FOWLER JOHN MOORE
Form 4
June 15, 2010

# FORM 4

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. *See* Instruction 1(b).

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

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

OMB APPROVAL

| | |
|---|---|
| OMB Number: | 3235-0287 |
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| Estimated average burden hours per response... | 0.5 |

(Print or Type Responses)

1. Name and Address of Reporting Person *
FOWLER JOHN MOORE

(Last) (First) (Middle)

329 PARK AVENUE NORTH, SUITE 350

(Street)

WINTER PARK, FL 32789

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading Symbol
INTERNATIONAL ASSETS HOLDING CORP [IAAC]

3. Date of Earliest Transaction (Month/Day/Year)
06/11/2010

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

__X__ Director _____ 10% Owner
_____ Officer (give title below) _____ Other (specify below)

6. Individual or Joint/Group Filing(Check Applicable Line)
_X_ Form filed by One Reporting Person
___ Form filed by More than One Reporting Person

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

| 1.Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | | 4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | | | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Indirect Beneficial Ownership (Instr. 4) |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | Code | V | Amount | (A) or (D) | Price | | | |
| Common Stock | | | | | | | | 26,500 | D | |
| Common Stock | 06/11/2010 | | P | | 1,000 | A | $ 16.63 | 2,000 | I | By Spouse |

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

**Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.**

SEC 1474 (9-02)

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned**
**(*e.g.*, puts, calls, warrants, options, convertible securities)**

| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | | 6. Date Exercisable and Expiration Date (Month/Day/Year) | | 7. Title and Amount of Underlying Securities (Instr. 3 and 4) | | 8. Pric Deriv Secur (Instr. |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | Code | V | (A) | (D) | Date Exercisable | Expiration Date | Title | Amount or Number of Shares | |
| Stock Options | $ 6.35 | | | | | | | 12/04/2011 | 12/04/2014 | Common | 5,000 | |

## Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---|---|---|---|
| | Director | 10% Owner | Officer | Other |
| FOWLER JOHN MOORE<br>329 PARK AVENUE NORTH<br>SUITE 350<br>WINTER PARK, FL 32789 | X | | | |

## Signatures

| John M. Fowler | 06/15/2010 |
|---|---|
| **Signature of Reporting Person | Date |

## Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.
Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number. ight">67,597

| | |
|---|---|
| $ | $125,773 |

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The table below summarizes the realized and unrealized gains and losses related to our derivative instruments for the three and nine months ended September 30, 2014 and 2013.

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|---|---|---|---|
| | **2014** | **2013** | **2014** | **2013** |
| Realized gains (loss) on commodity derivative | $ 530,150 | $ 237,419 | $ 80,103 | $ 237,419 |
| Change in fair value of commodity derivative | 2,432,946 | (136,623) | (142,636) | 522,733 |
| Change in fair value of warrant derivative liability | | 3,806 | | 595,245 |
| Total realized and unrealized gains (loss) recorded | $ 2,963,096 | $ 104,602 | $ (62,533) | $ 1,355,397 |

These realized and unrealized gains and losses are recorded in the accompanying unaudited condensed consolidated statements of operations as derivative gains (losses).

**NOTE 9 FAIR VALUE MEASUREMENTS**

The authoritative guidance establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are inputs that market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the Company. Unobservable inputs are inputs that reflect the Company s assumptions of what market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The hierarchy is broken down into three levels based on the reliability of the inputs as follows:

Level 1: Quoted prices are available in active markets for identical assets or liabilities;
Level 2: Quoted prices in active markets for similar assets and liabilities that are observable for the asset or liability; or
Level 3: Unobservable pricing inputs that are generally less observable from objective sources, such as discounted cash flows models or valuations.

