

# SECURITIES AND EXCHANGE COMMISSION

## FORM 10-K/A

Annual report pursuant to section 13 and 15(d) [amend]

Filing Date: **2000-04-14** | Period of Report: **1999-12-31**  
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### FILER

#### **JWGENESIS FINANCIAL CORP /**

CIK: **1057412** | IRS No.: **650811010** | State of Incorporation: **FL** | Fiscal Year End: **1231**  
Type: **10-K/A** | Act: **34** | File No.: **001-14205** | Film No.: **602364**  
SIC: **6211** Security brokers, dealers & flotation companies

Mailing Address  
*980 NORTH FEDERAL  
HIGHWAY  
SUITE 210  
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Business Address  
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5613382800*

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UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549  
FORM 10-K/A  
AMENDMENT NO. 1 TO

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES  
EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 1999

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number 001-14205

JWGENESIS FINANCIAL CORP.  
(Exact name of registrant as specified in its charter)

Florida

58-1545984

-----  
(State or other jurisdiction of  
incorporation or organization)

-----  
(I.R.S. Employer Identification No.)

980 North Federal Highway - Suite 210  
Boca Raton, Florida

33432

-----  
(Address of principal executive offices)

-----  
(Zip Code)

Registrant's telephone number, including area code (561) 338-2600

Securities registered pursuant to Section 12(b) of the Act:  
Common Stock - Par Value \$.001 per share

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(Title of class)

Securities registered pursuant to Section 12(g) of the Act: None

Name of Exchange on Which Registered: The American Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports  
required to be filed by Section 13 or 15(d) of the Securities Exchange Act of  
1934 during the preceding 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 last 90 days. Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of the registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

On March 27, 2000, the Registrant had 8,459,000 outstanding shares of Common Stock, \$.001 par value, and at such date, the aggregate market value of the shares of Common Stock held by non-affiliates, was approximately \$139,573,000.

#### DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Registrant's definitive Proxy Statement for the 2000 Annual Meeting of Stockholders, to be filed with the Commission, are incorporated by reference into Part III.

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#### Portions Amended

Part IV, Item 14(3), of Company's Annual Report on Form 10-K is hereby amended to reflect the addition or modification of the following exhibits:

- 10(j) Common Stock Purchase Warrant, fully vested issued to GE Financial Assurance Holdings, Inc., dated September 15, 1999.
- 23(a) Consent of PricewaterhouseCoopers relating to Registration Statements on Form S-8.
- 23(b) Consent of PricewaterhouseCoopers relating to Registration Statements on Form S-3.
- 99(i) Amendment to the Leeds Nonsolicitation Agreement
- 99(j) Nonsolicitation Agreement between the Company and Joel E. Marks.
- 99(k)\* Agreement to amend the Marks Nonsolicitation Agreement
- 99(l) Amendment to the Marks Nonsolicitation Agreement

\* Previously filed. Amendment herein is only to revise description in the Exhibit list.

The full list of Exhibits to the Form 10-K, as amended, is set forth below.

(3) Exhibits included herein:

| Exhibit Number | Description of Exhibit   |
|----------------|--|
| -----          | -----  |
| 2.1            | Stock Purchase Agreement dated April 16, 1999, by and among JWGenesis, Fiserv, Inc., Fiserv Clearing, Inc., JWGenesis Financial Services, Inc., and JWGenesis Clearing Corp. (incorporated by reference to Exhibit 2.1 to the Company's Current Report on Form 8-K filed with the Commission on April 30, 1999).   |
| 3(a)           | Articles of Incorporation of JWGenesis (incorporated by reference to Exhibit 3.1 to JWGenesis' Registration Statement on Form S-4 (File No. 333-47693) filed with the Commission on April 22, 1998 (the "Combination S-4")).   |
| 3(b)           | By-Laws, as amended, of JWGenesis (incorporated by reference to Exhibit 3(b) to the Company's Annual Report on Form 10-K for the year ended December 31, 1998).  |
| 10(a)          | Agreement for Securities Clearance Services between Corporate Securities Group, Inc. and Bear Stearns & Co., Inc. (incorporated by reference to Exhibit 10(d) to the Amendment to Application or Report on Form 8-K dated October 3, 1990) of JWCharles Financial Services, Inc. then known as Corporate Management Group, Inc., Commission No. 0-14772, the predecessor in interest of the Company (the "Predecessor"). |
| 10(b)          | Promissory Note and Loan Agreement between the Predecessor and Wilmington Trust Company dated January 19, 1996 (incorporated by reference to Exhibit 10(i) to the Predecessor's Annual Report on Form 10-K for the fiscal year ended December 31, 1995).   |
| 10(c)          | Amended and Restated Common Stock Purchase Warrant issued to W T Investments, Inc. dated February 27, 1998 (incorporated by reference to Item 10(f) of the Predecessor's Annual Report on Form 10-K for the year ended December 31, 1997).   |
| 10(d)          | Revolving Loan Agreement between the Predecessor and SunTrust Bank, South Florida, N.A. dated December 18, 1996 (incorporated by reference to Item 10(i) of the Predecessor's Annual Report on Form 10-K for the year ended December 31, 1996).  |
| 10(e)          | Common Stock Purchase Warrant issued to SunTrust Banks, Inc. dated August 26, 1996 (incorporated by reference to Item 10(m) of the Predecessor's Annual Report on Form 10-K for the year ended December 31, 1996).   |

## Exhibit Number

## Description of Exhibit

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- 10(f) Equity Exchange and Conciliation Agreement by and Among the Company, Marshall T. Leeds, Joel E. Marks, JWGenesis Capital Markets, LLC, The Will K. Weinstein Revocable trust, Philip C. Stapleton, Will K. Weinstein, and other Members of the Stapleton Group dated March 3, 1999 (incorporated by reference to Exhibit 2 to the Company's Current Report on Form 8-K filed with the Commission on March 18, 1999).
- 10(g) Transition Services Agreement, dated April 16, 1999 by and among the JWGenesis, Fiserv, Inc., Fiserv Clearing, Inc., JWGenesis Financial Services, Inc., and JWGenesis Clearing Corp. (incorporated by reference to Exhibit 2.1 to the Company's Current Report on Form 8-K filed with the Commission on June 15, 1999).
- 10(h) Form of Fully Disclosed Correspondent Agreement dated June 1, 1999 (incorporated by reference to Exhibit 2.1 to the Company's Current Report on Form 8-K filed with the Commission on June 15, 1999).
- 10(i) Stockholders Agreement among JWGenesis, Woody Springs LLC and MVP.com, Inc., dated as of July 15, 1999 (incorporated by reference to Exhibit 10(c) to the Company's Current Report on Form 8-K filed with the Commission on August 13, 1999)..
- 10(j) Common Stock Purchase Warrant, fully vested, issued to GE Financial Assurance Holdings, Inc., dated September 15, 1999.
- 21 Subsidiaries of the Registrant (incorporated by reference to Exhibit 21 to the Company's Annual Report on Form 10-K for the year ended December 31, 1998).
- 23(a) Consent of PricewaterhouseCoopers relating to Registration statements on Form S-8.
- 23(b) Consent of PricewaterhouseCoopers relating to Registration statements on Form S-3.
- 99(a) Amended and Restated Agreement and Plan of Combination, dated as March 9, 1998, among JWGFS, the Company, Genesis and the owners of all of the equity interests in Genesis (incorporated by reference to Exhibit 2.1 to the Combination S-4).
- 99(b) Employment Agreement between the Company and Marshall T. Leeds (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30,

1998).

- 99(c) Employment Agreement between the Company and Joel E. Marks (incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 1998).
- 99(d) Employment Agreement between the Company and Gregg S. Glaser (incorporated by reference to Exhibit 99(e) to the Company's Registration Statement on Form S-4, Commission File No. 33-66751).

4

| Exhibit Number | Description of Exhibit  |
|----------------|---|
| -----          | -----   |
| 99(e)          | Employment Agreement between JWGenesis and John Elway, dated as of July 15, 1999 (incorporated by reference to Exhibit 10(b) to the Company's Current Report on Form 8-K filed with the Commission on August 13, 1999).                   |
| 99(f)          | Stock Option Agreement between JWGenesis and John Elway, dated as of July 15, 1999 (incorporated by reference to Exhibit 10(c) to the Company's Current Report on Form 8-K filed with the Commission on August 13, 1999).                 |
| 99(g)          | Nonsolicitation Agreement between the Company and Marshall T. Leeds (replacing an incorrect version thereof inadvertently filed as Exhibit 99(h) to the Company's 1998 Form 10-K; the previous filing is hereby deleted in its entirety). |
| 99(h)          | Agreement to amend the Leeds Nonsolicitation Agreement.   |
| 99(i)          | Amendment to the Leeds Nonsolicitation Agreement.   |
| 99(j)          | Nonsolicitation Agreement between the Company and Joel E. Marks.  |
| 99(k)          | Agreement to amend the Marks Nonsolicitation Agreement.   |
| 99(l)          | Amendment to the Marks Nonsolicitation Agreement.   |

5

#### SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: April 13, 2000

JWGENESIS FINANCIAL CORP.

