,850

(9) Stock Option Plan

During the nine months ended June 30, 2002, 176,000 options were granted to employees and directors. There were 1,199 incentive stock options exercised at a strike price of $1.486 per share during the nine months ended June 30, 2002. In addition, 272,417 incentive stock options were forfeited due to the termination of former employees of the Company or its subsidiaries. The total options forfeited included approximately 186,000 options related to former employees that were part of the sale of the retail brokerage operation and the remainder was due to other terminated former employees. As of June 30, 2002 the Company had 566,493 options outstanding.

Incentive Stock Options (Granted during the nine months ended June 30, 2002)

Options Granted	Grant Date	Exercise Price	Expiration Date	Exercisable
50,000	10/05/01	$0.90	10/05/11	(a)
25,000	10/05/01	$0.99	10/05/11	(a)
20,000	12/22/01	$0.60	12/22/11	(a)
22,000	01/03/02	$0.65	01/03/12	(b)
14,000	04/11/02	$1.40	04/11/12	(b)
131,000				

Nonqualified Stock Options (Granted during the nine months ended June 30, 2002)

Options Granted	Grant Date	Exercise Price	Expiration Date	Exercisable
45,000	10/05/01	$0.90	10/05/11	(a)

(a) Exercisable at 33.3% after year one, 33.3% after year two and 33.4% after year three. These options are 100% exercisable upon a change in control of the Company.

(b) Exercisable at 33.3% after year one, 33.3% after year two and 33.4% after year three.

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

(10) Commitments and Contingent Liabilities

The Company is party to certain litigation as of June 30, 2002, which relates primarily to matters arising in the ordinary course of business. While the Company cannot absolutely predict the outcome of these actions at this time, it is the opinion of management, given the probability of success by the Company, that the resolution of these matters will not have a material adverse effect on the consolidated financial condition of the Company.

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

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

Readers are cautioned not to place undue reliance on these forward-looking statements.

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

Results of Operations:

On December 13, 2001 the Company sold its full service private client retail brokerage and money management activities. Accordingly, these activities are no longer a source of revenues or expense for the Company after December 13, 2001. While the revenues (commissions and management and investment advisory fees) and certain costs associated with the business activities which have been sold are readily identifiable, many costs associated with these activities are not. The costs that are not identifiable were included in prior legal entity financial statements combined with other business activities that were operated together for previous strategic, regulatory and synergistic purposes.

In December 2001 the Company reported a gain on the sale of retail activity of $413,009 included in the nine months ended June 30, 2002. The gain is based on sale proceeds of $827,240 less the book cost basis of $414,231, for the transaction costs and for the book value of the assets that were included in the sale of this business activity.

As of June 30, 2002 the Company had 18 full time employees.

Nine Months Ended June 30, 2002 as Compared to
the Nine Months Ended June 30, 2001

The Company's revenues were derived primarily from trading revenue (net dealer inventory and investment gains) as well as commissions earned on the sale of securities. For the nine months ended June 30, 2002, 83% of the Company's revenues were derived from trading revenue and 11% of revenues were derived from commissions. For the nine months ended June 30, 2001, 24% of the Company's revenues were derived from trading revenue and 69% of revenues were derived from commissions. Total revenues decreased 2% to $3,542,633 for the nine months ended June 30, 2002 from $3,627,700 for the same period in 2001.

Trading revenue (net dealer inventory and investment gains) increased by approximately 233% to $2,956,210 for the nine months ended June 30, 2002 from $888,224 in 2001. This increase in trading revenue was due in large measure to our trading department's ongoing efforts to provide reliable market making for our trading clients with high quality customer service and trade execution in the international securities trading market. The Company has been successful in developing new clients as well as in retention of existing trading clients.

The increase in trading revenues for the nine months ended June 30, 2002 comes after the Company had to rehire and rebuild the entire trading department since the disruption of the Company's trading operations caused by the abrupt departure of the Company's head of capital markets and his related recruitment of the entire trading department to his own firm in December 2000. This matter was previously discussed in the Company's 10-QSB for the period ended December 31, 2000 as well as its Form 8-K filed as of December 29, 2000.

Commission revenue decreased by approximately 84% to $406,175 for the nine months ended June 30, 2002 from $2,492,643 in 2001. Commission revenues for the nine months ended June 30, 2002 include retail brokerage commissions earned for the period October 1, 2001 through December 13, 2001. On December 13, 2001 the Company sold its membership interests in International Assets Advisory, LLC. These retail brokerage commission revenues are no longer a source of revenue for the Company after December 13, 2001 due to the sale of this retail brokerage activity. During January 2002, the Company sold substantially all of its' retail online accounts to Ameritrade Holding Corporation and ceased offering its online retail brokerage operation. The elimination of these retail activities has allowed the Company to focus all of its resources on its core market making trading operation.

Revenues from management and investment advisory fees decreased by approximately 92% to $6,292 for the nine months ended June 30, 2002 from $81,516 in 2001. These revenues from management and investment advisory fees are no longer a source of revenue for the Company after December 13, 2001 due to the sale of this business.

