

INTERNATIONAL ASSETS HOLDING CORP
Form DEF 14A
January 15, 2009
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934
(Amendment No. __)

Filed by the Registrant

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Check the appropriate box:

Preliminary Proxy Statement

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

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

International Assets Holding Corporation

(Name of Registrant as Specified in Its Charter)

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4) Date Filed:

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INTERNATIONAL ASSETS HOLDING CORPORATION

220 E. Central Parkway

Suite 2060

Altamonte Springs, Florida 32701

January 15, 2009

Dear Shareholders:

You are cordially invited to attend the annual meeting of shareholders of International Assets Holding Corporation to be held at the Embassy Suites Orlando North at 225 Shorecrest Drive, Altamonte Springs, Florida on Thursday, February 26, 2009 at 10:00 a.m. Eastern Standard Time.

At the meeting, shareholders will be asked to vote on the election of seven directors; the ratification of the appointment of Rothstein, Kass & Company, P.C. as the Company's independent registered public accounting firm for the Company's 2009 fiscal year; to approve an amendment to the Company's 2003 Stock Option Plan; to approve an amendment to the Company's 2007 Executive Performance Plan; and to transact such other business as may properly come before the meeting.

The Notice of Annual Meeting of Shareholders and Proxy Statement accompanying this letter provide detailed information concerning matters to be considered at the meeting.

Your vote is important. I urge you to vote as soon as possible, whether or not you plan to attend the annual meeting.

Thank you for your continued support of International Assets Holding Corporation.

Sincerely,

Diego J. Veitia

Chairman

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INTERNATIONAL ASSETS HOLDING CORPORATION

220 E. CENTRAL PARKWAY, SUITE 2060

ALTAMONTE SPRINGS, FLORIDA 32701

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

TO BE HELD

FEBRUARY 26, 2009

TO THE SHAREHOLDERS OF

INTERNATIONAL ASSETS HOLDING CORPORATION

The annual meeting of the shareholders of International Assets Holding Corporation, a Delaware corporation (the Company), will be held on Thursday, February 26, 2009, at 10:00 a.m. Eastern Standard Time, at the Embassy Suites Orlando North at 225 Shorecrest Drive, Altamonte Springs, Florida, for the following purposes:

1. To elect seven directors.
2. To ratify the appointment of Rothstein, Kass & Company, P.C. as the Company's independent registered public accounting firm for the 2009 fiscal year.
3. To approve an amendment to the Company's 2003 Stock Option Plan to increase the total number of shares authorized for issuance under the plan from 1,500,000 shares to 2,250,000 shares.
4. To approve an amendment to the Company's 2007 Executive Performance Plan to amend the criteria utilized to determine the level of compensation payable under the Plan.
5. To transact such other business as may properly come before the meeting.

The Board of Directors has fixed the close of business on January 2, 2009 as the record date for the determination of shareholders entitled to notice of and to vote at the annual meeting. We hope that you will attend the meeting, but if you cannot do so, please complete, date and sign the enclosed proxy card, and return it in the accompanying envelope as promptly as possible. Returning the enclosed proxy card will not affect your right to vote in person if you attend the meeting.

By order of the Board of Directors

SEAN M. O'CONNOR
Chief Executive Officer

Altamonte Springs, Florida

January 15, 2009

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INTERNATIONAL ASSETS HOLDING CORPORATION

220 E. Central Parkway

Suite 2060

Altamonte Springs, Florida 32701

PROXY STATEMENT

ANNUAL MEETING OF SHAREHOLDERS

TO BE HELD

FEBRUARY 26, 2009

GENERAL

The enclosed proxy is solicited on behalf of the Board of Directors of International Assets Holding Corporation, a Delaware corporation (the Company), for use at the annual meeting of shareholders to be held on Thursday, February 26, 2009, at 10:00 a.m. (Eastern Standard Time), or at any adjournment or postponement of the meeting, for the purposes set forth in this proxy statement and in the accompanying Notice of Annual Meeting. The annual meeting will be held at the Embassy Suites Orlando North at 225 Shorecrest Drive, Altamonte Springs, Florida. The Company intends to mail this proxy statement and accompanying proxy card on or about January 15, 2009 to all shareholders entitled to vote at the annual meeting.

ABOUT THE MEETING

Why did I receive this proxy statement?

You received this proxy statement because you held shares of the Company's common stock on January 2, 2009 (the Record Date) and are entitled to vote at the annual meeting. The Board of Directors is soliciting your proxy to vote at the meeting.