The financial assets and liabilities are classified based on the lowest level of input that is significant to the fair value measurement. The Company s assessment of the significance of a particular input to the fair value measurement requires judgment, and may affect the valuation of the fair value of assets and liabilities and their placement within the fair value hierarchy levels. The Company s policy is to recognize transfers in and/or out of fair value hierarchy as of the end of the reporting period for which the event or change in circumstances caused the transfer. The valuation policies are determined by the principal financial officer and are approved by the President. Fair value measurements are discussed with the Company s audit committee, as deemed appropriate. Each quarter, the inputs used in the fair value calculations are updated and management reviews the changes from period to period for reasonableness. The Company has consistently applied the valuation techniques discussed below in all periods presented.

The following table presents the Company s financial assets and liabilities that were accounted for at fair value on a recurring basis as of September 30, 2014 and December 31, 2013 by level within the fair value hierarchy

| | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| September 30, 2014 | | | | |
| ASSETS: | | | | |
| Commodity contracts | | $ 780,148 | | $ 780,148 |
| LIABILITIES: | | | | |
| Commodity contracts | | $ 1,048,557 | | $ 1,048,557 |
| December 31, 2013 | | | | |
| ASSETS: | | | | |
| Commodity contracts | | | | |
| LIABILITIES: | | | | |
| Commodity contracts | | $ 125,773 | | $ 125,773 |

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We use Level 2 inputs to measure the fair value of gas commodity collar derivatives. Level 2 assets consist of commodity derivative assets and liabilities (See Note 7 - Derivative and Hedging Financial Instruments). The fair value of the commodity derivative assets and liabilities is estimated by the Company using the income valuation techniques utilizing the income approach and an option pricing model, which take into account notional quantities, market volatility, market prices, contract parameters, counterparty credit risk and discount rates based on published LIBOR rates. The Company validates the data provided by third parties by understanding the pricing models used, obtaining market values from other pricing sources, analyzing pricing data in certain situations and confirming that those securities trade in active markets. Assumed credit risk adjustments, based on published credit ratings, public bond yield spreads and credit default swap spreads, are applied to the Company s commodity derivatives.

As of December 31, 2012, the Company s warrant derivative financial instrument issued as a part of the ASD Credit Agreement were comprised of the warrants issued by the Company to purchase 19,500 shares of common stock with a put option (See Note 7 - Derivative and Hedging Financial Instruments). The warrants were valued by third parties using a binomial lattice-based valuation model and were classified as Level 3 in the fair value hierarchy. The lattice-based valuation technique was utilized because it embodies all of the requisite assumptions (including the underlying price, exercise price, term, volatility, and risk-free interest-rate) that were necessary to measure the fair value of these instruments. The Company uses data from its peers as well as from external sources in the determination of the volatility and risk free interest rates used in the fair value calculations. A sensitivity analysis is performed as well to determine the impact of the inputs on the ending fair value estimate. Estimating fair values of derivative financial instruments requires the development of significant and subjective estimates that may, and are likely to, change over the duration of the instrument due to both internal and external market factors. In addition, option-based techniques are highly sensitive to volatility assumptions. An increase in the volatility would cause an increase in the fair value of the warrants. Likewise, a decrease in the volatility would cause a decrease in the value of the Warrants.

The significant assumptions used in the valuation of the warrant derivative liability as of December 31, 2012 were as follows:

| | |
|---|---|
| Exercise price | $1.63 per share |
| Stock price | $2.89 per share |
| Volatility | 75% |
| Remaining Term of Warrants | 1.41 years |
| Risk-free interest rate | 0.20% |

The following table sets forth a reconciliation of changes in the fair value of financial liabilities classified as Level 3 in the fair value hierarchy:

| | September 30, 2014 | September 30, 2013 |
|---|---|---|
| Balance as of beginning of period | $ | $ (2,216,839) |
| Total realized and unrealized gains (losses) | | |
| Included in earnings | | 3,806 |
| Issuances | | |
| Settlements | | |
| Transfers in and out of Level 3 | | |

| | | |
|---|---|---|
| Balance as of September 30 | $ | $ (2,213,033) |
| Change in unrealized gains included in earnings | | |
| Relating to instruments still held as of September 30 | $ | $ (3,806) |

**NOTE 10 STOCKHOLDERS EQUITY**

In August 2014, Trans Energy issued 400,000 shares of common stock to William F. Woodburn, a related party, for the exercise of options at a price of $0.65 per share.

