

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM S-8

REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

OCWEN FINANCIAL CORPORATION

(Exact Name of Registrant as specified in its Articles of Incorporation)

FLORIDA

65-0039856

(State of incorporation)

(IRS Employer Identification No.)

The Forum, Suite 1000
1675 Palm Beach Lakes Boulevard
WEST PALM BEACH, FLORIDA 33401

(Address of principal executive offices, including zip code)

1991 NON-QUALIFIED STOCK OPTION PLAN
1996 STOCK PLAN FOR DIRECTORS

(Full Title of the Plans)

Copies to:

William C. Erbey
President and Chief Executive Officer
Ocwen Financial Corporation
The Forum, Suite 1000
1675 Palm Beach Lakes Boulevard
West Palm Beach, Florida 33401
(561) 681-8000

Gerard L. Hawkins, Esq.
Kenneth B. Tabach, Esq.
Elias, Matz, Tiernan & Herrick L.L.P.
734 15th Street, N.W.
Washington, D.C. 20005
(202) 347-0300

(Name, address, and telephone number
of agent for service)

Page 1 of 11 pages Index to
Exhibits is located on page 8.

CALCULATION OF REGISTRATION FEE

Title of Securities to be Registered	Amount to be Registered(1)	Proposed Maximum Offering Price Per Share	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee
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Common Stock, par

value \$.01	1,267,814	\$ 9.80(3)	\$ 12,424,577(3)	\$3,665.25
Common Stock, par value \$.01	11,828,108 -----	\$24.97(4) -----	\$295,347,857(4) -----	87,127.62 -----
Total	13,095,922(2) =====		\$307,772,434 =====	\$90,792.87 =====

(1) Together with an indeterminate number of additional shares which may be necessary to adjust the number of shares reserved for issuance pursuant to the Ocwen Financial Corporation (the "Company" or the "Registrant") 1991 Non-Qualified Stock Option Plan (the "Option Plan") and the 1996 Stock Plan for Directors (the "Directors Plan" and together, the "Plans") as a result of a stock split, stock dividend or similar adjustment of the outstanding common stock, \$.01 par value per share (the "Common Stock"), of the Company.

(2) Represents 12,605,814 currently reserved for issuance pursuant to the Option Plan and 490,108 currently reserved for issuance pursuant to the Directors Plan.

(3) Estimated solely for the purpose of calculating the registration fee, which has been calculated pursuant to Rule 457(h) promulgated under the Securities Act of 1933, as amended ("Securities Act"). The Proposed Maximum Offering Price Per Share is equal to the weighted average exercise price for options to purchase 1,267,814 shares of Common Stock which are outstanding under the Option Plan as of the date hereof.

(4) Estimated solely for the purposes of calculating the registration fee in accordance with Rule 457(c) promulgated under the Securities Act. The Proposed Maximum Offering Price Per Share for 11,338,000 shares for which stock options have not been granted under the Option Plan and the 490,108 shares to be offered under the Directors Plan is equal to the average of the high and low prices of the Common Stock of the Company on January 21, 1998 as reported by the New York Stock Exchange.

This Registration Statement shall become effective automatically upon the date of filing in accordance with Section 8(a) of the Securities Act and 17 C.F.R. Section 230.462.

PART II

INFORMATION REQUIRED IN THE REGISTRATION STATEMENT

ITEM 3. INCORPORATION OF DOCUMENTS BY REFERENCE.

The following documents filed or to be filed with the Securities and Exchange Commission (the "Commission") are incorporated by reference in this Registration Statement:

(a) The Annual Report on Form 10-K of the Company for the year ended December 31, 1996;

(b) All reports filed by the Company pursuant to Sections 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), since the end of the fiscal year covered by the Company's Annual Report on Form 10-K referred to in clause (a) above;

(c) The description of the Common Stock of the Company contained in the Company's Registration Statement on Form 8-A (Commission File No. 1-3219) filed with the Commission on July 25, 1997;

(d) All documents filed by the Company pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act after the date hereof and prior to the filing of a post-effective amendment which indicates that all securities offered have been sold or which deregisters all securities then remaining unsold.

Any statement contained in this Registration Statement, or in a document incorporated or deemed to be incorporated by reference herein, shall be deemed to be modified or superseded for purposes of this Registration Statement to the extent that a statement contained herein, or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein, modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Registration Statement.

ITEM 4. DESCRIPTION OF SECURITIES.

Not applicable since the Company's Common Stock is registered under Section 12 of the Exchange Act.

ITEM 5. INTERESTS OF NAMED EXPERTS AND COUNSEL.

Not applicable.

ITEM 6. INDEMNIFICATION OF DIRECTORS AND OFFICERS.

Article V of the Company's Articles of Incorporation provides as follows:

INDEMNIFICATION

This corporation shall, to the fullest extent permitted by the provisions of Fla. Stat. Section 607.0850, as the same may be amended and supplemented, indemnify any and all persons whom it shall have power to indemnify under said section from and against any and all of the expenses, liabilities, or other matters referred to in or covered by said section, and the indemnification provided for herein shall not be deemed exclusive of any other rights to which those indemnified may be entitled under any Bylaw, agreement, vote of stockholders or disinterested directors or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a director, officer, employee, or agent and shall inure to the benefit of the heirs, executors, and administrators of such a person.

Section 607.0850 of the Florida Business Corporation Act provides as follows:

607.0850 INDEMNIFICATION OF OFFICERS, DIRECTORS, EMPLOYEES, AND AGENTS.

- - (1) A corporation shall have the power to indemnify any person who was or is a party to any proceeding (other than an action by, or in the right of, the corporation), by reason of the fact that he is or was a director, officer, employee, or agent of the corporation or is or was serving at the request of the corporation as a director, officer, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise against liability incurred in connection with such proceeding, including any appeal thereof, if he acted in good faith and in a manner he reasonably believed to be in, or not opposed to, the best interests of the corporation and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any proceeding by judgment, order, settlement, or conviction or upon a plea of nolo contendere or its equivalent shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in, or not opposed to, the best interests of the corporation or, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

(2) A corporation shall have power to indemnify any person, who was or is a party to any proceeding by or in the right of the corporation to procure a judgment in its favor by reason of the fact that he is or was a director, officer, employee, or agent of the corporation or is or was serving at the request of the corporation as a director, officer, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise, against expenses and amounts paid in settlement not exceeding, in the judgment of the board of directors, the estimated expense of litigating the proceeding to conclusion, actually and reasonably incurred in connection with the defense or settlement of such proceeding, including any appeal thereof. Such indemnification shall be authorized if such person acted in good faith and in a manner he reasonably believed to be in, or not opposed to, the best interests of the corporation, except that no indemnification shall be made under this subsection in respect of any claim, issue, or matter as to which such person shall have

been adjudged to be liable unless, and only to the extent that, the court in which such proceeding was brought, or any other court of competent jurisdiction, shall determine upon application that, despite the adjudication of liability but in view of all circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which such court shall deem proper.