VOTING

What am I voting on?

You are being asked to vote on four items:

1. The election of seven directors (see page 5).
2. The ratification of Rothstein, Kass & Company, P.C. as the Company's independent registered public accounting firm for the 2009 fiscal year (see page 26).
3. To approve an amendment to the Company's 2003 Stock Option Plan to increase the total number of shares authorized for issuance under the plan from 1,500,000 shares to 2,250,000 shares (see page 29).
4. To approve an amendment to the Company's 2007 Executive Performance Plan to amend the criteria utilized to determine the level of compensation payable under the Plan (see page 33).

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How do I vote?

Shareholders of Record

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

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

By internet at www.proxyvoting.com/iaac

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

By voting in person at the meeting.

Street Name Holders

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

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

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

What is the deadline for voting via Internet or telephone?

Internet and telephone voting is available through 11:59 p.m. Eastern Standard Time on Wednesday, February 25, 2009 (the day before the annual meeting).

What are the voting recommendations of the Board of Directors?

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

1. FOR each of the persons nominated by the Board of Directors to serve as directors.
2. FOR the ratification of the appointment of Rothstein, Kass & Company, P.C. as independent registered public accounting firm for the 2009 fiscal year.
3. FOR approval of the amendment to the Company's 2003 Option Plan.
4. FOR approval of the amendment to the Company's 2007 Executive Performance Plan.

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

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Will any other matters be voted on?

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

Who is entitled to vote at the meeting?

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

How many votes do I have?

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

How many votes can be cast by all shareholders?

The Company had 9,045,551 outstanding shares of common stock on the Record Date. Each of these shares is entitled to one vote. There is no cumulative voting.

How many votes must be present to hold the meeting?

The holders of a majority of the Company's common stock outstanding on Record Date must be present at the meeting in person or by proxy in order to fulfill the quorum requirement necessary to hold the meeting. This means at least 4,522,776 shares must be present in person or by proxy.

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

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

What vote is required to approve each proposal?

In the election of directors, the affirmative vote of a plurality of the votes present in person or by proxy and entitled to vote at the meeting is required. A proxy that has properly withheld authority with respect to the election of one or more directors will not be voted with respect to the director or directors indicated, although it will be counted for the purposes of determining whether there is a quorum.

For each other proposal, the affirmative vote of a majority of the shares represented in person or by proxy and entitled to vote at the meeting will be required for approval. An abstention with respect to this proposal will be counted for the purposes of determining the number of shares entitled to vote that are present in person or by proxy. Accordingly, an abstention will have the effect of a negative vote.

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If a broker indicates on the proxy that it does not have discretionary authority as to vote on a particular matter, those shares will not be considered as present and entitled to vote with respect to the matter.

Can I change my vote?

Yes. You may change your vote by sending in a new proxy card with a later date, by casting a new vote by telephone or internet, or, if you are a shareholder of record, sending written notice of revocation to the Company's Corporate Secretary at the address on the cover of this proxy statement. Also, if you attend the meeting and wish to vote in person, you may request that your previously submitted proxy not be used.

Who can attend the annual meeting?

Any person who was a shareholder of the Company on January 2, 2009 may attend the meeting. If you own shares in street name, you should ask your broker or bank for a legal proxy to bring with you to the meeting. If you do not receive the legal proxy in time, bring your most recent brokerage statement so that we can verify your ownership of our stock and admit you to the meeting. However, you will not be able to vote your shares at the meeting without a legal proxy.

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

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

FOR each of the nominees for director named in this proxy statement.

FOR ratification of the appointment of Rothstein, Kass & Company, P.C. as the independent registered public accounting firm for the Company for the 2009 fiscal year.

FOR the approval of the amendment to the Company's 2003 Stock Option Plan.

FOR approval of the amendment to the Company's 2007 Executive Performance Plan.

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PROPOSAL 1 ELECTION OF DIRECTORS

Under the Company's bylaws, the number of directors of the Company is fixed, and may be increased or decreased by resolution of the Board of Directors. Currently, the Board has fixed the number of directors at seven persons.