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(Registrant)

By: /s/ Joel E. Marks

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Joel E. Marks  
Chief Operating Officer,  
Secretary, and Director

Pursuant to the requirements of the Securities Act of 1934, this report has been signed by the following persons on behalf of the Registrant and in the capacities indicated on the 13th day of April, 2000.

/s/ Marshall T. Leeds\*

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Marshall T. Leeds, Chairman, President  
and Chief Executive Officer  
(Principal Executive Officer) and Director

/s/ Joel E. Marks

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Joel E. Marks, Chief Operating Officer,  
Secretary, and Director

/s/ Gregg S. Glaser\*

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Gregg S. Glaser, Chief Financial  
Officer (Principal Financial  
and Accounting Officer) and Director

/s/ Jeffrey H. Lehman\*

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Jeffrey Lehman, Director

/s/ Wm. Dennis Ferguson\*

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Wm. Dennis Ferguson, Director

/s/ Sanford Cohen\*

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Sanford Cohen, Director

\*By: /s/ Joel E. Marks

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Joel E. Marks, as Attorney-In-Fact



THIS WARRANT AND ANY SHARES ACQUIRED UPON THE EXERCISE OF THIS WARRANT HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND MAY NOT BE TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION OR AN EXEMPTION THEREFROM UNDER SUCH ACT.

JWGENESIS FINANCIAL CORP.

Common Stock Purchase Warrant  
Class A Warrant

Warrant No. 1

New York, New York  
September 15, 1999

JWGENESIS FINANCIAL CORP. (the "Company"), a Florida corporation, for value received, hereby certifies that GE FINANCIAL ASSURANCE HOLDINGS, INC. or its registered assigns is entitled to purchase from the Company 175,000 duly authorized, validly issued, fully paid and nonassessable shares of the Company's Original Common Stock at an initial exercise price per share of \$13.8713 at any time or from time to time after September 15, 1999 and prior to 5:00 p.m., New York City time, on the Expiration Date (as hereinafter defined), all subject to the terms, conditions and adjustments set forth below in this Warrant.

This Warrant is one of the Common Stock Purchase Warrants (of the Class specified above) expiring on the Expiration Date (the "Warrants", such term to include all Warrants issued in substitution therefor or upon transfer thereof) originally issued in connection with the execution and delivery of the Strategic Marketing Agreement dated as of September 15, 1999 between the Company and GE Financial Assurance Holdings, Inc. ("GEFA"). Certain capitalized terms used in this Warrant are defined in Section 13.

Section 1. Exercise of Warrant.

1A. Manner of Exercise. This Warrant may be exercised by the holder

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hereof, in whole or in part, during normal business hours on any Business Day on or after the Initial Exercise Date to and including the Expiration Date, by surrender of this Warrant, with the form of subscription at the end hereof (or a reasonable facsimile thereof) duly executed by such holder, to the Company at its principal office (or, if such exercise shall be in connection with an underwritten public offering of shares of Common Stock (or Other Securities) subject to this Warrant (the "Warrant Shares"), at the location at which the underwriters shall have agreed to accept delivery thereof), accompanied by payment (except as otherwise provided in Section IF), in cash by wire transfer of immediately available funds or by certified or official bank check payable to the order of the Company, in the amount obtained by multiplying (a) the number

of shares of Original Common Stock (without giving effect to any adjustment therein) designated in such form of subscription by (b) \$13.8713. The Company's principal office is as specified in Section 15 hereof

1B. Adjustment to Number of Shares of Common Stock. The number of  
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duly authorized, validly issued, fully paid and nonassessable shares of Common Stock which the holder of this Warrant shall be entitled to receive upon each exercise hereof shall be determined by multiplying the number of shares of

Common Stock which would otherwise (but for the provisions of Section 2) be issuable upon such exercise, as designated by the holder hereof pursuant to this Section IB, by a fraction of which (x) the numerator is \$13.8713 and (y) the denominator is the Exercise Price in effect on the date of such exercise. The "Exercise Price" shall initially be \$13.8713 per share, shall be adjusted and readjusted from time to time as provided in Section 2 and, as so adjusted and readjusted, shall remain in effect until a further adjustment or readjustment thereof is required by Section 2.

1C. When Exercise Effective. Each exercise of this Warrant shall be  
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deemed to have been effected and the Exercise Price shall be determined immediately prior to the close of business on the Business Day on which this Warrant shall have been surrendered to the Company as provided in Section IA (unless such exercise shall be in connection with underwritten public offering of shares of Warrant Shares, in which event concurrently with such exercise) and at such time the person or persons in whose name or names any certificate or certificates for shares of Original Common Stock (or Other Securities) shall be issuable upon such exercise as provided, in this Section shall be deemed to have become the holder or holders of record thereof

1D. Delivery of Stock Certificates, etc. Promptly after the exercise  
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of this Warrant, in whole or in part, and in any event within three Business Days thereafter (unless such exercise shall be in connection with an underwritten public offering of Warrant Shares, in which event concurrently with such exercise), the Company at its expense will cause to be issued in the name of and delivered to the holder hereof or, subject to Section 8, as such holder may direct:

(1) a certificate or certificates for the number of duly authorized, validly issued, fully paid and nonassessable shares of Common Stock (or Other Securities) to which such holder shall be entitled upon such exercise; and

(2) in case such exercise is in part only, a new Warrant or Warrants of like tenor, specifying the aggregate on the face or faces thereof the number of shares of Common Stock equal to the number of such shares specified on the face of this Warrant minus the number of such shares designated by the holder upon such exercise as provided in Section IA.

1E. Fractional Shares. No fractional shares shall be issued upon

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exercise of this Warrant and no payment or adjustment shall be made upon any exercise on account of any cash dividends (except as provided in Section 2B) on the Common Stock or Other Securities issued upon such exercise. If any fractional interest in a share of Common Stock would, except for the provisions of the first sentence of this Section 1E, be deliverable upon the exercise of this Warrant, the Company shall, in lieu of delivering the fractional share therefor, pay to the holder exercising this Warrant an amount in cash equal to the Market Price of such fractional interest.

Section 2. Protection Against Dilution or Other Impairment of Rights; Adjustment of Exercise Price; Further Adjustments.

2A. Issuance of Additional Shares of Common Stock. In case the

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Company, at any time or from time to time after September 15, 1999 (the "Initial Date"), shall issue or sell Additional Shares of Common Stock (including Additional Shares of Common Stock deemed to be issued pursuant to Section 2C or 213) without consideration or for a consideration per share (determined pursuant to Section 2E) less than the greatest of (i) the Exercise Price and (ii) the Market Price, in each case, on the date of and immediately prior to such issue or sale, then, and in each such case, subject to Section 2H, the Exercise Price shall be reduced,

concurrently with such issue or sale, to a price (calculated to the nearest .001 of a cent) determined by multiplying such Exercise Price by a fraction,

(a) the numerator of which shall be (i) the number of shares of Common Stock outstanding immediately prior to such issue or sale plus (ii) the number of shares of Common Stock which the aggregate consideration received by the Company for the total number of such Additional Shares of Common Stock so issued or sold would purchase at the greatest of such Exercise Price or Market Price, and

(b) the denominator of which shall be the number of shares of Common Stock outstanding immediately after such issue or sale, provided that, for the purposes of this Section 2A, (x) immediately after any Additional Shares of Common Stock are deemed to have been issued pursuant to Section 2C or 2D, such Additional Shares shall be deemed to be outstanding, and (y) treasury shares shall not be deemed to be outstanding.

2B. Extraordinary Dividends and Distributions, Pro Rata Repurchases.

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In case the Company at any time or from time to time after the date hereof shall declare, order, pay or make a dividend or other distribution to the holders of the Common Stock (including, without limitation, any distribution of other or additional stock or other securities or property or Options by way of dividend or spin-off, reclassification, recapitalization or similar corporate rearrangement and any redemption or acquisition of any such stock or Options on

the Common Stock), other than (a) a dividend payable in Additional Shares of Common Stock or in Options for Common Stock or (b) a regular periodic dividend payable in cash and not constituting an Extraordinary Cash Dividend, then, and in each such case, the Company shall set aside on the date on which such dividend or other distribution is paid to the holders of Common Stock, to be paid over to the holder of this Warrant when, if and to the extent this Warrant is exercised, the securities and property (including cash) which such holder would have received if such holder had exercised this Warrant (to the extent ultimately exercised) immediately prior to the record date fixed in connection with such dividend or other distribution. In case the Company or any subsidiary thereof shall make a Pro Rata Repurchase, the Exercise Price shall be adjusted by dividing the Exercise Price in effect immediately prior to such action by a fraction, the numerator of which shall be the product of (A) the number of shares of Common Stock outstanding immediately before such Pro Rata Repurchase minus the number shares of Common Stock repurchased in such Pro Rata Repurchase and (B) the Market Price as of the date immediately preceding the first public announcement by the Company of the intent to effect such Pro Rata Repurchase, and the denominator of which shall be (A) the product of (x) the number of shares of Common Stock outstanding immediately before such Pro Rata Repurchase and (y) the Market Price as of the date immediately preceding the first public announcement by the Company of the intent to effect such Pro Rata Repurchase minus (B) the aggregate purchase price of the Pro Rata Repurchase.