Interest and dividend revenue decreased by 16% to $154,127 for the nine months ended June 30, 2002 from $183,521 in 2001. This decrease is due to lower balances of interest producing assets, including money market balances and fixed income securities and decreased interest returns on these short-term liquid assets during the nine months ended June 30, 2002 compared to the same period in 2001. Interest income decreased $108,521 for the nine months ended June 30, 2002 compared to the same period in 2001. Partly offsetting this decrease is a $79,127 increase in dividend income. The increase in dividend income is derived from the Company's American Depositary Receipt (ADR) conversion strategy where the Company holds paired and offsetting long and short foreign ordinary and ADR positions. When these paired positions are held over a dividend record date the Company has offsetting dividend income and dividend expense. Dividend income of $140,904 for the nine months ended June 30, 2002 is offset by the $148,945 of dividend expense for the same period.

Loss from joint venture was $20,353 for the nine months ended June 30, 2001. The loss from joint venture ended in March 2001 when the Company wrote off its investment in joint venture in accordance with the equity method of accounting. The loss from the Company's joint venture represented the Company's 50% share of the operating loss from the activity of International Assets New York, LLC, a

50/50 joint venture with Lakeside Investments, LLC of New York. On December 13, 2001 the Company's interest in International Assets New York, LLC was sold.

Other revenues were $19,829 for the nine months ended June 30, 2002 up from $2,149 for the same period in 2001. Other revenues in 2002 includes $14,800 collected for the sale proceeds from the retail online accounts sold to Ameritrade.

The major expenses incurred by the Company relate to direct costs of its securities operations such as compensation and benefits, clearing and related expense, occupancy and equipment rental expense and professional fees. Total expenses decreased by approximately 36% to $4,551,026 for the nine months ended June 30, 2002, from $7,120,266 for the same period in 2001. This decrease in total expenses is mainly due to reductions in compensation and benefits, promotions, communications, technology and other operating expenses. The decrease in total expenses reflects the cost decreases related to the sale of the retail brokerage activity and the additional cost reductions the Company began to implement in August 2001.

Compensation and benefits expense decreased by $2,134,734 or 58% to $1,554,104 for the nine months ended June 30, 2002 from $3,688,838 in 2001 due to lower commission expense caused by lower commission revenues and a decrease in base salaries due to an overall reduction in the number of employees. Included in the total $1,554,104 compensation and benefits expense for 2002 is $165,854 related to commission expense that will no longer be an ongoing expense for the Company after December 13, 2001, due to the sale of the related retail private client activity.

Clearing and related expenses increased 38% to $1,323,578 for the nine months ended June 30, 2002, up from $956,685 in 2001. This increase is related to the volume increase in the number of trades processed and increased costs for American Depository Receipt (ADR) conversions due to the necessity of these conversions as a trading strategy to facilitate liquidity within the Company's overall investment portfolio. Also, included in the total $1,323,578 clearing and related expenses for 2002 is $35,416 related to retail private client activities that will no longer be an ongoing expense for the Company after December 13, 2001, due to the sale of the related activity.

Total promotion expense decreased by approximately 73% to $170,465 for the nine months ended June 30, 2002 compared to $619,903 for 2001. This decrease is primarily due to decreases in retail promotional activity, public relations, and travel and entertainment due to cost saving initiatives undertaken. Future promotion expense will be determined by incremental promotions that are undertaken to support the Company's current and ongoing operations.

Occupancy and equipment rental expense decreased by 19% to $308,341 for the nine months ended June 30, 2002 from $382,490 in 2001. Decreases in rental expense were related to the Company's decreased leased office space. As of February 1, 2002 the Company relocated to a new, smaller and less costly leased office space. Offsetting a portion of this savings are several new equipment leases for phone system and network equipment. The net savings from this office relocation are currently anticipated to be over $150,000 on an annualized basis.

Communications expense decreased by $133,773, or 63% to $77,418 for the nine months ended June 30, 2002 from $211,191 for the nine months ended June 30, 2001. This decrease is due to reduced telephone, postage and printing expense related to the sale of the retail brokerage activity.

Interest and dividend expense increased by $94,658, or 169% to $150,690 for the nine months ended June 30, 2002 from $56,032 for the nine months ended June 30, 2001. This increase is due to increased dividend expense related to the Company's American Depositary Receipt (ADR) conversion strategy where the Company holds paired and offsetting long or short foreign ordinary and ADR positions. When these paired positions are held over a dividend record date the Company has offsetting dividend expense and dividend income. Dividend expense of $148,945 for the nine months ended June 30, 2002 is largely offset by the $140,904 of dividend income for the same period.

Professional fees increased by approximately 99% to $368,110 for the nine months ended June 30, 2002 as compared to $184,606 in 2001. This increase is primarily due to legal fees related to the arbitration and injunction matters further discussed in Part II, Item 1 of this Form 10-QSB.

Insurance expense decreased by approximately 32% to $99,940 for the nine months ended June 30, 2002 as compared to $147,602 in 2001. This decrease is primarily due to decreases in health, life, disability and workers compensation insurances due to reductions in total employment headcount and the related and reduced payroll expense.

Depreciation and amortization expense decreased approximately 26% to $284,357 for the nine months ended June 30, 2002 as compared to $383,513 in 2001. The decrease in 2002 is due to lower depreciation expense associated with the disposition of fixed assets related to the sale of the retail private client activity in December 2001.

Technology expense was down approximately 75% to $40,890 for the nine months ended June 30, 2002 from $164,865 in 2001. The decrease is due to the completion of technology enhancements to increase the quote system and trading platform's capacity as well as reduced technology expenditures for web site content due to the elimination of the retail online brokerage activity in January 2002.

Other operating expenses decreased approximately 47% to $173,133 for the nine months ended June 30, 2002 as compared to $324,542 in 2001. This decrease is due to cutbacks and reductions in director's fees and expense, office supplies and expense, training expense and annual report expense.