The Nominating & Governance Committee has nominated and the Board of Directors has approved the nominations of seven persons to serve as directors until the 2009 annual meeting, or until each director's successor is elected and qualified. Each of the nominees has agreed to serve if elected. The nominees are as follows:

Name of Nominee	Age	Director Since
Diego J. Veitia	65	1987
Sean M. O Connor	46	2002
Scott J. Branch	46	2002
Robert A. Miller, Ph.D.	66	1998
John Radziwill	61	2002
Justin R. Wheeler	36	2004
John M. Fowler	59	2005

The background of each nominee for director is as follows:

Diego J. Veitia founded the Company 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 the Company from its inception in 1987 until October 2002. Mr. Veitia also serves as Chairman of Veitia and Associates, Inc., a private investment company.

Sean M. O Connor joined the Company 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.

Scott J. Branch joined the Company 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.

Robert A. Miller, Ph.D. was elected as a director of the Company in February, 1998. He currently acts as an independent consultant and is a member of the board of directors of The Dreman Contrarian Trust and serves on its audit committee. 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 a director of Bergmann Associates, LLC, a privately owned architectural and engineering firm based in Rochester, New York from 2000 to 2004.

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

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

John M. Fowler has been a private investor since 1998. 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.

THE BOARD RECOMMENDS A VOTE FOR EACH NOMINEE

THE BOARD OF DIRECTORS AND ITS COMMITTEES

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

There are three committees of the Board of Directors—the Audit Committee, the Compensation Committee and the Nominating & Governance Committee. Committee assignments are re-evaluated annually and approved during the Board meeting which follows the annual meeting of shareholders. The Board of Directors has adopted charters for all of its Committees. Copies of these charters can be found on the Company's website at <http://www.intlassets.com>.

During the fiscal year ended September 30, 2008, the Board of Directors held five meetings. Each director attended at least 75% of the total number of meetings of the Board and the Board committees of which he was a member in 2008.

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

Attendance of Directors at Meetings

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

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

Six of the Company's seven current directors attended the 2008 annual meeting of the shareholders.

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Audit Committee

The Audit Committee meets at least quarterly with the Company's management and independent accountants to, among other things, review the results of the annual audit and quarterly reviews and discuss the financial statements, select and engage the independent accountants, assess the adequacy of the Company's staff, management performance and procedures in connection with financial controls and receive and consider the accountants' comments on the Company's internal controls. The current members of the Audit Committee are John Radziwill (Chairman), Justin R. Wheeler and John M. Fowler. The Audit Committee met six times during the 2008 fiscal year. The Board has determined that each of the current members of the Audit Committee is an audit committee financial expert within the meaning of Item 407(d)(5) of SEC Regulation S-B.

Compensation Committee

The Compensation Committee makes determinations concerning salaries and incentive compensation and otherwise determines compensation levels for the Company's executive officers and other key employees and performs such other functions regarding compensation as the Board may delegate. The current members of the Compensation Committee are John M. Fowler (Chairman), John Radziwill and Robert A. Miller. The Compensation Committee met six times during the 2008 fiscal year.

Nominating & Governance Committee

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

The current members of the Nominating & Governance Committee are Robert A. Miller (Chairman), John Radziwill and Justin R. Wheeler. The Committee met four times during the 2008 fiscal year.

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

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

The Committee will consider recommendations from the Company's shareholders when establishing the slate of director nominees to be submitted to the entire board. Such recommendations will be evaluated by the Committee using the same process and criteria that are used for recommendations received from directors and executive officers. The Committee will consider issues of diversity, experience, skills, familiarity with ethical and corporate governance issues which the Company faces in the current environment, and other relevant factors. The Committee will make these determinations in the context of the perceived needs of the Company at the time.

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Procedures by which Shareholders may submit Nominees for Director

For a shareholder to recommend a director nominee to the Committee, the shareholder should send the recommendation to the Chairman of the Nominating & Governance Committee, c/o Corporate Secretary, International Assets Holding Corporation, 220 E. Central Parkway, Suite 2060, Altamonte Springs, Florida 32701. The recommendation should include (a) the name, address and telephone number of the potential nominee; (b) a statement regarding the potential nominee's background, experience, expertise and qualifications; (c) a signed statement from the potential nominee confirming his or her willingness and ability to serve as a director and abide by the corporate governance policies of International Assets Holding Corporation (including its Code of Ethics) and his or her availability for a personal interview with the Committee; and (d) evidence establishing that the person making the recommendation is a shareholder of the Company.