2C. Treatment of Options and Convertible Securities. In case the

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Company, at any time or from time to time after the date hereof, shall issue, sell, grant or assume, or shall fix a record date for the determination of holders of any class of securities entitled to receive, any Options or Convertible Securities, whether or not such Options or the right to convert or exchange any such Convertible Securities are immediately exercisable, then, and in each such case, the maximum number of Additional Shares of Common Stock (as set forth in the instrument relating thereto, without regard to any provisions contained therein for a subsequent adjustment of such number) issuable upon the exercise of such Options or, in the case of Convertible Securities and Options therefor, issuable upon the conversion or exchange of such Convertible Securities (or the exercise of such Options for Convertible Securities and subsequent conversion or exchange of the Convertible Securities issued), shall be deemed to be Additional Shares of Common Stock issued as of the time of such

issue, sale, grant or assumption or, in case such a record date shall have been fixed, as of the close of business on such record date, provided, that such Additional Shares of Common Stock shall not be deemed to have been issued unless the consideration per share (determined pursuant to Section 2E) of such shares would be less than the greatest of the Exercise Price or Market Price then in effect, in each case, on the date of and immediately prior to such issue, sale, grant or assumption or immediately prior to the close of business on such record date, as the case may be, and provided, further, that in any such case in which Additional Shares of Common Stock are deemed to be issued,

(a) if an adjustment of the Exercise Price shall be made upon the

fixing of a record date as referred to in the first sentence of this section 2C, no further adjustment of the Exercise Price shall be made as a result of the subsequent issue or sale of any Options or Convertible Securities for the purpose of which such record date was set;

(b) no further adjustment of the Exercise Price shall be made upon the subsequent issue or sale of Additional Shares of Common Stock or Convertible Securities upon the exercise of such Options or the conversion or exchange of such Convertible Securities;

(c) if such Options or Convertible Securities by their terms provide, with the passage of time or otherwise, for any change in the consideration payable to the Company, or change in the number of Additional Shares of Common Stock issuable, upon the exercise, conversion or exchange thereof (by change of rate or otherwise), the Exercise Price computed upon the original issue, sale, grant or assumption thereof (or upon the occurrence of the record date with respect thereto), and any subsequent adjustments based thereon, shall, upon any such change becoming effective, be recomputed to reflect such change insofar as it affects such Options, or the rights of conversion or exchange under such Convertible Securities, which are outstanding at such time;

(d) upon the expiration of any such Options or of the rights of conversion or exchange under any such Convertible Securities which shall not have been exercised (or upon purchase by the Company and cancellation or retirement of any such Options which shall not have been exercised or of any such Convertible Securities the rights of conversion or exchange under which shall not have been exercised), the Exercise Price computed upon the original issue, sale, grant or assumption thereof (or upon the occurrence of the record date with respect thereto), and any subsequent adjustments based thereon, shall, upon such expiration (or such cancellation or retirement, as the case may be), be recomputed as if

(i) in the case of Options for Common Stock or in the case of Convertible Securities, the only Additional Shares of Common Stock issued or sold (or deemed issued or sold) were the Additional Shares of Common Stock, if any, actually issued or sold upon the exercise of such Options or the conversion or exchange of such Convertible Securities and the consideration received therefor was (x) an amount equal to (A) the consideration, if any, actually received by the Company for the issue, sale, grant or assumption of all such Options, whether or not exercised, plus (B) the additional consideration, if any, actually received by the Company upon such exercise, minus (C) the consideration paid by the Company for any purchase of such Options which were not exercised, or (y) an amount equal to (A) the consideration, if any, actually received by the Company for the issue, sale, grant or assumption of all such Convertible Securities, whether or not converted or exchanged, plus (B) the additional consideration, if any, actually received by the Company upon such conversion or exchange, minus (C) the excess, if

any, of the consideration paid by the Company for any purchase of such Convertible Securities, the rights of conversion or exchange under which were not exercised, over an amount that would be equal to the Fair Value of the Convertible Securities so purchased if such Convertible Securities were not convertible into or exchangeable for Additional Shares of Common Stock, and

(ii) in the case of Options for Convertible Securities, only the Convertible Securities, if any, actually issued or sold upon the exercise of such Options were issued at the time of the issue, sale, grant or assumption of such Options, and the consideration received by the Company for the Additional Shares of Common Stock deemed to have then been issued was an amount equal to (x) the consideration actually received by the Company for the issue, sale, grant or assumption of all such Options, whether or not exercised, plus (Y) the consideration deemed to have been received by the Company (pursuant to Section 2E) upon the issue or sale of the Convertible Securities with respect to which such Options were actually exercised, minus (z) the consideration paid by the Company for any purchase of such Options which were not exercised; and

(e) no recomputation pursuant to subsection (c) or (d) above shall have the effect of increasing the Exercise Price then in effect by an amount in excess of the amount of the adjustment thereof originally made in respect of the issue, sale, grant or assumption of such Options or Convertible Securities.

2D. Treatment of Stock Dividends, Stock Splits, Etc. In case the  
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Company, at any time or from time to time after the date hereof, shall declare or pay any dividend or other distribution on any class of securities of the Company payable in shares of Common Stock, or ,shall effect a subdivision of the outstanding shares of Common Stock into a greater number of shares of Common Stock (by reclassification or otherwise than by payment of a dividend in Common Stock), then, and in each such case, Additional Shares of Common Stock shall be deemed to have been issued (a) in the case of any such dividend or other distribution, immediately after the close of business on the record date for the determination of holders of any class of securities entitled to receive such dividend or other distribution, or (b) in the case of any such subdivision, at the close of business on the day immediately prior to the day upon which such corporate action becomes effective.

2E. Computation of Consideration. For the purposes of this Warrant:  
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(a) The consideration for the issue or sale of any Additional Shares of Common Stock or for the issue, sale, grant or assumption of any Options or Convertible Securities, irrespective of the accounting treatment of such consideration,



(i) insofar as it consists of cash, shall be computed as the amount of cash received by the Company, and insofar as it consists of securities or other property, shall be computed as of the date immediately preceding such issue, sale, grant or assumption as the Fair Value of such consideration, in each case without deducting any expenses paid or incurred by the Company, any commissions or compensation paid or concessions or discounts allowed to underwriters, dealers or other performing similar services and any accrued interest or dividends in connection with such issue or sale, and

(ii) in case Additional Shares of Common Stock are issued or sold or Options or Convertible Securities are issued, sold, granted or assumed together with other stock or securities or other assets of the Company for a consideration which covers both, shall be the proportion of such consideration so received, computed as provided in clause (i) above, allocable to such Additional Shares of Common Stock or Options or Convertible Securities, as the case may be, all as determined in good faith by the Board of Directors of the Company.

(b) All Additional Shares of Common Stock, Options or Convertible Securities issued in payment of any dividend or other distribution on any class of stock of the Company and all Additional Shares of Common Stock issued to effect a subdivision of the outstanding shares of Common Stock into a greater number of shares of Common Stock (by reclassification or otherwise than by payment of a dividend in Common Stock) shall be deemed to have been issued without consideration.

(c) Additional Shares of Common Stock deemed to have been issued for consideration pursuant to Section 2C, relating to Options and Convertible Securities, shall be deemed to have been issued for a consideration per share determined by dividing

(i) the total amount, if any, received and receivable by the Company as consideration for the issue, sale, grant or assumption of the Options or Convertible Securities in question, plus the minimum aggregate amount of additional consideration (as set forth in the instruments relating thereto, without regard to any provision contained therein for a subsequent adjustment of such consideration) payable to the Company upon the exercise in full of such Options or the conversion or exchange of such Convertible Securities or, in the case of Options for Convertible Securities, the exercise of such Options for Convertible Securities and the conversion or exchange of such Convertible Securities, in each case computing such consideration as provided in the foregoing subsection (a), by

(ii) the maximum number of shares of Common Stock (as set forth in the instruments relating thereto, without regard to any provision contained therein for a subsequent adjustment of such number) issuable upon the exercise of such Options or the conversion or exchange of such Convertible Securities.

2F. Adjustments for Combinations, Etc. In case the outstanding shares

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of Common Stock shall be combined or consolidated, by reclassification or otherwise, into a lesser number of shares of Common Stock, the Exercise Price in effect immediately prior to such combination or consolidation shall, concurrently with the effectiveness of such combination or consolidation, be proportionately increased.