The Company has reported a loss before gain on sale of retail activity and income taxes of $1,008,393 for the nine months ended June 30, 2002 compared to a loss of $3,492,566 for 2001. The gain on the sale of retail activity is $413,009 for the nine months ended June 30, 2002. The gain is based on sales proceeds of $827,240 less the book cost basis of $414,231, for the transaction costs and the book value of the assets that were included in the sale of this business activity.

The Company has reported a net loss of $595,384 for the nine months ended June 30, 2002 compared to a net loss of $2,222,728 for the nine months ended June 30, 2001.

The Company did not record an income tax benefit for the nine months ended June 30, 2002 due to a valuation allowance applied to the deferred tax asset related to the net operating loss generated during the nine months. The Company's effective income tax benefit rate was approximately 36% for the nine months ended June 30, 2001.

Three Months Ended June 30, 2002, as Compared to
the Three Months Ended June 30, 2001

For the three months ended June 30, 2002, 91% of the Company's revenues were derived from trading revenue. For the three months ended June 30, 2001, 59% of the Company's revenues were derived from commissions and 34% were derived from trading revenue. Total revenues increased 2% to $1,244,987 for the three months ended June 30, 2002 from $1,223,491 for the same period in 2001.

Trading revenue (net dealer inventory and investment gains) increased to $1,132,822 for the three months ended June 30, 2002 from $421,320 in 2001. This increase in trading revenue was due to the trading department's ongoing efforts to provide reliable market making for our trading clients with high quality customer service and trade execution in the international securities trading market. The increase in trading revenues for the three months ended June 30, 2002 comes after the Company had to rehire and rebuild the entire trading department since the disruption of the Company's trading operations caused by the abrupt departure of the Company's head of capital markets and his related recruitment of the entire trading department to his own firm in December 2000.

Commission revenues decreased to $1,675 for the three months ended June 30, 2002 from $724,448 in 2001. On December 13, 2001 the Company sold its membership interests in International Assets Advisory, LLC. The retail brokerage commission revenues previously generated by International Assets Advisory, LLC are no longer a source of revenue for the Company after December 13, 2001, due to the sale of this retail brokerage activity. Commission revenues of $1,675 for the three months ended June 30, 2002 include rebate commissions earned during the three months ended June 30, 2002. During December 2001 and January 2002 the Company sold substantially all of it retail brokerage and retail online accounts. The elimination of these retail activities has allowed the Company to focus all of its resources on its core market making trading operation.

Revenues from management and investment advisory fees decreased to $0 for the three months ended June 30, 2002 compared to $5,613 for the same quarter in 2001. These revenues from management and investment advisory fees are no longer a source of revenue for the Company after December 13, 2001 due to the sale of this business.

Interest and dividend revenue increased by 60% to $109,935 for the three months ended June 30, 2002 from $68,675 in 2001. Dividend income increased $62,058 for the three months ended June 30, 2002 compared to the same period in 2001. The increase in dividend income is derived from the Company's American Depositary Receipt (ADR) conversion strategy where the Company holds paired and offsetting long and short foreign ordinary and ADR positions. When these paired positions are held over a dividend record date the Company has offsetting dividend income and dividend expense. Dividend income of $106,820 for the three months ended June 30, 2002 is offset by the $122,851 of dividend expense for the same period. Partly offsetting this increase in dividend income is a $20,798 decrease in interest income for the three months ended June 30, 2002 compared to the same period in 2001. This decrease is primarily due to lower balances of interest producing assets, including money market balances and fixed income securities as well as decreased interest returns on these short-term liquid assets during the three months ended June 30, 2002 compared to the same period in 2001.

Other revenues were $555 for the three months ended June 30, 2002 down from $3,435 for the same period in 2001.

The major expenses incurred by the Company relate to direct and indirect costs of its securities operations such as compensation and benefits, clearing and related expense, professional fees and interest and dividend expense. Total expenses decreased by approximately 37% to $1,519,579 for the three months ended June 30, 2002, from $2,396,521 for the same period in 2001. This decrease in total expenses is mainly related to reductions in compensation and benefits, promotions, depreciation and amortization, communications and occupancy and equipment rental. The decrease in total expenses reflects the cost decreases related to the sale of the retail brokerage activity and the additional cost reductions the Company began to implement in August 2001.

Compensation and benefits expense decreased by $803,629 or 65% to $425,576 for the three months ended June 30, 2002 from $1,229,205 in 2001. The decrease is primarily due to $0 commission expense for the three months ended June 30, 2002 compared to $391,361 for the same quarter in 2001. This commission expense and the related commission revenues will no longer be an ongoing expense and revenue for the Company after December 13, 2001, due to the sale of the retail private client activity. The decrease in compensation and benefits expense is also due to a decrease in base salaries due to an overall reduction in the number of employees.

Clearing and related expenses increased 8% to $442,557 in the three months ended June 30, 2002, up from $410,464 in 2001. This increase is primarily related to increased costs for American Depository Receipt (ADR) conversions due to the necessity of these conversions as a trading strategy to facilitate liquidity within the Company's overall investment portfolio. The increase in clearing expense is also related to trading volume increases in the number of trades processed.