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

In evaluating director nominees, the Nominating & Governance Committee considers the following factors:

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

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

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

familiarity with national and international business matters;

experience with accounting rules and practices; and

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

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

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Other than the foregoing, there are no stated minimum criteria for director nominees, although the Nominating & Governance Committee may also consider such other factors as it may deem are in the best interests of the Company and its shareholders. The Nominating & Governance Committee also believes that it is appropriate for certain key members of the Company's management to serve as directors.

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

Shareholder Communications with Non-Management Members of the Board

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

Interested parties are invited to communicate with the non-management members of the Board by sending correspondence to the non-management members of the Board of Directors, c/o Corporate Secretary, International Assets Holding Corporation, 220 East Central Parkway, Suite 2060 Altamonte Springs, FL 32701 or via e-mail to board@intlassets.com.

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

BOARD MEMBER INDEPENDENCE

The Board of Directors annually determines the independence of Directors based upon a review conducted by the Nominating & Governance Committee and the Board. No Director is considered independent unless he has no material relationship with the Company either directly or as a partner, shareholder, family member or officer of an organization that has a material relationship with the Company.

The Board of Directors has determined that, in its judgment as of the date of this Proxy Statement, each of the Company's Directors, other than Scott Branch, Sean O'Connor and Diego Veitia, are independent directors within the meaning of Rule 4200 of the NASDAQ Stock Exchange. Accordingly, all of the members of the Audit, Compensation and Nominating & Governance Committees are independent within the meaning of NASDAQ Rule 4200.

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EXECUTIVE COMPENSATION COMPENSATION DISCUSSION AND ANALYSIS

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

Background

The Company's Compensation Committee has primary responsibility for the design and implementation of the Company's executive compensation program. The Committee directly determines the compensation for the Company's three principal executive officers: Sean O. Connor (the Chief Executive Officer), Scott Branch (the President) and Brian 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 Comptroller and the Secretary. The salaries for those officers are currently determined by one or more of the Company's three principal executive officers.

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

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

Objectives of the Company's Executive Compensation Program

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

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

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

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

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Attract and Retain Talented Employees

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

Provide Compensation Based on Performance

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

Encourage Long-Term Service Through Equity Awards

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

What the Executive Compensation Program is Designed to Reward

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

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

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

Elements of Compensation

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

base salary

bonus under established bonus plans with objective criteria

discretionary bonus based on subjective criteria

health insurance and similar benefits

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Base Salary

The Company 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 the Company's 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 the Company 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 Comptroller was determined by the Chief Financial Officer and the President and was reviewed by the compensation committee. The base salary for the Group Comptroller 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

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

The Company utilizes the EPP to reward the Company's 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 the Company in advance. The Compensation Committee utilizes bonuses under the EPP as the Company's primary tool for encouraging executives to maximize productivity and profitability. Awards under the plan provide executives with an incentive to focus on aspects of the Company's performance that the Compensation Committee believes are key to the Company's success.

The Company is requesting shareholders to approve an amendment to the terms of the Executive Performance Plan at the 2009 annual meeting. The proposed amendment is described in the section of this Proxy Statement entitled Proposal 4 - Approval of Amendment to Executive Performance Plan

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

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

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

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

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

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

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

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

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

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

the impact of impairment of tangible or intangible assets,

restructuring activities reported in the Company s public filings, and

the impact of investments or acquisitions.

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

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

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

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

If any portion of a bonus is payable in the form of restricted stock, then the restricted stock will be issued to the executive at a discount of 25% to the market value of the Company's common stock (determined as of the date that is 75 days following the end of the applicable performance period, or, if the committee has not determined the bonus by this date, 15 days after the amount of the bonus is determined and certified by the Committee). These shares of restricted stock will vest at the rate of one-third per year, with the first one-third to vest on the first anniversary of the award and each subsequent one-third to vest at the end of each subsequent anniversary, all as specified with greater particularity in an award agreement to be entered into in accordance with the Company's Restricted Stock Plan. In its discretion, the Committee may waive these provisions and elect to pay 100% of any bonus payable under the plan, regardless of amount, entirely in cash (for example, in the case of a participant who already holds a substantial number of shares). Likewise, in its discretion, the Committee may alter the vesting period or reduce the discount applicable to any restricted stock award.