2G. Dilution in Case of Other Securities. In case any Other Securities

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shall be issued or sold or shall become subject to issue or sale upon the conversion or exchange of any stock (or Other Securities) of the Company (or any issuer of Other Securities or any other Person referred to in Section 21) or to subscription, purchase or other acquisition pursuant to any Options issued or granted by the Company (or any such other issuer or Person) for a consideration such as to dilute, on a basis to which the standards established in the other provisions of this Warrant do not apply, the exercise rights granted by this Warrant, then, and in each such case, the computations, adjustments and readjustments provided for in this Warrant with respect to the Exercise Price shall be made as nearly as possible in the manner so provided and applied to determine the amount of Other Securities from time to time receivable upon the exercise of this Warrant, so as to protect the holder of this

Warrant against the effect of such dilution. Notwithstanding the foregoing, this Section 2G shall not apply to Options or Convertible Securities.

2H. Minimum Adjustment of Exercise Price. If the amount of any

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adjustment of the Exercise Price required hereunder would be less than one percent of the Exercise Price in effect at the time such adjustment is otherwise so required to be made, such amount shall be carried forward and adjustment with respect thereto made at the time of and together with any subsequent adjustment which, together with such amount and any other amount or amounts so carried forward, shall aggregate at least one percent of such Exercise Price; provided, that upon the exercise of this Warrant, all adjustments carried forward and not theretofore made up to and including the date of such exercise shall be made to the nearest .0001 of a cent.

2I. Changes in Common Stock. At any time while this Warrant remains

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outstanding and unexpired, in case of any reclassification or change of outstanding securities of the class issuable upon exercise of this Warrant (other than a change in par value, or from par value to no par value, or from no par value to par value, or as a result of a subdivision or combination of outstanding securities issuable upon the exercise of this Warrant) or in case of any consolidation or merger of the Company with or into another corporation (herein called- a "Transaction") (other than a merger with another corporation in which the Company is a continuing corporation and which does not result in any reclassification or change, other than a change in par value, or from par



value to no par value, or from no value to par value, or as a result of a subdivision or combination of outstanding securities issuable upon the exercise of this Warrant), the Company, or such successor corporation, as the case may be, shall, without payment of any additional consideration therefor, execute and deliver to the holder of this Warrant (upon surrender of this Warrant) a new Warrant providing that the holder of this Warrant shall have the right to exercise such new Warrant (upon terms not less favorable to the holder of this Warrant than those then applicable to this Warrant) and to receive upon such exercise, in lieu of each shares of Common Stock theretofore issuable upon exercise of this Warrant, the kind and amount of shares of stock other securities, money or property receivable upon such reclassification, change, consolidation or merger, by the holder of one Common Share issuable upon exercise of this Warrant had it been exercised immediately prior to such reclassification, change, consolidation or merger. Such new Warrant shall provide for adjustments which shall be as nearly equivalent as may be practicable to the adjustments provided for in this Section 2. Notwithstanding the foregoing, in the case of any Transaction which pursuant to this Section 21 would result in the execution and delivery by the Company or any successor of a new Warrant to the holder of this Warrant and in which the holders of shares of Common Stock are entitled only to receive money or other property exclusive of common equity securities, then in lieu of such new Warrant being exercisable as provided above, the holder of this Warrant shall have the right, at its sole option, to require the Company to purchase this Warrant (without prior exercise by the holder of this Warrant) at its fair market value as of the day before such Transaction became publicly known, as determined by an unaffiliated internationally recognized accounting firm or investment bank selected by the holder of this Warrant and reasonably acceptable to the Company. The fees and expenses of any such firm or bank shall be paid by the Company. The provisions of this Section 21 shall similarly apply to successive reclassifications, changes, consolidations, mergers, sales and transfers.

Notwithstanding anything contained herein to the contrary, the Company shall not effect any Transaction unless prior to the consummation thereof each corporation or entity (other than the Company) which may be required to deliver any securities or other property upon the exercise of Warrants shall assume, by written instrument delivered to each holder of Warrants, the obligation to deliver to such holder such securities or other property as to which, in accordance with the foregoing provisions, such holder may be entitled, and such corporation or entity shall have similarly delivered to each holder of Warrants an opinion of counsel for such corporation or entity, satisfactory to each holder of Warrants, which opinion shall state that all the outstanding

Warrants, shall thereafter continue in full force and effect and shall be enforceable against such corporation or entity in accordance with the terms hereof and thereof, together with such other matters as such holders may reasonably request.

2J. Certain Issues Excepted. Anything herein to the contrary

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notwithstanding, the Company shall not be required to make any adjustment of the

Exercise Price in the case of (i) the issuance of the other warrants issued to GEFA (the "Other Warrants") pursuant to the Credit Agreement dated September 15, 1999 between GEFA and the Company, the shares of Common Stock or other securities issuable under the Other Warrants or the issuance of any Common Stock or other securities upon the exercise of any Other Warrants or any of the Excluded Items or (ii) any adjustment in the number of shares of Common Stock issuable upon exercise or conversion of the Other Warrants or any Excluded Items (any adjustment or issuance referred to in clause (i) or (ii) above, a "Permitted Event").

2K. Notice of Adjustment. Upon the occurrence of any event requiring

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an adjustment of the Exercise Price, then and in each such case the Company shall promptly deliver to the holder of this Warrant an Officer's Certificate stating the Exercise Price resulting from such adjustment and the increase or decrease, if any, in the number of shares of Common Stock issuable upon the exercise of this Warrant, setting forth in reasonable detail the method of calculation and the facts upon which such calculation is based. Within 90 days after each fiscal year in which any such adjustment shall have occurred, or within 30 days after any request therefor by the holder of this Warrant stating that such holder contemplates the exercise of such Warrant, the Company will obtain and deliver to the holder of this Warrant the opinion of its regular independent auditors or another firm of independent public accountants of recognized national standing selected by the Company's Board of Directors, which opinion shall confirm the statements in the most recent Officer's Certificate delivered under this Section 2K.

2L. Other Notices. In case at any time:

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(a) the Company shall declare to the holders of Common Stock any cash dividend;

(b) the Company shall declare or pay any dividend upon Common Stock payable in stock or make any special dividend or other distribution (other than cash dividends) to the holders of Common Stock;

(c) the Company shall offer for subscription pro rata to the holders of Common Stock any additional shares of stock of any class or other rights;

(d) there shall be any capital reorganization, or reclassification of the capital stock of the Company, or consolidation or merger of the Company with, or sale of all or substantially all of its assets to, another corporation or other entity;

(e) there shall be a voluntary or involuntary dissolution, liquidation or windingup of the Company;

(f) there shall be made any tender offer for any shares of capital stock of the Company; or

(g) there shall be any other Transaction;

then, in any one or more of such cases, the Company shall give to the holder of this Warrant (i) at least 60 days prior to any event referred to in

subsection (a) or (b) above, at least 60 days prior to any event referred to in subsection (c), (d) or (e) above, and within five days after it has knowledge of any pending tender offer or other Transaction, written notice of the date on which the books of the Company shall close or a record shall be taken for such dividend, distribution or subscription rights or for determining rights to vote in respect of any such reorganization, reclassification, consolidation, merger, sale, dissolution, liquidation, winding-up or Transaction or the date by which shareholders must tender shares in any tender offer and (ii) in the case of any such reorganization, reclassification, consolidation, merger, sale, dissolution, liquidation, windingup or tender offer or Transaction known to the Company, at least 60 days prior written notice of the date (or, if not then known, a reasonable approximation thereof by the Company) when the closing thereof shall take place. Such notice in accordance with the foregoing clause (i) shall also specify, in the case of any such dividend, distribution or subscription rights, the date on which the holders of Common Stock shall be entitled thereto, and such notice in accordance with the foregoing clause (ii) shall also specify the date (or if not then known, a reasonable approximation thereof by the Company) on which the holders of Common Stock shall be entitled to exchange their Common Stock for securities or other property deliverable upon such reorganization, reclassification, consolidation, merger, sale, dissolution, liquidation, winding-up, tender offer or Transaction, as the case may be. Such notice shall also state that the action in question or the record date is subject to the effectiveness of a registration statement under the Securities Act or to a favorable vote of security holders, if either is required.

2M. Certain Events. The Company may make such reductions in the

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Exercise Price as it deems advisable, including any reductions necessary to ensure that any event treated for Federal income tax purposes as a distribution of stock or stock rights not be taxable to recipients.