(3) To the extent that a director, officer, employee, or agent of a corporation has been successful on the merits or otherwise in defense of any proceeding referred to in subsection (1) or subsection (2), or in defense of any claim, issue, or matter therein, he shall be indemnified against expenses actually and reasonably incurred by him in connection therewith.

(4) Any indemnification under subsection (1) or subsection (2), unless pursuant to a determination by a court, shall be made by the corporation only as authorized in the specific case upon a determination that indemnification of the director, officer, employee, or agent is proper in the circumstances because he has met the applicable standard of conduct set forth in subsection (1) or subsection (2). Such determination shall be made:

(a) By the board of directors by a majority vote of a quorum consisting of directors who were not parties to such proceeding;

(b) If such a quorum is not obtainable or, even if obtainable, by majority vote of a committee duly designated by the board of directors (in which directors who are parties may participate) consisting solely of two or more directors not at the time parties to the proceeding;

(c) By independent legal counsel:

(1) Selected by the board of directors prescribed in paragraph (a) or the committee prescribed in paragraph (b); or

(2) If a quorum of the directors cannot be obtained for paragraph (a) and the committee cannot be designated under paragraph (b), selected by majority vote of the full board of directors (in which directors who are parties may participate); or

(d) By the shareholders by a majority vote of a quorum consisting of shareholders who were not parties to such proceeding or, if no such quorum is obtainable, by a majority vote of shareholders who were not parties to such proceeding.

(5) Evaluation of the reasonableness of expenses and authorization of indemnification shall be made in the same manner as the determination that indemnification is permissible. However, if the determination of permissibility is made by independent legal counsel, persons specified by paragraph (4)(c) shall evaluate the reasonableness of expenses and may authorize indemnification.

(6) Expenses incurred by an officer or director in defending a civil or criminal proceeding may be paid by the corporation in advance of the final disposition of such

proceeding upon receipt of an undertaking by or on behalf of such director or officer to repay such amount if he is ultimately found not to be entitled to indemnification by the corporation pursuant to this section. Expenses incurred by other employees and agents may be paid in advance upon such terms or conditions that the board of directors deems appropriate.

(7) The indemnification and advancement of expenses provided pursuant to this section are not exclusive, and a corporation may make any other or further indemnification or advancement of expenses of any of its directors, officers, employees, or agents, under any bylaw, agreement, vote of shareholders or disinterested directors, or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office. However, indemnification or advancement of expenses shall not be made to or on behalf of any director, officer, employee, or agent if a judgment or other final adjudication establishes that his actions, or omissions to act, were material to the cause of action so adjudicated and constitute:

(a) A violation of the criminal law, unless the director, officer, employee, or agent had reasonable cause to believe his conduct was lawful or had no reasonable cause to believe his conduct was unlawful;

(b) A transaction from which the director, officer, employee, or agent derived an improper personal benefit;

(c) In the case of a director, a circumstance under which the liability provisions of s.607.0834 are applicable; or

(d) Willful misconduct or a conscious disregard for the best interests of the corporation in a proceeding by or in the right of the corporation to procure a judgment in its favor or in a proceeding by or in the right of a shareholder.

(8) Indemnification and advancement of expenses as provided in this section shall continue as, unless otherwise provided when authorized or ratified, to a person who has ceased to be a director, officer, employee, or agent and shall inure to the benefit of the heirs, executors, and administrators of such a person, unless otherwise provided when authorized or ratified.

(9) Unless the corporation's articles of incorporation provide otherwise, notwithstanding the failure of a corporation to provide indemnification, and despite any contrary determination of the board or of the shareholders in the specific case, a director, officer, employee, or agent of the corporation who is or was a party to a proceeding may apply for indemnification or advancement of expenses, or both, to the court conducting the proceeding, to the circuit court, or to another court of competent jurisdiction. On receipt of an application, the court, after giving notice that it considers necessary, may order indemnification and advancement of expenses, including expenses incurred in seeking court-ordered indemnification or advancement of expenses, if it determines that:

(a) The director, officer, employee, or agent is entitled to mandatory indemnification under subsection (3), in which case the court shall also order the corporation to pay the director reasonable expenses incurred in obtaining court-ordered indemnification or advancement of expenses;

(b) The director, officer, employee or agent is entitled to indemnification or advancement of expenses, or both, by virtue of the exercise by the corporation of its power pursuant to subsection (7); or

(c) The director, officer, employee, or agent is fairly and reasonably entitled to indemnification or advancement of expenses, or both, in view of all the relevant circumstances, regardless of whether such person met the standard of conduct set forth in subsection (1), subsection (2), or subsection (7).

(10) For purposes of this section, the term "corporation" includes, in addition to the resulting corporation, any constituent corporation (including any constituent of a constituent) absorbed in a consolidation or merger, so that any person who is or was a director, officer, employee, or agent of a constituent corporation, or is or was serving at the request of a constituent corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust, or other enterprise, is in the same position under this section with respect to the resulting or surviving corporation as he would have with respect to such constituent corporation if its separate existence had continued.

(11) For purposes of this section:

(a) The term "other enterprises" includes employee benefit plans;

(b) The term "expenses" includes counsel fees, including those for appeal;

(c) The term "liability" includes obligations to pay for a judgment, settlement, penalty, fine (including an excise tax assessed with respect to any employee benefit plan), and expenses actually and reasonably incurred with respect to a proceeding;

(d) The term "proceeding" includes any threatened, pending, or completed action, suit, or other type of proceeding, whether civil, criminal, administrative, or investigative and whether formal or informal;

(e) The term "agent" includes a volunteer;

(f) The term "serving at the request of the corporation" includes any service as a director, officer, employee, or agent of the corporation that imposes duties on such persons, including duties relating to an employee benefit plan and its participants or beneficiaries; and

(g) The term "not opposed to the best interest of the corporation" describes the actions of a person who acts in good faith and in a manner he reasonably believes to be in the best interests of the participants and beneficiaries of an employee benefit plan.

(12) A corporation shall have power to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee, or agent of the corporation or is or was serving at the request of the corporation as a director, officer, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise against any liability asserted against him and incurred by him in any such capacity or arising out of his status as such, whether or not the corporation would have the power to indemnify him against such liability under the provisions of this section.

ITEM 7. EXEMPTION FROM REGISTRATION CLAIMED.

Not applicable since no restricted securities will be reoffered or resold pursuant to this Registration Statement.

ITEM 8. EXHIBITS

The following exhibits are filed with or incorporated by reference into this Registration Statement on Form S-8 (numbering corresponds to Exhibit Table in Item 601 of Regulation S-K):

No. ---	Exhibit -----	Page ----
4	Common Stock Certificate*	--
5	Opinion of Elias, Matz, Tiernan & Herrick L.L.P. as to the legality of the securities	E-1
23.1	Consent of Elias, Matz, Tiernan & Herrick L.L.P. (contained in the opinion included as Exhibit 5)	--
23.2	Consent of Price Waterhouse LLP	E-3
24	Power of attorney for any subsequent amendments is located in the signature pages	--
99.1	1991 Non-Qualified Stock Option Plan, as amended	E-4
99.2	1996 Stock Plan for Directors, as amended	E-12

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* Incorporated by reference from the Company's Registration Statement on Form S-1 (Commission File No. 333-5153) declared effective by the Commission on September 25, 1996, as amended.