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

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

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

the Substitute Options will have a term of four years,

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

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

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

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

Application of Executive Performance Plan in 2008

For 2008, the Compensation Committee selected Sean O'Connor, Scott Branch and Brian Sephton to be participants in the Executive Performance Plan, with targeted bonus amounts of \$800,000 in the case of Sean O'Connor and Scott Branch, and \$600,000 in the case of Brian 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%

Table of Contents**Bonuses Earned under Executive Performance Plan for 2008**

Based on the Company's results for 2008, the nominal amount of the bonuses earned under the EPP 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) (#)	Value
Sean O'Connor (4)	\$620,000	\$620,000		
Scott Branch (5)	\$620,000	\$620,000		
Brian 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 the Company's 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 discretionary cash bonus of \$130,000. See *Discretionary Bonuses* below.
- (6) This executive also received an additional discretionary cash bonus of \$73,125 and an additional discretionary award of 4,282 restricted shares. See *Discretionary Bonuses* below.

Discretionary Bonuses

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

In the case of discretionary bonuses awarded to the 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 the Company's common stock at the time of the award. The restricted stock vests over a period of three years.

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

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 the Company's 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)	
			(#)	Value
Sean O Connor	\$130,000	\$130,000		
Scott Branch	\$130,000	\$130,000		
Brian 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 the Company's 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 the Company's 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.

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

For 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)	
			(#)	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 the Company's 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 number of restricted shares awarded were 10,000 restricted shares to each of Sean O'Connor and Scott Branch, 7,500 for Brian Sephton and 15,000 for Nancey McMurtry. The number of stock options awarded were 80,000 for each of Sean O'Connor and Scott Branch and 60,000 for Brian 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 were to be equally vested at the end of 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 were to be equally vested at the end of years three, four and five.

Other Benefits

The Company provides medical, life insurance, disability and other similar benefits to executives and other employees. The Company intends these benefits to be generally competitive, in order to help in the Company's efforts to recruit and retain talented executives. The Company's executives participate in these benefit programs on the same basis as all of the Company's other employees.

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.

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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).

The Company reserves the right to offer additional payments to terminated employees if it is determined to be in the Company's best interests. The Company has the right to fully vest executives in their equity awards upon retirement and in certain other termination of services circumstances.

Table of Contents**Summary Compensation Table**

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

Name and Principal Position	Fiscal Year	Salary (\$)	Bonus (\$)(1)	Stock	Option	Non-Equity	All Other	Total (\$)
				Awards (\$)(2)	Awards (\$)(3)	Incentive Plan Compensation (\$)(4)	Compensation (\$)(5)	
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							

- (1) The amounts in this column reflect discretionary cash bonuses awarded to the executive officers in 2007 and 2008, and 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.

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- (3) The amounts in this column represent the dollar amounts recognized for financial statement reporting purposes with respect to the 2007 and 2008 fiscal years 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 these option grants, see Note 18 in the Company's consolidated financial statements for the fiscal year ended September 30, 2008, as set forth in the Company's Form 10-K for the 2008 fiscal year. These amounts reflect the Company's accounting expense for these awards, and do not correspond to the actual value that will be recognized by the named executive officers.
- (4) The amounts in this column reflect cash bonuses awarded to the executive officers in 2007 and 2008 under the Executive Performance Plan. These were paid in the following 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 represent the dollar amount of matching contributions made by the Company 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 the Company's 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 the Company's consolidated financial statements for the fiscal year ended September 30, 2008, as set forth in the Company's Form 10-K for the 2008 fiscal year. These amounts reflect the Company's accounting expense for these awards, and do not correspond to the actual value that will be recognized by the named executive officers.
- (7) In December 2004, at the commencement of his employment with the Company, 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 the Company's consolidated financial statements for the fiscal year ended September 30, 2008, as set forth in the Company's Form 10-K for the 2008 fiscal year. These amounts reflect the Company's accounting expense for these awards, and do not correspond to the actual value that will be recognized by the named executive officers.
- (8) Mr. Tivy joined the Company in the second quarter of the 2008 fiscal year.

Table of Contents**Grants of Plan Based Awards 2008**

The following table sets forth information on plan based awards granted in 2008 to each of the Company's named executive officers. There can be no assurance that the amounts disclosed below will ever be realized. The amount of these equity awards that was expensed, and the amount of the non-equity awards that was earned in 2008, are shown in the Summary Compensation Table on page 20.