2N. Prohibition of Certain Actions. The Company will not, by amendment

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of its certificate of incorporation or through any reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed hereunder by the Company, but will at all times in good faith assist in the carrying out of all the provisions of this Warrant and in the taking of all such action as may reasonably be requested by the holder of this Warrant in order to protect the exercise privilege of the holder of this Warrant against dilution or other impairment, consistent with the tenor and purpose of this Warrant. Without limiting the generality of the foregoing, the Company (a) will not increase the par value of any shares of Common Stock receivable upon the exercise of this Warrant above the Exercise Price then in effect, (b) will take all such action as may be necessary or

appropriate in order that the Company may validly and legally issue fully paid and nonassessable shares of Common Stock upon the exercise of all Warrants from time to time outstanding, (c) will not take any action which results in any adjustment of the Exercise Price if the total number of shares of Common Stock or Other Securities issuable after the action upon the exercise of all of the Warrants would exceed the total number of shares of Common Stock or Other Securities then authorized by the Company's certificate of incorporation and available for the purpose of issue upon such conversion, and (d) will not issue any capital stock of any class which has the right to more than one vote per share or any capital stock of any class which is preferred as to dividends or as to the distribution of assets upon voluntary or involuntary dissolution, liquidation or winding-up, unless the rights of the holders thereof shall be limited to a fixed sum or percentage (or floating rate related to market yields) of par value or stated value in respect of participation in dividends and a fixed sum or percentage of par value or stated value in any such distribution of assets.

Section 3. Stock to be Reserved. The Company will at all times reserve and keep available out of the authorized Common Stock, solely for the purpose of issue upon the exercise of the Warrants as herein provided, such number of shares of Common Stock as shall then be issuable upon the exercise of all outstanding Warrants and the Company will maintain at all times all other rights and privileges sufficient to enable it to fulfill all its obligations hereunder. The Company covenants that all shares of Common Stock which shall be so issuable

shall, upon issuance, be duly authorized, validly issued, fully paid and nonassessable, free from preemptive or similar rights on the part of the holders of any shares of capital stock or securities of the Company or any other Person, and free from all taxes, liens and charges with respect to the issue thereof (not including any income taxes payable by the holders of Warrants being exercised in respect of gains thereon), and the Exercise Price will be credited to the capital and surplus of the Company. The Company will take all such action as may be necessary to assure that such shares of Common Stock may be so issued without violation of any applicable law or regulation, or of any applicable requirements of the National Association of Securities Dealers, Inc. and of any domestic securities exchange upon which the Common Stock may be listed.

Section 4. Registration of Common Stock. If any shares of Common Stock required to be reserved for purposes of the exercise of Warrants require registration with or approval of any governmental authority under any Federal or State law (other than the Securities Act, registration under which is governed by the Registration Rights Agreement), before such shares may be issued upon the exercise thereof, the Company will, at its expense and as expeditiously as possible, use its best efforts to cause such shares to be duly registered or approved, as the case may be. Shares of Common Stock issuable upon exercise of the Warrants shall be registered by the Company under the Securities Act or similar statute then in force if required by the Registration Rights Agreement and subject to the conditions stated in such agreement. At any such time as the Common Stock is listed on any national securities exchange or quoted by the NASDAQ National Market or any successor thereto or any comparable system, the

Company will, at its expense, obtain promptly and maintain the approval for listing on each such exchange or quoting by the NASDAQ National Market or such successor thereto or comparable system, upon official notice of issuance, the shares of Common Stock issuable upon exercise of the then outstanding Warrants and maintain the listing or quoting of such shares after their issuance so long as the Common Stock is so listed or quoted; and the Company will also cause to be so listed or quoted, will register under the Exchange Act and will maintain such listing or quoting of, any Other Securities that at any time are issuable upon exercise of the Warrants, if and at the time that any securities of the same class shall be listed on such national securities exchange by the Company.

Section 5. Issue Tax. The issuance of certificates for shares of Common Stock upon exercise of this Warrant shall be made without charge to the holders hereof for any issuance tax in respect thereto.

Section 6. Closing of Books. The Company will at no time close its transfer books against the transfer of any Warrant or of any share of Common Stock issued or issuable upon the exercise of any Warrant in any manner which interferes with the timely exercise of such Warrant.

Section 7. No Rights or Liabilities as Stockholders. This Warrant shall not entitle the holder thereof to any of the rights of a stockholder of the Company, except as expressly contemplated herein. No provision of this Warrant, in the absence of the actual exercise of such Warrant and receipt by the holder thereof of Common Stock issuable upon such exercise, shall give rise to any liability on the part of such holder as a stockholder of the Company, whether such liability shall be asserted by the Company or by creditors of the Company.

Section 8. Restrictive Legends; No Transfer to Certain Persons. Except as otherwise permitted by this Section 8, each Warrant originally issued and each Warrant issued upon direct or indirect transfer or in substitution for any Warrant pursuant to this Section 8 or otherwise shall be stamped or otherwise imprinted with a legend in substantially the following form:

"This Warrant and any shares acquired upon the exercise of this Warrant have not been registered under the Securities Act of 1933, as amended, and may not be transferred in the absence of such registration or an exemption therefrom under such Act."

Except as otherwise permitted by this Section 8. (a) each certificate for Common Stock (or Other Securities) issued upon the exercise of any Warrant, and (b) each certificate issued upon the direct or indirect transfer of any such Common Stock (or Other Securities) shall be stamped or otherwise imprinted with a legend in substantially the following form:

"The shares represented by this certificate have not been registered under the Securities Act of 1933 and may not be transferred in the absence of such registration or an exemption therefrom under such Act."

The holder of any Restricted Securities shall be entitled to receive from the

Company, without expense, new securities of like tenor not bearing the applicable legend set forth above in this Section 8 when such securities shall have been (a) effectively registered under the Securities Act and disposed of in accordance with the registration statement covering such Restricted Securities, (b) distributed to the public pursuant to Rule 144 or any comparable rule under the Securities Act, or (c) when, in the opinion of independent counsel for the holder thereof experienced in Securities Act matters, such restrictions are no longer required in order to insure compliance with the Securities Act.

Section 9. Availability of Information. The Company will cooperate with each holder of any Restricted Securities in supplying such information as may be necessary for such holder to complete and file any information reporting forms presently or hereafter required by the Commission as a condition to the availability of an exemption from the Securities Act for the sale of any Restricted Securities. The Company will furnish to each holder of any Warrants, promptly upon their becoming available, copies of all financial statements, reports, notices and proxy statements sent or made available generally by the Company to its stockholders, and copies of all regular and periodic reports and all registration statements and prospectuses filed by the Company with any securities exchange or with the Commission.

Section 10. Information Required By Rule 144A. The Company will, upon the request of the holder of this Warrant, provide such holder, and any qualified institutional buyer designated by such holder, such financial and other information as such holder may reasonably determine to be necessary in order to permit compliance with the information requirements of Rule 144A under the Securities Act in connection with the resale of Warrants, except at such times as the Company is subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act. For the purpose of this Section 10, the term "qualified institutional buyer" shall have the meaning specified in Rule 144A under the Securities Act.

Section 11. Registration Rights Agreement. The holder of this Warrant and each holder of any Warrant Shares are each entitled to the benefits of the Registration Rights Agreement. By accepting this Warrant, the holder hereof agrees to the provisions of the Registration Rights Agreement.

Section 12. Ownership, Transfer and Substitution of Warrants.

12A. Ownership of Warrants. Except as otherwise required by law, the

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Company may treat the Person in whose name any Warrant is registered on the register kept at the principal office of the Company as the owner and holder thereof for all purposes, notwithstanding any notice to the contrary except that, if and

when any Warrant is properly assigned in blank, the Company, in its discretion, may (but shall not be obligated to) treat the bearer thereof as the owner of such Warrant for all purposes, notwithstanding any notice to the Company to the contrary. Subject to Section 8, a Warrant, if properly assigned, may be



exercised by a new holder without first having a new Warrant issued.

12B. Transfer and Exchange of Warrants. Upon the surrender of any

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Warrant, properly endorsed, for registration of transfer or for exchange at the principal office of the Company, the Company at its expense will (subject to compliance with Section 8, if applicable) execute and deliver to or upon the order of the holder thereof a new Warrant or Warrants of like tenor, in the name of such holder or as such holder (upon payment by such holder of any applicable transfer taxes) may direct, calling in the aggregate on the face or faces thereof for the number of shares of Original Common Stock called for on the face or faces of the Warrant or Warrants so surrendered.

12C. Replacement of Warrants. Upon receipt of evidence reasonably

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satisfactory to the Company of the loss, theft, destruction or mutilation of any Warrant and, in the case of any such loss, theft or destruction of any Warrant held by a Person upon delivery of its indemnity reasonably satisfactory to the Company in form and amount or, in the case of any such mutilation, upon surrender of such Warrant for cancellation at the principal office of the Company, the Company at its expense will execute and deliver, in lieu thereof, a new Warrant of like tenor.

Section 13. Definitions. As used herein, unless the context otherwise requires, the following terms have the following respective meanings:

"Additional Shares of Common Stock" shall mean all shares (including treasury shares) of Common Stock issued or sold (or, pursuant to Section 2C or 2D deemed to be issued) by the Company after the date hereof, whether or not subsequently reacquired or retired by the Company, other than shares of Common Stock issued or deemed to be issued upon the occurrence of a Permitted Event.