The undersigned Registrant hereby undertakes:

1. To file, during any period in which offers or sales are being made, a post-effective amendment to this Registration Statement (i) to include any prospectus required by Section 10(a)(3) of the Securities Act, (ii) to reflect in the prospectus any facts or events arising after the effective date of the Registration Statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the Registration Statement, and (iii) to include any material information with respect to the plan of distribution not previously disclosed in the Registration Statement or any material change in such information in the Registration Statement; provided, however, that clauses (i) and (ii) do not apply if the information required to be included in a post-effective amendment by those clauses is contained in periodic reports filed by the Registrant pursuant to Section 13 or Section 15(d) of the Exchange Act that are incorporated by reference in the Registration Statement.

2. That, for the purpose of determining any liability under the Securities Act, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

3. To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

4. That, for the purposes of determining any liability under the Securities Act, each filing of the Registrant's annual report pursuant to Section 13(a) or Section 15(d) of the Exchange Act that is incorporated by reference in the Registration Statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

5. Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the Registrant pursuant to the foregoing provisions or otherwise, the Registrant has been advised that in the opinion of the Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the questions whether such indemnification by it is against public policy expressed in the Securities Act and will be governed by the final adjudication of such issue.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-8 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized in the city of West Palm Beach, State of Florida, on the 26th day of January 1998.

OCWEN FINANCIAL CORPORATION

By: /s/ WILLIAM C. ERBEY

William C. Erbey, President and
Chief Executive Officer

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities and on the dates indicated. Each person whose signature appears below hereby makes, constitutes and appoints William C. Erbey his true and lawful attorney, with full power to sign for such person and in such person's name and capacity indicated below, and with full power of substitution any and all amendments to this Registration Statement, hereby ratifying and confirming such person's signature as it may be signed by said attorney to any and all amendments.

/s/ WILLIAM C. ERBEY

January 26, 1998

William C. Erbey
Chairman, President and
Chief Executive Officer
(Principal Executive Officer)

/s/ THOMAS F. LEWIS

January 26, 1998

Hon. Thomas F. Lewis
Director

/s/ W.C. MARTIN

January 26, 1998

W.C. Martin
Director

/s/ HOWARD H. SIMON

January 26, 1998

Howard H. Simon
Director

/s/ BARRY N. WISH

January 26, 1998

Barry N. Wish
Director

/s/ MARK S. ZEIDMAN

January 26, 1998

Mark S. Zeidman
Senior Vice President and
Chief Financial Officer
(principal financial and
accounting officer)

Law Offices
ELIAS, MATZ, TIERNAN & HERRICK L.L.P.
12th Floor 734 15th Street,
N.W.
Washington, D.C. 20005
Telephone (202) 347-0300

January 27, 1998

Board of Directors
Ocwen Financial Corporation
The Forum, Suite 1000
1675 West Palm Beach Boulevard
West Palm Beach, Florida 33401

Re: Registration Statement on Form S-8
13,095,922 Shares of Common Stock

Ladies and Gentlemen:

We have acted as special counsel to Ocwen Financial Corporation, a Florida corporation (the "Corporation"), in connection with the preparation and filing with the Securities and Exchange Commission pursuant to the Securities Act of 1933, as amended, of a Registration Statement on Form S-8 (the "Registration Statement"), relating to the registration of up to 490,108 shares of common stock, par value \$.01 per share ("Common Stock"), to be issued under the Corporation's 1996 Stock Plan for Directors (the "Directors Plan") and up to 12,605,814 shares of Common Stock to be issued pursuant to the Corporation's 1991 Non-Qualified Stock Option Plan (the "Option Plan") upon the exercise of stock options (collectively, the "Shares"). The Registration Statement also registers an indeterminate number of additional shares which may be necessary under the plans to adjust the number of shares reserved thereby for issuance as the result of a stock split, stock dividend or similar adjustment of the outstanding Common Stock of the Corporation. We have been requested to furnish an opinion to be included as an exhibit to the Registration Statement.

In this regard, we have reviewed the Registration Statement, the Restated Articles of Incorporation and Bylaws of the Corporation, the Directors Plan, the Option Plan, a specimen stock certificate evidencing the Common Stock of the Corporation and such other corporate records and documents as we have deemed appropriate for the purposes of this opinion. We are relying upon the originals, or copies certified or otherwise identified to our satisfaction, of the corporate records of the Corporation and such other instruments, certificates and representations of public officials, officers and representatives of the

Board of Directors
January 27, 1998
Page 2

Corporation as we have deemed applicable or relevant as a basis for the opinion set forth below. In addition, we have assumed, without independent verification, the genuineness of all signatures and the authenticity of all documents furnished to us and the conformance in all respects of copies to originals. Furthermore, we have made such factual inquiries and reviewed such laws as we determined to be relevant for the purposes of this opinion.

For purposes of this opinion, we have also assumed that (i) the shares of Common Stock issuable pursuant to stock options granted under the terms of the Option Plan will continue to be validly authorized on the dates the Common Stock is issued pursuant to such stock options; (ii) the shares of Common Stock issuable pursuant to the Directors Plan will continue to be validly authorized on the dates the Common Stock is issued in accordance with the terms of such plan; (iii) on the dates the stock options are exercised, the stock options granted under the terms of the Option Plan will constitute valid, legal and binding obligations of the Corporation and will (subject to applicable bankruptcy, moratorium, insolvency, reorganization and other laws and legal principles affecting the enforceability of creditors' rights generally) be enforceable as to the Corporation in accordance with their terms; (iv) no change occurs in applicable law or the pertinent facts; and (v) the provisions of "blue sky" and other securities laws as may be applicable have been complied with to

the extent required.

Based on the foregoing, and subject to the assumptions set forth herein, we are of the opinion as of the date hereof that the shares of Common Stock to be issued pursuant to the Directors Plan and the Option Plan when issued and sold pursuant to the Directors Plan or the Option Plan and upon receipt of the consideration required thereby, will be legally issued, fully paid and non-assessable shares of Common Stock of the Corporation.

We hereby consent to the filing of this opinion as an exhibit to the Registration Statement.

Very truly yours,

ELIAS, MATZ, TIERNAN & HERRICK L.L.P.

By: /s/ KENNETH B. TABACH

Kenneth B. Tabach, a Partner

Consent of Independent Certified Public Accountants

We hereby consent to the incorporation by reference in the Registration Statement on Form S-8 of our report dated January 21, 1997 appearing on page F-2 of Ocwen Financial Corporation's Annual Report on Form 10-K for the year ended December 31, 1996.