In August 2014, Trans Energy issued 190,000 shares of common stock to Loren E. Bagley, a related party, for the exercise of options at a price of $0.65 per share.

In August 2014, Trans Energy issued 75,000 shares of common stock to Mark D. Woodburn, a related party, for the exercise of options at a price of $0.65 per share.

In August 2014, Trans Energy issued 10,000 shares of common stock to Brett Greene, a related party, for the exercise of options at a price of $0.65 per share.

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In August 2014, Trans Energy issued 20,998 shares of common stock to Jordan Corp, a related party, in a cashless exercise of options at a price of $0.65 per share.

In August 2014, Trans Energy issued 62,963 shares of common stock to John G. Corp, a related party, in a cashless exercise of options at a price of $0.65 per share.

In April 2014, we granted 21,000 shares of stock to three employees under the long-term incentive bonus program. The 21,000 shares are not performance based and vest semi-annually over a three year period. The 21,000 shares were valued at $3.80 per share of common stock using the fair value of the common stock at the date of grant and the fair value will be amortized to compensation expense semi-annually over three years.

In April 2014, we also granted 252,000 common stock options to six employees and five outside board members. These options vest semi-annually over three years and have a five year term. These stock options were granted at an exercise price of $3.80 per common share and the fair value was determined using the Black Scholes option pricing model. The options are being amortized to share-based compensation expense semi-annually over the vesting period.

In January 2014, Trans Energy issued 25,000 shares of common stock to Jonathan J. Corp, a related party, for the exercise of options at a price of $0.65 per share.

In January 2014, Trans Energy issued 138,331 shares of common stock to Clarence E. Smith, a 5% Beneficial owner, for the exercise of options at a price of $1.50 per share.

In December 2013, Trans Energy granted 9,000 shares of common stock to eleven employees. These shares vest immediately and the shares were valued using the fair market value of the common stock at the date of grant. During 2013, we recorded $25,650 of share-based compensation expense related to these shares.

In November 2013, Trans Energy issued 37,500 shares of common stock to Opco related to their settlement agreement.

In May 2013, we also granted 100,000 common stock options to an outside board member. These options vest semi-annually over three years and have a five year term. These stock options were granted at an exercise price of $3.00 per common share and the fair value was determined using the Black Scholes option pricing model. The options are being amortized to share-based compensation expense semi-annually over the vesting period.

In February 2013, we granted 42,000 shares of stock to five employees under the long-term incentive bonus program. Of the 42,000 shares, 36,000 shares are not performance based and vest semi-annually over a three year period and 6,000 shares are performance based and vest semi-annually over a three year period, subject to ongoing employment. The 42,000 shares were valued at $2.50 per share of common stock using the fair value of the common stock at the date of grant and the fair value will be amortized to compensation expense semi-annually over three years.

In February 2013, we also granted 346,000 common stock options to seven employees and five outside board members. These options vest semi-annually over three years and have a five year term. These stock options were granted at an exercise price of $2.50 per common share and the fair value was determined using the Black Scholes option pricing model. The options are being amortized to share-based compensation expense semi-annually over the vesting period. Of the 346,000 options granted, 12,000 of the options are performance based.