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 or Units (#) (2)	All Other Option Awards: Number of Securities Underlying Options (#)	Exercise or Base Price of Option Awards (\$/Sh)	Grant Date Fair Value of Stock and Option Awards
			Target (\$)(1)	Maximum (\$)	Target (\$)	Maximum (\$)				
Sean M. O Connor Chief Executive Officer	12/14/2007	11/29/2007	800,000	3,000,000			7,977			\$ 220,005
Scott J. Branch	12/14/2007	11/29/2007	800,000	3,000,000			7,977			\$ 220,005
President										
Brian T. Sephton Chief Financial Officer	12/14/2007	11/29/2007	600,000	3,000,000			5,348			\$ 147,498
Nancey McMurtry VP, Secretary	11/30/2007	11/30/2007					640			\$ 18,016
James W. Tivy Group Comptroller	05/8/2008	05/08/2008						5,000	25.15	\$ 125,750

(1) This column sets forth the target amount for each named executive officer under the Company's 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. The Executive Performance Plan does not provide for Threshold Minimums.

(2) Consists of restricted shares issued in fiscal 2008 under the Executive Performance Plan and under the Company's 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.

Table of Contents**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

Name	Number of Securities Underlying Unexercised Options (#) Exercisable	Option Awards			Stock Awards	
		Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price (\$)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested (\$)
Sean M. O Connor	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(5)	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 the Company's common stock on September 30, 2008.

Table of Contents**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

Name	Option Awards		Stock Awards	
	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 J. Branch	88,500	2,154,564(2)		
Brian T. Sephton	20,000	356,452(3)		
Nancey M. 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 per share; 4,167 options at an exercise price of \$10.12 per share; and 10,000 options at an exercise price of \$2.50 per share.
- (2) These amounts reflect the exercise of 80,000 options at an exercise price of \$2.50 per share; 8,500 options at an exercise price of \$8.568 per share.
- (3) These amounts reflect the exercise of 20,000 options at an exercise price of \$7.35 per share.
- (4) These amounts reflect the exercise of 3,500 options at an exercise price of \$1.30 per share and 1,500 options at \$1.40 per share.

Change of Control

None of the five named executive officers is entitled to any benefits, including acceleration of equity awards, upon a change in control of the Company.

REPORT OF THE COMPENSATION COMMITTEE**ON EXECUTIVE COMPENSATION**

The Compensation Committee has reviewed and discussed the Compensation Discussion and Analysis with management. Based on our review and discussion with management, the Compensation Committee recommended to the Board of Directors, and the Board has approved, that the Compensation Discussion and Analysis be included in the Proxy Statement.

THE COMPENSATION COMMITTEE

John M. Fowler, Chairman

Robert A. Miller

John Radziwill

The Compensation Committee report in this proxy statement shall not be deemed incorporated by reference into any other filing by the Company under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, except to the extent that the Company specifically incorporates this information by reference, and shall not otherwise be deemed filed under such Acts.

Table of Contents**DIRECTOR COMPENSATION**

The Board of Directors has retained the oversight of director compensation and has not delegated that function to any of its committees. The Board periodically reviews its non-executive director compensation to determine if any adjustments are necessary in order for the Company to attract and retain qualified directors.

Each director of the Company who is not an officer or employee receives director's fees of \$18,000 per year. The Chairmen of the Compensation Committee and Nominating & Governance Committee receive an additional fee of \$5,000 per year. The Chairman of the Audit Committee receives an additional fee of \$10,000 per year. The Chairman of the Board receives an additional \$28,000 per year. In addition, each continuing non-employee director, as part of his annual compensation, is granted restricted shares of common stock which generally vest ratably over a three year period. The number of shares included in this award is determined by the Board of Directors. On May 8, 2008, each non-employee director was granted 500 shares of restricted stock, vesting over a period of three years. The fair market value of the Company's common stock on the date of grant was \$25.15 per share.

During the 2008 fiscal year each Director was given the option to participate in the Company's restricted stock program which operates in conjunction with to the Restricted Stock Plan. Two of the directors, Messrs. Veitia and Radziwill, chose to participate in fiscal 2008. Fifteen percent (15%) of fees paid during their period of participation were exchanged for shares of restricted stock.

All directors are reimbursed for out-of-pocket expenses incurred in the performance of their services for the Company. The Company also extends coverage to directors under the Company's directors and officers indemnity insurance policies.

The following chart summarizes the 2008 compensation for the Company's non-employee directors.