"Affiliate" shall have the meaning specified in the Credit Agreement, whether or not such Credit Agreement remains in effect.

"Announcement Date" shall have the meaning specified in Section 21.

"Business Day" shall mean any day on which banks are open for business in New York City (other than a Saturday, Sunday or legal holiday in the State of New York or the State of Florida), provided, that any reference to "days" (unless Business Days are specified) shall mean calendar days.

"Commission" shall mean the Securities and Exchange Commission or any successor federal agency having similar powers.

"Common Stock" shall mean the Original Common Stock, any stock into which such stock shall have been converted or changed or any stock resulting from any reclassification of such stock and all other stock of any class or classes (however designated) of the Company the holders of which have the right, without limitation as to amount, either to all or to a share of the balance of current dividends and liquidating dividends after the payment of dividends and

distributions on any shares entitled to preference.

"Company" shall mean JWGenesis Financial Corp., a Florida corporation.

"Convertible Securities" shall mean any evidences of indebtedness, shares of stock (other than Common Stock) or other securities directly or indirectly convertible into or exchangeable for Additional Shares of Common Stock.

"Exchange Act" shall mean the Securities and Exchange Act of 1934, as amended.

"Excluded Items" shall have the meaning specified on Schedule I hereto.

"Exercise Price" shall have the meaning specified in Section 113.

"Expiration Date" shall mean May 14, 2004 (the "Determination Date"); provided, however, that if on the Determination Date, the Company is then required, pursuant to an effective request therefor under the Registration Rights Agreement or is in the process of effecting a registration under the Securities Act for a public offering in which Warrant Shares are entitled to be included as provided in the Registration Rights Agreement, or if the Company is in default of any of such obligations to register the sale of such shares, the Expiration Date shall be extended to, and the right to exercise this Warrant shall continue until 5:00 p.m. (United States Eastern Time) on, the 30th day following the date on which such registration shall have become effective or the 30th day following the date all such defaults shall have been cured, whichever is the later date.

"Extraordinary Cash Dividend" shall mean, with respect to any consecutive 12month period, the amount, if any, by which the aggregate amount of all cash and non-cash dividends or distributions on any shares of Common Stock occurring in such 12-month period (or, if such Common Stock was not outstanding at the commencement of such 12-month period, occurring in such shorter period during which such Capital Stock was outstanding) exceeds on a per share basis 5% of the average of the daily Market Prices per share of such Common Stock over such 12-month period (or such shorter period during which such Common Stock was outstanding); provided that, for purposes of the foregoing definition, the

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amount of cash and noncash dividends paid on a per share basis will be appropriately adjusted to reflect the occurrence during such period of any stock dividend or distribution of shares of capital stock of the Company or any subdivision, split, combination or reclassification of shares of such Common Stock.

"Fair Value" shall mean with respect to any securities or other property, the fair value thereof as of a date which is within 15 days of the date as of which the determination is to be made as determined by the Board of Directors of the Company in good faith, unless such determination is to be made



in connection with a transaction with an Affiliate in which case such fair value shall be (a) determined by agreement between the Company and the Required Holders, or (b) if the Company and the Required Holders fail to agree, determined jointly by an independent investment banking firm retained by the Company and by an independent investment banking firm retained by the Required Holders, either of which firms may be an independent investment banking firm regularly retained by the Company, or (c) if the Company or the Required Holders shall fail so to retain an independent investment banking firm within 10 Business Days of the retention of such a firm by the Required Holders or the Company, as the case may be, determined solely by the firm so retained, or (d) if the firms so retained by the Company and by such holders shall be unable to reach a joint determination within 15 Business Days of the retention of the last firm so retained, determined by another independent investment banking firm which is not a regular investment banking firm of the Company chosen by the first two such firms.

"GEFA" shall have the meaning specified in the opening paragraphs of this Warrant.

"Initial Date" shall have the meaning specified in Section 2A.

"Market Price" shall mean on any date specified herein, (a) with respect to Common Stock, the amount per share equal to (i) the last sale price of shares of Common Stock, regular way, or of shares of such common stock (or equivalent equity interests) on such date or, if no such sale takes place on such date, the average of the closing bid and asked prices thereof on such date, in each case as officially reported on the principal national securities exchange on which the same are then listed or admitted to trading, or (ii) if no shares of Common Stock are then listed or admitted to trading on any national securities exchange, the last sale price of shares of Common Stock, regular way, or, if no such sale takes place on such date, the average of the reported closing bid and asked prices thereof on such date as quoted in the NASDAQ National Market or, if no shares of Common Stock are then quoted in the NASDAQ National Market, as published by the National Quotation Bureau, Incorporated or any similar successor organization, and in either case as reported by any member firm of the New York Stock Exchange selected by the Company, or (iii) if no shares of Common Stock are then listed or admitted to trading on any national securities exchange or quoted or published in the over-the-counter market, the higher of (x) the book value thereof as determined by any firm of independent public accountants of recognized standing selected by the Board of Directors of the Company, as of the last day of any month (or if there is more than one such month for which book value has been determined, the most recent such month) ending within 60 days preceding the date as of which the determination is to be made or (y) the Fair Value thereof, and (b) with respect to any other securities, the Fair Value thereof

"Notes" shall have the meaning specified in the opening paragraphs of this Warrant.

"Officer's Certificate" shall mean a certificate signed in the name of

the Company by its Chief Executive Officer, President, Chief Financial Officer, one of its Vice Presidents or its Treasurer.

"Options" shall mean rights, options or warrants to subscribe for, purchase or otherwise acquire either Additional Shares of Common Stock or Convertible Securities.

"Original Common Stock" shall mean the Company's common stock, par value \$0.01 per share, as constituted as of September 15, 1999.

"Other Securities" shall mean any stock (other than Common Stock) and any other equity or equity-equivalent securities of the Company or any other Person (corporate or otherwise) which the holders of the Warrants at any time shall be entitled to receive, or shall have received, upon the exercise of the Warrants, in lieu of or in addition to Common Stock, or which at any time shall be issuable or shall have been issued in exchange for or in replacement of Common Stock or Other Securities pursuant to Section 21 or otherwise.

"Person" shall mean and include an individual, a partnership, an association, a joint venture, a corporation, a trust, a limited liability company, an unincorporated organization and a government or any department or agency thereof.

"Pro Rata Repurchase" shall mean any purchase of shares of Common Stock by the Company or by any of its subsidiaries whether for cash, shares of Common Stock of the Company, other securities of the Company, evidences of indebtedness of the Company or any other Person or any other property (including, without limitation, shares of capital stock, other securities or evidences of indebtedness of a subsidiary of the Company), or any combination thereof, which purchase is subject to Section 13(e) of the Securities Exchange

Act of 1934, as amended, or is made pursuant to an offer made available to all holders of shares of Common Stock.

"Registration Rights Agreement" shall mean the Registration Rights Agreement, dated September 15, 1999, between the Company and GEFA.

"Required Holders" shall mean the holders of a majority of all the Warrants at the time outstanding, determined on the basis of the number of shares of Common Stock then purchasable upon the exercise of all Warrants then outstanding.

"Restricted Securities" shall mean (a) any Warrants bearing the applicable legend set forth in Section 8 and (b) any shares of Common Stock (or Other Securities) which have been issued upon the exercise of Warrants and which are evidenced by a certificate or certificates bearing the applicable legend set forth in such section, and (c) unless the context otherwise requires, any shares of Common Stock (or Other Securities) which are at the time issuable upon the exercise of Warrants and which, when so issued, will be evidenced by a certificate or certificates bearing the applicable legend set forth in such

section.

"Securities Act" shall mean the Securities Act of 1933, as amended.

"Transaction" shall have the meaning specified in Section 2L.

"Warrant" shall have the meaning specified in the opening paragraphs of this Warrant.

"Warrant Shares" shall have the meaning specified in Section IA.

Section 14. Remedies. The Company stipulates that the remedies at law of the holder of this Warrant in the event of any default or threatened default by the Company in the performance of or compliance with any of the terms of this Warrant are not and will not be adequate and that, to the fullest extent permitted by law, such terms may be specifically enforced by a decree for the specific performance of any agreement contained herein or by an injunction against a violation of any of the terms hereof or otherwise.

Section 15. Notices. All notices and other communications under this Warrant shall be in writing and shall be sent (a) by registered or certified mail, return receipt requested, or (b) by a recognized overnight delivery service, addressed (i) if to any holder of any Warrant or any holder of any Common stock (or Other Securities), at the registered address of such holder as set forth in the applicable register kept at the principal office of the Company, or (ii) if to the Company, to the attention of its Chief Executive Officer at its principal office, provided that the exercise of any Warrant shall be effected in the manner provided in Section 1. The Company will at all times maintain its principal office in the United States where notices and demands relating to this Warrant may be given to the Company by the holder hereof. Until further notice, such principal office shall be located at 980 North Federal Highway, Boca Raton, FL 33432.