/s/ PRICE WATERHOUSE LLP

Price Waterhouse LLP
Fort Lauderdale, Florida
January 27, 1998

AS AMENDED THROUGH JANUARY 26, 1998
AS ADJUSTED FOR THE TEN-FOR-ONE STOCK
SPLIT IN JULY 1996 AND THE TWO-FOR-ONE
STOCK SPLIT IN NOVEMBER 1997

OCWEN FINANCIAL CORPORATION
1991 NON-QUALIFIED STOCK OPTION PLAN

ARTICLE I
DEFINITIONS

As used herein, the following terms have the meanings hereinafter set forth unless the context clearly indicates to the contrary:

- (a) "Board" shall mean the Board of Directors of the Company.
- (b) "Committee" shall mean the Compensation Committee of the Board, which shall consist of such person or persons as may be appointed from time to time by the Board until such time as the Stock is registered under the Exchange Act, following which time the Committee shall consist of not less than the minimum number of persons from time to time required by Rule 16b-3, each of whom, to the extent necessary to comply with Rule 16b-3 only, shall be a "disinterested person" within the meaning of Rule 16b-3.
- (c) "Company" shall mean Ocwen Financial Corporation, a Florida corporation.
- (d) "Exchange Act" shall mean the Securities Exchange Act of 1934, as amended.
- (e) "Fair Value" of the Stock shall mean (i) if the Stock is listed or admitted to trading on any securities exchange or national market system in the United States, the average of the high and low sales prices on such day on the principal securities exchange or national market system in the United States on which the Stock is traded, (ii) if the Stock is not then listed or admitted to trading on any such day, or if no sale takes place on such day, the average of the closing bid and asked prices in the United States on such day, as reported by a reputable quotation source designated by the Committee, and (iii) if the Stock is not then listed or admitted to trading on any such securities exchange or national market system and no such reported sale price or bid and asked prices are available, the average of the reported high bid and low asked prices in the United States on such day, as reported in THE WALL STREET JOURNAL (Eastern edition) or other newspaper designated by the Committee.
- (f) "Option" shall mean an option to purchase Stock granted pursuant to the provisions of Article VI hereof.
- (g) "Optionee" shall mean a person to whom an Option has been granted hereunder.
- (h) "Option Price" shall mean the price at which an Optionee may purchase a share of stock under a Stock Option Agreement which price may be less than Fair Value at the time the Option is granted.
- (i) "Plan" shall mean the Ocwen Financial Corporation 1991 Non-Qualified Stock Option Plan, as amended.
- (j) "Rule 16b-3" shall mean Rule 16b-3 as promulgated and interpreted by the Securities and Exchange Commission under the Exchange Act, or any successor rule or regulation thereto as in effect from time to time.
- (k) "Stock" shall mean the common stock, \$.01 par value, of the Company or, in the event that the outstanding shares of Stock are hereinafter changed into or exchanged for shares of a different stock or securities of the Company or some other

corporation, such other stock or securities.

- (l) "Stock Option Agreement" shall mean an agreement between the Company and the Optionee under which the Optionee may purchase Stock hereunder.
- (m) "Subsidiary" shall mean any corporation, the majority of the outstanding voting stock of which is owned, directly or indirectly, by the Company.

ARTICLE II
THE PLAN

2.1 NAME. This plan shall be known as the "Ocwen Financial Corporation 1991 Non- Qualified Stock Option Plan."

2.2 PURPOSE. The purpose of the Plan is to advance the interests of the Company, its Subsidiaries and its shareholders by affording certain officers and other key employees of the Company and its Subsidiaries an opportunity to acquire or increase their proprietary interests in the Company by granting such persons Options to purchase Stock in the Company. The Options will promote the growth and profitability of the Company and its Subsidiaries because the Optionees will be provided with an additional incentive to achieve the Company's objectives through participation in its success and growth and by encouraging their continued employment with the Company.

2.3 EFFECTIVE DATE; TERMINATION DATE. The effective date of the Plan is December 1, 1991. The Plan shall terminate, and no further Options shall be granted hereunder, after November 30, 2006.

ARTICLE III
PARTICIPANTS

Any "key employee," as determined by the Committee, including executive personnel, department heads and directors, of the Company or its Subsidiaries shall be eligible to participate in the Plan, provided that they are full-time employees of the Company or any of its Subsidiaries.

ARTICLE IV
ADMINISTRATION

4.1 DUTIES AND POWERS OF COMMITTEE. The Plan shall be administered by the Committee. In administering the Plan, the Committee's actions and determinations shall be binding on all interested parties. Subject to the express provisions of the Plan, the Committee shall have the sole discretion and authority to determine from among eligible key employees those to whom an Option shall be granted, the number of shares of Stock subject to the Option, and the terms and conditions of the Stock Option Agreement. Subject to the express provisions of the Plan, the Committee shall also have complete authority to interpret the Plan, to prescribe, amend and rescind rules and regulations relating to it, to determine the details and provisions of each Stock Option Agreement, and to make all other determinations necessary or advisable in the administration of the Plan, including, without limitation, the amending or altering of the Plan and any Options granted hereunder as may be required to comply with or to conform to any federal, state or local laws or regulations. The Committee shall have the power to authorize the issuance of Stock in accordance with the provisions of the Plan. No member of the Committee shall be liable to any person for any determination made in good faith with respect to the Plan or any Option granted hereunder.

4.2 COMMITTEE PROCEDURES. The Committee may make such rules and regulations for the conduct of its business as it may deem necessary or appropriate. A majority of the members of the Committee shall constitute a quorum, and any action taken by a majority at a meeting at which a quorum is present or any action taken without a meeting evidenced by a writing executed by all the members of the Committee, shall constitute the action of the Committee. The Committee shall keep minutes of its meetings.

The Company shall supply full and timely information to the Committee on all matters relating to eligible persons as the Committee may require. The Company shall furnish the Committee with such clerical and other assistance as is necessary in the performance of its duties.

4.3 AUTHORITY OF THE BOARD. Notwithstanding anything to the contrary contained in the Plan, the Plan also may be administered by the Board until such time as the Stock is registered under the Exchange Act, following which time the Plan also may be administered by the Board only to the extent permitted by Rule 16b-3. In the event of such administration by the Board, all references to the Committee in the Plan shall be deemed to refer to the Board and any employee-director of the Company shall be eligible to be designated a "key employee" for purposes of the Plan.

ARTICLE V

SHARES OF STOCK SUBJECT TO PLAN

5.1 LIMITATIONS. Subject to any adjustment pursuant to the provisions of Section 5.2 hereof, the maximum number of shares of Stock which may be issued and sold hereunder shall not exceed 20,000,000 shares. Shares subject to an Option may be either authorized and unissued shares or shares issued and later acquired by the Company. Any shares of Stock that are subject to an Option and which are forfeited, and any shares of Stock that for any other reason are not issued to an Optionee, shall automatically become available again for use under the Plan if Rule 16b-3 under the Exchange Act, as such rule may be amended, or any successor rule, and interpretations thereof by the Securities and Exchange Commission or its staff permit such share replenishment.