Non-Employee Director Compensation
For Fiscal Year Ended September 30, 2008

Name	Fees Earned or			All Other	Total (\$)
	Paid in Cash (\$)	Stock Awards \$(1)	Option Awards \$(2)	Compensation \$(3)	
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	1,613	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 the Company's stock on the date of grant. For additional information, refer to Note 18 to the Company's consolidated financial statements for the fiscal year ended September 30, 2008, set forth in the Company's Form 10-K for the 2008 fiscal year. These amounts reflect the Company's accounting expense for these awards, and do not correspond to the actual value that will be recognized by the named 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.

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- (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 the Company 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 the Company's consolidated financial statements for the fiscal year ended September 30, 2008, set forth in the Company's Form 10-K for the 2008 fiscal year. These amounts reflect the Company's accounting expense for these awards, and do not correspond to the actual value that will be recognized by the named directors. At September 30, 2008, Messrs. Fowler, Radziwill and Wheeler each held options to acquire 5,000 shares. Dr. Miller held options to purchase 16,199 shares.
- (3) Messrs. Radziwill and Veitia chose to participate in the Company's restricted stock program which operates in conjunction with the 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 a grant of 5,000 options for Mr. Radziwill with an exercise price of \$6.985, which was 10% above the fair market value. Each of the other non-employee directors was granted 5,000 options with an exercise price of \$6.35. On the same date the Board of Directors approved an award of 1,500 shares of restricted stock for each non-employee director. In accordance with SEC rules, those 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.

PROPOSAL 2 RATIFICATION OF INDEPENDENT ACCOUNTANTS

The Audit Committee of the Board of Directors has appointed Rothstein, Kass & Company, P.C. (Rothstein Kass) as the Company's independent registered public accountants for the fiscal year ending September 30, 2009. The Board has endorsed this appointment and it is being presented to the shareholders for ratification.

Representatives of Rothstein Kass are expected to be present at the 2009 annual meeting (either in person or by teleconference), will have an opportunity to make a statement if they so desire, and will be available to respond to appropriate questions.

Shareholder ratification of the selection of Rothstein Kass as the Company's independent registered public accountants is not required by the Company's bylaws or otherwise. However, the Board is submitting the appointment of Rothstein Kass to the stockholders for ratification as a matter of good corporate practice. If the stockholders fail to ratify the appointment, the Audit Committee will reconsider whether or not to retain that firm. Even if the appointment is ratified, the Audit Committee in its discretion may appoint a different independent accounting firm at any time during the year if the Committee determines that such a change would be in the best interests of the Company and its shareholders.

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AUDIT COMMITTEE REPORT

The role of the Audit Committee is to assist the Board of Directors in its oversight of the Company's financial reporting process. Management has the primary responsibility for the financial statements and the reporting process, including the system of internal controls. The Company's independent registered public accountants are responsible for auditing the Company's financial statements and expressing an opinion as to their conformity to accounting principles generally accepted in the United States.

The Audit Committee operates under a written charter approved by the Board, a copy of which may be found on the Company's website, www.intlassets.com. The Charter provides, among other things, that the Audit Committee has full authority to engage the independent auditor, independent advisors, and consultants.

In the performance of its oversight function, the Audit Committee has reviewed and discussed with management and the independent accountants the Company's audited financial statements. The Audit Committee also has discussed with the independent accountants the matters required to be discussed by Statement on Auditing Standards No. 61 relating to communication with audit committees. In addition, the Audit Committee has received from the independent accountants the written disclosures and letter required by Independence Standards Board Standard No. 1 relating to independence discussions with audit committees, has discussed with the independent accountants their independence from the Company and its management, and has considered whether the independent accountants' provision of non-audit services to the Company is compatible with maintaining the accountants' independence.

The Audit Committee discussed with the Company's independent accountants the overall scope and plans for their respective audits. The Audit Committee met with the independent accountants, with and without management present, to discuss the results of their examinations, their evaluations of the Company's internal controls and the overall quality of the Company's financial reporting. In addition, the Audit Committee met with the Chief Executive Officer and Chief Financial Officer of the Company to discuss the processes that they have undertaken to evaluate the accuracy and fair presentation of the Company's financial statements and the effectiveness of the Company's systems of disclosure controls, including the clarity of the disclosures, and procedures and internal control over financial reporting. Based on the reviews and discussions referred to above, the Audit Committee recommended to the Board of Directors, and the Board has approved, that the Company's audited financial statements be included in the Company's Annual Report on Form 10-K for the year ended September 30, 2008 for filing with the Securities and Exchange Commission and has selected Rothstein