Total promotion expense decreased by approximately 46% to $76,723 for the three months ended June 30, 2002 compared to $141,080 for 2001. This decrease is primarily due to decreases in retail promotional activity and travel and entertainment decreases due to cost saving initiatives undertaken. Future promotion expense will be determined by incremental promotions that are undertaken to support the Company's current and ongoing operations.

Occupancy and equipment rental expense decreased by 40% to $74,684 for the three months ended June 30, 2002 from $123,564 in 2001. Decreases in rental expense were related to the Company's decreased leased office space. As of February 1, 2002 the Company relocated to a new, smaller and less costly leased office space. Offsetting a portion of this savings are several new equipment leases for phone system and network equipment. The net savings from this office relocation are currently anticipated to be over $150,000 on an annualized basis.

Communications expense decreased by $53,270, or 75% to $17,521 for the three months ended June 30, 2002 from $70,791 for the three months ended June 30, 2001. This decrease is due to reduced telephone, postage and printing expense related to the corresponding decreases in operating revenue.

Interest and dividend expense increased by $83,082, or 207% to $123,229 for the three months ended June 30, 2002 from $40,147 for the three months ended June 30, 2001. This increase is due to increased dividend expense related to the Company's American Depositary Receipt (ADR) conversion strategy where the Company holds paired and offsetting long or short foreign ordinary and ADR positions. When these paired positions are held over a dividend record date the Company has offsetting dividend expense and dividend income. Dividend expense of $122,851 for the three months ended June 30, 2002 is largely offset by the $106,819 of dividend income for the same period.

Professional fees increased by approximately 263% to $199,352 for the three months ended June 30, 2002 as compared to $54,939 in 2001. This increase is primarily due to legal fees related to the arbitration and injunction matters further discussed in Part II, Item 1 of this Form 10-QSB.

Insurance expense decreased by approximately 36% to $30,137 for the three months ended June 30, 2002 as compared to $47,236 in 2001. This decrease is primarily due to decreases in health, life, disability and workers compensation insurances due to reductions in total employment headcount and the related and reduced payroll expense.

Depreciation and amortization expense decreased approximately 42% to $86,884 for the three months ended June 30, 2002 as compared to $148,878 in 2001. The decrease in 2002 is due to lower depreciation expense associated with the disposition of fixed assets related to the sale of the retail private client activity in December 2001.

Technology expense was down approximately 95% to $2,351 for the three months ended June 30, 2002 from $45,935 in 2001. The decrease is due to the completion of technology enhancements to increase the quote system and trading platform's capacity as well as reduced technology expenditures for web site content due to the elimination of the retail online brokerage activity in January 2002.

Other operating expenses decreased approximately 52% to $40,565 for the three months ended June 30, 2002 as compared to $84,282 in 2001. This decrease is due to cutbacks and reductions in director's fees and expense, office supplies and expense and training expense.

The Company has reported a net loss of $274,592 for the three months ended June 30, 2002 compared to a net loss of $740,363 for the three months ended June 30, 2001.

The Company did not record an income tax benefit for the three months ended June 30, 2002 due to a valuation allowance applied to the deferred tax asset related to the net operating loss generated during the three months. The Company's effective income tax benefit rate was approximately 37% for the three months ended June 30, 2001.

Liquidity and Capital Resources

Substantial portions of the Company's assets are liquid with the majority of the assets consisting of securities inventories which fluctuate depending on the levels of customer business. At June 30, 2002, approximately 91% of the Company's assets consisted of cash, cash equivalents, receivable from clearing organization and marketable securities. All assets are financed by the Company's equity capital, short-term borrowings from securities sold, not yet purchased and other payables.

Distributions to the Company from INTLTRADER.COM, INC., the Company's primary source of liquidity, are restricted as to amounts which may be paid by applicable law and regulations. The Net Capital Rules are the primary regulatory restrictions regarding capital resources. The Company's rights to participate in the assets of any subsidiary are also subject to prior claims of the subsidiary's creditors, including customers of INTLTRADER.COM, INC.

INTLTRADER.COM, INC., a wholly owned registered securities broker-dealer subsidiary, is subject to the requirements of the SEC and the NASD relating to liquidity and net capital levels. At June 30, 2002, INTLTRADER.COM INC. had adjusted net capital of $1,730,059, which was $1,375,559 in excess of its minimum net capital requirement at that date.

The Company's total assets and liabilities and the individual components thereof may vary significantly from period to period because of changes relating to customer needs and economic and market conditions. The Company's total assets at June 30, 2002 and September 30, 2001, were $14,680,565 and $10,733,698, respectively. The Company's operating activities generate or utilize cash resulting from net income or loss earned during the period and fluctuations in its assets and liabilities. The most significant fluctuations have resulted from changes in the level of customer activity and securities inventory changes resulting from proprietary arbitrage trading strategies dictated by prevailing market conditions.

In addition to normal operating requirements, capital is required to satisfy financing and regulatory requirements. The Company's overall capital needs are continually reviewed to ensure that its capital base can appropriately support the anticipated capital needs of the operating subsidiaries. The excess regulatory net capital of the Company's broker-dealer subsidiary may fluctuate throughout the year reflecting changes in inventory levels and/or composition and balance sheet components.

In the opinion of management, the Company's existing capital and cash flow from operations will be adequate to meet the Company's capital needs for at least the next twelve months in light of known and reasonably estimated trends. At this time additional private financing is being sought for trading capital, technology, staffing and promotional efforts based upon the Company's strategic plan. This plan has an operational emphasis on technology driven international securities order flow. In conjunction with the Company's strategic plan, the Company has engaged UBS Warburg as its financial advisor to arrange and negotiate a private placement of securities issued by the Company or to find a strategic partner. UBS Warburg has been engaged to use its best efforts in connection with a private placement and does not have any obligation to purchase any securities issued by the Company or to provide financing of any kind to the Company.