5.2 ANTIDILUTION. In the event that the outstanding shares of Stock are changed into or exchanged for a different number or kind of shares or other securities of the Company or of another corporation by reason of merger, consolidation, reorganization, recapitalization, reclassification, combination of shares, stock splitup or stock dividend:

- (a) The aggregate number and kind of shares of Stock on which Options may be granted hereunder shall be adjusted appropriately;
- (b) The rights under outstanding Options granted hereunder, both as to the number of subject shares and the Option Price, shall be adjusted appropriately; and
- (c) Where dissolution or liquidation of the Company is involved, the Optionee shall have the right, immediately prior to such dissolution or liquidation, to exercise his Option, in whole or in part, to the extent that it shall not have been exercised, subject, however, to the limitations set forth in Article VI hereof.

The foregoing adjustments and the manner of application thereof shall be determined solely by the Committee, and any such adjustment may provide for the elimination of fractional share interests. The adjustments required under this Article shall apply to any successor or successors of the Company and shall be made regardless of the number or type of successive events requiring adjustments hereunder.

ARTICLE VI OPTIONS

6.1 OPTION GRANT AND AGREEMENT. Each Option granted hereunder shall be evidenced by minutes of a meeting or the written consent of the Committee and by a written Stock Option

Agreement dated as of the date of grant and executed by the Company and the Optionee. As to each grant hereunder, the terms of the Option, including the Option's exercise price, shall be stated in the Stock Option Agreement or incorporated therein by reference to the resolution or written consent of the Committee setting the terms of the Option. The terms and conditions of the Option shall be consistent with the Plan.

6.2 OPTION PRICE. The Option Price of the Stock subject to each Option shall be determined by the Committee.

6.3 EXERCISE PERIOD. The period for the exercise of each Option shall be ten years from the date of grant, unless the Option is earlier terminated as may be provided in the Stock Option Agreement.

6.4 OPTION EXERCISE. An Option shall be exercisable in full or in part, subject to the terms of the Stock Option Agreement, prior to expiration or termination of the Option.

An Option may be exercised at any time or from time to time during the term of the Option as to any or all full shares, but not at any time as to less than 50 shares unless the remaining shares subject to the Option are less than 50 shares. The Option Price is to be paid in full in cash upon the exercise of the Option, and the Company shall not be required to deliver certificates for such shares until such payment has been made; provided, however, that in lieu of cash all or any portion of the Option Price may be paid in such other manner as may be acceptable to the Committee prior to delivery of the certificate(s) representing said Stock which may, in the sole discretion of the Committee, include the tendering to the Company shares of Stock duly endorsed for transfer and owned by the Optionee, to be credited against the Option Price at their Fair Value on the date of exercise. The holder of an Option shall not have any of the rights of a stockholder with respect to the shares of Stock subject to the Option until such shares have been issued or transferred to him upon the exercise of his Option.

An Option shall be exercised by written notice of intent to exercise the Option with respect to a specified number of shares of Stock, which notice shall include the agreement to sign and abide by the terms and conditions of all then applicable stockholders' agreements and transfer restrictions and by payment in full to the Company in accordance with the preceding paragraph of the Option Price for the number of shares of Stock with respect to which the Option is then being exercised. The foregoing notice and payment shall be delivered to the Secretary of the Company. In addition to and at the time of payment of the Option Price, the Optionee shall pay to the Company in cash the full amount of any federal and state withholding or other employment taxes applicable to the taxable income of such Optionee resulting from such exercise; provided, however, that in lieu of cash all or any portion of such tax obligations, together with additional taxes not exceeding the actual additional taxes to be owed by the Optionee as a result of such exercise, may, upon the irrevocable election of the Optionee, be paid by tendering to the Company shares of Stock duly endorsed for transfer and owned by the Optionee, or by authorization to the Company to withhold shares of Stock otherwise issuable upon exercise of the

Option, in either case in that number of shares having a Fair Value at the time of exercise equal to the amount of such taxes thereby being paid.

6.5 NONTRANSFERABILITY OF OPTION. No Option shall be transferred by an Optionee otherwise than by will or the laws of descent and distribution. During the lifetime of an Optionee, his Option shall be exercisable only by him (or by his guardian or legal representative, should one be appointed).

ARTICLE VII
STOCK CERTIFICATES

The Company shall not be required to issue or deliver a certificate for shares of Stock purchased upon the exercise of any Option granted hereunder or any portion thereof, prior to fulfillment of all of the following conditions:

- (a) The execution of all then applicable stockholders' agreements and agreement to all then applicable transfer restrictions;
- (b) The obtaining of any approval or other clearance from any federal or state governmental agency which the Company upon the advice of counsel shall determine to be necessary or advisable; and
- (c) The lapse of such reasonable period of time following the exercise of the Option as may be appropriate for reasons of administrative convenience.

ARTICLE VIII
TERMINATION, AMENDMENT AND MODIFICATION OF PLAN

The Board may at any time terminate the Plan and may at any time and from time to time and in any respect amend or modify the Plan; provided, however, that if the Plan is approved by the stockholders of the Company, the Board may not thereafter, without further stockholder approval, amend the Plan to:

- (a) Increase the total number of shares of Stock subject to the Plan;
- (b) Materially change or modify the class of employees that may participate in the Plan; or
- (c) Otherwise materially increase the benefits accruing to participants under the Plan.

No termination, amendment or modification of the Plan shall adversely affect any Option previously granted hereunder without the written consent of the Optionee or his guardian, legal representative or legatee.

ARTICLE IX
MISCELLANEOUS

9.1 PLAN BINDING ON SUCCESSORS. The Plan shall be binding upon the successors and assigns of the Company.

9.2 SINGULAR, PLURAL; GENDER. Whenever used herein, nouns in the singular shall include the plural, and the masculine pronoun shall include the feminine gender.

9.3 HEADINGS, ETC., NO PART OF PLAN. Headings of articles and sections hereof are inserted for convenience and reference; they constitute no part of the Plan.

OCWEN FINANCIAL CORPORATION
1996 STOCK PLAN FOR DIRECTORS

SECTION 1. INTRODUCTION

1.1 ESTABLISHMENT. Ocwen Financial Corporation, a Florida corporation (the "Company"), has established the 1996 Stock Plan for Directors (the "Plan") for all Directors of the Company, including Directors who are officers or employees of the Company or its subsidiaries. The Plan provides, among other things, for the payment of the Annual Director's Fee in the form of Restricted Stock and for the payment of the Annual Committee Chair's Fee in the form of Restricted Stock. Unless otherwise provided for herein, the term Company includes Ocwen Financial Corporation and its subsidiaries.

1.2 PURPOSES. The purposes of the Plan are to encourage Directors to own shares of the Company's stock and thereby to align their interests more closely with the interests of the other shareholders of the Company, to encourage the highest level of Director performance and to provide a financial incentive that will help attract and retain the most qualified Directors.

SECTION 2. DEFINITIONS

2.1 DEFINITIONS. The following terms shall have the meanings set forth below:

(a) "ANNUAL COMMITTEE CHAIR'S FEE" means the annual amount established from time to time by the Board as the annual fee to be paid to Directors for their services as chairs of standing committees of the Board.

(b) "ANNUAL DIRECTOR'S FEE" means the annual amount (which may be prorated for a Director serving less than a full one year term, as in the case of a Director who will be retiring or not standing for reelection at the annual meeting of shareholders or a Director joining the Board after the annual meeting of shareholders) established from time to time by the Board as the annual fee to be paid to Directors for their services as directors.