Section 16. Miscellaneous.

(a) This Warrant and any term hereof may be changed, waived, discharged or terminated only by an instrument in writing signed by the party against which enforcement of such change, waiver, discharge or termination is sought.

(b) The agreements of the Company contained in this Warrant other than those, applicable solely to the Warrants and the holders thereof shall inure to the benefit of and be enforceable by any holder or holders at the time of any Warrant Shares, whether so expressed or not.

(c) This Warrant shall be construed and enforced in accordance with and governed by the laws of the State of New York.

(d) The section headings in this Warrant are for purposes of convenience only and shall not constitute a part hereof

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IN WITNESS WHEREOF, this Warrant has been executed and delivered on behalf of JWGenesis Financial Corp. by one of its duly authorized officers as of the date first above written

JWGENESIS FINANCIAL CORP.

By: /s/ Joel E. Marks

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Name: Joel E. Marks

Title: Chief Operating Officer

SCHEDULE I  
(Excluded Items)

- (i) Any exercise of any option, warrant, or other right to purchase Common Stock, or the conversion into or exchange for Common Stock of any security of the Company, that is outstanding on September 15, 1999.
- (ii) Any grant or exercise of options for Common Stock under any stock option plan or stock-based compensation plan of the Company, or any issuance of stock to employees of the Company or its subsidiaries pursuant to any employee stock purchase plan of the Company, in either case which plan has been approved by the shareholders of the Company.
- (iii) Options issued to John Elway in connection with his agreement with the Company to act as spokesperson for the Company and in connection with MVP.com.
- (iv) Any issuance of Common Stock as the payment of all or part of the purchase price in connection with the Company's acquisition of the business and operations of another party.
- (v) Any issuance of Common Stock (or the grant of options or warrants for the purchase of Common Stock), other than issuance or grants of options or warrants to directors, officers and employees of the Company or its subsidiaries, for a consideration per share equal to or greater than eighty-five percent (85%) of the Market Price per share of Common Stock.

FORM OF SUBSCRIPTION

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(To be executed only upon exercise of Warrant)

To: JWGenesis Financial Corp.

The undersigned registered holder of the within Warrant hereby irrevocably

exercises such Warrant for, and purchases thereunder, \_\_\_\_\_ /1/  
shares of Original Common Stock of JWGenesis Financial Corp. and herewith makes  
payment of \$\_\_\_\_\_ therefor and requests that the certificates  
for such shares be issued in the name of, and delivered to whose address is  
\_\_\_\_\_.

Dated:

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(Signature must conform in all respects to name of  
holder as specified on the face of this Warrant)

(Street Address)

(City) (State) (Zip Code)

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/1/ Insert here the number of shares called for on the face of this Warrant  
(or, in the case of a partial exercise, the portion thereof as to which this  
warrant is being exercised), in either case without making any adjustment for  
additional Common Stock or any other stock or other securities or property or  
cash which, pursuant to the adjustment provisions of this Warrant, may be  
delivered upon exercise. In the case of a partial exercise, a new Warrant or  
Warrants will be issued and delivered, representing the unexercised portion of  
this Warrant, to the holder surrendering the same.

FORM OF ASSIGNMENT

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(To be executed only upon transfer of Warrant)

For value received, the undersigned registered holder of the within Warrant  
hereby sells, assigns and transfers unto \_\_\_\_\_ the right  
represented by such Warrant to purchase \_\_\_\_\_ /2/ shares of  
Common Stock of JWGenesis Financial Corp. to which such Warrant relates, and  
appoints \_\_\_\_\_ Attorney to make such transfer on the books  
of JWGenesis Financial Corp., maintained for such purpose, with full power of  
substitution in the premises.

Dated:

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(Signature must conform in all respects to name of  
holder as specified on the face of this Warrant)

(Street Address)

(City) (State) (Zip Code)

Signed in the presence of:

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/2/ Insert here the number of shares called for on the face of the within Warrant (or, in the case of a partial assignment, the portion thereof as to which this Warrant is being assigned), in either case without making any adjustment for additional Common Stock or any other stock or other securities or property or cash which, pursuant to the adjustment provisions of the within Warrant, may be delivered upon exercise. In the case of a partial assignment, a new Warrant or Warrants will be issued and delivered, representing the portion of the within Warrant not being assigned, to the holder assigning the same.

CONSENT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS  
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We hereby consent to the incorporation by reference in the Registration Statements on Form S-8 (No. 333-57385, 333-57387 and 333-70457) of JWGenesis Financial Corp. of our report dated March 24, 2000 relating to the financial statements, which appear in this Form 10-K.

Tampa, Florida  
April 3, 2000

CONSENT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS  
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We hereby consent to the incorporation by reference in the Registration Statements on Form S-3 (No. 333-75447 and 333-89287) of JWGenesis Financial Corp. of our report dated March 24, 2000 relating to the financial statements, which appear in this Form 10-K.

Tampa, Florida  
April 3, 2000



AMENDMENT TO  
NONSOLICITATION AGREEMENT

This Amendment dated as of the 15th day of June, 1999, by and between JWGENESIS FINANCIAL CORP. ("Company"), and MARSHALL T. LEEDS ("Employee");

W I T N E S S E T H :  
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WHEREAS, Employee entered into a Nonsolicitation Agreement ("Agreement") with the Company, effective June 12, 1998, pursuant to which the Employee agreed, among other things, to avoid soliciting Company clients and Company personnel for a period of seven years; and

WHEREAS, the Company desires additional protection to ensure the Employee will comply with the terms of the Agreement; and

WHEREAS, in exchange for other valuable consideration, the receipt of which is hereby acknowledged, Employee has agreed to this amendment of the Agreement;

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements contained herein and in the Plan, the parties hereby agree as follows:

1.

Section 10 of the Agreement is hereby amended by deleting the existing section in its entirety and substituting the following therefor:

"10. Relief. If Employee breaches any term of this Agreement, Employee  
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will pay to Company the sum of one million dollars (\$1,000,000.00) as liquidated damages. In addition to and in no way limited by the liquidated damages provision in the prior sentence, the parties acknowledge that a breach or threatened breach of any term of this Agreement by Employee would result in material and irreparable damage and injury to Company, and that it would be difficult or impossible to establish the full monetary value of such damage. Therefore, Company shall also be entitled to injunctive relief by a court of appropriate jurisdiction in the event of Employee's breach or threatened breach of this Agreement."

2.

Except as hereby modified, the terms and conditions of the Plan shall

remain in full force and effect. This Amendment shall be effective as of January 1, 1999.

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

EMPLOYEE

/s/ Marshall T. Leeds

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MARSHALL T. LEEDS

JWGENESIS FINANCIAL CORP.

By: /s/ Gregg S. Glaser

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NONSOLICITATION AGREEMENT  
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THIS AGREEMENT is made and entered into this 12th day of June, 1998, by and among JWGenesis Financial Corp., a Florida corporation ("Company"), JW Charles Financial Services, Inc., a Florida corporation ("JWCFS"), and Joel E. Marks ("Employee"):

W I T N E S S E T H:

WHEREAS, Company, JWCFS, and others have entered into that certain Amended and Restated Agreement and Plan of Combination dated as of March 9, 1998 (the "Combination Agreement"), pursuant to which, among other things, JWCFS became a wholly-owned subsidiary of Company;

WHEREAS, during the course of Employee's prior relationship with JWCFS and current and contemplated relationship with Company, Employee has learned or will learn important Confidential Information (as defined below) related to Company's Business (as defined below). Employee acknowledges that the Confidential Information (i) has been or will be developed through JWCFS' or Company's expenditure of substantial effort, time and money; and (ii) together with relationships developed with clients and personnel, could be used to compete unfairly with Company during the post-employment period. Because Company's ability to engage in the Business (as defined below) on a competitive basis depends, in part, on its Confidential Information and client relationships, Company would not share such information and promote Employee's relationship with clients if Company believed that such information or relationships would be disclosed or used in competition with Company, or if Company believed that Employee's relationship with Company's personnel or clients would be used to the detriment of Company, and Employee's performance and opportunities would suffer; and

WHEREAS, pursuant to Article 8 of the Combination Agreement, Employee and JWCFS agreed to terminate Employee's existing employment agreement with JWCFS, and Employee and Company agreed to enter into an employment agreement and a nonsolicitation agreement.

NOW, THEREFORE, in consideration of the premises and mutual agreements set forth and contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Termination of Existing Employment Arrangements. Employee and JWCFS  
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hereby agree to the termination of the existing employment arrangements between Employee and JWCFS, and hereby terminate such arrangements (the "Prior

Arrangements").