The Company has computed the fair value of all options granted using the Black-Scholes option pricing model. In order to calculate the fair value of the options, certain assumptions are made regarding components of the model, including the estimated fair value of the underlying common stock, risk-free interest rate, volatility, expected dividend yield and expected option life. Changes to the assumptions could cause significant adjustments to valuation. The Company estimated a volatility factor utilizing a weighted average of comparable published volatilities of peer companies. The Company has estimated a forfeiture rate of zero as the effect of forfeitures has not been significant and the small number of option holders does not provide a reasonable basis for prediction. The Company estimates the expected term based on the average of the vesting term and the contractual term of the options. The risk-free interest rate is based on the U.S. Treasury yield in effect at the time of the grant for treasury securities of similar maturity. The fair value of all options granted by the Company for 2011 through 2014 was determined using the following assumptions:

| | |
|---|---|
| Expected volatility | 70% - 90% |
| Risk free interest rate | 0.80% - 1.75% |
| Expected term (years) | 3.0 - 5.0 |
| Dividend yield | 0% |

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As a result of the above stock and option transactions, we recorded total stock-based compensation of $214,906 and $283,892 for the three months ended September 30, 2014 and 2013, respectively and $698,122 and $919,755 for the nine months ended September 30, 2014 and 2013, respectively.

Stock option activity is as follows:

| | Number of Options | Weighted Average Exercise Price | Weighted Average Remaining Contractual Life | Aggregate Fair Value |
|---|---|---|---|---|
| Outstanding December 31, 2012 | 3,640,324 | $ 1.76 | 2.69 Years | $ 6,406,970 |
| Granted | 446,000 | $ 2.61 | | |
| Exercised | (30,500) | $ 2.67 | | |
| Forfeited | (10,500) | $ 2.35 | | |
| Expired | | | | |
| Outstanding December 31, 2013 | 4,045,324 | $ 1.85 | 2.05 Years | $ 7,483,849 |
| Granted | 252,000 | $ 3.80 | | |
| Exercised | (938,331) | $ 0.78 | | |
| Forfeited | (14,000) | $ 2.43 | | |
| Expired | | | | |
| Outstanding September 30, 2014 | 3,344,993 | $ 2.01 | 1.79 Years | $ 6,723,438 |
| Exercisable at September 30, 2014 | 3,023,329 | $ 2.09 | | $ 6,318,758 |
| Unvested at September 30, 2014 | 321,664 | | | |

**NOTE 11 EARNINGS PER SHARE**

Basic net income (loss) per share is computed by dividing net income (loss) by the weighted-average number of common shares outstanding during the reporting period. The shares of restricted common stock granted to certain officers and employees of the Company are included in the computation of basic net income (loss) per share only after the shares become fully vested. Diluted net income (loss) per share of common stock includes both vested and unvested shares of restricted stock. Diluted net income (loss) per common share of stock is computed by dividing net income by the diluted weighted-average common shares outstanding. When a loss from continuing operations exists, all potentially dilutive securities are anti-dilutive and are therefore excluded from the computation of diluted earnings per share. As the Company had losses for the three and nine month periods ended September 30, 2014 and 2013, the potentially dilutive shares were anti-dilutive and were thus not included in the net loss per share calculation.

As of September 30 2014, potentially dilutive securities included (i) 49,500 unvested shares of restricted common stock and (ii) 3,344,994 in-the-money outstanding options.

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**NOTE 12 BUSINESS SEGMENTS**

Our principal operations consist of exploration and production through Trans Energy, American Shale and Prima, and pipeline transmission with Ritchie County Gathering Systems and Tyler Construction Company.

Certain financial information concerning our operations in different segments is as follows:

| | For the Three Months Ended September 30 | Exploration and Production | Pipeline Transmission | Corporate | Total |
|---|---|---|---|---|---|
| **Revenue** | 2014 | $ 6,667,618 | $ 44,256 | $ 63,407 | $ 6,775,281 |
| | 2013 | 4,343,739 | 35,203 | 25,801 | 4,404,743 |
| **Income (Loss) from operations** | 2014 | 368,873 | (21,715) | (7,713,446) | (7,366,288) |
| | 2013 | 862,737 | (10,376) | (1,855,586) | (1,003,225) |
| **Interest expense** | 2014 | 2,901,745 | | 1,567 | 2,903,312 |
| | 2013 | 5,200,033 | | 595 | 5,200,628 |
| **Depreciation, depletion, amortization and accretion** | 2014 | 3,087,854 | 250 | | 3,088,104 |
| | 2013 | 986,393 | 277 | | 986,670 |
| **Property and equipment acquisitions, including oil and gas properties** | 2014 | 8,056,902 | | 6,383 | 8,063,285 |
| | 2013 | 12,242,765 | 10,000 | | 12,252,765 |