(c) "ATTENDANCE PERCENTAGE" for a Director with respect to a particular Grant Year means the percentage of the aggregate of all meetings of the Board and committees of which the Director was a member held during the Grant Year (or, for Directors who are elected after the beginning of the Grant Year, Directors who retire at the next annual meeting of shareholders, Directors who do not stand for reelection at the next annual meeting of shareholders or Directors who die during the Grant Year, the aggregate of all such meetings held for the portion of the Grant Year during which the Director served as a director), which were attended by the Director.

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In the event that a Director ceases to be a director at any time during the Grant Year for any reason other than retirement at the annual meeting of shareholders, not standing for reelection at the annual meeting of shareholders, or death, all meetings held during the Grant Year of the Board and committees of which he was a member at the time of termination of service will continue to be included as meetings when calculating the Attendance Percentage.

(d) "BOARD" means the Board of Directors of the Company.

(e) "CAUSE" means any act of (a) fraud or intentional misrepresentation or (b) embezzlement, misappropriation or conversion of assets or opportunities of the Company or any of its direct or indirect majority-owned subsidiaries.

(f) "CHANGE IN CONTROL" shall have the meaning assigned to it in Section 6.2 hereof.

(g) "COMMITTEE" means the Compensation Committee of the Board or any successor established by the Board.

(h) "DIRECTOR" means a member of the Board, including a member who is

an officer or an employee of the Company.

(i) "EXCHANGE ACT" means the Securities Exchange Act of 1934, as amended from time to time.

(j) "EXISTING PRINCIPAL STOCKHOLDERS" means, individually or collectively, William C. Erbey, Barry N. Wish and Harold D. Price and their respective estates, spouses, heirs, ancestors, lineal descendants, legatees and legal representatives of any of the foregoing, the trustee of any bona fide trust of which one or more of the foregoing are the trustees or the majority beneficiaries, and any entity of which any of the foregoing, individually or collectively, beneficially owns more than fifty percent (50%) of the voting securities thereof.

(k) "FAIR MARKET VALUE" means (i) if the Stock is listed or admitted to trading on any securities exchange or national market system in the United States, the average of the high and low sales prices on such day on the principal securities exchange or national market system in the United States on which the Stock is traded, (ii) if the Stock is not then listed or admitted to trading on any such day, or if no sale takes place on such day, the average of the closing bid and asked prices in the United States on such day, as reported by a reputable quotation source designated by the Committee, and (iii) if the Stock is not then listed or admitted to trading on any such securities exchange or national market system and no such reported sale price or bid and asked prices are available, the average of the reported high bid and low asked prices in the United States on such day, as reported in THE WALL STREET JOURNAL (Eastern edition) or other newspaper designated by the Committee.

(l) "GRANT DATE" means the date of grant pursuant to Section 5.1.

(m) "GRANT YEAR" means, as to a particular award, the 12 full calendar months following the date on which the award was granted.

(n) "INTERNAL REVENUE CODE" means the Internal Revenue Code of 1986, as amended from time to time.

(o) "RESTRICTED STOCK" means shares of Stock awarded to a Director pursuant to Section 5 and subject to certain restrictions in accordance with the Plan.

(p) "RESTRICTED STOCK AWARD" means an award of shares of Restricted Stock granted to a Director pursuant to Section 5 of the Plan.

(q) "STOCK" means the common stock, \$0.01 par value, of the Company.

2.2 GENDER AND NUMBER. Except when otherwise indicated by the context, the masculine gender shall also include the feminine gender, and the definition of any term herein in the singular shall also include the plural.

SECTION 3. PLAN ADMINISTRATION

(a) The Plan shall be administered by the Committee. The members of the Committee shall be members of the Board appointed by the Board, and any vacancy on the Committee shall be filled by the Board.

The Committee shall keep minutes of its meetings and of any action taken by it without a meeting. A majority of the Committee shall constitute a quorum, and the acts of a majority of the members present at any meeting at which a quorum is present shall be the acts of the Committee. Any action that may be taken at a meeting of the Committee may be taken without a meeting if a consent or consents in writing setting forth the action so taken shall be signed by all of the members of the Committee. The Committee shall make appropriate reports to the Board concerning the operations of the Plan.

(b) Subject to the limitations of the Plan, the Committee shall have the sole and complete authority: (i) to impose such limitations, restrictions and conditions upon such awards as it shall deem appropriate; (ii) to interpret the Plan and to adopt, amend and rescind administrative guidelines and other rules and regulations relating to the Plan; and (iii) to make all other determinations and to take all other actions necessary or advisable for the implementation and administration of the Plan. Notwithstanding the foregoing, the Committee shall have no authority, discretion or power to select the Directors who will receive awards pursuant to the Plan, determine the awards to be granted pursuant to the Plan, the number of shares of Stock to be issued thereunder or the price thereof or the time at which such awards are to be granted, establish the duration and nature of awards or alter any other terms or conditions specified in the Plan, except in the sense of administering the Plan subject to the provisions of the Plan. The Committee's determinations on matters within its authority shall be conclusive and binding upon the Company and all other persons. The Plan shall be interpreted and implemented in a manner so that Directors will not fail, by reason of the Plan or its implementation, to be "disinterested persons" within the meaning of Rule 16b-3 under Section 16 of the Exchange Act, as such rule may be amended, or any successor rule.

(c) Notwithstanding anything to the contrary contained in the Plan, the Plan also may be administered by the Board until such time as the Stock is registered under the Exchange Act, following which time the Plan also may be administered by the Board only to the extent permitted by Rule 16b-3 of the Exchange Act, as such rule may be amended, or any successor rule. In the event of such administration by the Board, all references to the Committee in the Plan shall be deemed to refer to the Board.

(d) The Company shall be the sponsor of the Plan. All expenses associated with the Plan shall be borne by the Company.

SECTION 4. STOCK SUBJECT TO THE PLAN

4.1 NUMBER OF SHARES. 500,000 shares of Stock are authorized for issuance under the Plan in accordance with the provisions of the Plan, subject to adjustment and substitution as set forth in this Section 4. This authorization may be increased from time to time by approval of the Board and, if such approval is required, by the shareholders of the Company. The Company shall at all times during the term of the Plan retain as authorized and unissued Stock at least the number of shares from time to time required under the provisions of the Plan, or otherwise assure itself of its ability to perform its obligations hereunder.

4.2 OTHER SHARES OF STOCK. Any shares of Stock that are subject to a Restricted Stock Award and which are forfeited, and any shares of Stock that for any other reason are not issued to a Director, shall automatically become available again for use under the Plan if Rule 16b-3 under the Exchange Act, as such rule may be amended, or any successor rule, and interpretations thereof by the Securities and Exchange Commission or its staff permit such share replenishment.