Cash Flows

For the nine months ended June 30, 2002, cash and cash equivalents increased by $1,021,263 since the end of the last fiscal year ending September 30, 2001. Funds provided by operating activities were $545,106 for the period ending June 30, 2002. During the nine months ended June 30, 2002, the Company had cash provided by investing activities of $394,375. Net cash provided by financing activities were $81,782, which was comprised of $80,000 provided by the sale of common stock with the sale of the retail brokerage activity and $1,782 from the exercise of one employee stock option.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

The Company is party to certain litigation as of June 30, 2002, which relates primarily to matters arising in the ordinary course of business. While the Company cannot absolutely predict the outcome of these actions at this time, it is the opinion of management, given the probability of success by the Company, that the resolution of these matters will not have a material adverse effect on the consolidated financial condition of the Company.

On January 4, 2001 the Company filed an arbitration matter with the NASD regarding several breaches (including but not limited to raiding, unfair competition and misappropriation of trade secrets) related to the sudden departure, on December 19, 2000, of the head of the foreign trading desk and his related recruitment of the entire Company's trading staff. This arbitration claim was filed against the broker/dealer who became the employer of the recruited employees, two principals of the broker/dealer, two affiliated securities firms of the broker/dealer and four principals of the parent firm. On March 14, 2001 the broker/dealer who became the employer and two of its principals responded and filed a counterclaim against the Company. On March 19, 2001 the two affiliated securities firms of the broker/dealer also filed a counterclaim as well as a claim for attorney's fees. The Company disputes the counterclaims and intends to vigorously defend them. The NASD arbitration for this matter, which was originally scheduled for the week beginning April 29, 2002, has been continued (delayed) until November 2002. The parties involved in the arbitration have agreed to participate in a mediation scheduled for September 2002.

On April 1, 2002, the Company filed suit and a motion for temporary injunction, which was granted, in Circuit Court in Orange County, Florida. The suit and motion were filed against a New York Stock Exchange listed company for breach of a confidentiality agreement and misappropriation of trade secrets. The Company was required to post a $50,000 cash bond with the court as a condition of the temporary injunction. On April 9, 2002, the Court denied a motion to dissolve the temporary injunction. On April 12, 2002 the defendant filed an appeal of the denial of the motion. That appeal has not yet been resolved. On April 29, 2002 the defendant filed three motions with the Circuit Court in Orange County, Florida to; 1) dissolve the temporary injunction, 2) to compel an NASD arbitration and 3) to dismiss the claims. Also on April 29, 2002 the defendant filed an NASD arbitration claim seeking damages in excess of $450,000. On May 30, 2002 the Circuit Court of Orange County, Florida; 1) denied a motion to dissolve the temporary injunction, 2) reserve ruling on the motion to compel arbitration and 3) granted a motion to dismiss the original claim; however, the Company was given 10 days to amend the complaint. This amended complaint was filed on August 1, 2002.

The Company plans to defend its position against the appeal of the injunction and defend its position that the circuit court rather than the NASD has jurisdiction to decide this matter.

The foregoing discussion contains certain "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements involve various risks and uncertainties with respect to current legal proceedings. Although the Company believes that its expectations with respect to the forward-looking statements are based upon reasonable assumptions within the bounds of its knowledge of its business and operations, there can be no assurances that the actual results, performance or achievement of the Company will not differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Readers are cautioned that any such forward-looking statements are not guarantees of future performance and involve risks and uncertainties and that actual results may differ materially from those indicated in the forward-looking statements as a result of various factors. Readers are cautioned not to place undue reliance on these forward-looking statements.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

a). Exhibits

(10.18) The Company's Employment Agreement, entered into as of January 1, 2002, between the Company and Edward R. Cofrancesco, dated June 4, 2002.

(99.1) The Company's Certification of President/CEO, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

(99.2) The Company's Certification of Chief Financial Officer, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

b). Form 8-K

No reports were filed on Form 8-K during the three months ended June 30, 2002.

Signatures

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

INTERNATIONAL ASSETS HOLDING CORPORATION

Date 08/12/2002

/s/ Diego J. Veitia

Diego J. Veitia
President and Chief Executive Officer

Date 08/12/2002

/s/ Jonathan C. Hinz

Jonathan C. Hinz
Chief Financial Officer and Treasurer

Exhibit Index

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Exhibit 10.18

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT ("Agreement") is made and entered into as of the 1/st/ day of January, 2002 (the "Effective Date"), by and between INTERNATIONAL ASSETS HOLDING CORPORATION, a Delaware corporation (the "Company"), and Edward R. Cofrancesco (the "Executive").

R E C I T A L S

A. The Company, directly or through its subsidiaries, operates a financial services company, including a full-service securities brokerage firm specializing in global investing, a registered investment advisor providing clients with investment advisory services, and other securities businesses servicing its clients.

B. The Executive shall be, pursuant to the terms of this Agreement, the Executive Vice President and Chief Operating Officer of the Company, and may hold such offices in its subsidiaries as may be appropriate for the conduct of its business.

C. The Company is a publicly held entity, having previously offered shares of the Company's common stock pursuant to a registration statement, and continues to file reports as to the Company's business.