| | For the Nine Months Ended September 30 | Exploration and Production | Pipeline Transmission | Corporate | Total |
|---|---|---|---|---|---|
| **Revenue** | 2014 | $ 24,816,633 | $ 121,875 | $ 69,840 | $ 25,008,348 |
| | 2013 | 12,559,344 | 97,093 | 28,790 | 12,685,227 |
| **Income (Loss) from operations** | 2014 | 7,667,821 | 7,141 | (10,689,310) | (3,014,348) |
| | 2013 | 2,900,923 | 21,153 | (4,701,132) | (1,779,056) |
| **Interest expense** | 2014 | 16,703,108 | | 6,156 | 16,709,264 |
| | 2013 | 10,995,490 | | 6,512 | 11,002,002 |
| **Depreciation, depletion, amortization and accretion** | 2014 | 7,447,943 | 856 | | 7,448,799 |
| | 2013 | 2,364,950 | 330 | | 2,365,280 |
| | 2014 | 24,064,991 | | 8,470 | 24,073,461 |

| | | | | |
|---|---|---|---|---|
| **Property and equipment acquisitions, including oil and gas properties** | | | | |
| | 2013 | 24,942,086 | 10,000 | 24,952,086 |
| **Total assets, net of intercompany accounts:** | | | | |
| **September 30, 2014** | | 103,597,410 | 14,670 | 103,612,080 |
| **December 31, 2013** | | 90,098,192 | 17,129 | 90,115,321 |

Property and equipment acquisitions include accrued amounts and reclassifications.

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**NOTE 13 - RELATED PARTY TRANSACTIONS**

In November 2013, Clarence E. Smith, a 5% Beneficial Owner, issued payment to the Company in the amount of $200,000. Mr. Smith was exercising 138,331 options at a price of $1.50 per share. On January 24, 2014, Mr. Smith s stock was issued. The Company is recognizing interest since the funds were held approximately three months before the stock was actually issued. At December 31, 2013, the $205,314 due to Mr. Smith is recorded as a note payable, related party in the current liability section of the balance sheet.

During 2013 and 2014, the Company has conducted business with two companies owned by Clarence E. Smith. Work was awarded the companies after bids were sought and reviewed. The amount of payments total $48,000 and $48,000 for 2013 and 2014, respectively.

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**Item 6. Exhibits**

| | |
|---|---|
| Exhibit 31.1 | Certification of Principal Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. |
| Exhibit 31.2 | Certification of Principal Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. |
| Exhibit 32.1 | Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. |
| Exhibit 32.2 | Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. |
| **101.INS | XBRL Instance Document |
| **101.SCH | XBRL Taxonomy Extension Schema |
| **101.CAL | XBRL Taxonomy Extension Calculation Linkbase |
| **101.DEF | XBRL Taxonomy Extension Definition Linkbase |
| **101.LAB | XBRL Taxonomy Extension Label Linkbase |
| **101.PRE | XBRL Taxonomy Extension Presentation Linkbase |

** Filed herewith.

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SIGNATURES

In accordance with the requirements of the Securities Exchange Act of 1934, the Registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

| | |
|---|---|
| | TRANS ENERGY, INC. |
| Date: January 9, 2015 | By: /s/ JOHN G. CORP<br>JOHN G. CORP<br>Principal Executive Officer |
| Date: January 9, 2015 | By: /s/ MICHAEL R. GUZZETTA<br>MICHAEL R. GUZZETTA<br>Treasurer |

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