4.3 ADJUSTMENTS UPON CHANGES IN STOCK. If after adoption of the Plan by the Board there shall be any change in the Stock of the Company, through merger, consolidation, division, share exchange, combination, reorganization, recapitalization, stock dividend, stock split, spinoff, split up, dividend in kind or other change in the corporate structure or distribution to the shareholders, appropriate adjustments may be made by the Committee (or, if the Company is not the surviving corporation in any such transaction, the board of directors of the surviving corporation) in the aggregate number and kind of shares subject to the Plan, and the number and kind of shares which may be issued under the Plan. Appropriate adjustments may also be made by the Committee in the terms of any awards under the Plan to reflect such changes and to modify any other terms of outstanding awards on an equitable basis as the Committee in its discretion determines.

SECTION 5. RESTRICTED STOCK AWARDS.

5.1 GRANTS OF RESTRICTED STOCK AWARDS.

(a) Each Director will receive the value of his Annual Director's Fee in the form of a Restricted Stock Award. Such Restricted Stock shall be granted automatically each year immediately following the annual meeting of shareholders and the organization meeting of the Board related to such annual meeting of shareholders, beginning with the annual meeting of shareholders and related organization meeting held in 1996, to each Director who is elected to the Board. If a person is elected to the Board at any time other than the annual meeting of shareholders, whether by action of the shareholders of the Company or the Board, such person upon becoming a Director shall be granted automatically the value of his or her Annual Director's Fee for that period remaining prior to the next annual meeting of shareholders in the form of a Restricted Stock Award immediately following such person's election to the Board.

(b) Each Director who is the chair of a standing committee of the Board will receive the value of his Annual Committee Chair's Fee in the form of a Restricted Stock Award. Such Restricted Stock shall be granted automatically each year immediately following the annual meeting of shareholders and the organization meeting of the Board related to such annual meeting of shareholders, beginning with the annual meeting of shareholders and related organization meeting held in 1996, to each Director who is elected at such organization meeting to serve as the chair of a standing committee of the Board.

(c) The total number of shares of Stock representing any such Restricted Stock Award will be the number of shares determined by dividing the amount of the Annual Director's Fee or the Annual Committee Chair's Fee, as the case may be, to be paid in the form of a Restricted Stock Award by the Fair Market Value of a share of Stock on the Grant Date, rounded up to the nearest whole share.

(d) Notwithstanding anything to the contrary contained in the Plan, (i) each Director elected at the annual meeting of shareholders held in 1996 shall receive the value of his Annual Director's Fee and each Director who is elected as the chair of a standing committee of the Board at the related organization meeting held in 1996 shall receive the value of his Annual Committee Chair's Fee in the form of a Restricted Stock Award granted automatically on the date on which the Stock is registered under the Exchange Act, and (ii) the Grant Date for each Restricted Stock Award granted under Section 5.1(d)(i) shall for all purposes under the Plan be deemed to be the date of the annual meeting of shareholders held in 1996.

(e) Restricted Stock granted pursuant to Section 5.1 shall be subject to adjustment as provided in Section 4.3.

5.2 TERMS AND CONDITIONS OF RESTRICTED STOCK. Restricted Stock granted under the Plan shall be subject to the following terms and conditions:

(a) RESTRICTION PERIOD. Restricted Stock will be subject to a Restriction Period ("Restriction Period") beginning on the Grant Date and continuing through last day of the Grant Year.

(b) VESTING.

(1) Except as set forth in Section 5.2(b)(3), a Director's right to ownership in shares of Restricted Stock granted to a Director pursuant to Section 5.1(a) will vest on the first day of the month immediately following the expiration of the Restriction Period for such shares (the "Restricted Stock Vesting Date") if the Director has an Attendance Percentage of at least seventy-five percent (75%) for the Grant Year. In the event that a Director has an Attendance Percentage of less than seventy-five percent (75%) for the Grant Year, a number of shares of Restricted Stock equal to the Director's Attendance Percentage for the Grant Year multiplied by the total number of shares of Restricted Stock granted pursuant to Section 5.1(a) during the Grant Year (rounded up to the nearest whole share) will vest on the Restricted Stock Vesting Date and the remaining shares of Restricted Stock granted pursuant to Section 5.1(a) during the Grant Year will be forfeited as of the Restricted Stock Vesting Date.

(2) Except as set forth in Section 5.2(b)(3), a Director's right to ownership in shares of Restricted Stock granted to a committee chair pursuant to Section 5.1(b) will vest on the Restricted Stock Vesting Date.

(3) Notwithstanding anything to the contrary herein, (i) in the event that a director is removed from office for Cause prior to the Restricted Stock Vesting Date, all of such Director's shares of Restricted Stock that have not yet vested will be forfeited immediately as of the time the grantee is so removed from office and the Company will have the right to complete the blank stock power described below with respect to such shares, and (ii) upon the occurrence of a Change in Control, all shares of Restricted Stock that have not yet vested will immediately vest.

(c) ISSUANCE OF SHARES. On the Grant Date, a certificate representing the shares of Restricted Stock will be registered in the Director's name and deposited by the Director, together with a stock power endorsed in blank, with the Company. Subject to the transfer restrictions set forth in Section 5.2(d) and to the last sentence of this Section 5.2(c), the Director as owner of shares of Restricted Stock will have the rights of the holder of such Restricted Stock during the Restriction Period. Following expiration of the Restriction Period, on the Restricted Stock Vesting Date, vested shares of Restricted Stock will be redelivered by the Company to the Director and nonvested shares of Restricted Stock will be forfeited and the Company will have the right to complete the blank stock power with respect to such shares. For shares of Restricted Stock granted prior to the effective date of the Plan as set forth in Section 11, no certificate will be issued, such shares will not be issued and outstanding, and the Director will not have any of the rights of the owner of the shares until such effective date has occurred.

(d) TRANSFER RESTRICTIONS; MANDATORY HOLDING OF STOCK. Except as otherwise provided in Section 5.5 or Section 7, shares of Restricted Stock are not transferable during the Restriction Period. Once the Restriction Period lapses and shares vest, except as otherwise provided in Section 5.5 or Section 7, shares acquired as a Restricted Stock Award must be held by the grantee for a minimum of: (1) three years from the Grant Date, (2) two years from the date the grantee ceases to be a director of the Company, or (3) until the occurrence of a Change in Control, whichever first occurs (the "Restricted Shares Holding Period").

(e) RESTRICTED STOCK AGREEMENT. All Restricted Stock Awards will be confirmed by an agreement, or an amendment thereto, which will be executed on behalf of the Company by the Chief Executive Officer, the President, any Managing Director, any Senior Vice President or any Vice President and the grantee.

(f) GENERAL RESTRICTIONS.

(1) The obligation of the Company to issue shares of Restricted Stock under the Plan shall be subject to the condition that, if at any time the Company shall determine that (a) the listing, registration or qualification of shares of Restricted Stock upon any securities market or exchange or under any state or federal law, or (b) the consent or approval of any government or regulatory body is necessary or desirable, then such Restricted Stock shall not be issued unless such listing, registration, qualification, consent or approval shall have been effected or obtained free from any conditions not acceptable to the Company.

(2) Shares of Stock for use under the provisions of this Section 5 shall not be issued until they have been duly listed, upon official notice of issuance, upon the Nasdaq system and/or such other markets or exchanges, if any, as the Board shall determine, and a registration statement under the Securities Act of 1933 with respect to such shares shall have become, and be, effective.