D. The Board of Directors of the Company (the "Board") considers it essential to the best interests of the Company that the Executive remain with the Company after the completion of the present term of his employment.

E. In order to induce the Executive to accept and continue his employment with the Company, the Company desires to enter into this Agreement with the Executive, and to be bound by it.

F. The Executive, desiring to accept and proposing to continue his employment by the Company, agrees to be bound by the covenants herein.

NOW THEREFORE, in consideration of the mutual covenants and agreements set forth hereinafter, the Company and the Executive agree as follows:

1. Recitals. All of the above recitals are true and correct.

2. Term. The term of this Agreement shall be for a period of one year commencing on the Effective Date, subject, however, to prior termination as herein

provided. Thereafter, this Agreement may be extended by the mutual written agreement of the Company and the Executive on a yearly basis.

3. Duties. During the period of employment (except as otherwise agreed by the Executive), the Executive will be employed as the Executive Vice President and Chief Operating Officer of the Company and shall have powers and duties as may from time to time be delegated to the Executive by the Chief Executive Officer or the Board. The Executive shall report to the Chairman of the Board of Directors of the Company. The Executive shall devote substantially all of the Executive's business time to the affairs of the Company.

4. Indemnification. The Company agrees to defend, indemnify and hold harmless the Executive ("Indemnified Party") for acts in his capacity as Executive to the fullest extent permitted by Delaware corporate law at the present time (or as such right of indemnity may be increased in the future). The Company agrees to reimburse the Indemnified Party on a monthly basis for any cost of defending any action or investigation (including reasonable attorneys' fees and expenses) subject to an undertaking from the Indemnified Party to repay the Company if the Indemnified Party is determined not to be entitled to such indemnity by a court of competent jurisdiction.

5. Compensation and Related Matters.

(a) Basic Salary. As a compensation for the duties to be performed by the Executive hereunder, the Company will pay the Executive a base salary at an annual rate of $150,000 per year of the Company through December 31, 2002, and such annual salary shall thereafter increase effective as of the first day of each succeeding calendar year commencing after December 31, 2002 by the greater of (i) the change in the consumer price index during the last completed fiscal year, or (ii) such other amount as the Board in its discretion determines to be appropriate. The Executive's base salary shall be payable in accordance with the customary payroll practices of the company as in effect from time to time during the period of employment.

(b) Bonus Plan.

(i) In addition to the base salary, the Executive shall be entitled to additional compensation in an amount determined by the Board taking into account the consolidated pre-tax earnings of the Company (including its subsidiaries) for each fiscal year that ends during the term hereof.

(ii) For purposes of this Section 5(b), the "consolidated pre-tax earnings of the Company" shall be determined by the independent public accountants then regularly servicing the Company, in accordance with generally accepted accounting principles, consistently applied, based on the audited consolidated financial statements of the Company for such fiscal year, which determination shall be binding on the parties hereto.

(iii) Additional compensation authorized by the Board shall be paid within sixty days after the later of: (A) the date on which the Company's independent accountants delivers its final report on the audited consolidated financial statements of the Company for the fiscal year ending during the calendar year during which this Agreement remains in effect, or (B) December 31/st/.

(c) Stock Options.

(i) The Executive shall be eligible to participate in the Stock Option Plan (the "Plan") and shall be considered by the Company's Board or the Compensation Committee to receive grants of options thereunder at the same times as consideration shall be given by the Board or such committee to the grants of stock options generally to senior executive officers of the Company. If the Plan shall be terminated or if no options remain available for grant thereunder, the Executive shall be entitled to participate in such other incentive program as the Company may substitute for the Plan for its senior executive officers.

(ii) In connection with the original employment of the Executive by the Company effective as of December 22, 2000, the Company committed to issue to the Executive 20,000 stock options granted December 22, 2000, an additional 20,000 stock options granted December 22, 2001, and an additional 20,000 stock options granted December 22, 2002. It was agreed by the parties that each set of stock options would have a three year vesting schedule, and that each outstanding option would become fully vested and non-forfeitable in the event of a change of control of the Company, and such terms are incorporated herein.

(d) Additional Compensation. The Company may award additional bonuses to the Executive from time to time in amounts as determined by the Board or a committee of the Board, and such compensation shall be payable in the manner and at the time or times directed by the Board or its committee.

(e) Reimbursement of Expenses. During the term of this Agreement, the Company shall promptly pay or reimburse the Executive for all reasonable business expenses actually incurred or paid by the Executive in the performance of his services hereunder (including a monthly payment of $700.00 toward the cost of leasing and maintaining a car for the use of the Executive, and the provision of suitable liability insurance for that vehicle by the Executive for the protection of the Executive and Company), all in accordance with the policies and procedures of the Company for the reimbursement of business expenses of its senior executive officers, provided that the Executive properly accounts therefor in accordance with Company policy.

(f) Benefits. The Company shall, at its sole cost, and expense, provide life insurance, medical insurance, disability insurance, retirement and other benefits comparable to those provided by comparable companies to their senior executive officers.

6. Vacation, Days Off. The Executive may take a maximum of 4 weeks vacation, at times to be determined in the manner most convenient for the business of the

Company. In addition, the Executive may take time off at such times as may be determined by the Board to attend such meetings and postgraduate courses as may comply with regulatory and licensing requirements of the businesses conducted by the Company, or which otherwise directly advance the interests of the Company. The Company may, in its discretion, reimburse the Executive for some or all of the expenses incurred to register for or attend such training courses.