2. Consideration. As consideration for terminating the Prior

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Arrangements and for entering into this Agreement, Company shall pay to Employee an aggregate amount of \$1,720,000, payable as follows, (i) within 30 days of the date hereof, cash of \$215,000; (ii) within 30 days of the date hereof, a number of shares of Company common stock, par value \$.001 per share, subject to resale restrictions and forfeiture provisions as described below, with a value (based on 80% of the

average closing price on the American Stock Exchange of the JWCFS common stock for the 10 consecutive trading days immediately preceding the date hereof) of \$860,000 (the "Restricted Stock"), provided, however, that if Employee has sold Company common stock or JWCFS Common Stock within the six-month period prior to the date otherwise scheduled for such payment and delivery, then the Restricted Stock will not be issued until the date that is six months after such prior sale; and (iii) on each of January 15, 1999, 2000, and 2001, an additional cash payment of \$215,000. Twenty-five percent of the Restricted Stock will vest on January 15, 2002 and an additional twenty-five percent on each January 15 in 2003 through 2005. Notwithstanding the foregoing, if the employment of Employee with Company is terminated or deemed to be terminated by Company for any reason other than cause (as defined in the employment agreement then in effect between Employee and Company, a "Discharge"), any unpaid cash installment hereunder shall become immediately due and payable to him within 30 days of such termination, all of the Restricted Stock shall become immediately vested, and the forfeiture provisions with respect to such shares will no longer be in force. All unvested shares of the Restricted Stock will be subject to forfeiture at any time there is a violation of this Agreement by Employee. If a change in control of Company (as defined below) occurs that is not approved by Employee, then all of the Restricted Stock shall become immediately vested, and the forfeiture provisions with respect to such shares will no longer be in force. For purposes hereof, "change of control" shall mean (a) the acquisition by a person or entity other than Employee or a now existing shareholder of Company (or any affiliate of Employee or such a shareholder of Company), whether in one or several transactions, by exchange, merger, consolidation, assignment, stock spin-off, stock split-up, or other transaction, of more than thirty-five percent (35%) of the voting stock of Company, or of the right to vote or to direct the voting of such percentage of voting stock; or (b) a change in the membership of the Board of Directors of Company such that a majority of the members are persons who are not Continuing Directors. For purposes of this Agreement, a "Continuing Director" is a person who is a member of the Board of Directors of Company on the date hereof or a person who is elected as a director of Company upon the nomination by or approval of a majority of the Continuing Directors in office.

3. Certain Other Definitions. For purposes of this Agreement, the

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following terms shall have the meaning specified below:

(a) "Business" means securities brokerage, corporate finance, asset management, capital formation, investment banking, financial advisory and other financial services as being provided by Company on the date hereof and, with the knowledge of Employee thereof, from time to time in the future during the term of this Agreement.

(b) "Client" means any Person (except broker-dealers and nationally recognized institutional accounts) receiving (or who has arranged to receive) Business services from Company that Employee, during the year prior to the Termination Date, (i) provided Business services or solicited for Business services on behalf of Company; (ii) supervised others providing or soliciting Business services on behalf of Company; or (iii) about whom Employee had Confidential Information.

(c) "Confidential Information" means information relating to Company, Clients or the Business that derives value from not being generally known to other Persons, including, but not limited to, technical or nontechnical data, formulas (including criteria for weighing stock selection factors), patterns (including investment patterns), compilations (including stock selection and buy lists),

2

programs, devices, methods (including stock selection and portfolio design and monitoring methods), techniques, drawings, processes, financial data, or lists of actual or potential clients, whether or not reduced to writing. Confidential Information includes information disclosed to Company by third parties that Company is obligated to maintain as confidential. Confidential Information subject to this Agreement may include information that is not a trade secret under applicable law, but information that is not also a trade secret shall constitute Confidential Information only for two years after the Termination Date; provided, however, Confidential Information shall not include information

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of which Employee had knowledge of prior to his employment by JWCFS, Company, or its predecessors.

(d) "Person" includes any individual, corporation, limited liability company, partnership, association, unincorporated organization or other entity.

(e) "Termination Date" means the last day Employee is employed by Company, whether the termination is voluntary or involuntary, with or without cause.

4. Treatment of Confidential Information. Employee shall protect  
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Confidential Information. Employee will not use, except in connection with work for Company, and will not disclose to third parties during or after Employee's employment, Confidential Information.

5. Solicitation of Clients. For a period of seven (7) years from the  
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date hereof, whether or not Employee is employed by Company, Employee will not solicit for the benefit of any Person other than Company, Clients for the purpose of providing services identical to or competitive with the Business.

6. Solicitation of Company Personnel. For a period of seven (7) years  
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from the date hereof, whether or not Employee is employed by Company, Employee will not solicit for employment with another Person anyone who is or was, at any time during the year prior to the Termination Date, a Company employee or a registered representative licensed with or through Company.

7. Return of Materials. On the Termination Date or at any time  
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thereafter at Company's request, Employee will deliver promptly to Company all materials, documents, plans, records, notes, or other papers and any copies in Employee's possession or control relating in any way to the Business, which at all times shall be the property of Company.

8. Earlier Termination of Agreement. If Company effects a Discharge of  
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Employee, Employee may terminate this Agreement and the nonsolicitation provisions contained herein shall have no further effect.

9. Interpretation; Severability. Rights and restrictions in this  
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Agreement may be exercised and shall be applicable only to the extent they do not violate any applicable laws, and are intended to be limited to the extent necessary so they will not render this Agreement illegal, invalid or unenforceable. If any term shall be held illegal, invalid or unenforceable by a court of competent jurisdiction, the remaining terms shall remain in full force and effect. This Agreement does not in any way limit Company's rights under the laws of unfair competition, trade secret, copyright, patent, trademark or any other applicable law(s), which are in addition to and cumulative of rights under this Agreement.

10. Relief. The parties acknowledge that a breach or threatened breach of  
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any term of this Agreement by Employee would result in material and irreparable damage and injury to Company, and that it would be difficult or impossible to establish the full monetary value of such damage. Therefore, Company shall be entitled to injunctive relief by a court of appropriate jurisdiction in the event of Employee's breach or threatened breach of this Agreement.

11. General and Miscellaneous. (a) Notices given under this Agreement  
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shall be deemed made if hand-delivered or mailed by registered or certified mail to the addresses appearing at the end of this Agreement.

(b) This Agreement shall inure to the benefit of Company and its successors and assignees, and shall be binding upon Employee and Employee's heirs, administrators, executors, and personal representatives.

(c) Company's failure to insist upon strict performance of any term or to exercise any right shall not be construed as a waiver or a relinquishment for the future of such term or right, which shall continue in full force and effect.

(d) This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of Florida.

Signatures begin on next page.

4

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

"Company"

"Employee"

JWGENESIS FINANCIAL CORP.

By: /s/ Marshall T. Leeds

/s/ Joel E. Marks

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Marshall T. Leeds  
President

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JOEL E. MARKS

Employee Address:

195 Sheridan Pointe Ln.  
Atlanta, Georgia 30342

"JWCFS"

JW CHARLES FINANCIAL SERVICES, INC.

By: /s/ Marshall T. Leeds

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Marshall T. Leeds  
President

Company and JWCFS Address:

980 North Federal Highway Suite 210  
Boca Raton, Florida 33432  
Attention: Marshall T. Leeds

5

AMENDMENT TO  
NONSOLICITATION AGREEMENT

This Amendment dated as of the 15th day of June, 1999, by and between JWGENESIS FINANCIAL CORP. ("Company"), and JOEL E. MARKS ("Employee");

W I T N E S S E T H:

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WHEREAS, Employee entered into a Nonsolicitation Agreement ("Agreement") with the Company, effective June 12, 1998, pursuant to which the Employee agreed, among other things, to avoid soliciting Company clients and Company personnel for a period of seven years; and

WHEREAS, the Company desires additional protection to ensure the Employee will comply with the terms of the Agreement; and

WHEREAS, in exchange for other valuable consideration, the receipt of which is hereby acknowledged, Employee has agreed to this amendment of the Agreement;

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements contained herein and in the Plan, the parties hereby agree as follows:

1.

Section 10 of the Agreement is hereby amended by deleting the existing section in its entirety and substituting the following therefor:

"10. Relief. If Employee breaches any term of this Agreement, Employee  
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will pay to Company the sum of three hundred fifty thousand dollars (\$350,000.00) as liquidated damages. In addition to and in no way limited by the liquidated damages provision in the prior sentence, the parties acknowledge that a breach or threatened breach of any term of this Agreement by Employee would result in material and irreparable damage and injury to Company, and that it would be difficult or impossible to establish the full monetary value of such damage. Therefore, Company shall also be entitled to injunctive relief by a court of appropriate jurisdiction in the event of Employee's breach or threatened breach of this Agreement."

2.

Except as hereby modified, the terms and conditions of the Plan shall



remain in full force and effect. This Amendment shall be effective as of January 1, 1999.

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

EMPLOYEE

/s/ Joel E. Marks

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JOEL E. MARKS

JWGENESIS FINANCIAL CORP.

By: /s/ Gregg S. Glaser

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