Subject to the foregoing provisions of this Section 5.2 and the other provisions of the Plan, any shares of Restricted Stock granted under the Plan shall be subject to such restrictions and other terms and conditions, if any, as shall be determined by the Committee, in its discretion, and set forth in the agreement referred to in Section 5.2(e), or an amendment thereto; provided, however, that in no event shall the Committee or the Board have any power or authority which would cause the Directors to cease to be "disinterested persons" or would cause transactions pursuant to the Plan to cease to be exempt from the provisions of Section 16(b) of the Exchange Act pursuant to Rule 16b-3, as such rule may be amended, or any successor rule.

5.3 ANNUAL STATEMENT. A statement will be sent to each Director as to the status of his Restricted Stock at least once each calendar year.

5.4 DESIGNATION OF A BENEFICIARY. A Director may designate a beneficiary to hold shares of Restricted Stock in accordance with the Plan in the event of the Director's death.

5.5 HOLDING PERIOD APPLICABLE TO A DECEASED GRANTEE'S ESTATE. As long as at least six months have elapsed since the Grant Date, a properly designated beneficiary, or a person holding shares of Restricted Stock under a deceased grantee's will or under the applicable laws

of descent or distribution, will not be subject to the Restricted Shares Holding Period with respect to such shares of Restricted Stock.

SECTION 6. CHANGE IN CONTROL

6.1 SETTLEMENT OF COMPENSATION. In the event of a Change in Control of the Company as defined herein, to the extent not already vested, all Stock Option Awards, Restricted Stock Awards and other benefits hereunder shall be vested immediately.

6.2 DEFINITION OF CHANGE IN CONTROL. A Change in Control shall mean the occurrence of one or more of the following events:

(a) there shall be consummated (i) any consolidation or merger of the Company in which the Company is not the continuing or surviving corporation or pursuant to which shares of the Company's Stock would be converted into cash, securities or other property, other than a merger of the Company in which the holders of the Company's Stock immediately prior to the merger have the same proportionate ownership of common stock of the surviving corporation immediately after the merger, or (ii) any sale, lease, exchange or other transfer (in one transaction or a series of related transactions) of all, or substantially all, of the assets of the Company; or

(b) the shareholders of the Company shall approve of any plan or proposal for the liquidation or dissolution of the Company; or

(c)(i) any person (as such term is defined in Section 13(d) of the Exchange Act), corporation or other entity shall purchase any Stock of the Company (or securities convertible into the Company's Stock) for cash, securities or any other consideration pursuant to a tender offer or exchange offer, unless, prior to the making of such purchase of Stock (or securities convertible into Stock), the Board shall determine that the making of such purchase shall not constitute a Change in Control, or (ii) any person (as such term is defined in Section 13(d) of the Exchange Act), corporation or other entity (other than the Existing Principal Stockholders, the Company or any benefit plan sponsored by the Company or any of its subsidiaries) shall become the "beneficial owner" (as such term is defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing forty percent (40%) or more of the combined voting power of the Company's then outstanding securities ordinarily (and apart from any rights accruing under special circumstances) having the right to vote in the election of directors (calculated as provided in Rule 13d-3(d) in the case of rights to acquire any such securities), unless, prior to such person so becoming such beneficial owner, the Board shall determine that such person so becoming such beneficial owner shall not constitute a Change in Control; or

(d) during any period of two consecutive years, individuals who at the beginning of such period constituted the Board, or whose nomination for election by the shareholders of the Company was approved by a vote of a majority of the Directors then still in office who were either Directors at the beginning of such period or whose election or nomination for election was

previously so approved, cease for any reason to constitute a majority of the Directors then in office.

SECTION 7. ASSIGNABILITY

The right to receive payments or distributions hereunder (including any "derivative security" issued pursuant to the Plan, as such term is defined by the rules promulgated under Section 16 of the Exchange Act) and any shares of Restricted Stock granted hereunder during the Restriction Period shall not be transferable or assignable by a director other than by will, by the laws of descent and distribution, to a properly designated beneficiary in the event of death, or pursuant to a domestic relations order as defined by Section 414(p)(1)(B) of the Internal Revenue Code or the rules thereunder that satisfies Section 414(p)(1)(A) of the Internal Revenue Code or the rules thereunder. In addition, Stock acquired as Restricted Stock shall not be transferable prior to the end of the applicable Restricted Shares Holding Period, if any, set forth in Sections 5.2(d) and 5.5, in either case other than by will, by transfer to a properly designated beneficiary in the event of death, by the applicable laws of descent and distribution or pursuant to a domestic relations order as defined by Section 414(p)(1)(B) of the Internal Revenue Code or the rules thereunder that satisfies Section 414(p)(1)(A) of the Internal Revenue Code or the rules thereunder.

SECTION 8. RETENTION; WITHHOLDING OF TAX

8.1 RETENTION. Nothing contained in the Plan or in any Restricted Stock Award granted under the Plan shall interfere with or limit in any way the right of the Company to remove any director from the Board pursuant to the Articles of Incorporation and the Bylaws of the Company, nor confer upon any director any right to continue in the service of the Company.

8.2 WITHHOLDING OF TAX. To the extent required by applicable law and regulation, each director must arrange with the Company for the payment of any federal, state or local income or other tax applicable to any payment or any delivery of Stock hereunder before the Company shall be required to make such payment, issue or, in the case of Restricted Stock, deliver such shares under the Plan.

SECTION 9. PLAN AMENDMENT, MODIFICATION AND TERMINATION

The Board may at any time terminate, and from time to time may amend or modify, the Plan; provided, however, that no amendment or modification may become effective without approval of the amendment or modification by the shareholders if shareholder approval is required to enable the Plan to satisfy any applicable statutory or regulatory requirements and provide further, that, unless otherwise permitted by the rules under Section 16 of the Exchange Act, no amendment or modification shall be made more than once every six months that would change the amount, price, or timing of the Restricted Stock Awards hereunder, other than to

comport with changes in the Internal Revenue Code, the Employee Retirement Income Security Act of 1974, as amended, or the rules promulgated thereunder.

SECTION 10. REQUIREMENTS OF LAW

10.1 FEDERAL SECURITIES LAW REQUIREMENTS. Implementation and interpretations of, and transactions pursuant to, the Plan shall be subject to all conditions required under Rule 16b-3, as such rule may be amended, or any successor rule, to qualify such transactions for any exemption from the provisions of Section 16(b) of the Exchange Act available under that rule, or any successor rule, and to permit the Directors to be "disinterested persons" within the meaning of that rule, or any successor rule, insofar as the Plan or its implementation shall impact such disinterested status.

10.2 GOVERNING LAW. The Plan and all agreements hereunder shall be construed in accordance with and governed by the laws of the State of Florida.

SECTION 11. EFFECTIVE DATE OF AMENDMENT

The Plan shall be effective on the date on which the Stock is registered under the Exchange Act. The Plan shall not preclude the adoption by appropriate means of any other compensation or deferral plan for directors.