7. Termination Provisions

(a) Termination

(i) The Executive's employment hereunder shall automatically terminate (A) upon the Executive's death or Disability (as hereinafter defined); (B) upon written notice by the Company for "Cause" (as hereinafter defined); or (C) upon 30 days written notice by either party.

(ii) For purposes of this Agreement, "Disability" shall have the same meaning as that term has under a disability policy maintained for the Executive by the Company. If no such policy exists, or if payment of benefits under the policy is not conditioned on meeting such a definition, then "Disability" shall mean that the Executive is unable to perform his duties hereunder on a full-time basis for three consecutive months after reasonable accommodation by the Company.

(iii) For purposes of this Agreement, the Company shall have "Cause" to terminate the Executive's employment hereunder upon (A) the willful failure by the Executive to substantially perform the Executive's duties (other than any such failure resulting by the Executive's Disability) and continuance of such failure for more than 30 days after the Company notifies the Executive in writing of the Executive's failure to perform; (B) the engaging by the Executive in willful misconduct which is injurious to the Company; (C) the conviction of the Executive in a court of proper jurisdiction of a crime which constitutes a felony in respect of the conduct of the business of the Company; or (D) a finding by the National Association of Securities Dealers, Inc. (the "NASD"), another self-regulatory body of competent jurisdiction (the "SRO"), or U.S. Securities and Exchange Commission (the "SEC') that the Executive personally violated its rules or regulations, and such finding or penalty therefor restricts the Executive's ability to perform his obligations under this Agreement. Notwithstanding the foregoing, the Executive shall not be deemed to have personally violated roles or regulations of the NASD, an SRO, or the SEC, if a finding or penalty imposed is based upon a finding that the Executive did not adequately supervise such employee, but was not otherwise a party to the acts constituting the misconduct by such other person. Further, the Executive shall not be deemed to have been terminated for Cause unless and until there has been delivered to the Executive notice that a resolution has been duly adopted by the Board which finds that the Company has "Cause" to terminate the Executive as contemplated in this Section 7(a), provided, that the Executive is terminated for Cause upon conviction of a felony as identified in clause (C) above, and upon the revocation of any license required under applicable law for the conduct of the business of the Company by the Executive.

(b) Compensation Upon Termination. If either (i) the Company shall terminate the employment of the Executive for Cause pursuant to the provisions of Section 7(a) hereof, or (ii) the Executive shall resign (other than as a result of the violation of this Agreement by the Company), then the Company shall pay the Executive 100% of the compensation set forth in Section 5 hereof for 30 days following the date of the termination of employment. If the Company shall terminate the employment of the Executive without Cause or the Executive resigns as a result of a breach by the Company of its obligations to the Executive, whether set forth herein or otherwise, then the Company shall pay the Executive 100% of the compensation set forth in Section 5 hereof for the remaining term of the Agreement, or six full months, whichever period shall be greater.

8. Nondisclosure and Noncompetition.

During the period of employment hereunder and for a period of one year after termination of this Agreement (for whatever reason), the Executive shall not, without the written consent of the Board or a person authorized thereby, disclose to any person or appropriate for his own use, information, knowledge or data which is not theretofore publicly known and in the public domain that is obtained by the Executive while in the employ of the Company (which for purposes of this Section 8 shall include the Company or any of its subsidiaries), respecting information about the Company, or of any products, systems, programs, procedures, manuals, guides, confidential reports and communications, improvements, designs or styles, customers, methods of distribution, sales, prices, profits, costs, contracts, suppliers, business prospects, business methods, techniques, research, trade secrets, or know-how of the Company, except as the Executive may, in good faith, reasonably believe to be for the Company's benefit. The Executive acknowledges that all information about the Company's trading department customers, clients, prospects and pricing models constitutes trade secrets under Section 688.002(4) of the Florida Statutes. Notwithstanding the foregoing, following the termination of employment hereunder, the Executive may disclose any information, knowledge or data of the type described to the extent required by law in connection with any judicial or administrative proceeding or inquiry.

In addition to the foregoing and in the interest of protecting the Company's trade secrets, during the term of this Agreement and for a period of one year after termination of this Agreement for any reason, the Executive shall not, without the written consent of the Board or a person authorized thereby, directly or indirectly, do any business with respect to, or solicit any business similar to the business of the Company from, any of the Company's customers, clients, or accounts without the consent of the Company; provided, that this prohibition shall not limit the authority of the Executive (or the Executive's new employer) to solicit business from any client or customer of the Company that is already a customer or client of that new employer thirty days prior to the last day the Executive is employed by the Company. In addition, Executive shall not directly, or through any company of which Executive is an officer, employee, or more than 5% owner, hire any employee of the Company, or attempt to solicit any employee of, or independent contractor used by, the Company to leave the service of the Company.

Executive agrees that the restrictions of this Section 8 are reasonable as to time, area, subject matter and otherwise due to the confidential nature of the information and trade secrets of the Company, and the unique role and substantial compensation of the Executive. The Executive acknowledges that he entered into the covenants imposed by this Section 8 in connection with a prior employment agreement, and that such restrictions are continued without interruption under this Agreement. The covenants contained in this Section 8 shall survive the termination of the Executive's employment pursuant to this Agreement. The foregoing provisions of this Section 8 shall be binding upon the Executive's heirs, successors and legal representative. The Executive acknowledges and confirms that the Company shall be entitled to specific performance or injunctive relief without proof of monetary damages and without further proof of irreparable injury in an action instituted in any court of competent jurisdiction, or a proceeding before the NASD.

9. Other Directorships. The Company acknowledges and understands that the Executive may be offered the opportunity to sit on the board of directors of other public and private companies. The Executive agrees that he will not serve on the board of directors of any company in competition with the Company and its affiliates, and the Executive agrees that he will not accept any appointment to another Board without the prior written consent of the Company, which consent shall not be unreasonably withheld. The Company may determine that the Executive shall not serve as a director, officer, or in any other position with an entity that does not maintain liability insurance in an amount deemed to be adequate by the Company. The Company agrees that the Executive shall be entitled to any fees or salary received for his participation on the Boards of Directors of such companies.

10. Attorneys' Fees. In the event a proceeding is brought to enforce or interpret any part of this Agreement or the rights or obligations or any party to this Agreement, the prevailing party shall be entitled to recover as an element of such party's costs of suit, through all appeals, and not as damages, reasonable attorneys' fees and paralegal's fees to be fixed by the arbitrator(s) or court. The prevailing party shall be the party who is entitled to recover his costs of suit or proceeding whether or not the action proceeds to final judgment. A party not entitled to recover his costs shall not recover attorneys' fees.

11. Successors and Assigns. This Agreement and the benefits hereunder are personal to the Company and are not assignable or transferable by the Executive without the written consent of the Company. The services to be performed by the Executive hereunder may not be assigned by the Company, without the written consent of the Executive, to any person, firm, corporation or other entity, with the exception of a parent or subsidiary of the Company. Subject to the foregoing, this Agreement shall be binding upon and inure to the benefit of the Company and the Executive and the Executive's heirs and legal representatives, and the Company's successors and permitted assigns.

12. Governing Law. This Agreement shall be construed in accordance with and governed by the law of the State of Delaware, without regard to the application of principles of conflict of laws.

13. Notices. All notices and other communications required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been given if delivered personally or sent by certified mail, return receipt requested, postage prepaid, to the parties to this Agreement shall specify by notice to the other:

If to the Company:	International Assets Holding Corporation 220 East Central Parkway Altamonte Springs, Florida 32701
With a copy to:	Steven M. Felsenstein, Esq., Greenberg, Traurig LLP 2700 Two Commerce Square Philadelphia, Pennsylvania 19103
If to the Executive:	Mr. Edward R. Cofrancesco xxxxxx Orlando, FL xxxxx

All notices and communications shall be deemed to have been received on the date of delivery or on the third business day after the mailing thereof.

14. Modification: Waiver. No provisions of this Agreement may be modified, waived or discharged unless such modification, waiver or discharge is approved by the Board or a person authorized thereby, and is agreed to in a writing signed by the Executive and such officer as may be specifically designated by the Board. No waiver by either party hereto at the time of any breach by the other party hereto of any condition or provision of this Agreement, or compliance therewith, by such other party shall be deemed a waiver of similar or dissimilar provisions or conditions at the same time, or at any prior or subsequent time.

15. Complete Understanding. No agreements or representations, oral or otherwise, express or implied, with respect to the subject matter hereof have been made by either party which are not set forth expressly in this Agreement. This Agreement supercedes all prior agreements and understandings between the Company and the Executive concerning his employment by the Company as well as his compensation, including stock options, in connection therewith, except that the Executive acknowledges that certain confidentiality provisions contained have been subsumed and incorporated herein, and shall be deemed to continue from the inception of his employment by the Company.

16. Headings. The headings in this Agreement are for convenience of reference only and shall not control or affect the meaning or construction of this Agreement.

17. Severability. The invalidity of any one or more of the words, phrases, sentences, clauses or sections contained in this Agreement shall not affect the enforceability of the remaining portions of this Agreement or any part thereof, all of which are inserted conditionally on their being valid in law, and if any one or more of the words,

phrases, sentences, clauses or sections contained in this Agreement shall be declared invalid, this Agreement shall be construed as if such invalid word or words, phrase or phrases, sentence or sentences, clause or clauses, or section or sections had not been inserted.

18. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original but all of which together will constitute one and the same instrument.

19. Arbitration. Any dispute or controversy arising under or in connection with this Agreement shall be settled exclusively by arbitration in Orlando, Florida, in accordance with the rules of the American Arbitration Association then in effect.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date and year first above written.

COMPANY:

INTERNATIONAL ASSETS HOLDING
CORPORATION, a Delaware corporation

By: /s/ Diego J. Veitia
Name: Diego J. Veitia
Title: Chairman and CEO

EXECUTIVE:
/s/ Edward R. Cofrancesco

Edward R. Cofrancesco

Witness:

/s/ Jonathan C. Hinz

Jonathan C. Hinz

Date: June 4, 2002

Exhibit 99.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of International Assets Holding Corporation (the "Company") on Form 10-QSB for the period ending June 30, 2002 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Diego J. Veitia, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. (S) 1350, as adopted pursuant to (S) 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

/s/ Diego J. Veitia
Diego J. Veitia
Chief Executive Officer

August 12, 2002

Exhibit 99.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of International Assets Holding Corporation (the "Company") on Form 10-QSB for the period ending June 30, 2002 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Jonathan C. Hinz, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. (S) 1350, as adopted pursuant to (S) 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

/s/ Jonathan C. Hinz
Jonathan C. Hinz
Chief Financial Officer

August 12, 2002